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## POLITICAL AND ECONOMIC CONSEQUENCES OF THE CRISIS IN THE DEMOCRATIC REPUBLIC OF CONGO



Rio de Janeiro

2014





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Scientific Paper presented to Army Command and General Staff College, as a partial requirement to obtain the title of Specialist in International Strategic Studies.

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Approved in November, 21st of 2014.

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#### **ABSTRACT**

The problem of state collapse and social disintegration in contemporary international relations could be adduced to the struggle by states for dominance, hegemony, relevance and survival. The crisis in the DRC was looked at as a country that was found in the cross road for quest for natural resources and superiority of ethnically based conflict in the Great Lake region. This paper makes an attempt to analyze the political and economic consequences in the backdrop of the prominence of history, and the influence of internal and external players responsible for the crisis in DRC. Effort has also been made to provide some relevant prognosis to conflict prevention in DRC and Africa as a whole.

**Key Words:** 1. Crisis. 2. Politics and Economy. 3. Democratic Republic of Congo.

#### **RESUMO**

Os problemas do colapso do estado e da desintegração social nas relações internacionais contemporâneas poderiam ser invocados para a luta pelos estados de dominação, hegemonia, relevância e sobrevivência. A crise na RDC pode ser vista como a de um país que se posicionou no cruzamento entre a busca por recursos naturais e a complexidade dos conflitos de base étnica na região do Grande Lago. Este artigo objetiva analisar as consequências políticas e econômicas no cenário da proeminência da história e da influência de atores internos e externos responsáveis pela crise na RDC. Um esforço também foi feito para proporcionar algum prognóstico relevante para a prevenção de conflitos na RDC e na África como um todo.

**Palavras-Chave**: 1. Crise. 2. Politica e Economia. 3. Republica Democratica do Congo.

#### 1 INTRODUCTION

The problem of state collapse and social disintegration in contemporary international relations could be adduced to the struggle by states for dominance, hegemony, relevance and survival.

A nation state could be seen as a body politic, or society of men united for the purpose of promoting their mutual safety and advantage by their combined strength. <sup>1</sup> Accordingly, a state interact and forestalls the actualization of its existence within the 4 constituent elements; population, territory, government and sovereignty.

The human element; people constitute the population which is a foremost element binding the other 3 constituent elements of a state. No state can be imagined without people, as there must be someone to rule and others to be ruled.

The character and ideology of the people that makeup the human element of a state and its influence on the territory, government and sovereignty could help determine the inherent measure of peace or conflict.

In essence, the measure of disharmony between the incompatible ideas or interest could lead to conflict within a state or extended across its territories.

Conflict in the 21<sup>th</sup> Century could be traced to the dangerous new challenges of the post cold war era. The consequence of countries engaging in the extreme spectrum of conflict using weapons of mass destruction and its devastating effects on human race could be adduced to the new trend in war fighting.

In the context of conflict, 3 other distinct types are now evident apart from the war of attrition. Factional, genocide/ethnic based and regional conflicts now abound in Africa and some part of Asia and the Middle East as a result of the East –West sphere of influence.

Africa has thus embraced a new conflict framework with the 3 elements of warfare coalesced into what could be described as Africans new warfare-Regional Conflict<sup>2</sup>.

Emer de **VATTEL**: **The Law of Nations** (1758). available at <a href="http://www.constitution.org/yattel/yattel">http://www.constitution.org/yattel/yattel</a> pre htm> accessed on 5 Nov 14

<sup>&</sup>lt;a href="http://www.constitution.org/vattel/vattel\_pre.htm"> accessed on 5 Nov 14.</a>
<sup>2</sup> Clare SHORT, Jack STRAW and Geoff HOON. **The Causes of Conflict in Sub –Saharan Africa-Framework Document** – published by **DFID**. (2001, p.8-9) .Available at < <a href="https://www.msu.ac.zw/elearning/material">www.msu.ac.zw/elearning/material</a> . accessed on 6 Nov 14.

In this type of conflict, conventional state forces are frequently engaged in the protection of key installations, or may find themselves engaging in capital intensive, attritional warfare that act as proxies and as a forward line of protection for conventional forces.

These proxy forces are encouraged to be self-sustaining through the exploitation of natural resources. Ethnic conflict has increasingly been sanctioned or exploited to gain support for the continuation of conflicts.<sup>3</sup>

The new geopolitical and economic landscape at the beginning of the 1990s further jeopardizes the peace in Africa.

Conflicts became wide spread due to deliberate marginalization, poor economic order and weaken states. In extreme cases, the fragmentation and proliferation of splinter groups based on ethnic and religious ideologies end up as warring factions.

Somalia, Rwanda, Sierra Leone, Liberia and Darfur are some examples of states that had been victims of a weak post independence political structure. It is on this premise that this paper intends to address the increasing internal conflict in Africa with particular focus on the crisis in the Democratic Republic of Congo (DRC).

The purpose of the paper is to understand the political and economic consequences resulting out of the prominence of history and influence of various internal and external factors that led to the crisis in DRC. The way forward to addressing the crisis would also be proffered accordingly.

The aim of this paper is to discuss the political and economic impact of the crisis in DRC with a view to providing a way forward.

#### 2 HISTORICAL BACKGROUND OF THE CRISIS IN THE DRC

The ongoing crisis in DRC is rooted in its history of predation, corruption and the continuing aftermath of the 1994 genocide in neighboring Rwanda.

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<sup>&</sup>lt;sup>3</sup> Ibid .p10.

Sponsored by Belgium, Congo experienced a brutal colonial history aimed to exploit Congo's vast natural resources through harsh ruling started in 1888 until the independence in 1960. On attainment of independence, the new government faced a national mutiny from the army and threats from a variety of secessionist movements.

As the national unity efforts began to overcome difficult problems, the young nation started to witness another phase of hard times. Concurrently, the Cold War tensions characterized by the United States of America (USA) and the Soviet Union attempts at dragging the local leaders towards their respective power blocs also played negative leverage into Congo's leadership.

The USA and Belgium backed rebels assumed political power, promoting a series of assassinations and coups after the independence that led to a long time dictatorship under Mobutu Sese Seko<sup>4</sup>.

Following the Rwandan genocide in 1994, Mobutu provided shelter and protection not only to the two million Rwandan refugees who had fled to eastern Congo, but also to the Rwandan Hutu Army and militias that took part in the genocide.

Then, it brought about the invasion of Congo in 1996 led by Rwanda and Uganda. In 1997, the Congolese rebel leader Laurent-Désiré Kabila ousted Mobutu and took over the country<sup>5</sup>. The attempts of invasion of DRC by Rwanda and Uganda were thwarted with the assistance from Zimbabwe, Angola, and Namibia.

After a front line was established, the country was effectively cut into two (eastern and western sides) and a ceasefire agreement reached in 1999. A United Nations (UN) peacekeeping force in DRC (MONUC) was consequently established with mandate to monitor the agreement.

After assassination of the President, his son took over the presidency in 2001<sup>6</sup>. All Congolese belligerents, civil society groups and unarmed opposition movements signed an agreement that initiated the withdrawal of Angolan, Zimbabwean, Rwandan, and Ugandan troops.

<sup>&</sup>lt;sup>4</sup> Wikipedia, the free encyclopedia. "**Congo Crisis**". available at <a href="http://en.wikipedia.org/wiki/Congo\_Crisis">http://en.wikipedia.org/wiki/Congo\_Crisis</a>> accessed on 9 Nov 14.

<sup>&</sup>lt;sup>5</sup> Ibid 4.

<sup>&</sup>lt;sup>6</sup> Wikipedia, the free encyclopedia." **Joseph Kabila**". available at <a href="http://en.wikipedia.org/wiki/Joseph\_Kabila">http://en.wikipedia.org/wiki/Joseph\_Kabila</a>> accessed 10 Nov 14.

However, the rebel groups continued to fight. A peace agreement between the Congolese government, the National Congress for the Defense of the People (CNDP) and more than 20 other armed groups effectively collapsed late in 2008.

#### **3 INTERNAL FACTORS TO THE CRISIS**

There have been a number of complex reasons for the conflict in the DRC, including conflicts over basic resources such as water, access and control over rich minerals and other resources as well as various political agendas<sup>7</sup>. The main remote causes are colonialism and the failure of democratic transition in the former Zaire.

#### 3.1 COLONIAL RULE AND AUTHORITARIAN REGIMES

As in many other African countries, colonial rule introduced ethnic discrimination, exclusion and militarism in the Congo.

From the time of Belgian colonial rule, the inhabitants of the region have suffered an unbroken succession of abusive political administrations, military authorities and armed political groups that have looted the region and committed human rights abuses with impunity.

King Leopold II of Belgium accrued vast personal wealth without ever setting foot on the Congolese soil<sup>8</sup>. The Belgian rulers of the then Belgian Congo, from 1905 to 1960 used slave labour to plunder its rubber, ivory and timber.

After independence in 1960, the long presidency of Mobutu Sese Seko made the newly named Zaire notorious for cronyism and corruption.

When President Mobutu came into office in 1965, a sustained period of institutionalized corruption and misappropriation of state resources began. Large proportions of the revenues from state-owned companies, such as the copper and

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Global Issues. "The Democratic Republic of Congo". available at <a href="http://www.globalissues.org/article/87/the-democratic-republic-of-congo">http://www.globalissues.org/article/87/the-democratic-republic-of-congo</a>. accessed on 7 Nov

<sup>&</sup>lt;sup>8</sup> Ibid 7.

cobalt company, Gécamines, went not to the state treasury but straight into the pockets of President Mobutu and his closest allies<sup>9</sup>.

The Kabila regime has undermined the independence of the judicial branch by running an anti-corruption campaign that is politically biased. It has used money and coercion to eliminate challenges to its authority and to fight against the local rebellions that have happened since 2006. Kabila at this time also contemplated amending the Constitution on the pretext of addressing difficulties in implementing decentralization.

Any constitutional amendment aiming at concentrating more power at the level of the presidency or controlling dissenting voices, however, would pose a threat to already weakened mechanisms of checks and balances.

Given its size and its tense internal politics, the DRC is prone to local rebellions fuelled by domestic discontent that can easily get out of control.

#### 3.2 FAILURE OF DEMOCRATIC TRANSITION

The transition to independence of DRC was hasty and ill- conceived. The new order that emerged at independence failed to shake up the colonial system. Instead, it perpetuated "ethnic politics" – a pillar that the colonizers relied upon to divide and rule the indigenous population.

At the centre of the current crisis is the citizenship of the Banyamulenge (Tutsi born Congolese) population. The Belgians originally brought this Rwandese group to the Congo as labourers, and ethnic violence in Rwanda subsequently forced more members of this minority group to enter the Congo as refugees.

Although this group participated in the general election at independence, its Congolese nationality has always been disputed. Its members often clash with indigenous Congolese, mostly in Kivu province. It is this issue that lies at the centre of the second rebellion.

<sup>9</sup> 

<sup>&</sup>quot;The Mining Industry under Mobutu 1965-1997". available at

<sup>&</sup>lt;a href="http://wiki.openoil.net/index.php?title=The\_Mining\_Industry\_under\_Mobutu\_1965-1997">http://wiki.openoil.net/index.php?title=The\_Mining\_Industry\_under\_Mobutu\_1965-1997</a>>. accessed on 10 Nov 14.

Ethnicity will have to be attenuated. Indeed, a government that is only formed or dominated by one ethnic group cannot create a viable environment for peace in a country containing more than 400 ethnic groups.

#### 3.3 EXPLOITATION OF NATURAL RESOURCES

The DRC's rich resources provide easy ways to finance various conflicts and the rebels had long been successful in setting up financial administrative bodies in their controlled areas, especially with regards to trading with Rwanda and Uganda.

There are many resources and minerals etc being exploited, including but not limited to water, diamonds, coltan, cassiterite, tin, copper and timber.

The demand for highly prized tantalum that comes from the refined coltan has had enormous impacts on the crisis in the DRC.

In 1999 and 2000 a sharp increase in the world prices of tantalum occurred, leading to a large increase in coltan production in eastern DRC<sup>10</sup>. A major proportion of that new production involved rebel groups and unscrupulous business people forcing farmers and their families to leave their land, or chasing people off land where coltan was found and forcing them to work in artisanal mines.

The army provided protection and security to the individuals and companies extracting the mineral. The financial benefit from these illicit mining is shared with the army, which in turn encourages the continuous exploitation of the states resources<sup>11</sup>.

As a result, the widespread destruction of agriculture and devastating social effects occurred, which in a number of instances were akin to slavery.

Billy BATWARE, "The Role of Multinationals Corporations in the DRC". available at <a href="http://acuns.org/wp-content/uploads/2012/06/RoleofMultinationalCorporations.pdf">http://acuns.org/wp-content/uploads/2012/06/RoleofMultinationalCorporations.pdf</a>>accessed on 10 Nov 14.

Final report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of DR Congo (S/2003/1027). availbe at http://reliefweb.int/report/democratic-republic-congo/final-report-panel-experts-illegal-exploitation-natural-resources accessed 8 Nov 14.

#### 3.4 WEAKENESS OF THE STATE AND ABSENCE OF RESPONSIVE GOVERNMENT

Important as the external dimension may seem, it does not necessarily determine the DRC's internal political situation. It is the DRC's weak state that offers irresistible opportunities to external powers to undermine its integrity and sovereignty.

In fact, African powers could not have influenced politics in the Congo to the extent that they are in the absence of long-standing, deep-seated, internal causes of conflict. Rwanda and Uganda have a national security interest in the DRC, namely to stop the incursions of armed groups based in the Congo.

However, if the DRC had been a stronger state, these two countries would not have been in a position to invade it twice in one year. Rwanda's ability to export its internal problems to the DRC shows how ineffective the Congolese state has been.

While authoritarian regimes have ensured stability for long periods in some parts of the world, events in Africa in general and the DRC in particular suggest that stability on this continent requires accountable and responsive democratic government.

The institutional form adopted would therefore be a precondition for stability. The dilemma now is how to bring democracy to the DRC and its sustenance.

The challenge would consequently be the building of state, political and civil institutions that could channel citizens' participation in constructive ways and deliver decent, accountable and effective governance.

A strong and committed civil society would be needed, as will strong political parties to accomplish this task.

#### 3.5 THE MILITARY CONTEXT

The internal factors to the crisis in the DRC constitute the continuous conflict between the Congolese security forces and non-state armed groups. Some of these armed groups as contained in Appendix 1 are responsible for most of the serious abuses against civilians in the DRC.

Majority of the rebel groups are operating mainly in the eastern part of DRC and engaged in widespread war crimes, including summary executions, rapes, and forced recruitment of children<sup>12</sup>.

#### **4 EXTERNAL FACTORS TO THE CRISIS**

Determining the actors involved in this plunder and why the war was basically an externally driven agenda with national proxies, are questions that this part attempts to answer. This would be carried out within an overall analysis of the various dimensions of the current DRC crisis.

#### 4.1 EXPOSURE TO EXTERNAL INVASION IN RECENT TIMES

The first war began on 6 Oct 96 as a Rwandan drive to destroy the bases of the genocidal forces made up of the remnants of the army of the ancient regime and the extremist militias in the Hutu refugee camps in Zaire, as DRC was then called.

To pursue and destroy the Hutu forces, Rwanda needed Congolese allies to legitimise its invasion<sup>13</sup>. It found them in Laurent-Désiré Kabila, a retired revolutionary involved in cross-border business ventures, and among the Congolese Tutsi, who were fighting for recognition of their citizenship.

The war helped launch Kabila's successful seven-month march on the Congolese capital Kinshasa to oust the Mobutu regime, and ended with victory on 17 May 97.

Kabila was handpicked by a coalition of African states led by Uganda and Rwanda, and including Angola, Eritrea, Tanzania and Zimbabwe, whom were determined to get rid of Mobutu, who had been playing a destabilising role in central and southern Africa.

<sup>&</sup>lt;sup>12</sup> BBC New. **Failed State: Can DR Congo Recover?** available <a href="http://www.bbc.com/news/world-africa-15775445">http://www.bbc.com/news/world-africa-15775445</a>. accessed on 5 Nov 14.

<sup>&</sup>lt;sup>13</sup> **GEORGES** Nzongola-Ntalaja "**The International Dimensions of the Congo Crisis**" available at <a href="http://projectcongo.org/images/The\_20International\_20Dimensions\_20of\_20the\_20Congo\_20Crisis.pdf">http://projectcongo.org/images/The\_20International\_20Dimensions\_20of\_20the\_20Congo\_20Crisis.pdf</a>. accessed on 10 Nov 14.

The decay and collapse of the state and its armed forces under the weight of corruption of the Mobutu regime exposed this richly endowed country to external invasion, occupation and plunder.

Then, one basic question rises: How else can one explain why a country of continental dimensions could be invaded, occupied and plundered by countries of Lilliputian size such as Rwanda, Uganda and Burundi?

#### 4.1.1 The Second War: War of Resources

As President Kabila sought to assert himself as the supreme leader of a sovereign state, this tutelage by Rwanda and Uganda became more and more cumbersome.

Hence his decision of 28 Jul 98 to send Rwandan and Ugandan troops and advisers home unleashed the invasion of DRC by Rwanda and Uganda five days later, on 2 Aug 98.

However, the attempt was thwarted with the interventions of Angola and Zimbabwe. Having failed to overthrow Kabila and to replace him with a more pliable puppet, Rwanda and Uganda, later joined by Burundi, settled on a de facto partition of their big neighbour to permit unimpeded access to its resources.

Unlike the first war, in which the survival of Rwanda's Patriotic Front (RPF) regime was a major factor, this was a new type of war altogether, a war of resources. This was a war in which there were little engagements between the belligerents, and even allies would fight over turf for the control of resources.

#### 4.1.2 The Major Powers

The two major powers involved in the region are the USA and France. Since both have a strategic interest in rare metals, they would like to see their transnational corporations have access to these resources.

The USA sees its major interest in Africa as fighting transnational threats including Islamic fundamentalism, terrorism, narcotic trafficking, and humanitarian disasters.

As the number one power in central Africa, France has had a major stake in the region's political dynamics. France, along with Belgium, has also played a role in

mobilising European Union(EU) support for the Kinshasa government under Joseph Kabila, who succeeded his father Laurent Kabila as DRC's president following the latter's assassination in January 2001.

The mining corporations the DRC include both the legitimate as well as criminal mining corporations. In spite of the economic ruins of the country and its political turmoil, DRC is still attractive to mining transnationals because of its abundant wealth in minerals and the relatively high mineral content of Congolese copper, cobalt and gold ores, which is among the highest in the world.

They seek to exploit both the new opportunities of the post–Cold War era, such as the push towards privatisation, and also DRC's possession of a large supply of resources, which by and large have been depleted in the developed countries.

As these violations of the country's sovereignty by mining corporations demonstrate, even legitimate businesses engage in improper activities.

The UN panel of experts' report on the illegal exploitation of Congolese resources lists 85 business enterprises that have violated Organisation for the Economic Corporation and Development (OECD) guidelines for multinational corporations.

The other type of transnational actor in DRC is crime networks, including arms merchants, drug traffickers, money launderers and Mafia groups of all kinds.

These groups were identified in the UN panel of experts' report as "unscrupulous business people".

Transnational criminal networks have entered into alliances with states and warlords to profit from the crisis and to plunder Congo's natural resources with impunity.

The trade in coltan, diamonds, gold, timber, coffee and other resources of Congo's soil and forests has enriched individuals all over the world 14.

GEORGES Nzongola-Ntalaja "The International Dimensions of the Congo Crisis" available at <a href="http://worlddialogue.org/print.php?id=319">http://worlddialogue.org/print.php?id=319</a> >accessed on 8 Nov 14.

While detailed information on the criminal networks is difficult to obtain, the proliferation of small arms, and the role of illicit finance in helping to sustain armed conflict in resource-rich areas like north-eastern Congo, are clear manifestations of the active involvement of these networks in fuelling the crisis.

#### **5 POLITICAL CONSEQUENCES OF THE CRISIS IN DRC**

#### **5.1 POLITICAL CONSEQUENCIES**

The crisis in the DRC has greatly created an imbalance in the internal geopolitical setting of the state with impact in the Great Lake Region. Some of these imbalances would be addressed with focus on the finding a lasting solution:

The current crisis in eastern Congo illustrates the historical patterns at the root of this conflict: as long as the Congolese government cannot control its territory, provide basic services or effectively protect its population, and as long as armed groups are able to prosper from illicit trade in natural resources and complex regional alliances, eastern Congo will remain a battlefield and innocent civilians will pay a tragically high cost.

#### 5.2 ABSENCE OF NATIONAL SOVEREIGNTY

DRC is a country under international trusteeship. Important decisions are taken by World Bank technocrats, UN officials and increasingly by international NGOs.

Whatever accountability there is in DRC is directed towards international backers, not the Congolese people.

Congolese authorities have abdicated from the development agenda. Road rehabilitation and bridge building have been delegated to the World Bank and Belgian Technical Cooperation.

The United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) is also obliged to look after the security sector in the DRC.

The World Health Organization and medical NGOs try to deal with the public health challenges.

The United Kingdom is involved in reinforcing governance programmes, while churches provide primary education.

The state could thus be described as an absentee landlord with dependence on the outside partners for governance.

#### 5.3 PREDATORY GOVERNANCE AND POOR POLITICAL LEADERSHIP

Political actors regularly interfere in the administration, customs service, army and control of natural resources to embezzle funds. This, in turn, has perpetuated a system of governance that is largely predatory, with the state living off the citizenry and the country's resources without providing even the most rudimentary social services.

President Joseph Kabila has shown much more interest in regime consolidation than implementing his five-point development agenda which most Congolese considered more as a political slogan than a development initiative.

Poor leadership has been a major problem in the for DRC political landscape. There are few figures on the political landscape with vision, leaders able to bring an end to corrupt government, reduce poverty, solve the country's security problems or improve the well-being of ordinary people.

#### **5.4 POLITICAL STALEMATE**

The aftermath of the crisis in the DRC contributed to the political statement in the election of the November 2011. Veteran Congolese opposition figure Etienne Tshisekedi, the leader of the Union for Democracy and Social Progress (UDPS), remains a kind of enigma.

He participated in the November 2011 election won by President Kabila. He came second, but insisted he was the real winner and had himself sworn in at his residence regarding himself as the real head of state.

Accordingly, the DRC which is about 2/3 the size of Western Europe - is headed for a period of institutional sluggishness and isolation in the West. When Mr Tshisekedi, 79, dies, most observers believe, the UDPS will wither away.

Mr Kabila could then improve his legitimacy by investing some of the country's wealth into improved macroeconomic management and social programmes, even as a benevolent dictator.

The country has its own resources to do so and could rely on continued international aid if human rights and investment conditions are improved. This depends on political will.

Alternatively, he could govern the country as a reclusive and unpopular strongman catering to opportunistic business partners.

Another revision of the constitution, prolonging his mandate or legalizing a third term, is not to be excluded. As the stalemate drags on, Congolese people continue to pay the price.

#### 5.5 INTEREST OF GLOBAL POWERS

The two major powers involved in the region are the USA and France. Since both have a strategic interest in rare metals they cannot remain indifferent as to who holds state power in the various countries of the Great Lakes region.

Congo's financial and technical partners; the so called "international community" do not share a common vision and often implement contradictory programmes.

For instance, Belgium supported the idea of decentralization arguing that it could bring government accountability down to the grassroots level but the World Bank blocked the process. Bank experts have some control of the treasury in Kinshasa but they have absolutely no idea of how resources in the provinces are managed.

The mining transnationals have no respect for diplomatic formulae such as national sovereignty and territorial integrity that may stand in the way of short-term profitability.

They make deals with whoever controls a mineral-rich territory, including warlords and invaders, as they have done in north-eastern Congo with the Alliance for the Democratic Liberation of Congo Zaire (AFDL), Rwanda, the Ugandan warlords, and the rebels of both the Congolese Rally for Democracy (RCD) and the Liberation Movement of Congo (MLC). This may, in turn, continue to affect the economy of DRC to a large extent.

#### 6 ECONOMIC CONSEQUENCES OF THE CRISIS IN DRC

The effects of war in the DRC cut across all levels of the economy with a direct and immediate economic impact as a result of the physical disruption it creates, and denial of access to land, key resources and markets.

Some of the effects of conflict could be tangible while others are less tangible. The impact of the crisis on the DRC domestic and external investment climate are enumerated below.

#### 6.1 IMPACT OF CIVIL WARS

At the time of its independence in 1960, the DRC was the second most industrialized country in Africa after South Africa. It boasted a thriving mining sector and its agriculture sector was relatively productive.

Since then, corruption, war and political instability have been a severe detriment to further economic growth of the country.

Because of civil wars and political crisis, the country's economy became very poor and unstable. It is ranked as one of the low income countries in the world by the UN.

Most of the products are imported from abroad and very expensive for local people. Because of instability the country cannot attract foreign investment<sup>15</sup>.

The crisis in DRC has also negatively impacted on the economic systems, reduces savings even when the levels of these savings are most fragile.

In other words, it has contributed to the diverting of portfolios away from domestic investment, and triggered massive capital flight, distorted foreign aid budgets and has massively diverted government expenditures away from provision of economic services to non-productive and military expenditure.

<sup>&</sup>lt;sup>15</sup> Wikipedia, the Free Encyclopedia , **Economy of the Democratic Republic of the Congo.** available at <(http://en.wikipedia.org/wiki/Economy\_of\_the\_Democratic\_Republic\_of\_the\_Congo) > accessed on 6 Nov 14.

An assessment of the data in Appendix 2 gave clear evidence that a key factor accounting for these sub-regional differences in economic performance was the incidence of war and civil unrest.<sup>16</sup>

#### 6.2 OBSTACLE RIDDEN ECONOMY.

The economy of DRC is ridden with several obstacles in terms of high external debt, rampant corruption and lack of intent on the part of the government.

The high external debt burden (\$13.5 billion) underscores the need for debt relief under the IMF-World Bank's HIPC (heavily indebted poor countries) initiative and the multilateral debt relief initiative.

The Kabila government's budget expenditure plans are very cautious and somewhat vague, a fact government officials attribute to the need for pragmatism to address DRC's large external debt.

In like manners corruption and politicization within the administrative apparatus underscores the state's capacity to collect revenues or use them.

The DRC has one of Africa's weakest collection capacities, with revenues (excluding aid) amounting to just over 10 per cent of GDP.

Hundreds of millions of potential tax dollars are embezzled or lost. The lack of Intent on the part of the government to use the tax collected from the sale of mineral resources constitute to the weakening of the economy.

For instance, the largest cobalt deposits in the world are in Katanga and the province is the second biggest African provider of copper.

While thousands of people walk for days on dusty roads to escape armed groups, other brand-new roads are used to transport millions of dollars' worth of minerals out of the country.

<sup>&</sup>lt;sup>16</sup> GERBIAN KING and VANESSA LAWRENCE. "Africa, a Continent in Crisis: The Economic and Social Implications of Civil War and Unrest Among African Nations".( June, 2005) available at ≤ (Africa, a Continent in Crisis: The Economic and Social Implications of Civil War and Unrest Among African Nations, Gerbian King and Vanessa Lawrence, June, 2005)> accessed 8 Nov 14.

According to Congolese law, the government has to transfer 40% of the taxes paid by companies based in Katanga back to the province, but local human rights organizations say the tax money has had no visible impact<sup>17</sup>.

#### 6.3 POOR BUSINESS PRACTICES

Starting a business in DRC takes 65 days compared to the sub-Saharan African average of 40 days. In neighbouring Rwanda it takes three days. The prestigious Foreign Policy magazine's Failed States Index puts DRC in the critically failed category<sup>18</sup>. Only Somalia, Chad and Sudan (when it included South Sudan) have worse rankings.

The recently released UNDP report on human development indicators put the former Belgian colony at the bottom of the 187 countries it surveyed. This aptly buttress the consequences of the effect of the crisis on it external and internal economic decline.

#### 6.4 POSITIVE ECONOMIC INDICATORS

The DRC economy in resent time is experience some positive growth. Some o these are due to a deviation from the normal corrupt and unprofessional ways of doing business and acceptance of the reforms by foreign financial institutions.

Following a slowdown in 2009 to 2.8% triggered by the global financial crisis, the DRC registered a growth rate of 8.5% in 2013, which was driven by the robust extractive industries and favorable trends in commodity prices<sup>19</sup>.

In 2010, the Government undertook a systematic process to improve economic governance in close collaboration with the World Bank.

MAUD Jullien, BBC Africa. "Katanga: Fighting for DR Congo's Cash Cow to Secede"(11 Aug 13) available at < <a href="http://www.bbc.com/news/world-africa-23422038">http://www.bbc.com/news/world-africa-23422038</a>) accessed 8 Nov 14.

<sup>&</sup>lt;sup>18</sup> Ibid 16.

The World Bank Group. "Democratic Republic of Congo Overview (2014)" available at <(http://www.worldbank.org/en/country/drc/overview> accessed 7 Nov 14.

A governance matrix is now in place and progress is routinely measured on a bimonthly basis. This exercise aims to strengthen governance and transparency in the extractive industries (forestry, mining, and oil sectors) and improve the business climate.

These measures are designed to consolidate the reforms launched under the HIPC Initiative, and restore confidence among private investors and development partners. Over the past two years, significant progress in the implementation of these measures has been observed.

#### 6.4 GROWTH IN PUBLIC INVESTMENTS

Public investments have also helped spur growth in the economy. Inflation, which stood at a staggering 53% in 2009, fell to 1% in 2013 as a result of the implementation of prudent fiscal and monetary policies.

The DRC's medium-term economic outlook still seems positive even though its political and security situation remains fragile.

The economy is expected to grow steadily in the medium term at around 7 to 8%, following increased investment and growth in the extractive industries and owing to the contribution of the civil engineering and service sectors.

Maintaining a restrictive monetary policy and fiscal discipline is critical to containing inflation below the 5% target. World Bank estimates confirm that the authorities' support strategy for investments in large-scale infrastructure could significantly support growth if priority is accorded to high-return projects (transport, electricity).

#### 6.5 ACTIVITIES OF INTERNATIONAL DONORS

Bilateral and multilateral donors have made significant investments in support of DRC's transitional process.

The World Bank has a number of active projects in DRC. The International Monetary Fund (IMF) is requiring the DRC to implement reforms in macroeconomic stability before it will begin a poverty reduction and growth facility program.

The DRC's fiscal policy is primarily focused on increasing domestic revenue and shifting state expenditures toward infrastructure and the social sectors.

The Central Bank of the DRC appears committed to maintaining price stability and tight control of the country's money supply, according to the Economist Intelligence Unit (EIU)<sup>20</sup>.

Although, agriculture is the dominant sector of the economy (accounting for approximately half of gross domestic product (GDP) and employing 75% of the labor force), development and productivity rates are nearly impossible to gauge due to a lack of reliable statistics.

The mining sector is likely to be the country's primary vehicle for growth as foreign direct investment increases. Mining output could also increase the DRC's export earnings and compensate for falling commodity prices in the international market.

#### 6.7 EMERGING CHALLENGES

The current administration presides over an uneasy internal peace and faces difficult economic challenges of stimulating recovery and reducing poverty.

In recent years, China has expanded its trade and economic activities with the DRC. For example, in 2008, China signed a major mining and construction agreement with the DRC government.

The mining agreement is a source of contention in Congo with the limited democratic posture and the insecurity in the eastern border.

The country has the second largest swath of rainforests in the world. With 86 million hectares of area covered by rainforests, the DRC accounts for over half of the total remaining rainforests in the Central Africa region. Congolese forests are a vital resource, both for the Congolese people and the global environment.

About 40 million rural Congolese depend on the forests for their food, income, energy, shelter, medicines and cultural needs.

Ted **DAGNE**, **The Democratic Republic of Congo: Background and Current Developments.** (2011, p.12-13). Available at< http://fpc.state.gov/documents/organization/162754.pdf > accessed 7 Nov 14.

Described as the 'second lung' of the planet for their ability to store carbon dioxide on a global scale, these Congolese forests too have been threatened by widespread poverty and instability in the region. The government has to undertake serious measures to address this issue.

#### 6.8 EXTERNAL AND INTERNAL PRESSURES

There are three levels of pressures that compel DRC succumb to investment policies that are not sensitive to the developmental priorities of their people.

The first is policy lobby mostly carried out by international financial corporation's (IFCs) in particular the World Bank Group and the IMF.

The second is pressure and arm-twisting by home governments of transnational corporations, which often take place at diplomatic levels and international forums in the form of threat of economic measures or promise of economic benefits in order to create space for corporations, and also to protect them from accountability to the people and their economies.

The third level is corporate corrupt and token behavior often in the form of promises, petty donations, and "fool's sympathy" for the national situation.

All these are challenges that could hinder the speedy growth of the fragile democratic and weak geopolitical environment in the DRC.

#### 7 CONCLUSION

The DRC was envisaged to be one of Africa's economic and political powerhouses. It is the second largest nation in sub-Saharan Africa, and home to the third largest population after Nigeria and Ethiopia.

The country has some of Africa's most fertile soil and possesses almost unparalleled hydroelectric potential. The DRC also contains many of Africa's most precious materials and sought-after land.

However, its poverty level, infrastructure deficits, and other development benchmarks are among the worst in the world. It is ranked number 187 on the United Nations Develop Program's Human Development Index.

Instead of peace and prosperity, the DRC have been plagued by decades of mismanagement, corruption, poor governance, and recurring civil strife.

These problems, as the proliferation of foreign armies, rebel groups, ethnic violence, and arms trafficking, and illicit mining, have exacted a horrifying toll on the DRC and its people.

A number of complex reasons have been given for the conflict in the DRC. Essentially, the conflict over the rich minerals in the eastern border and the various political agendas particularly ethnic political dominance within and across of the Great Lake region are others reasons for the conflict.

The root causes of the crisis in DRC and other Africa countries could be traced to the influence of their colonial masters and their inherent interest.

In order to address the crisis in Africa, the international community and in particular the superpower needed to be more sincere in their approach and support to enduring peace.

A way out of this could be the development of a common framework for action on conflict prevention in Africa with a major action point on the need for rapid reaction to conflict situation.

In case of DRC, the humanitarian catastrophe and the consequent effect on the environment went on uncontrolled in eastern Congo. These could be attributed to the

national interest of the super-powers, particularly the dynamics of Franco-American rivalry in the Great Lake region of central Africa.

The covert support by the various national and international corporations and other regimes which have an interest in the DRC contributed to the crisis.

It is of value to therefore make an academic assessment of the likely requirement to addressing the conflict in order to reduce and by effect stop the humanitarian catastrophe in DRC and the region of the Great Lake by extension:

The crises and the consequent humanitarian catastrophe are restricted to eastern Congo. This location is mostly under the control of foreign mineral extractive organization and rebel groups from within the border states.

These rebel groups in a bid to extract minerals to foster their political and continuous activities, they intimidate and consequently force the civilian population out of their living areas.

In addition, it was estimated that over three quarters of the estimated number of killings have taken place there, with approximately 90 % of the DRC's internally displaced population having fled violence from that region.

Consequently, more stringent international legislation needed to be advocated to prevent illicit mining in eastern Congo. A more robust legislation could compel all the countries in the Great Lake region to be parties to the modalities in order to engender acceptance and quick implementation.

The role of the UN which includes amongst other the fostering of global peace was undermined in the context of the crisis in the DRC.

Under the growing escalation of violence in June 2003, a small "rapid reaction force" led by the French (Interim Emergency Multinational Force—IEMF) was deployed to eastern DRC.

However, its mandate was very limited and was withdrawn on 1 Sep 03 to be replaced by 2 larger contingents of MONUC and MONUSCO in sessions.

The failure to find effective solutions to conflict in Africa also damaged the reputation of the UNs despite the fact that Africa now takes up 60% of the Security Council's time

and considerable international resources have been devoted to peacekeeping in Africa.<sup>21</sup>

A way out of this could be for the UNSC to react to crisis ravaged environment by deploying a robust force with the appropriate mandate. The immediate deployment of the robust UN peacekeeping force could help consolidate on the strengthening of the fragile peace that might have been achieved by other stakeholders or the UN.

The armed forces and the other security forces are response for the sustenance of peace and protection of citizen of a sovereign state.

The activities of the armed forces and the militias in the Great Lake region are far from the norm as reflected in their activities and consequences on the civilian population.

The national army and police force of the states in the Great Lake region would need to undergo massive reforms to bring lasting peace to Congo and by extension the region.

Support could be in form of applying pressure or offering incentives to the Congolese government to encourage the professionalization of the Congolese security sector.

The Congolese governments have a major part to play in this reform with the help of the international community by demonstrating commitment to facilitate the reforms.

If the DRC were more politically stable and had an economy that benefited all Congolese, it could become a leading exporter of natural resources, agricultural products, and scientific research that could attract substantial foreign investment.

The country possesses the second largest rainforest in the world, hence a critical partner in any global effort to combat climate change, conserve and protection of our biodiversity.

There is therefore an absolute need to identify a comprehensive approach in such a manner so as to address security, political, humanitarian and development challenges simultaneously.

Clearly this has to be a national effort of the Congolese government and its people. It would require the entire people of Congo to rise up to the challenges with a

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<sup>&</sup>lt;sup>21</sup> Ibid 2 p13.

sophisticated and internationally backed formulae aiming towards achievement of a stable future for the country with a more focused and holistic approach.

The international community and the people of Congo would need to rise up and respect each other and speak with one voice to build a nation that would be respected globally.

Col Comm ADEWALE COLLINS ADETOBA
Col Inf PRADEEP SINGH <b>CHHONKAR</b>
Col Inf RENATO JOSE: TOSETTO
Col Inf FERNANDO CIVOLANI LOPES

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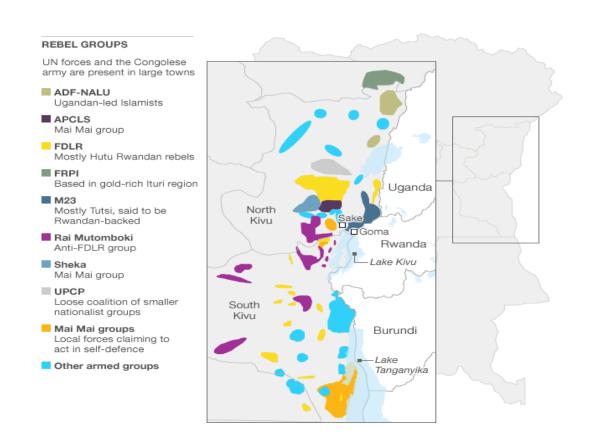
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#### APPENDIX 1. ARMED GROUPS AT THE EATERN CONGO BORDERS



Source: BBC News. Failed State: Can DR Congo Recover? available at <a href="http://www.bbc.com/news/world-africa-15775445">http://www.bbc.com/news/world-africa-15775445</a> accessed 5 Nov 1

## APPENDIX 2. BASIC INDICATORS OF GROWTH AND DEVELOPMENT AMONG AFRICAN NATIONS

Basic Indicators

		_	GNI per capita		Life expectancy					
			Av. annual							Tota
	Population	Land area (thousands of square km.)	Atlas dollars 2002	per centage growth 1990-02	at birth (years) 2002	Gross school enrollment				net ODA
	mid-2002 (millions)					Primary		Secondary		per capita
						1980	1995-00	1980	1995-00	200
UB-SAHARAN AFRICA	689.3	23,626	451	0.02	46	80	87	15	26	2
excluding South Africa	643.9	22,405	307	0.5	46	80	72	15	21	2
excl. S.Africa & Nigeria	511.1	21,494	309	0.5	46	72	85	14	22	3
Angola	13.1	1,247	670	-5.4	47	175	74	21	15	3
Benin Botswana	6.6 1.7	111 567	380 3,010	2.1 1.8	53 38	67 91	95 108	16 19	22 82	2
Burkina Faso	11.8	274	250	1.5	43	17	44	3	10	4
Burundi	7.1	26	100	-3.7	42	26	65	3	7	2
Cameroon	15.8	465	550	-1.0	48	98	108	18	20	
Cape Verde	0.5	403	1,250	3.0	69	114	139	8	69	20
Central African Republic	3.8	623	250	-0.5	42	71	75	14	10	1
Chad	8.3	1,259	220	-0.8	48		73		11	2
Comoros	0.6	2	390	-1.3	61	86	86	22	21	5
Congo, Dem. Rep. of	51.6	2,267	90	-7.3	45	92	47	24	18	1
Congo, Rep. of	3.7	342	720	-3.4	52	141	97	74	52	11
Côte d'Ivoire	16.5	318	610	5.7	48	75	81	19	22	6
Djibouti	0.7	23	900	0.0	44	37	40	12	15	11
Equatorial Guinea	0.5	28			52		120		31	4
Eritrea	4.3	101	180	0.3	51		57		28	5
Ethiopia	67.2	1,000	100	1.8	42	37	64	9	5	1
Gabon	1.3	258	3,120	-0.6	53		144		54	5
Gambia, The	1.4	10	270	0.2	53	53	82	11	27	4
Ghana	20.3	228	270	1.7	55	79	80	41	37	3
Guinea	7.7	246	410	2.0	46	36	67	17	14	3
Guinea-Bissau	1.4	28	150	-2.2	45	68	83 94	6	20	4
Kenya	31.3	569	360 470	-0.1 -0.5	46 43	115 103		20 18	30 28	1
Lesotho Liberia	1.8 3.3	30 96	140	-0.5 0.0	43 47	48	115 118	22	28 23	4
	16.4	582	230	-0.7	55	130	103		14	2
Madagascar Malawi	10.7	94	160	0.9	38	60	137	 5	45	3
Mali	11.4	1,220	240	1.3	41	26	61	8	15	4
Mauritania	2.8	1,025	280	2.0	51	37	83	11	18	12
Mauritius	1.2	2	3,900	4.1	73	93	109	50	107	2
Mozambique	18.4	784	210	4.2	41	99	92	5	14	11
Namibia	2.0	823	1,960	2.0	42		112		60	6
Niger	11.4	1,267	170	-1.0	46	25	35	5	7	2
Nigeria	132.8	911	300	0.3	45	109	82	18	30	
Rwanda	8.2	25	210	-0.3	40	63	119	3	12	4
São Tomé and Principe	0.2	1	290	-0.3	66					16
Senegal	9.8	193	460	1.3	52	46	75	11	20	4
Seychelles	0.1	0.5	7,050	1.9	73					9
Sierra Leone	5.2	72	140	-5.2	37	52	93	14	24	6
Somalia	9.3	627		0.0	47	21	10	9	6	2
South Africa	45.3	1,221	2,600	-0.1	46	90	111		90	1
Sudan	32.8	2,376	380	0.3	53	50	55	16	29	1
Swaziland	1.1	17	1,240	0.3	44	103	125	38	60	2
Tanzania T	35.2 4.8	884 54	290 270	1.0 -0.9	43 50	93 118	77 124	3 33	5 36	3
Togo Uganda	4.8 24.6	54 197	270 240	-0.9 3.7	50 43	118 50	124	33 5	13	2
Uganda Zambia	10.2	743		-0.8	43 37	90	78	16	25	6
Zambia Zimbabwe	13.0	387		-0.8 -0.8	39	85	95	8	45	1
ORTH AFRICA	142.6	5,738	1,644	1.6	70	84	103	41	69	2
Algeria	31.3	2,382	1,720	0.1	70	94	112	33	67	1
Aigeria Egypt, Arab Rep.	31.3 66.4	2,382 995	1,720	2.7	71 69	73	100	50	67 84	1
Egypt, Arao Kep. Libya	5.4	1,760	1,470	0.0	72	125	116	76	79	
Могоссо	29.6	446	1,170	1.0	68	83	94	26	39	2
Tunisia	9.8	155	1,990	3.3	73	102	117	27	75	2
ALL AFRICA	831.8	29,364	650	0.5	50	81	91	20	33	2

Source: GERBIAN King and VANESSA Lawrence. Africa, a Continent in Crisis: The Economic and Social Implications of Civil War and Unrest Among African Nations.( June, 2005) available at < (Africa, a Continent in Crisis: The Economic and Social Implications of Civil War and Unrest Among African Nations, Gerbian King and Vanessa Lawrence, June, 2005)> accessed 8 Nov 14.