



THE ROLE OF TAX INSPECTION AGENT IN FIGHTING THE INFORMAL ECONOMY IN ANGOLA 2020/2024

O PAPEL DO AGENTE DA FISCALIZAÇÃO TRIBUTÁRIA NO COMBATE A ECONOMIA INFORMAL EM ANGOLA 2020/2024

EL PAPEL DEL AGENTE DE INSPECCIÓN TRIBUTARIA EN LA LUCHA CONTRA LA ECONOMÍA INFORMAL EN ANGOLA 2020/2024



<https://doi.org/10.56238/edimpecto2025.040-011>

Alberto da Silva Pascoal¹

ABSTRACT

The informal economy in Angola poses a structural challenge to economic development, tax justice, and public revenue collection between 2020 and 2024. In a context of economic crisis, tax reforms, and state modernization efforts, Tax Inspection Agents have assumed a central role in combating tax evasion and fraud, seeking to expand the tax base. The study begins with the following question: how have tax inspection agents acted in combating the informal economy in Angola (2020-2024), and what are the limits of this action? To answer this question, two hypotheses were raised. The research is justified by the need to strengthen tax administration and promote greater tax equity, balancing rigorous inspection with incentives for formalization. The study was limited to the period 2020-2024. From a theoretical perspective, the work addresses three pillars: tax inspection, the informal economy, and tax policy. The methodology adopted a qualitative, exploratory, and descriptive approach, based on monographic methods and documentary analysis. The analysis of the results revealed that the agent's role has evolved from a predominantly repressive one to a pedagogical approach, combining oversight with awareness campaigns and simplified taxation regimes. There has been an increase in oversight operations, particularly in informal markets, but obstacles such as bureaucracy, cultural resistance to formalization, and operational limitations persist. It can be concluded that, although there have been advances in modernization and the pedagogical role of the agent, the informal economy remains robust, requiring integrated policies that combine fiscal rigor, incentives for formalization, and institutional strengthening of the AGT.

Keywords: Tax Inspection. Informal Economy. Fiscal Policy.

RESUMO

A economia informal em Angola representa um desafio estrutural para o desenvolvimento económico, a justiça fiscal e a arrecadação de receitas públicas entre 2020 e 2024, num contexto de crise económica, reformas tributárias e esforços de modernização do Estado, o Agente da Fiscalização Tributária assumiu papel central no combate à evasão e à fraude fiscal, procurando ampliar a base contributiva. O estudo parte da seguinte problemática:

¹ Professor. Universidade Independente de Angola (Unia). Instituto Alvorecer da Juventude (ISPAJ).
E-mail: alberto.pascoal@unia.ao Orcid:<https://orcid.org/0009-0004-6507-7081>



como os agentes da fiscalização tributária têm actuado no combate à economia informal em Angola (2020-2024) e quais os limites dessa atuação?. Para responder, foram levantadas duas hipóteses a investigação justifica-se pela necessidade de fortalecer a administração tributária e promover maior equidade fiscal, equilibrando fiscalização rigorosa com incentivos à formalização. O estudo delimitou-se ao período 2020-2024, do ponto de vista teórico, o trabalho aborda três pilares: fiscalização tributária, economia informal e a política fiscal a metodologia adotou uma abordagem qualitativa, de caráter exploratório e descritivo, com base em métodos monográficos e análise documental. Na análise de resultados, verificou-se que o papel do agente evoluiu de uma actuação predominantemente repressiva para uma abordagem pedagógica, combinando fiscalização com campanhas de sensibilização e regimes simplificados de tributação. Houve aumento das operações de fiscalização, sobretudo em mercados informais, mas persistem entraves como burocracia, resistência cultural à formalização e limitações operacionais conclui-se que, embora haja avanços na modernização e no papel pedagógico do agente, a economia informal continua robusta, exigindo políticas integradas que combinem rigor fiscal, incentivos à formalização e reforço institucional da AGT.

Palavras-chave: Fiscalização Tributária. Economia Informal. Política Fiscal.

RESUMEN

La economía informal en Angola plantea un desafío estructural para el desarrollo económico, la justicia fiscal y la recaudación de ingresos públicos entre 2020 y 2024. En un contexto de crisis económica, reformas fiscales y esfuerzos de modernización del Estado, los Agentes de Inspección Tributaria han asumido un papel central en la lucha contra la evasión y el fraude fiscal, buscando ampliar la base impositiva. El estudio parte de la siguiente pregunta: ¿cómo han actuado los agentes de inspección fiscal en la lucha contra la economía informal en Angola (2020-2024) y cuáles son los límites de esta acción? Para responder a esta pregunta, se plantearon dos hipótesis. La investigación se justifica por la necesidad de fortalecer la administración tributaria y promover una mayor equidad fiscal, equilibrando una inspección rigurosa con incentivos para la formalización. El estudio se limitó al período 2020-2024. Desde una perspectiva teórica, el trabajo aborda tres pilares: la inspección fiscal, la economía informal y la política fiscal. La metodología adoptó un enfoque cualitativo, exploratorio y descriptivo, basado en métodos monográficos y análisis documental. El análisis de los resultados reveló que el rol del agente ha evolucionado de un enfoque predominantemente represivo a uno pedagógico, combinando la supervisión con campañas de concientización y regímenes tributarios simplificados. Si bien se ha observado un aumento en las operaciones de supervisión, particularmente en los mercados informales, persisten obstáculos como la burocracia, la resistencia cultural a la formalización y las limitaciones operativas. Se puede concluir que, si bien se han registrado avances en la modernización y el rol pedagógico del agente, la economía informal se mantiene robusta, lo que requiere políticas integrales que combinen rigor fiscal, incentivos para la formalización y el fortalecimiento institucional del AGT.

Palabras clave: Inspección Tributaria. Economía Informal. Política Fiscal.



1 INTRODUCTION

The informal economy in Angola represents a structural challenge for economic development and tax justice, with significant impacts on revenue collection and market formalization.

Between 2020 and 2024, in a context marked by economic crises, tax reforms, and efforts to modernize the State, the performance of the Tax Inspection Agent has been fundamental to combat tax evasion and tax fraud and thus expand the taxpayer base.

However, obstacles such as excessive bureaucracy, cultural resistance to formalization and the operational capacity of inspection agencies persist.

This monograph aims to analyze the role of the Tax Inspection Agent in combating the informal economy in Angola, examining its legal attributions, the strategies adopted in the recent period (2020-2024) and the results obtained.

Starting from a legal-tax approach, the study seeks to answer how Angolan tax agents act against informality and what instruments have been used and what are the main successes and limitations of this action.

2 PROBLEM

The problem reveals the need to expand the tax base and the operational and cultural challenges of inspection. Overcoming this impasse will require not only greater efficiency of fiscal agents, but a strategic reformulation that combines rigorous inspection with policies to encourage formalization. Faced with this dilemma, we set out to ask the following starting question.

How have tax inspection agents in Angola acted in the fight against the informal economy between 2020 and 2024, and what are the limits of this action?

Chance

H1: The performance of tax inspection agents in Angola, between 2020 and 2024, has been limited in combating the informal economy due to the lack of resources.

H 2: The performance of tax inspection agents in Angola, between 2020 and 2024, has not been limited in combating the informal economy due to the lack of resources

Justification

The relevance of the topic is justified by the need to strengthen the Angolan tax administration, ensuring greater fiscal equity and sustainability of public revenues, in addition to contributing to the debate on public policies that balance rigorous inspection and incentives for formalization, considering the socioeconomic particularities of the country.



Boundaries

The present study is limited to the period 2020-2024, focusing on the performance of fiscal agents in Angolan urban centers, especially in the fight against informal trade and unregistered MSEs.

Limitations

Some limitations were found, such as the scarcity of disaggregated data on inspections by region and the difficulty of access to information, the generalization of the results is limited by the diversity of the Angolan informal economy, focusing this research on the sectors of commerce and urban services.

Objectives

General Objective

To analyse the role of the Tax Inspection Agent in combating the informal economy in Angola (2020-2024)

Specific Objectives

- Contextualize the legal and conceptual framework of the Tax Inspection Agent's performance.
- Identify the main strategies and instruments used.
- Propose recommendations for more effective action.

3 THEORETICAL FOUNDATION

3.1 TAX INSPECTION

Tax inspection comprises a set of administrative actions aimed at verifying the veracity of tax returns, correct bookkeeping, and the legitimacy of tax deductions and benefits, aiming to ensure that the taxpayer complies with the main obligation: the payment of the tax Matias, J. P. (2018).

According to Eugénio Silva (2021), tax inspection is the set of actions developed by the Tax Administration to verify compliance with tax obligations by taxpayers, ensuring the correct application of the law and fairness in collection.

Tax inspection consists of the set of acts carried out by the competent bodies of the AGT, aiming to verify the legality and regularity of taxpayers' tax obligations, through audits, inspections and other forms of AGT control. (2022).



3.2 INFORMAL ECONOMY

The informal economy in Angola is characterized by unregistered economic activities, outside fiscal control and labor legislation, predominating in sectors such as street trading, informal transport and small artisanal production Cruz, M. A. (2020).

Santos, T. (2019) describes that informality is a structural phenomenon in Angola, resulting from the fragility of institutions, high bureaucracy and economic exclusion. It is not just an individual choice, but a response to the inability of the formal system to absorb labor.

For João, E. (2021) the Angolan informal economy is a parallel system that guarantees subsistence for millions, but which deprives the State of essential revenues. Its persistence is linked to historical factors, such as the civil war, and failures in post-independence public policies.

3.3 TAX POLICY

According to Gaspar, M. C. (2021), fiscal policy in Angola is an essential instrument of the State's economic policy, aimed at collecting public revenues, redistributing income and stimulating economic activity, adjusting to the characteristics of an economy in the process of diversification.

Angolan fiscal policy is the set of measures adopted by the government to collect revenue through taxes and carry out public spending, with a view to macroeconomic stabilization, economic growth and the promotion of social development Francisco, A. (2020).

Carvalho, C. R. (2020) states that Angolan fiscal policy has been predominantly pro-cyclical, heavily dependent on oil revenues, which limits its effectiveness in times of crisis. There is a need for reforms that allow for a broader and more sustainable tax base.

When we analyze the view of several authors, we come to the conclusion that the agent of the tax administration, as the informal agents are properly connected, the need for revenue collection by the state leads them to create policies that encourage formalization.

Informal agents, in turn, need alignment on the part of general administration agents, as ignorance of the legislation in many cases leads to non-compliance and thus fines and interest arise that can aggravate the situation of the informal agent.

4 TAX INSPECTION AGENT IN ANGOLA

The Tax Inspection Agent is the specialized public official of the General Tax Administration (AGT) responsible for the application of tax legislation, ensuring the correct collection of taxes, fees and contributions, as well as the fight against tax evasion and the informal economy.



He acts as a representative of the State in verifying compliance with taxpayers' tax obligations, whether natural or legal persons.

The role of the Tax Inspection Agent in Angola is regulated by several diplomas, including:

4.1 GENERAL TAX LAW

(Law No. 21/20, of 9 July): It is a general law that serves as the basis for all taxes, fees and contributions in Angola.

It determines the rights and duties of both the State (Tax Administration) and taxpayers, replaced the old Law No. 2/14, bringing greater clarity and modernization to the tax system.

Establishing the tax legal relationship between the State and the taxpayer defines the rights, duties, guarantees and responsibilities of taxpayers aims to strengthen the authority of the General Tax Administration (AGT) in collection and inspection and thus promote tax justice, combating evasion and informality.

The law is structured on several principles, including:

- Tax legality – only the law can create, modify or extinguish taxes.
- Equality and ability to contribute – everyone must contribute according to their economic situation.
- Tax justice – taxation must be equitable and proportional.
- Transparency and publicity – tax rules must be clear and accessible.
- Legal certainty – stability and predictability in the relations between tax authorities and taxpayers.

4.2 WHO CAN BE A TAX INSPECTION AGENT?

They are civil servants belonging to the AGT staff, usually have training in Accounting, Law, Economics, Management, or related areas, recruited by public tender and subject to specific technical-professional training in tax matters.

4.2.1 What are its main functions:

- a) Supervision and Control
 - Check that taxpayers comply with tax obligations.
 - Inspect accounting and financial documents.
 - Conduct tax audits and field operations.
- b) Collection and Collection



- Ensure the correct settlement and collection of taxes.
 - Enforce recovery in cases of non-compliance.
- c) Combating Evasion and the Informal Economy
- Identify undeclared business and service activities.
 - Notify informal operators to proceed with tax regularization.
- d) Fiscal Support and Education
- Guide taxpayers on their tax duties.
 - Promote tax citizenship through educational campaigns.

4.3 GENERAL TAX CODE

The General Tax Code is the diploma that regulates the legal-tax relationship in Angola.

Establishes the rules applicable: to the constitution, collection and extinction of taxes; the obligations and rights of the taxpayer;

The powers of the Tax Administration (AGT). According to the CGT, **a tax** is any mandatory pecuniary payment, demanded by the State or by another public entity, without the character of a sanction, with a view to obtaining public revenues.

Types of Taxes:

Taxes – have no direct counterpart (e.g., IRT, VAT, IP).

Fees – paid for the use of a public service (e.g. customs fees).

Special contributions – levied to finance certain sectors (e.g. social security, special funds)

Subjects of Tax Obligation

- **Active Subject:** the State or public entity with competence to collect the tax.
- **Taxable Person (Taxpayer):** natural or legal person obliged to pay the tax.

Within the taxable person, there are:

- **Tax substitute:** withholds and delivers the tax on behalf of another (e.g., employer in the IRT).
- **Jointly and severally liable:** responsible for the payment jointly with the taxpayer

4.4 GENERAL TAX ADMINISTRATION LAW (AGT)

Approved by Law No. 17/10, of 29 July, with subsequent amendments, it defines the creation, mission, organization and functioning of the AGT, which is a State body, endowed



with administrative, financial and patrimonial autonomy, but under the tutelage of the Ministry of Finance.

The mission of the AGT is to execute the tax and customs policy of the State in this way to ensure the efficient collection of public revenues with the purpose of preventing and combating tax evasion, fraud and smuggling in order to promote justice and fiscal citizenship.

Its structure is organized into: Central Bodies; National directorates, technical departments, regional bodies: provincial and municipal delegations and specialized services tax inspection, customs and internal inspection.

The AGT has competences in the areas of:

➤ Taxation

Administer, settle and collect taxes (IRT, VAT, IP, etc.).

Manage fees and contributions.

Ensure the execution of tax legislation.

➤ Surveillance

Investigate, inspect, and audit taxpayers.

Combat fraud and tax evasion.

Control foreign trade and combat smuggling.

➤ Contributor Support

Provide information and technical assistance.

Promote tax education.

Ensure transparency and simplification of processes.

➤ Rights and Duties of AGT Employees

Rights: Continuous training; Legal protection in the exercise of functions; Compensation and incentives.

Duties: Act with probity, impartiality and tax secrecy; Strictly comply with the law and not use the position for personal benefits.

➤ AGT's Strategic Role

Revenue collection: it is the main source of funding for the General State Budget (OGE).

Tax justice: combating unfair competition caused by evasion and informality.

Combating the informal economy: integration of informal operators in the tax system.

Customs policy: regulation of international trade, combating smuggling and customs fraud.



4.5 PUBLIC PROBITY LAW (LAW NO. 3/10 OF 29 MARCH)

Published in 2010, it regulates the ethical and integrity conduct of public office holders and state officials, it aims to prevent and combat corruption, nepotism, abuse of power and illicit enrichment

Internal rules and regulations specific to AGT

Objectives of the Law

- Promote transparency and integrity in the management of public affairs.
- Establish mandatory rules of conduct for all public servants.
- Strengthen citizens' trust in state institutions.

Scope of Application

Applies to:

- Holders of political office (ministers, governors, deputies, etc.).
- Employees and agents of the public administration (including tax and customs inspectors).
- Managers of public companies and companies with state participation.

Fundamental Principles

- Legality – always act in accordance with the law.
- Impartiality – not discriminating against citizens.
- Transparency – decisions and acts must be clear and justified.
- Probity – rejecting personal advantages.
- Accountability – to be responsible for the management of public assets and values.

Duties of Public Servants

- Declare patrimonial assets when assuming functions.
- Comply with and respect the principles of public administration.
- Avoid conflicts of interest.
- Refuse benefits, gifts or undue advantages.
- Treat citizens with respect and equality.

Important Prohibitions

- Nepotism: do not favor family members in competitions or appointments.
- Unlawful accumulation of positions: only in cases authorized by law.
- Illicit enrichment: increase in assets incompatible with declared income.
- Misuse of public property: vehicles, real estate, state funds.
- Active or passive corruption: requesting, accepting or offering undue advantages.

Sanctions

Failure to comply generates:



- Administrative sanctions (warning, suspension, dismissal).
- Civil sanctions (compensation to the State).
- Criminal sanctions (prison sentences for corruption, embezzlement, abuse of power).

Relevance for Tax Inspection Agents

- As managers of public revenue collection, they must act with maximum probity.
- They are forbidden to accept "gasosas", bribes or favors in exchange for tax benefits.
- They must maintain impartiality in inspections, avoiding persecution or favoritism.
- The Law of Probity protects them from external pressures and holds them accountable in case of corruption.

Strategic Role of the Law

- It reinforces the credibility of the AGT and the Public Administration.
- Fight against corruption and the diversion of tax revenues.
- It contributes to a culture of integrity and responsibility in public management.

4.6 INFORMAL ECONOMY IN ANGOLA

The informal economy is defined by the International Labour Organization (ILO, 2015) as the set of economic activities that, although legal *per se*, are not registered or regulated by the State, thus escaping taxation and social protection.

The informal economy in Angola accounts for a significant portion of economic activity, estimated to employ more than 70% of the non-agricultural workforce (World Bank, 2021)

In Angola, this reality is mainly denoted in street vending, that is, (zungueiras) as they are affectionately called, and unregistered micro-enterprises and informal services (e.g., candongueiros transport).

According to Perry (2000, p. 87) "The informal economy is a rational response to the rigidity and lack of opportunities in the formal sector.

The informal economy, in our analysis, can be characterized by economic activities in which they do not suffer tax, and this time they do not contribute to public revenues, but which aims to generate employment for people who do not have the possibility of obtaining employment in the formal market for their survival.

Lopes (2007) identified five (5) stages in the process of evolution of the informal economy in Angola, which are:

- **In the first stage**, before independence, informal activities performed a strictly subsidiary function of the formal sector of the economy. This was restricted to traditional artisanal activities, the provision of services, domestic services, street



vendors, the doorstep, the musseques markets and activities related to the construction of housing for the indigenous populations who lived in its periphery.

- **In the second stage**, the growth process began in the years 1977/78 and, quickly, the informal practices schemes, candonga (smuggling of foodstuffs and other products) spread to the different sectors of activity, in a social context of a centralised and administratively regulated economy.
- **In the third stage**, the dismantling of the centralised economy as part of the process of transition to a market economy (1987 – 1991) made it possible to transition from parallel to informal activities, but did not bring about substantial changes in the fast-growing dynamics of the urban informal sector.
- **In the fourth stage**, between 1992 and 2002, there was a general growth in informal activities, which found fertile ground for progression in the uncertainty of a process of liberalization and transition to the market economy. It is characterised by a series of economic programmes that have never been completed.
- Today we can assume that the **fifth stage** brought different elements because the country experienced moments of the oil boom which led to a greater capacity of families to acquire goods and services in which the formal sector could not provide answers, in this way informality occupied its space since public policies were ineffective.

4.7 CAUSES AND EFFECTS OF THE INFORMAL ECONOMY

Ribeiro & Bugarin (2003) state that understanding the causes that determine the size of the informal market is of significant importance from the point of view of economic policymaking, since in terms of the impact of the instruments implemented by them on the performance of economic activity, the results will always be different with the presence of the informal sector.

Several authors address the causes of the informal economy and its origins in the following sources:

- Economic models not adapted to the socio-cultural reality of the countries;
- Weak capacity to generate employment in the economy;
- Absence of unemployment benefit;
- Extremely onerous formalization process;
- High licensing fees;
- High tax burdens;
- Non-existent/inadequate or overly demanding regulation.



- Barriers to entry for new micro, small and medium-sized enterprises;
- Lack of or deficient access to market information;
- Lack of knowledge/lack of dissemination of information about public services;
- Poor access to information on new technologies and training in the field.
- Bureaucratic and inefficient administration;
- Corruption.
- Poverty;
- Lack of education and/or deficient instruction;

• Rural exodus that has as its fundamental origin the war in the recent past and the present day prove that asymmetries are the causes and finally the existence of enclave economies or enclave financial centers.

Looking at all these elements leads us to believe that the cause of the informal sector is deep and its solutions need models that involve all sectors of the country's economic life.

4.8 CAUSES OF THE INFORMAL ECONOMY

According to Ribeiro and Bugarin (2003), understanding the causes that determine the size of the informal market is of significant importance from the point of view of economic policymaking, since in terms of the impact of the instruments implemented by them on the performance of economic activity, the results will always be different with the presence of the informal sector.

Among the main economic factors that cause the growth of the informal economy, we highlight the following:

Growth in the tax burden (taxes, fees, social contributions and others);

Increased regulation in the official economy, especially in the labor market; social transfers; unemployment and inflation.

With regard to interdisciplinary analysis, the main factors are of a sociological and psychological nature, such as:

Decline in the perception of justice and loyalty to public institutions, the reduction of the morality index, reduction of the index of perception of corruption, this point shows that the growing scandals on the part of the AGT greatly influence the ability to remain informal.

Although sociological and psychological factors have an importance in this process, since in line with economic factors they act together and tend to reduce the opportunity cost of individuals to act in informality, it will focus in particular on the causal factors of the economic environment.



4.9 EFFECTS OF THE INFORMAL ECONOMY

Schneider & Enste (2000) The informal economy generates significant fiscal losses and limits sustainable growth.

One of the effects listed by this author is extremely important because the economy of any nation only prospers when the fiscal culture is predominant, another very important factor is the protection of workers because informality leaves people in situations of risk, as for social providence, also bringing with it unfair competition as the author Chingundo addresses, M. (2019). Informal economy and taxation in Angola: dilemmas and perspectives.

Despite these effects, we assume in our investigative work that the segment focused on the informal economy has found in this activity the guarantee of the livelihood of families, generating significant revenues for them, as Fernandes (2020) addresses in his work the informal economy and the labor market in Angola.

4.10 FISCAL POLICY

Throughout 2020–2024, Angolan fiscal policy adopted reforms aimed at broadening the tax base and simplifying the system (2020 tax reforms), thus creating consolidation and adjustment measures, these adjustments were motivated by external shocks (pandemic, oil price volatility) and by the need to manage the heavy external debt (negotiations with creditors). Multilateral institutions such as the IMF followed up with recommendations for consolidation, debt management and strengthening non-oil revenue.

Tax reforms have had several stages and we have to highlight the following:

Tax reform and legislation: Important legislative measures came into force in 2020, including amendments to the General Tax Code (Law No. 21/20, 2020) and a new framework on property taxes (Law No. 20/20 / IMT/UPT Code) — with the stated aim of modernizing rules, broadening the tax base and clarifying collection procedures. These measures were presented as part of a package to improve the efficiency of the tax administration.

Real Estate Transfer Tax (IMT)

- Tax levied on the onerous transfer of property rights or equivalent figures (e.g., purchase and sale of real estate, exchanges).
- Objective: to tax formal real estate transactions, combat evasion and bring more transparency to the market.

Single Wealth Tax (IUP/IPU)

- It replaced the old Urban Property Tax (IPU).
- It is levied on the holding of urban properties, evaluated according to taxable patrimonial value criteria.



- It is annual and falls on urban property owners.

In 2021, fiscal consolidation continued, i.e. the 2021 budget assumed deficit reduction targets (primary/nominal targets), supported by expected increases in non-oil revenues and expenditure control measures. The effort reflected the continuation of the policy initiated in 2020. Practical implementation of tax changes The tax administration (AGT) has initiated operational adaptations to apply new standards and improve the collection of non-oil taxes.

In 2022, there was greater pressure on the non-oil deficit, partly due to subsidy costs (fuel) and higher-than-expected capital expenditure; The IMF signaled a deterioration in the non-oil primary balance and recommended adjustment measures and emphasized the need to strengthen non-oil revenue mobilization, fiscal transparency and better debt management.

In 2023, the authorities tightened fiscal policy in the second half of the year (reduction of capital investment, restraint of purchases) and implemented the first phase of the fuel subsidy *reform*, to reduce the fiscal impact of subsidies and improve the fiscal balance. The adjustment was driven by external shocks and the need to protect debt sustainability. The impact on fiscal balances of the measures led to a relative improvement in the overall *fiscal tightening*, but the non-oil position remained challenging.

In 2024, there were important developments in external debt management, including agreements to temporarily ease payments with Chinese creditors (*China Development Bank*) that freed up cash space (estimated at around US\$150–200 million/month) and helped mitigate debt service pressures. In parallel, the IMF has published assessments (Art. IV / *Post-Financing Assessment*) stressing that fiscal consolidation and reforms remain crucial.

4.11 MAIN OBJECTIVES OF FISCAL POLICY (2020-2024):

- Fiscal Consolidation and Debt Sustainability: Reduce the fiscal deficit, contain public indebtedness and ensure the sustainability of public finances in the medium term, after a period of high indebtedness.
- Increase in Non-Oil Tax Revenue: Broaden the tax base, increase collection efficiency and reduce dependence on oil revenues, making the State Budget more resilient to fluctuations in the price of a barrel.
- Social Protection and Priority Spending: Ensure, in a context of austerity, the protection of critical social spending (health, education) and on essential infrastructure for economic diversification.
- Promotion of Economic Diversification: Use fiscal instruments (exemptions, targeted benefits) to encourage investments in non-oil sectors such as agriculture, tourism and manufacturing.



- Combating the Informal Economy and Capital Flight: Strengthen tax administration to bring more economic agents into formality and increase revenue.

When we look at the main objectives, we can see that the executive's concern is focused on the informal economy as a potential contributor to revenue collection.

Key Instruments and Measures

Tax Reform

Effective implementation of VAT in 2019, with adjustments over the period under review, we can say that it was the most significant measure, aimed at modernizing the consumption system and increasing revenue. Continuous strengthening of the (AGT) through digitalization (Integrated Revenue Management System - SIGR), the expansion of inspection and awareness campaigns.

Grants Policy

Fuel Subsidy Reform: Progressive reduction and *targeting* of subsidies to relieve pressure on public finances, one of the largest expenditures of the State Budget. This was a socially difficult measure, but considered crucial for fiscal consolidation, to save that with the withdrawal of subsidies its notoriety in public finances has not had the desired effect phase the devaluation of the currency.

Public Debt Management

Debt Negotiation and Reprofiting: Continued engagement with bilateral (including China) and multilateral creditors to reprofile and manage debt service, freeing up fiscal space for other priorities.

Spending Policy

Selective Austerity: Maintaining a restrictive stance in relation to the state's operating expenditure (wages, goods and services), while trying to protect productive public investment.

5 METHODOLOGY

The elaboration of this research followed a methodological approach on qualitative research, to ensure a comprehensive and reasoned analysis.

The methodological structure is divided into the following stages:

5.1 DEFINITION OF THE TYPE OF SEARCH:

Exploratory and Descriptive Research: Initially, the research will be exploratory to provide a more in-depth familiarization with the problem, given the complexity and relative scarcity of specific literature on the period under review. In a second moment, it will assume



a descriptive character, seeking to describe the characteristics of the phenomenon (the informal economy), the functions of the fiscal agent and the combat strategies, without, however, manipulating variables (Gil, 2008).

5.2 PROCEDURE METHODS:

Monographic Method: The study will focus on a specific theme (the fight against informality) within a delimited area (the Angolan tax system and the role of the tax agent), analyzing it in an intensive and detailed way, the main characteristic of the monographic method (Lakatos; Marconi, 2003).

Document Analysis Method will be the main technique of data collection and will involve the critical analysis of legislation, i.e. laws, presidential decrees.

Secondary Sources: Scientific articles, dissertations, books and reports from international organizations (IMF, World Bank) that address the informal economy and tax administration in Angola and similar contexts.

5.3 DATA COLLECTION TECHNIQUES

Bibliographic and Documentary Research: Systematic review of the existing literature to build the theoretical and conceptual basis on informal economics, tax inspection and professional ethics. Sources will be identified through academic databases (Google Scholar, RCAAP), digital libraries and official websites (AGT, MINFIN).

Analysis of Secondary Statistical Data: Collection and processing of quantitative data published by AGT and INE of Angola, such as: Number of inspection agents. Number of inspection operations carried out. Value of tax revenue recovered from the informal sector. Estimates of the weight of the informal economy in GDP (where available).

5.4 DATA ANALYSIS TECHNIQUES

Content Analysis (Qualitative): Applied to legislation, official documents and interview transcripts (if conducted). It will consist of the coding and categorization of the material to identify dominant themes, patterns and discourses about the role of the agent and combat strategies (Bardin, 2011).

5.5 ETHICAL APPROACH

The study is committed to strictly following the ethical principles of academic research. All sources will be properly cited to avoid plagiarism.

Research Limitations:



Access to Primary Data: The main limitation is the potential difficulty in accessing confidential internal data of AGT or conducting interviews with its agents.

Reliability of Statistical Data: Estimates of the informal economy are by nature

Generalizations: The study is a specific case of Angola, so the conclusions may not be directly generalizable to other countries without considering contextual particularities.

6 ANALYSIS OF RESULTS

The analysis of the results, based on the triangulation of legal data, official reports and economic indicators, allowed to identify and critically discuss some main axes that characterize the performance of the tax agent in the period under study.

From Repression to Pedagogy, the analysis of the legislation (General Tax Law, Organic Statute of the AGT) and the Strategic Plans of the AGT reveals a conceptual evolution in the role of the agent.

Traditional functions the agent is legally defined as the executor of the tax authority, Strategic Evolution However, the AGT reports for the period 2020-2024 indicate a growing strategy of educational inspection: the agent is no longer seen only as a tax policeman, but also as a disseminator of tax legislation and a facilitator of adherence to the formal system. Programs such as the Simplified Regime for the informal require the agent to master not only the law, but also communication techniques to convince the taxpayer of the benefits of formalization (AGT, Report 2022). This represents a significant expansion and complexification of its role.

Measurable Effectiveness Analysis of Performance Indicators The quantitative analysis of the data published by AGT offers an ambiguous view of the results,

Increased Surveillance Activity The data show a progressive increase in the number of surveillance operations carried out, especially in informal markets and high-risk sectors. The year 2023, for example, saw a peak in operations, reflecting a post-pandemic effort to recover revenues (AGT, 2023 Report).

Revenue Collected vs. Permanence of the Informal: the tax revenue recovered directly from these operations shows a nominal increase.

However, when contrasted with the persistently high estimates of the weight of the informal economy in GDP (which remains above 40%, according to international methodologies such as those of Schneider; Buehn, 2013), it is concluded that fiscal action, although important, is insufficient to structurally reduce the phenomenon. Supervision acts more on the symptomatology (the non-punctual declaration) than on the root causes (high formalization costs, low banking, legislative complexity).



Despite the increase in operations, reports constantly mention the need to strengthen logistical means and train agents. This suggests a disparity between strategic expectations (educational and intelligent supervision) and operational reality (limited resources, insufficient number of agents for the scale of the challenge).

Resistance and Social Conflict: the mention of cases of resistance to tax action in the reports indicates that the agent operates in a sometimes hostile environment, this poses additional security challenges and requires the agent to have conflict management skills that go beyond his or her traditional technical training.

Complexity of the Legislation: the agent himself has to navigate a tax system in constant change (ex successive Tax Packages). This complexity makes it difficult for him to carry out his pedagogical work, as he himself may have difficulties in explaining the obligations to taxpayers with low tax literacy in a clear and simplified way.

The central discussion that emerges from the analysis is that the inspection agent is burdened with the primary responsibility of combating a macroeconomic and social problem.

The results show that, no matter how much the agent modernizes and adopts a pedagogical posture, its impact is limited if it is not accompanied by structural reforms. The low adherence to formalization is not only due to ignorance of the law or the desire to evade, but also to factors such as; Lack of incentives and high tax burden for formal companies The perception that being formal is expensive discourages adherence.

7 CONCLUSION

It is argued that the role of the agent is crucial, but not sufficient, because he is the executor of a policy that should be more comprehensive. The final effectiveness of the fight against the informal economy depends less on the isolated action of the agent and more on an inter-institutional coordination (e.g. between AGT, the Institute for Business Development, the Ministry of Economy and the informal citizen) that creates an environment conducive to formality, simplifying processes, reducing costs and offering clear benefits. The agent thus becomes the weak link in a chain that needs to be robust and upstream by public policies.

8 SUGGESTIONS

Based on the analysis of the constraints and the results obtained in the period 2020-2024, the following suggestions are proposed. These are directed to the General Tax Administration (AGT) and to the sovereign bodies with competence in matters of economic and fiscal policy, aiming to enhance the effectiveness of the inspection agent's action.



Prioritize the allocation of human resources (agents) for inspection operations aimed at high-risk sectors and taxpayers, identified through data cross-referencing and analytics. This implies investing in analysis software and empowering specialized teams to process information.

Transform the pedagogical action into a formal program of the AGT, with specific goals. This may include the creation of a "Taxpayer Support Task Force", where specialized agents carry out pre-scheduled visits to markets and economic areas to explain obligations, help with filing declarations and demonstrate the benefits of formalization, without immediate punitive character.

To review and deeply simplify the tax regimes for micro and small enterprises (MSEs), such as the Simplified Regime. This may involve the creation of a single tax per turnover bracket, the temporary exemption from social security contributions in the first years of activity.

REFERENCES

- Administração Geral Tributária. (2022). Manual de procedimentos de fiscalização.
- Banco Mundial. (2021). Angola economic update: The long road to recovery. World Bank Group.
- Carvalho, C. R. (2020). Economia de Angola: Diagnóstico e propostas de reforma. Centro de Estudos e Investigação Científica (CEIC), Universidade Católica de Angola.
- Chingundo, M. (2019). Economia informal e tributação em Angola: Dilemas e perspetivas. Universidade Agostinho Neto.
- Cruz, M. A. (2020). A economia informal em Angola: Desafios e perspectivas. Edições Chá de Caxinde.
- Francisco, A. (2020). Sistema fiscal angolano: Estrutura, desafios e perspectivas. Edições CEDS.
- Fernandes, A. C. (2020). A economia informal e o mercado de trabalho em Angola. Revista Angolana de Sociologia, 14(1), 87–102.
- Gaspar, M. C. (2021). Manual de direito tributário angolano. Edição do Autor.
- Matias, J. P. (2018). Direito fiscal angolano. Universidade Católica de Angola.
- Santos, T. (2019). Tributação e informalidade em Luanda. Editora Kuia.
- Silva, E. (2021). Direito tributário angolano. Mayamba Editora.
- Organização Internacional do Trabalho. (2015). Recommendation No. 204 concerning the transition from the informal to the formal economy. OIT.
- Perry, P. J. (s.d.). Informalidade: Fuga e escolha. Centro de Estudos sobre Desenvolvimento Económico.



Schneider, F., & Enste, D. H. (2000). Shadow economies: Size, causes, and consequences. *Journal of Economic Literature*, 38(1), 77–114.