

At The Mercy of Nature's Riches

Hannah Attar
University of San Francisco
22 May 2023

Abstract

The Democratic Republic of Congo (D.R.C.) is a nation of stark contrasts: it possesses natural wealth estimated at \$24 trillion, including 70% of the world's cobalt reserves and other vital resources, yet remains one of the poorest countries in the world, with nearly three-quarters of its population living on less than two dollars a day. This paper explores the historical, political, and systemic factors contributing to the D.R.C.'s underdevelopment, including corruption, conflict, and inadequate infrastructure. It highlights potential strategies to transform the nation's "resource curse" into an engine for sustainable growth, focusing on resource-backed financing, targeted infrastructure investment, and the promotion of gender-inclusive leadership to address corruption and harness the benefits of its extraordinary diversity. By leveraging its immense natural and human potential, the D.R.C. has the opportunity to transition from entrenched poverty and instability to a global leader in sustainable development, uplifting its citizens while contributing to a greener and more equitable future for all.

Keywords

Economic Development
Sustainable development

JEL Classification Numbers

O13: Economic Development, Natural Resources, Energy, Environment, & Other Primary Products

Q01: Sustainable Development

1 Introduction

The Democratic Republic of Congo has an outstandingly peculiar historical, political, and geographical background, making it a goldmine for economic study and discovery. The D.R.C is paradoxical in essence, endowed with some of the most exceptional natural resources on Earth, but plagued with political conflict and social unrest that prevents it from developing into an economic powerhouse. Currently among the five poorest nations in the world, nearly three quarters of Congo's population live on less than two dollars a day. At the same time however, the D.R.C is the largest country in Sub-Saharan Africa and is considered the wealthiest country in the world in natural resources. It boasts vital minerals including cobalt and copper, hydropower potential, arable land, immense biodiversity, and the world's second-largest rainforest; all accumulating to an estimated value of 24 trillion dollars. An exploration of the D.R.C's unique position in every nations' plight for political, social, and monetary power, will clarify the ways in which Congo is prevented from maximizing its full economic potential, while also establishing a sensible plan to enable its robust development and finally, answering; *How can Congo reform its oppressive fortunes into becoming its liberation?*

2 Geography & Demographics

With 905,600 square miles of land area, the D.R.C. is about the size of Western Europe and secures itself as the 11th largest nation in the world. Its lands are home to forests that cover 55% of its area and more than 100 million people surviving off a GDP per capita of 586.5 dollars a year. As of 2020, the D.R.C. 's Human Capital index is 0.37 (the SSA average being 0.4) and ranks 164 out of 174 countries; a reflection of decades of conflict and fragility. Mostly contributing to such a low score are poor child survival rates under age five, high child stunting (42% of children below 5), malnutrition, and low quality of education. The average fertility rate is 6.21 births per woman, also increasing the number of stunted children by 1.5 million in recent years. Congo's population also features an incredibly diverse array of indigenous people who have, "faced a range of challenges, including forced displacement from their ancestral lands, discrimination, and lack of access to basic services such as healthcare and education" (World Bank).

3 History & Political Climate

The Democratic Republic of Congo was populated nearly 10,000 years ago, but it wasn't until 1885 that the area became officially colonized as a personal possession of Belgian King Leopold II. In 1907, administration shifted to the Belgian Government, however a series of riots and conflict led to Congo being granted its independence in 1960. Following its independence from Belgium, Congo established diplomatic relations with the United States.

Joseph Kasavubu was elected president, but in 1965, Mobutu seized control of the country, centralized power into his own hand, and declared himself president for the next 5 years. During the 1980s, Mobutu continued to enforce his one-party system of rule. His leadership faced international criticism and dealt with opposition parties, most notably the 'Union pour la Democratie et le Progres Social'. International criticism heightened throughout the 80s and early

90s as Mobutu faced domestic protests, criticisms regarding his human rights practices, and a faltering economy. So, in 1990 Mobutu relinquished his system of rule to the more desired multi-party system that encompassed elections and a constitution. In 1992, after multiple protests and looting attempts, the Sovereign National Conference occurred featuring over 2,000 representatives and gave itself a legislative mandate. By the end of the year however, Mobutu created a rival government. Even though presidential and legislative elections were scheduled to occur every 2 years, they never would take place.

3.1 War

From 1997 till 2003, Congo acted as the battleground for the African War. Kabila made himself president and consolidated power around himself. During the war, nine African countries fought over the D.R.C's resources, resulting in the deaths of nearly five million Congolese. In 2000, the diamond industry launched discussion with campaign groups in Kimberley, South Africa, to find a solution to stop the trade in conflict diamonds. The UN also established a panel of experts to investigate reports of the illegal exploitation of Congo's mineral wealth and its link with the ongoing conflict.

3.2 UN Intervention

In 2001, the UN's peacekeeping mission swept the country and published reports elaborating that the Congo war evolved into a conflict for control over its minerals and that the withdrawal of foreign troops wouldn't ease the conflict revolving Congo's mineral wealth since well-established criminal networks were the cause behind exploitation. The UN's panel listed 85 international companies that violated international business norms in Congo. In 2003, the UN's Security Council finally backed MONUC's mandate to allow the use of force to protect civilians who were at risk, while also authorizing an increase in peacekeeping troops to 10,800. A final report by the UN concluded that the plunder of Congo's mineral wealth is highly likely to continue causing conflict and immense human suffering if national and international measures to prevent it are not issued.

3.3 Transition

2003 also marked the beginning of the D.R.C. 's transitional period. Joseph Kabila was sworn in as interim president and a transitional government took office. Unfortunately, Congo continued facing conflict and human rights issues including criminal acts, protests and coups, and a significant climbing death toll derived from malnutrition and lack of medicine. So in 2005, the government appointed warlords with brutal records of human rights abuses to be army generals which outraged human rights groups and resulted in the 2005 election being delayed and the UN Security Council authorizing over 17,000 peacekeepers which, at the time, was the largest UN peacekeeping mission in the world.

Elections, postponed till 2006, featured Congo's first multiparty elections in over 40 years with 33 presidential candidates competing for the job. Joseph Kabila was the favorite to win, but

he failed to gain a majority vote and a run-off was scheduled between Kabila and his main rival, Vice-President Jean-Pierre Bemba. In November, election results announced Kabila as the victor and soon after, Bemba was elected a senator, vowing to lead a democratic opposition to Kabila.

In 2007 in his first press release, Bemba criticized Kabila for corruption and for attempting to kill him. Bemba's 400 remaining security guards refused to join the Congolese army, forcing the Kabila camp to launch military operations. Bemba fled to the South African embassy as soldiers destroyed his party's headquarters, arrested, and tortured hundreds of suspected Bemba supporters, resulting in approximately 150 executions.

In 62 years of independence, the D.C.R. only recently experienced its first peaceful transition of power in 2019. Felix Tshilombo won the 2018 election in December and succeeded Joseph Kabila after 18 years of leadership. Although there are indications for a new social contract investing in education, health, and reform, fighting between the army and armed forces continues to force thousands of citizens to flee their homes. Fortunately, the country seems to be headed in the right direction for political stability and generating hope for citizens to someday benefit from the fruits of Congo's lands.

4 Natural Resources

Congo's lands are home to 70% of the world's cobalt, totaling an estimated 3.5 million metric tons of reserves critical to battery-making, the electrification of transport and energy, solar panels, and wind turbines. This makes the D.R.C. invaluable for the decarbonization transition and displays the potential to end the world's universal dependency on fossil fuels. Congo's incredible biodiversity and immense land mass also produce timber, oil, gas, gold, diamonds, and the list continues. Corey Pattison from the UNEP explains, "the territory of the DRC is rich in natural resources...[and] is one of the most biodiverse areas in the world.". Congo's forests alone are estimated to generate hundreds of billions of dollars from stored carbon and renewable resources. All this potential wealth and the Democratic Republic of Congo lives at the mercy of its invaluable natural resources; which has cursed the Colognese people into extreme poverty for decades.

5 Obstacles Preventing Development

The D.R.C most significantly is burdened down by immense political conflict and violence. Historically, Congo has endured governmental instability, crime, human rights violations, war and millions of civilian deaths. The nation also lacks sufficient infrastructure; not only to provide its citizens with basic necessities, but also to enable development and the potential for future prosperity. Political conflict and a lack of infrastructure are the main obstacles impeding Congo from taking advantage of its natural fortunes and although political corruption remains exceedingly difficult to combat, infrastructure simply requires investment. In developing countries, infrastructure is largely dependent on the government instead of the private sector. In Africa, only 10% of infrastructure derives from independent contracts, although this results in more political corruption, creating a cyclical problem.

6.1 Development Framework: Financing

Sticking with the governmental sector, and momentarily taking corruption out of consideration, the D.R.C. may be able to gain funding in order to build infrastructure by taking out a loan from another country and using their natural resources as collateral. Because the D.R.C. is a high-risk borrower, they should market themselves as a potential country of climate solutions. This way, alongside the monetary profit a lender would gain from issuing a loan, the D.R.C. can offer added incentives to lenders by marketing the hope of a green transition for the country that decides to take on the extra risk. According to Albert Zeufack, the World Bank Country Director; “DRC could become the leading ‘climate solutions country’ in Africa and beyond, with its enormous reserves of green minerals, pristine forests, and hydro power capacity.” In addition, “The total cost to the world of such a loss in carbon stock [provided by Congo’s rainforests]—and therefore the capacity of the forests to provide carbon sequestration services—would be about \$95.3 billion.”

Fortunately, the United Nations Environment Programme (UNEP) recognizes Congo’s invaluable potential to be at the forefront of climate change solutions and universal development. These ties to the UN and the D.R.C. 's diplomatic relations with the United States makes America a strong and financially capable candidate in loaning Congo the funds and capital to extract their natural resources. Due to the extent of the D.R.C.’s lack of technology, infrastructure, and education, they would also need to buy the capital and machinery to launch this new beginning. Fortunately, with proper funding, globalization and cargo ships makes this quite feasible. As for human capital, Congo’s government can hire its own citizens. This would create jobs in manual labor, where little education is needed, for the Colonese and enable Congo to see an increase in its GDP per capita. Initially, the D.R.C.’s government can pay their worker’s salaries from the loan they receive and ultimately, from the more stable source of income deriving from the resources they extrapolate.

Finally experiencing a steady stream of income, the D.R.C. will be able to begin long-term planning. Congo will have the financing to invest in its own infrastructure and meet its citizen’s basic human needs, while also escaping multiple strategic interdependence development traps. By building schools, public libraries, hospitals, health clinics, roads, communications, and so forth, Congo will be creating a better tomorrow with greater potential for prosperity. A healthy and educated workforce will begin to innovate and work smarter, roads will enable transportation of people, goods, and services, and communications and the internet will not only help Congo maximize on collective intelligence and interconnectedness, but also develop its social capital and begin effectively documenting its own data, thus enabling further development. Also, creating a police force will be vital in escaping their collective enforcement trap as well as protecting citizen’s rights and ensuring their safety. The wealth generated from Congo’s natural resources will also have a spillover effect, boosting other pre-existing sectors and creating new ones.

6.2 Development Framework: Corruption

Unfortunately, before all this optimism has even a minuscule chance of being realized, Congo's corruption and political violence must be dramatically reduced. A problem as old and complex as human history itself requires an approach that diverges from what's been normalized and tried. It requires the Colognese to gamble on women leadership. An economic research report published by the Harvard Business Law Review, studied the differences in economic outcomes for female and male leaders depending on the racial/ethnic composition of the country in question. On average, racial and ethnic diversity within a country is negatively correlated with GDP. (In the D.R.C., diversity is extraordinary; with over 250 ethnic groups and as many as 700 distinct languages spoken.) In a study based on data from 188 of the United Nations to analyze the outcomes of male vs. female leadership, it became transparent that when women led very diverse countries as opposed to men, female leaders were significantly more likely than male leaders to have fast-growing economies. They averaged 5.4% GDP growth, compared to 1.1% growth under male leadership. Such research suggests that countries like Congo can benefit from diversity, rather than suffering from its implications, when united under proper leadership.

A separate economic report 'Women Legislators and Economic Performance', contains a few more key findings that prove standing behind the right talented women may be exactly what the D.R.C. needs. The authors found that women legislators not only lead to more efficient development outcomes but are less likely to become corrupted. This statistic was also backed by experimental evidence proving women to be more fair and less likely to engage in criminal activity. In addition, both men and women are equally likely to negotiate projects for infrastructure development, but women are more likely to oversee them till completion. The report explains that "Even if gender differences in tendencies towards corruption are intrinsic, if opportunities for corruption decline with development, it may be that women are especially effective relative to men at producing growth in less developed countries" (page 22).

Although this hardly guarantees that female leadership will succeed, it is enough to take a chance on; especially when the latter has kept the D.R.C. as one of the most impoverished countries in the world while it literally sits on diamonds and gold. Change is always risky, but in Congo's current state, the worst outcome would be to change nothing.

7 Conclusion

The D.R.C.'s underdeveloped condition not only harms its own citizens, but carries within its lands the opportunity for a better tomorrow on a global scale. With such massive potential, Congo can help the world attain a sustainable future and in return, negotiate a more promising future for itself and its citizens. Right now, Congo is "cursed because of our gold. All we do is suffer. There is no benefit to us" (Congolese gold miner). But, there is still opportunity lining every square mile of Congo's lands and the very same resources that keep the D.R.C. oppressed and in ruins can be leveraged to gain liberation, wealth, and freedom. And women, the group who have been the most affected by a lack of human rights, most subjected to violence and abuse, and most economically vulnerable, may be the saving grace the D.R.C. so severely needs.

Works Cited

Baskaran, Thushyanthan, et al. *Women Legislators and Economic Performance*.

“Democratic Republic of the Congo.” *United States Department of State*, www.state.gov/countries-areas/democratic-republic-of-the-congo/.

Perkins, Susan, and Katherine Phillips. “Research: Are Women Better at Leading Diverse Countries than Men?” *Harvard Business Review*, 7 Feb. 2019, <https://hbr.org/2019/research-are-women-better-at-leading-diverse-countries-than-men>.

“The Curse of Gold in the Democratic Republic of Congo: Democratic Republic of Congo.” *Human Rights Watch*, 1 June 2005, www.hrw.org/report/2005/06/01/curse-gold.

“To Become a Climate Solutions Country, the Democratic Republic of Congo Must Strengthen Its Institutions and Increase Investments.” *World Bank*, 16 Nov. 2023, www.worldbank.org/en/news/press-release/2023/11/15/a-climate-solutions-country-afe-1123-democratic-republic-of-congo-institutions.

UNEP. “Can the Democratic Republic of the Congo’s Mineral Resources Provide a Pathway to Peace?” *UNEP*, 20 Sept. 2022, www.unep.org/news-and-stories/story/can-democratic-republic-congos-mineral-resources-provide-pathway-peace.