

**UNIVERSITY OF NAIROBI**

**INSTITUTE OF DIPLOMACY AND INTERNATIONAL STUDIES**

**CONFLICT FINANCING AND CIVIL WAR IN AFRICA: CASE STUDY OF  
DEMOCRATIC REPUBLIC OF CONGO**

**SUPERVISOR: DR. PATRICK MALUKI**

**RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE AWARD OF MASTERS DEGREE OF ARTS IN  
INTERNATIONAL STUDIES,**

**UON, IDIS**

**DECLARATION**

I, the undersigned, declare that this research project is my original work submitted to the University of Nairobi and has not been previously submitted in any other university for an academic award.

Signature..... Date.....

Dolly Kinyua

Registration Number..... R50/82521/2015

This research project has been presented for examination with my approval at the appointed supervisor

Signature..... Date.....

Dr. Patrick Maluki

## **DEDICATION**

I dedicate this research project to my parents Loftin Kinyua Mwirichia and Susan Kageni Njau, my amazing siblings Nicholas Mugambi and Alexandra Joan Kawira for their support and encouragement. I also dedicate this thesis to all the African's especially the Congolese people who have experienced the atrocities of war for most of their lives and have not had the opportunity to enjoy their birth right. It is my prayer that you will soon have peace, stability and a thriving nation.

## **ACKNOWLEDGEMENT**

The Almighty God has truly seen me through this journey, thank you heavenly father for providing me this opportunity, resources and unconditional love that has sustained me throughout this program. To my parents, I am sure that I would not have reached this far if it were not for your constant prayers, encouragement and support. You pushed me to pursue the highest level of education and I want to promise you that it does not end here. To my siblings, I want to say I am entirely grateful for your love and support. I hope that I have laid a strong foundation for you to emulate and I wish you both success in all that you set out to do.

To my supervisor, Dr. Patrick Maluki. Words cannot express how grateful I am for your guidance, support and encouragement. I was almost quitting but your wise counsel kept me going.

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## ABSTRACT

This Research analyzes and investigates the role of state and non-state actors in financing conflict in Africa. The research chose to analyze the conflict in the Democratic Republic of Congo because unlike any other African country DRC continues to suffer intractable conflicts that seems to have no end. The DRC conflict poses a significant threat to the stability of the continent and the world if left to continue as is. It is a known fact that DRC is strategically located at the center of Africa, this means that the risk of instability to the rest of Africa is imminent. The Domino effect of the war would create a serious crisis for Africa that could leave it vulnerable to destruction. The open truth is that the problem of one African nation becomes the probe of all African nations. If a sustainable solution is not found to stabilize DRC Africa should be prepared to deal with the consequences of which they are suffering to date. This research project examines how actors fund rebels and state officials in a bid to continuously destabilize the country for their own private commercial gains. The current body of knowledge explains that the conflict in DRC is mainly an issue of weak governance and greed proliferated by the resource curse theory. The research aims to bring a different dimension to this body of knowledge by examining the role of different actors in deliberately financing conflict in DRC. The specific objectives were to establish the role of the state and non-state and the use of booty futures as a catalyst to the conflict; to identify actors who contribute towards conflict finance in DRC and investigate ways and means in which conflict finance prolongs the war and to assess current and future international policies that can be utilized to leverage DRC from conflict and mineral exploration. The study used Political Economy theory to support and extend the existing knowledge on conflict finance because it is better placed to explain the growing commercialization of contemporary conflict that majorly arises from the extraction of lucrative natural resources for trade purposes, to attract revenue and favors for both sovereign states and non-state actors. The study is supported by a collection of both qualitative and quantitative data from multiple sources including literature review, interviews, observations and focus group discussions. The study established that DRC has experienced the worst conflict since World War II and has been named Africa's First World War. The rich mineral resources have been argued to be the cause of this intractable war as ironic as it may sound. Furthermore, DRC hosts the largest United Nations peace keeping troops, and yet the war seems to only protract even in the fake face of current peace. This research argues that state heads transnational companies and intergovernmental organizations have played a role in fueling the conflict so as to reap the benefits of unregulated mineral trade. It is evident from the protracted conflict cycle and insecurity in eastern DRC that the conflict is increasingly dominated by economic interests rather than political motivations. As established by the study this has been done to deliberately create an unstable environment that ensures illegal exploitation of natural resources. The study recommends a call for consumers to take a lead and create a movement that will call for action against conflict mineral products and take a stand not purchase any products that have not been certified to be free from conflict minerals. UN agencies should increase their capacity building efforts to ensure previous and current development projects have been enforced and implemented. The government requires to take aggressive measures and put in place policies and laws that will provide the military will power to actively support the government and protect the country. The regional community needs to make a more deliberate effort to help DRC end the conflict and preserve peace.

## **LIST OF ABBREVIATIONS AND ACRONYMS**

ACS:	American Colonization Society
AMF:	Autorité des marchés financiers
DRC:	Democratic Republic of Congo
ECOMOG:	Economic Community of West African States Monitoring Group
ECOWAS:	Economic Community of West African States
EFF:	Electronic Frontier Foundation
IGNU:	Interim Government of National Unity
INPLF:	Independent Patriotic Front for Liberia
KPCS:	KimberleyProcess Certification Scheme
MNC:	Multinational corporation
MPLA:	Movimento Popular de Libertação de Angola
NGO's:	Non-governmental organization
OPEC:	Organization of Petroleum Exporting Countries
TWP:	True Whig Party
UN:	United Nations
UNITA:	União Nacional Para an Independência Total de Angola
UNSC:	United Nations Security Council
USD:	United States Dollar
CNDP:	National Congress for the Defense of the People

## CHAPTER ONE

### THE INTRODUCTION AND BACKGROUND TO THE STUDY

#### 1.1 Introduction and Background of the Study

The study assesses the role of various state and non-state actors in financing conflict and fueling wars in Africa for their own private gain. Reflecting on Africa's experience in conflict it is unfortunate that many parts of this great continent has suffered persistent violence and intractable conflicts. Most of these conflicts have deep historical roots dating to colonial times and many of them became more destructive in the post-Cold War period.<sup>1</sup> These conflicts have caused a flood of researchers seeking to determine and explain the prevalence of conflict in Africa. The common factor established by researchers is that most of these conflicts have occurred in areas that are predominantly rich in natural resources. However, the relationship between areas rich in mineral wealth and civil wars remains puzzling.<sup>2</sup>

Logic instructs that the political economy of abundant natural resources should demonstrate high economic performance, however, this is not the case in Africa. On the contrary, the economies of many African countries rich in natural resources are poor and have little to show for their endowment except for civil wars and poverty. The Countries that have been documented to be rich in natural resources but suffer the resource curse include Equatorial

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<sup>1</sup> E, Porter. G, Robinson. M, Smyth. A, Schnabel. & E, Osaghae. (2005) *Researching conflict in Africa: Insights and experiences.*

<sup>2</sup> Michael, L. R. (2005), How Do Natural Resources Influence Civil War? Evidence from Thirteen Cases.

Guinea, Sierra Leone, Liberia, Congo-Brazzaville, Democratic Republic of Congo, Central Africa Republic, Angola, Libya, Sudan and South Sudan.<sup>3</sup>

Since the late 1990's scholars have discussed and debated the relationship between conflicts in areas that have been identified to be rich in natural mineral resources. The assumptions and conclusions drawn from many of them are that the struggle for equal distribution of wealth for the populous of this nations drive the conflict. In recent studies, however, a new phenomenon had emerged where scholars explored the possibilities of conflict being fueled and instigated by other actors other than the citizens of that nation.

The Study explores how nonstate and state actors have contributed to conflict by financing rebel groups and state heads so that they can gain access to the unexploited natural resources. Some scholars have emerged to link the two by exposing the involvement of non-state actors in conflict areas through what is now termed as booty futures.<sup>4</sup> Ross has described booty futures as the ability of fighters to raise capital by selling their exploitation rights to mining areas that they plan to seize after battle. His argument brings out what political economy theorists discuss as conflict financing. It begs the question who are the culprits in natural resource conflict the buyers of exploitation rights who range from sovereign states, transnational companies and to some extent international organizations or the sellers; rebel groups or unstable governments? Perhaps it may not be academically prudent to analyze the

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<sup>3</sup> William, T. (2007). *Governments and Politics in Africa*. P.9 “the emergence of states failure can be linked to resource distribution precipitated either by internal or external insurgencies that are fighting for natural resource control.”

<sup>4</sup> Ibid.

real culprits however it will be important to critically analyze and discuss conflict finance in relation to this new phenomenon - booty futures.<sup>5</sup>

Attempting to explore all African nations that have experienced civil war due to the rich endowment of resources will be too large and broad for constructing any meaningful discussions or even drawing objective conclusions.<sup>6</sup> The study focuses on the Democratic Republic of Congo (DRC) a nation that has been said to possess literary all minerals in the periodic table of elements and the most wanted of them are: Coltan, Gold, Cobalt, Tin, Tungsten, Uranium, Petroleum, Copper and Diamonds. Despite all this wealth, DRC's resources have been equated to being a curse.

DRC has faced decades of armed conflict its volatility is typical of the large upheavals of weak governments in Africa; its plight is much like other situations which caused large humanitarian loss that shocked the international community yet have resulted in little actions. Due to the chaotic political nature of DRC both the leaders and citizens led by rebels have opted to liquidate their long-term resources in order to survive in the short term. Multi-national mining companies and state heads of neighboring nations have decided to capitalize on this dilemma.

Laurent Desire Kabila ascended to power when he signed a \$1 billion contract with the American Mineral Fields Inc in exchange for diamond purchasing monopoly. After the war, they also received exploration rights to cobalt, zinc, and copper<sup>7</sup> in the hope of starting one of the world's largest zinc smelter. When the deal was announced it was no shock that stocks of

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<sup>5</sup> Louisa, C. (2012), "Conflict Minerals in the Congo: Blood Minerals and Africa's under reported First World War." Suffolk University p.3-5

<sup>6</sup> Ketterling, C. and Papademas C. *Capitalizing on chaos*. "DeBeers and American Mineral Fields Involvement in the Congo and Suggestions for Regulation"p.3

<sup>7</sup> Porter E. Robinson, G. Smyth, M. Schnabel, A. & Osaghae, E. (2005) *Researching conflict in Africa: Insights and experiences*

AMF sky rocketed from \$3 to \$7 and eventually when Kabila ascended to the stocks rose to \$10.<sup>8</sup>

Rwanda and Uganda were very instrumental in the first war that broke out in 1996 they claimed to fight for justice but it was evident that their fallout was precipitated by the failure of Kabila to honor the booty futures agreement after ascending to power.<sup>9</sup> To protect himself from his neighbors Kabila sold future exploitation rights to Zimbabwe, who in turn offered their support. Zimbabwe gave Kabila 11,000 soldiers when his adversaries launched an attack on him and immediately after that Zimbabwean businessmen started trooping into the mineral endowed provinces of DRC.<sup>10</sup>

## **1.2 Problem Statement**

Conflicts in Africa have been well documented but none is as threatening to the stability of the continent as the Congo war. DRC is strategically located at the center of Africa; this means

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<sup>8</sup> Edward, G & Materson, T. (2002).

<sup>9</sup> Edward, G & Materson, T. (2002). *Governance Quality and Governments Commitment*. p.45. "The Fragile Peace."y

<sup>10</sup> Wennmann, A. (2017). *The Political Economy of Conflict Financing*, "political economy of conflict, conflict financing, natural resources, and organized arm groups."

that the risk of instability to the rest of Africa is imminent. The Domino effect of the war would create a serious crisis for Africa that could leave it vulnerable to destruction.

Other than the risk of spillover wars Africa as a whole is losing out on the benefits that can be gotten from an organized regional integration. DRC's natural resources have the capacity to make Africa an economic giant. A good example of DRC's ability to empower the rest of Africa was the attempt by politicians and planners from across the world who had been working together in the last four decades to build one of Africa's largest dam the Great Inga dam. The dam is said to have the capacity of harnessing enough hydroelectric power for the whole of Africa and even export to the rest of the world. However, due to DRC's continuous instability, the project stalled. The above project is just one of many projects that have not kicked off due to the conflict in DRC. Africa may be losing out on crucial projects but the citizens of DRC are the biggest losers. According to World Bank, only 11.1% of DRC population have access to electricity. For a country that has huge potential to harness hydroelectric power, it is unfortunate that such a small percentage of the population have access to electricity. This translates to poor economic growth which leads to violence and eventually full-blown wars that pose a threat to neighboring countries and Africa as a whole.<sup>11</sup>

The aim of this study is to deviate from the norm propagated by different scholars and the media, that the war in Congo is instigated purely by rebel groups in DRC. The study's objective is to bring in a new dimension by investigating and analyzing how state and non-state actors finance the war in Congo by buying future exploitation rights from rebel groups. As stated by

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<sup>11</sup> <https://www.lightingafrica.org/country/democratic-republic-of-congo/>

one Congolese national in the documentary *The Testimony* “For Africa to take off it must start in DRC”. As simple as this statement sounds the truth behind it is too colossal to ignore.<sup>12</sup>

This study interrogates the following research questions; whether civil war in Africa has been financed for commercial gain? Who are the main actors in the DRC conflict and do they prolong the conflict? What are the reasonable possible measures to end conflict financing in DRC?

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<sup>12</sup> Congo, My Precious. *The Curse of the Coltan mines in Congo* (2017 August 10) Retrieved from YouTube <https://www.youtube.com/watch?v=dTwzCy0-RTw&t=114s>

### **1.3 Objectives of The Study**

#### **Overall Objective**

To establish whether the conflict in DRC is financed by state and non-state actors.

#### **Specific Objective**

1. To analyze the nature of civil wars in Africa and the role of state and non-state actors in the conflict.
2. To identify actors who contribute towards conflict finance in DRC and investigate ways and means in which conflict finance prolongs the war.
3. To assess current and future international policies that can be utilized to leverage DRC from conflict and mineral exploration.

## **1.4 Justification of the Study**

This study seeks to explore other factors that have not been widely discussed both academically and empirically. The results of this research maybe be useful for policy makers, scholars, academicians, lecturers, students, diplomats, NGOs, IGOs and the general public to evaluate and appreciate DRC's efforts in bringing peace and stability in the region and what it means for the country and the people of the region.

### **1.4.1 International Community, Individual States and Multinational Corporations**

The international community, states, Multinational corporations and various organizations, know too well that the issues surrounding civil war and minerals resources is a challenging matter.<sup>13</sup> It is the common expectation for all parties involved in either business or humanitarian work to ensure and guarantee that their resources are being channeled for the right use and not being used to fuel any conflict.<sup>14</sup> As it may it is only the natural as cited by realists that in such scenarios individuals, states or corporations would be confined to only protect their interest even if it was at the detriment of another. To protect their interests this groups tend to hide behind ignorance by taking advantage of the murky situation in which business is conducted in conflict areas. The study aims to shed light on their purported ignorance and get them to accept responsibility for their actions. Policy makers of nation states in collaboration with the international community should take keen responsibility to put policies that do not violate international law even though it is not directly by the state but by extension of the companies or corporations that they represent. The Kimberly process was a

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<sup>13</sup> <http://www.socsci.uci.edu/~mrgarfin/OUP/papers/Hoeffler.pdf>

<sup>14</sup> <http://acuns.org/wp-content/uploads/2012/06/RoleofMultinationalCorporations.pdf>

good initiative however due to various limitations in policy and implementation the international community has not been ardent enough to follow through.

### **1.4.2 Governments**

Governments must be proactive in observing and reacting to the activities of their organizations abroad. Most importantly they should also be keen in ensuring that the activities abroad do not affect their nations negatively. When SAPs became the roaring lion in Africa many countries suffered at the so called liberation of markets. African nations did not take time to look keenly what were the expectations and how it would affect them.<sup>15</sup> The study hopes to shed light on the need for African nations to equip themselves with the necessary knowledge that would help them make and enforce policies that would protect their economies before accepting foreign policies that have not been tried and tested. The study further expects that the results of the research would help African governments leverage their positions more confidently in the international community when holding bilateral or multilateral negotiations.

### **1.4.3 Academicians**

Through the arguments and discussions presented, the study contributes to the body of existing discussions on conflict financing. The results of the studies provides researchers and students undertaking research in conflict financing and civil war in Africa a new dimension to conflict analysis in Africa. Although the concept of booty futures is fairly new in the academic field, the research highlights the need to re-assess the analysis of conflict particularly the theory of resource curse. The research findings provides a basis for further research in this critical area

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<sup>15</sup> Ibid

which is vital for scholars and students who are interested in gaining more knowledge about conflict finance and continue to add on to other researched work.

## **1.5 Literature Review**

The literature review was structured into five thematic area's; Economic explanations for conflict, conceptualization of booty futures, growth and development of resource conflict, natural resource conflict in DRC and regulatory measures in DRC to curb conflict finance.

### **1.5.1 Theoretical Perspective on Conflict**

The term Conflict has been defined by international relations scholars as a definite or apparent divergence of needs, values, and interests.<sup>16</sup> A realist would argue that conflict is necessary among actors in politics pursuing power. In Africa, the perceived opposition of needs and interests have been at the core of explaining conflict. However, an opposition based on values has also taken center stage in discussing causes of conflict and civil war. The greed and grievance arguments have been put forward by scholars to try and explain conflict. "Greed" is at the point when combatants are spurred by a desire to better their monetary circumstance and play out a casual money saving advantage examination in inspecting if the prizes of joining an insubordination are more noteworthy than not joining. "Grievance" remains for the contention that individuals revolt over issues of personality, e.g. ethnicity, religion, social class, as opposed to financial aspects.<sup>17</sup>

In the case of Africa greed seems to be the most appropriate argument in explaining conflict. The private motivation hypothesis explains how greed acts as a motivating factor in

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<sup>16</sup> <https://www.slideshare.net/brennanikns/international-relations-conflict-theories>

<sup>17</sup> [https://en.wikipedia.org/wiki/Greed\\_versus\\_grievance](https://en.wikipedia.org/wiki/Greed_versus_grievance)

precipitating war. It contends that individuals who may have their own private inspiration for doing as such and also unwaveringness to the gathering that it is battling for. Wars present advantages and also costs on a few people. The private inspiration theory has its premise on levelheaded decisions with financial aspects contending that the net monetary preferred standpoint of the war to a few people rouses them to battle.<sup>18</sup> Relating greed hypothesis to booty futures concept, the study analyzes private motives of state and non-state actors in instigating and sustaining conflict, by buying future exploitation rights for natural resources in DRC. The result leads to the emergence of an economy charged by which ends up ensuring that the politics of the conflict are maintained to keep the war going.

Goodhand contends that war economies include the obliteration or avoidance of the formal economy and the development of rogue trades, viably obscuring the lines between the formal, casual and criminal parts and exercises. Loot, blackmail, and considerable viciousness against regular citizens is utilized by soldiers to secure control over lucrative resources, catch exchange systems, diaspora settlement, and endeavor work.<sup>19</sup>

In this study combatant economies better explain the interactions that directly sustain actual conflict in DRC. By and large, the battle economy serves to finance the war exertion and in addition to accomplish military goals.<sup>20</sup> The favored methods for asset age incorporate the savage tax assessment of licit and illegal monetary exercises, blackmail of nearby organizations, the control over the misuse of normal assets, the burden of "traditions" in

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<sup>18</sup> Duffield, M. (1999) Globalisation and war economies: promoting Order or the Return of History? *Fletcher Forum of World Affairs*

<sup>19</sup> Goodhand, J. (2004). Afghanistan, in Pugh M and N Cooper, with J, Goodhand (2004). *War economies in a regional context: challenges of Transformation*. Boulder: Lynne Rienner publishers.

<sup>20</sup> Duffield, M. (1999) Globalisation and war economies: promoting Order or the Return of History? *Fletcher Forum of World Affairs* 23(2) p.19-36.

outskirt zones or setting up barriers and the offer of future asset abuse rights to Multinational Corporations and other non-state actors.<sup>21</sup>

### **1.5.2 Conceptualization of Booty Futures**

Michael Ross tops the list of scholars behind the concept of booty futures, he coined the concept after the Cold War. Ross was trying to find the correlation between natural resources, civil wars and coup d'états. To enable him to justify the concept of booty futures Ross developed the use of triangulation by developing several hypotheses and examining several wars that had happened in countries with rich mineral deposits.<sup>22</sup>

Ross postulates that the strategy of booty futures is a tool used by the weak marginalized against the strong who are well financed.<sup>23</sup> In Sierra Leone, Liberia and Congo Brazzaville rebel groups sold their rights for future exploitation to foreign firms and neighboring countries in exchange for proceeds to buy arms to capture resource endowed regions. In Congo Brazzaville, for instance, President Denis Sassou Nguesso allegedly received over \$150 Million from a French company that dealt mainly with oil, to enable him to topple over the then President Pascal Lissouba from power democratically or through an arms struggle. It was no secret that Congo Brazzaville was rich in oil and President Sassou chose to sell the birth right of his people to foreigners so as to gain political power. His plan succeeded and he has continued to rule for over three decades. Upon his inauguration, the deal was completely signed

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<sup>21</sup>Ibid.

<sup>22</sup> L. R. Michael (2005), Booty futures. p.4

<sup>23</sup> Ibid, p.2

and Elf secured itself extraction rights for the oil fields in Congo Brazzaville. To date Elf is one of the leading oil companies in Congo Brazzaville.<sup>24</sup>

Collier and Hoeffler link the concept of booty future to the narrative of grievances versus greed. Both scholars allude to the fact that most MNC and rebel groups are driven by greed as opposed to the grievance, that is because in most cases their primary concern has always been to capture the well resource endowed regions, their quest for power is to enable them to have control over the vast mineral regions for financial gains. However, some rebel groups have always had genuine grievance driven by marginalization.<sup>25</sup>

Collier and Hoeffler admit that even sovereign states engage themselves in the strategy of booty futures but it is due to grievance. Collier argues that a good number of states engage in the strategy mostly when their existence has been threatened by stronger rebel groups and they must, seek alternative measures to survive thus resorting to the sale of booty futures. Collier refers to Sierra Leone's case that repulsed a civil war twice. The success to repulse the war was arrived at after selling booty future rights to Konon diamond fields a South African Mining company that later supplied the Sierra Leonean government with Mercenaries to repulse the rebel groups.<sup>26</sup>

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<sup>24</sup> L. R Michael (2005), *How Do Natural Resources Influence Civil War: Evidence from 13 Cases*, Cambridge: University Press. "The payment done to Sossou was to clearly allow elf access to Congolese oil in once he takes over government."

<sup>25</sup> Collier, P and Hoeffler, A. (2002). *Greed and Grievance in Civil War*. p. 1. "We have found that greed out powers grievances."

<sup>26</sup> Collier, Paul and Ankle. (2002), *Greed and Grievance in Civil War*. Working Paper CSAE WPS, Oxford: Centre for the Study of economics.

### 1.5.3 Growth and Development of Conflict Finance

The Cold War called a truce in 1989 and it triggered the growth and development of conflict finance in natural resource-endowed developing countries. This was due to the reduction of support from western powers too weak states and guerrilla groupings. The declining support from external powers meant that weak states and guerrilla groupings had to fend for themselves for their survival. It is upon that backdrop that developing States and Guerrilla groupings resorted to the commercialization of conflict. <sup>27</sup>In Afghanistan, for instance, the American government was giving the Mujahidin rebel groups \$3Billion to sustain it's 200,000 – 300,000 soldiers, when the war ended so was the support to the Mujahidin rebels. The gap of support opened doors that forced them to look for alternative support to finance their course and thus the recourse to annex oil regions for commercialization purposes.<sup>28</sup>

The cold war ended but it birthed new economic policies through the structural adjustment programs. SAPs expected African states to liberalize their economies to the outside world. Liberalization of African economies meant Africa opening her markets to the outside world for extraction of her primary commodities.<sup>29</sup> Liberalization led to competition of control over the resource-rich regions, scrambling and partitioning provoked conflict that eventually contributed to conflict finance. For instance, in Angola, UNITA rebels charged a landing fee of \$2000 – 3000\$ a plane, in all the areas under its control during the period of 1996 – 1997. That money was allegedly used as a source of funds for the civil war in Angola.<sup>30</sup> SAP's called

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<sup>27</sup> Abdullah. I. (1998), *Bush Path To Destruction: The Origins and Character of the Revolution United Front*. P. 36

<sup>28</sup> Choudy, K. (1997). *The Price of Wealth: Economies and Institutions in the Middle East*. New York: Cornell University Press.

<sup>29</sup> See, World Bank and International Monetary Fund, (1990). *Report on Structural Adjustment Policies in Africa*.

<sup>30</sup> Enough Project, (2008). *Armed Group Profits-3Ts and Gold*.

for open markets and this led to the high demand for Africa's natural resources, competition became intense leading to zoning and the claim for rights over resource endowed regions by both governments and guerrilla groups. Customers who wanted access to primary commodities had to, therefore, pass through cartels that had control and rights over the demarcated resource regions.<sup>31</sup>

The concern to address the humanitarian situation during the post-cold war period contributed to the growth of conflict finance as well. NGO's were taxed before they could offer aid assistance to casualties. Many times the aid was stolen and sold to fund conflicts. Pseudo NGO's have also been accused of being used to smuggle in weaponry to governments and rebel groups, and the same measures used to smuggle out minerals because non-state actors enjoy leverages from taxation and inspection by governments and international organizations.<sup>32</sup>

The absence of good governance and rule of law act as a catalyst for conflict finance. Maladministration has allowed corruption and embezzlement of resources to persist thus leading to marginalization and unequal distribution of resources.<sup>33</sup> William Tordoff depicts that most African regimes were unpopular by the end of the cold war and because they were unwilling to relinquish their power they decided to militarize politics.<sup>34</sup> Militarizing politics meant spending more budgetary allocation to the military of which in most cases a good number of African governments could not afford them thus opted to conflict finance. Uganda

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<sup>31</sup> See, in particular faced, "faced with a Gun, What Can You Do?" War and the Militarization of Mining in Eastern Congo.

<sup>32</sup> Ibid.

<sup>33</sup> Auvinen, J. (1997). *Political Conflict in Less Developed Countries*. p. 34

<sup>34</sup> William. T. (1997), *Government and Politics in Africa*. P. 177, "in 1994 France had an estimate of 8400 troops deployed in Africa to quell coup d'états."

and Rwanda have been accused of looting mineral deposits from DRC to finance their military.<sup>35</sup>

International trade and the high demand for solid minerals in DRC has precipitated conflict finance and thus a contribution to resource conflict through the supply chain. In as much as governments issue official extraction rights to MNC, extraction of the minerals has posed a challenge because the minefields are still under the control of rebel groups. Companies are therefore at times forced to re-negotiate with the rebel groups, the negotiation, therefore, establishes a complex and non-transparent supply chain towards conflict finance.<sup>36</sup> The supply chain is complex with various actors drawing payments from the chain, goal posts get shifted and different mechanisms are deployed to avoid official authorities. However new demands reemerge from the various actors involved, a good number of them feel short-changed whereas some fail to fulfill their bargains and with that comes disagreements and the conflict explodes again.<sup>37</sup>

The dilemma between militarization of politics and privatization of the state in Africa as noted by Ali Mazrui, brought about a new trend of using mercenaries to solve political problems. Several African countries were reported to have used mercenaries for example in Sierra Leone a South African company by the name Executive Outcome helped president Kabbah at the time to regain control of the mineral-rich regions. Within a month of Sierra Leone's enlisting of Executive Outcomes, the government had recaptured control of the jewel rich Kono locale,

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<sup>35</sup> Ibid.

<sup>36</sup> Karlsson, Ida. "EU Urged to Ban Conflict Minerals. "

<sup>37</sup> Ibid.

which was 66% of Sierra Leone's diamonds. However, their involvement did not bring any stability, in fact instability was their function of continued employment.<sup>38</sup>

The use of mercenaries was not unique to state heads. Multinational companies operating in war torn countries do not want to be associated with political conflict especially in their operating environments. Logically most of this companies have every reason to help end conflicts so as to have a safe environment to operate in however, the reverse is true. Multinational companies have grabbed the opportunity to exploit the situation as they have noted that the commercial gain is too huge to resist.<sup>39</sup> Due to international pressure companies rather operate aloof so that they are not directly linked to the conflict and this is how mercenaries have gained popularity in financing conflict and prolonging it in Africa. In the subsequent chapters the study will dive into the different companies and their involvement in financing conflict in Africa focusing on DRC.

#### **1.5.4 Natural Resources and Conflict in DRC**

The Democratic Republic of Congo is well endowed with solid minerals and a vast coverage of forest that is second in the world after the Amazon forest, it is however unfortunate that over 50% of her natural resources are controlled by rebels groups.<sup>40</sup> Grant Matterson argues that mineral resource conflict in DRC was epitomized at the onset of independence. Patrice Lumumba and Kasavubu Joseph had different ideologies. Lumumba was a nationalist and believed in socialism, Kasavubu, on the other hand, was a radical secessionist and believed that DRC had to be partitioned. Kasavubu leadership was driven by a higher appetite to loot

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<sup>38</sup> Cilliers J and Cornwell R (1998). Africa- from the privatization of security to privatization of war. <https://issafrica.org/uploads/PEACECHAP11.PD>

<sup>39</sup> Ibid

<sup>40</sup> Abiodun, A. (2007). *Natural Resources and Conflict in Africa: The Tragedy*

the mineral resources in DRC.<sup>41</sup> The difference between Kasavubu and Patrice led into a constitutional crisis, this was due to Kasavubu dismissing Patrice as the Prime Minister whereas Patrice rushed into the national assembly to defend his position. During this period of constitutional crisis Mobutu saw an opportunity and he being the head of the Armed forces he took that opportunity to rule the country.<sup>42</sup>

The first conflict in DRC broke out in 1996 which was fronted by Laurent Kabila against Mobutu Sese Seko, Laurent was successful in ousting the former in as much as their antagonism was perceived to be more of a political struggle the major underlying issue was the control of mineral resources. A good number of political analysts argued that Mobutu's ouster was as a resort of regime change that was cutting across Africa to replace dictatorship with democracy. Well, that might be true but security scholars have emphasized that it was a struggle to control mineral fields.<sup>43</sup>

Paul Collier reiterates that Intrastate conflict in DRC is being precipitated by poor governance and marginalization. Those charged with governing DRC have extracted natural resources to fulfill their selfish interests leaving out the populace to wallow in abject poverty thus a precursor to the conflict in DRC.<sup>44</sup> Marginalization breeds a mentality of we verse them and thus a recipe for conflict. Collier further reiterates that when easily extractable mineral resources are not well managed they become susceptible to looting, where looting cartels and rebel groups demarcate regions to claim ownership of the resources. The act of demarcation

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<sup>41</sup> Carpenter, L., & Conrad, J. (2012). Conflict minerals in the Congo: Blood minerals and Africa's under-reported first world war. Suffolk University Working Paper, April 2, 1–25.

<sup>42</sup> Ibid.

<sup>43</sup> William, T (1997). *Government and Politics in Africa*. p. 197

<sup>44</sup> Paul. C (1998). *On Economic Causes of Civil War*, Oxford: Economic Papers.

by cartels eventually breeds rebel groups that resort to conflict.<sup>45</sup> Duffield, on the other hand, attributes natural resource conflict in DRC to warlords. To him a warlord is the forerunner of an equipped gathering, who holds a dominion locally and work monetarily and politically in the universal framework without impedance from the country of origin. Warlords, therefore, have the ability to lead a revolt against the government and extract the minerals for personal gain and in return buy weaponry to protect themselves.<sup>46</sup>

External interest, interference, interventions, and Involvement by the nine DRC neighbors have contributed to both Intra and interstate conflict. DRC's neighbors have constantly argued that their intervention into the conflict has always been triggered by the influx of refugee into their countries. Rwanda, for instance, argues that is has hosted an approximation of about 70,000 refugees from the DRC. Their mission, therefore, has always been to stabilize the country so that they avoid the refugee burden. Paul Collier, however, insists that DRC's neighbors intervene so that they can profiteer from the conflict.<sup>47</sup> Emizet Kisangani insists that whenever neighbors intervene in DRC they come with their own agenda.<sup>48</sup> Uganda for instance intervened in DRC (i) to deny the Sudanese government an opportunity to destabilize Uganda through the eastern DRC, (ii) to deny habitation to Ugandan dissident United Democratic Front (UDF) (iii) to ensure that the rebel dissident in Eastern DRC do not destabilise Uganda, (iv) to protect Uganda's territorial integrity from invasion by DRC rebels, all that said independent reports have linked Uganda to the massive looting of minerals in DRC.<sup>49</sup>

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<sup>45</sup> Ibid. p, 563.

<sup>46</sup> Duffield, M. (1998). *Post Modern Conflict: Warlords, Post Adjustment States and Private Protection*, London: Routledge. "The changing nature of the nation state has changed the rule of law."

<sup>47</sup> International Conference on the great lakes regions pact on security, stability, and development in the in the great lakes region. (2006)

<sup>48</sup> Emizet, K. (2010). *Civil Wars in the DRC*. Kansasa State University.

<sup>49</sup> Human Rights Watch. (2005). "DRC faces continues interference from her neighbors Rwanda and Uganda in particular."

The Lusaka peace accord, for instance, flopped because both Uganda and Rwanda had some interests in the clause that authorized them to withdraw their troops from DRC. They, therefore, wanted the accord to be re-amended to reaffirm their presence in DRC.<sup>50</sup> Uganda and Rwanda have in many at times wanted to dominate the intervention events in DRC. For instance, Ugandan People Defense Force and Rwandan Patriotic Front, have constantly refused to have a joint mission team in DRC, they all want to operate independently because of the command structures.<sup>51</sup>

Human Rights Watch a leading NGO has consistently insisted that whenever natural resource conflict in DRC is being discussed or researched about, it should not go without mentioning the humanitarian situation in DRC. The NGO states that in the year 1996 800,000 persons were displaced and the subsequent years 1999 – 2002, 3.3 Million lives were lost, an equivalent of genocide. Crimes against humanity have been perpetrated ranging from, rape, forceful eviction, the use of child soldiers and displacement of persons. The listed crimes have been committed by both the state and rebel groups. Detentions and warrant of arrest issued to the perpetrators have posed a security challenge to DRC because the indicted persons are very powerful and influential.<sup>52</sup> As NGO's report on the atrocities being committed, it is also prudent that they look at the source which propels the violence in DRC which has ensued with no hope of it ending. The responsibility of documenting human rights violations should not only stop at the perpetrators on the ground, but they should also search deeper. The fact is most

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<sup>50</sup> Lusaka Ceasefire Agreement. (1999). "A peace agreement between the DRC and the Republic of Rwanda on the withdrawal of the Rwandan troops from the territory of DRC."

<sup>51</sup> Edward, G. & Materson, T. (2002). *Governance Quality and Government Commitment to the NEPAD*.

<sup>52</sup> International Criminal Court. (1998). *the Rome Statute*. "Rape, Genocide, Forceful Eviction, all the above are crimes against humanity.

The Prosecutor V. Bosco Ntanganda, Thomas Lubanga, Germaine Katanga, Mathieu Ngudjolo and Sylvester Mudacumura.

of this atrocities are committed by rebel groups who are funded by known and unknown groups to ensure instability in the areas rich in resources so that they can gain access to them.

### **1.5.5 Regulatory Measures in DRC to Curb Conflict Finance**

To curb booty futures in DRC a multi-disciplinary approach is needed. In as much as the Kimberly process has been the universal policy document on solid minerals, it has also fallen short in curbing conflict finance on other solid minerals like Coltan, tin, tantalum, and tungsten. The Kimberly certification process was specifically developed to curb blood diamond and not all solid minerals that contribute to the finance of conflict.<sup>53</sup>

Paul Collier reiterates that to curb conflict finance, the DRC government must undertake key reforms in its governance structures. It should first ensure that all the mining fields are brought under state control to provide a revenue base for local and provincial authorities. All stakeholders and actors in the solid mineral trade must be brought together for a dialogue on how to reform the trade.<sup>54</sup>

A transnational mining authority should be established by the international community alongside the DRC government, the authority should be in charge of certifying traders and other actors the authority should also be in charge of all mining fields by overseeing the activities that are being undertaken at a local level and also evaluate the supply chain racket.<sup>55</sup> Export policy and incentives must be harmonized at a regional level to eliminate smuggling. For instance, an exporter will pay a taxation fee of \$200 for a barrel of tin ore being exported from Rwanda to Europe, another exporter in DRC will pay \$6,500 for the same barrel to be

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<sup>53</sup> See, The Kimberly Certification Process. <https://en.wikipedia.org/wiki/kimberly>.

<sup>54</sup> Collier, P. (2009). Wars, Guns and Votes. "Democracy in Dangerous places."

<sup>55</sup> <http://www.itri.co.uk/POOLED/ARTICLES/BF>

exported to Europe. It is such inequality that promotes conflict finance through smuggling, countries from the great lake region should, therefore, develop a unifying protocol on natural resources that bring a regional pact, upon its development the Heads of State should adopt the protocol and operationalize it at a regional level.<sup>56</sup>

The various peace accord's that were signed under the Unified Transnational Agreement should be operationalised and adhered to the letter. The four peace agreements are the Lusaka Ceasefire agreement (1999),<sup>57</sup> the Sun City Agreement(2002), the Pretoria Agreement (2002), and the Luanda Agreement (2002).<sup>58</sup> The peace agreements are important because it is only through them that the Humanitarian situation in DRC can be addressed through supporting livelihoods. The conflict's in DRC has seen gross violation of human rights. World Bank, however, insists that the Universal Kimberly Policy certification system has been the best policy developed by the United Nations despite its shortfall in DRC. However much still needs to be done to ensure that the underlying issues of natural resource conflict are addressed.

### **1.5.6 Summary Gaps Within Literature Review**

The concept of conflict finance and the phenomena of booty futures is still new to scholars of international relations. Academic discourse on conflict in Africa has been dominated the repetition that conflicts are mainly caused by poor governance, mismanagement of resources and greed. Scholars have intesively researched on this issues and to some extent come to the conclsion that those are the main factors that instigate conflict in rich natural resource areas. The study however, during its research concludes that even though the factors mentioned above

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<sup>56</sup> Ibid.

<sup>57</sup> Among the first peace agreements to be signed it was the first road map towards pacifying DRC.

<sup>58</sup> The Lusaka Ceasefire agreement (1999), the Sun City Agreement (2002), the Pretoria Agreement (2002), the Luanda Agreement (2002), the Unified Transnational Agreement.

are true there is a missing link. The commercialization of war for private gain or conflict finance act as the missing link. The media has also been silent about the involvement of state and non state actors in fueling conflict even though the situation is puzzling.

## **1.6 Theoretical Framework**

The study of international relations involves a wide variety of issues. The conflict has been at the center stage of those issues as it affects states and how they interact with one another. The war in DRC showcases the relationship of both state and nonstate actors and how their relationships have contributed to intractable conflict. To critically understand this war there are a number of theories that could explain its causes however this study focused on Political Economy theory.

### **1.6.1 Political-Economy Theory**

Political Economy theory suits the study since it is better placed to explain the growing commercialization of contemporary intrastate conflict that majorly arises from the extraction of lucrative natural resources for trade purposes, for revenue and favor of both sovereign states and non-state actors.<sup>59</sup>

Political Economy theory therefore defines and describes how politics and economics have a deep correlation and interdependence. Economics is the means under which natural resources are extracted for trade purpose whereas politics, on the other hand, is the ability to determine who gets to extract the natural resources. Economics therefore at this particular juncture is forced to highly depend on politics so as to get the authorization and sole right to exploit the

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<sup>59</sup> Nitzschke, H. (2017), *Business and Conflict: An Assessment of Issues and Options*, New York: Fafo Institute.

resources. The latter therefore explains the sole principle of booty futures whereby support is offered to a weak belligerent to gain future exploitation rights.<sup>60</sup>

Every community has resources and they are always scarce in relation to those who want to exploit them, resulting in unhealthy competition. Economic entities, therefore, resort to wheel dealings in exchange for lucrative contracts that can safeguard their business entities to secure a monopoly, market protection, friendly regulations and eventually long contracts. To achieve the latter, economic entities have gone to the extent of weakening unfriendly regimes by financing and arming non-state actors ranging from opposition leaders to rebel groups with an agreement that once they ascend to power they would ensure that the economic entities that offered their support in their endeavour would win unregulated extraction rights.<sup>61</sup>

From the above statement, it is evident that natural resource trade has greatly contributed to war economies. The study was perplexed at how economic entities operating from conflict zones are able to carry on with their trade to the extent of making abnormal profit returns. American Minefields an MNC operating from the DRC has been a great example of economic entities that operate smoothly on war-torn economies.

Micheal Ross refers to political economy as to be the politics of natural resource concession, whereby multinational companies form collusion with combatants either from the rebel groups or government in purchase for resource areas that have not been captured. The paradox in DRC is such that despite the country having the largest number of rebel groups the country hosts the biggest number of foreign extractable industries 85 to be precise. The study would expect that due to the intense and complicated web design of conflict in DRC, economic entities should

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<sup>60</sup> Michael, L. R. (2005), How Do Natural Resources Influence Civil War? Evidence from Thirteen Cases.

<sup>61</sup> Ibid.

shy away from the region since in most cases conflict has always acted as a deterrence to trade. The trend is not only seen in DRC but also in Cambodia, Liberia, Burma, Sierra Leone, Angola and South Sudan whereby in as much as the conflict has been intense extractable international trade continues to thrive.

The conflict in DRC has linkages to both politics and trade, First Quantum is a Canadian MNC that has linkages to the former PM of Canada whom on many occasions has acted as a political advisor to the DRC government but most of all to the MNC. The stated web can, therefore, allow the study to conclude that the Canadian politician has been acting as an intermediary between the MNC and the DRC government.

In conclusion, extractable trade has greatly contributed to the concept of booty futures through political economy. That explains why UN has on many occasions resorted to issuing trade sanctions, trade bans and asset freeze to both MNC's and Political elites with the sole intent of curtailing war economies. If there was no linkage between trade and politics, then the global institution would not resort to such subjective and punitive restrictions.

### **1.7 Hypotheses**

1. Conflict Finance by Multinational Corporations and state actors sustain conflict in DRC.
2. The DRC conflict is precipitated by poor governance that is still controlled by western influence.
3. International Interventions to control Conflict Finance can reduce the proliferation of Rebel groups in DRC.

## **1.8 Research Methodology**

A research methodology is a systematic plan for conducting research. Researchers use variety of both qualitative and quantitative research methods, including experiments, survey research, participant observation, and secondary data.

### **1.8.1 Study Design**

The study utilized both qualitative and quantitative research methods. According to Mugenda and Mugenda, Qualitative research is an umbrella term for various types of interpretive modes of inquiry commonly used in social sciences.<sup>62</sup> The Study has chosen to use Qualitative means of exploring and understanding individual views in regards to the concept of booty futures. The qualitative procedure involves assessing people's views and attitudes in a subjective manner to emerging issues. The essential feature for qualitative research is that it is most appropriate for little specimens, while its outcomes are not quantifiable. Its basic use, which also constitutes its principal refinement with quantitative research, is that it offers a whole depiction and examination of an investigated subject, without compelling the degree of the examination and the possibility of member's reactions.

The study is basically used direct interviews and also held focus group discussions. Direct Interviews entailed the interviewer engaging the respondents directly. After collecting the data the study analyzed and interpreted the data. Focus group discussions were held through a non-probability approach since the concept of booty futures is not largely understood.

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<sup>62</sup> Mugenda, O. M. & Mugenda, A. G. (2003). Research methods: Quantitative and qualitative Approaches. Nairobi: African Centre for Technology Studies.

It was essential to pilot test the interview guide. This was done to ensure the flow of questions and the structure of the questions. This was administered to interviewees who didn't participate in the actual study. The number of interviews to be tested was 5 percent (2) to ensure a good base of responses on the questions and act as a confidence tool.

### **1.8.2 Study Site**

The study focused on the main areas of the Eastern part of Congo which was said to host most of the minerals, this areas are Kivu, Kasai, Katanga, and Kinshasa. Due to the difficulty in accessing this area the rearsch opted to conduct the study remotely from Kenya. Interviews were done directly with DRC nationals based in Kenya and those that were based in DRC telephone and email interviews were conducted. Other than the fact that geographically DRC is huge and the areas that experience conflict finance have been proven difficult to access many DRC nationals are French speaking and thus conducting the research there would have been both costly and extermely difficult.

### **1.8.3 Target Population**

Population refers to the entire collection of of objects, people, and events or a collection of all items that we want to make generalizations or conclusions about. The target population chosen for this study was 385 respondents. Congolese nationals, a few Rwandese and Ugandan business men and government officials and academic, security and professional experts who have contributed to bringing peace to DRC.<sup>63</sup>

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<sup>63</sup> Ibid

#### **1.8.4 Sampling Frame and Sample Size**

Sampling is a precise method for choosing a representative fragment of the population being examined, keeping in mind the end goal to explore. The point of inspecting is to have the capacity to get data from the chosen population, explore and sum up the finding. The study focused on the nonprobability type of sampling where a little attempt was made to generate a representative sample. By adopting nonprobability means, the researcher used his judgment and observation to select individuals and organizations that understand the mechanism well. The respondents, therefore, had background knowledge of the mineral resource conflict in DRC and an understanding of the concept of booty future.

#### **1.8.5 Data Collection Methods**

The Study made use both primary and secondary means of data collection. Primary data was generated from focus groups discussions and direct interviews. Open-ended interview guide was used to guide the study during interviews while closed ended interview guides were used for email interviews. Secondary data, on the other hand, was collected from existing sources such as publications, articles, books, and journals.<sup>64</sup>

#### **1.8.6 Validity and Reliability**

The validity and reliability of the data collected can be trusted because the researcher used the nonprobability method of identifying respondents both at the individual level and organizational level. Through the use of nonprobability sampling, the researcher targeted Congolese nationals living in Kenya mainly working at the DRC Embassy, Intergovernmental

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<sup>64</sup> Ibid.

organizations, security experts who have worked in DRC either in the military or with the United Nations and Organizations that have conducted remarkable research in the DRC conflict.<sup>65</sup>

### **1.8.7 Data Presentation and Analysis**

Given the qualitative nature of ethnographic data generated, the study applied an interpretive method of analysis. This implies a descriptive discussion of the interview data by foremost trying to understand and contextualize the narrative from the perspective of respondents. Consequently, existing relevant theories were applied in the discussion and presentation of data, but ultimately the conclusions reached in the study are based on the researchers informed reflections and judgment of the study.

### **1.8.8 Ethical Considerations**

The study sought consent from the respondents and upheld confidentiality and anonymity of the respondents. Informed Consent: The respondents were provided with a summary of the key aspects of the interview prior to commencing the interview. The use of fictional names are used to ensure the opinions of the respondents are not traceable to them. Anonymity: Respondents are informed before the interview that they would remain anonymous and any data they give will be confidential and used only for the determination of this study.<sup>66</sup>

In addition the study did not entice or deceive respondents with an aim of luring them to take part in the study no gifts nor certification will be offered to the participants. Data was not

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<sup>65</sup> Ibid.

<sup>66</sup> Ruhi, B. and Mike, N. *Ethical Issues in Research*. London: Mark Allen Publishing. “The Integrity of Researchers is paramount.”

manipulated to achieve the desired context of the study. Every data collected was treated with utmost care and respect without any biases.<sup>67</sup>

### **1.8.9 Scope and Limitations**

The investigation focused on the commercialization of the conflict in DRC. The areas mostly affected by this phenomenon are the mineral-rich provinces of DRC. The investigation additionally focused on the involvement of both state and non state actors in financing the conflict. The sensitivity of the data that the researcher expects to gather poses many risks for the research hence limits the researcher to a small group of people and a limited geographical area. In addition the secondary data to be collected would also be limited as the concept being discussed is fairly new and not widely researched on. Interviews were held in English however not all respondents were articulate in English and at times the interview dragged for a longer period of time so as to give the respondent ample time to respond and express themselves in English. The study had hoped to interview a few Rwandese and Ugandan business men and officials about their engagement in DRC however the emails sent requesting their audience were not responded to.

### **Summary**

In this chapter the study presented the background of the study by providing a brief summary of the issue to be investigated. The problem statement outlined the issues the study aimed to investigate and address, the research objective provided broad statements that may lead to desired outcomes. The literature review on the other hand discussed and summarized what other scholars and authors had written about the study. The study further provided an argument

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<sup>67</sup> Ibid. p 5.

or justification in favor of the research detailing the specific reasons why the study was important and the beneficiaries of the study. The study examined three research hypotheses, outlined the theoretical framework which provided guidance to the study. Lastly the study detailed its research methodology and finally the chapter outline.

## **1.9 Chapter Outline**

Chapter one entails the research proposal giving an Introduction, Background, Research Problem, Objectives, Research Question, Justification of the Study, Literature Review, Gaps within Literature Review, Theoretical Framework, Research Methodology and Scope and Limitation.

Chapter two provided an overview of conflict finance and civil wars in Africa.

Chapter three identified actors who contribute towards conflict finance and how their involvement prolongs the war.

Chapter four analysed conflict financing in DRC and the mitigations measures that can be utilized to leverage DRC from conflict finance

Chapter Five summarized the study, provided conclusions, and recommendations of the research.

## CHAPTER TWO

### AN OVERVIEW OF CONFLICT FINANCING AND CIVIL WARS IN AFRICA

#### 2.1 Introduction

Chapter one, which frames the premise of this research, presented the investigation. It displayed the announcement of the issue, goals, writing audit and a hypothetical system from which theories of the investigation they were inferred. It likewise took a gander at the exploration approach. Chapter two discusses the general overview of conflict financing and civil wars in Africa. Conflict financing is a repeating subject in chronicled discussion of how natural resources have been misused and stolen from their rightful owners.<sup>68</sup> The support and supply to insurgents for private or commercial gain was not new in Africa, it was only not documented in depth as certain specific situations were omitted from history.<sup>69</sup>

#### 2.2 General Background of Conflict and Civil Wars in Africa

Ethnic disorder and strain are pervasive in today's society, Daily papers and TV stations are swarming with news about ethnic ferocity amongst the general population of Africa, India, China, the Middle East, Ireland, Sri-lanka and so on. It has been seen that awful conflicts far and wide are continuously in perspective of ethnic divisions. Only a little degree of wars now occurs between states; by a long shot most are chivalrous wars with ethnic measurements.<sup>70</sup>

Africa is the most war-ridden continent and the main locale in which the quantity of armed conflicts is on the expansion". Once more, in its 2002 Yearbook, SIPRI expressed that "Africa

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<sup>68</sup> Finley, M. I. (1985): *The Ancient Economy*, 2<sup>nd</sup> Edition, Penguin, London, United Kingdom.

<sup>69</sup> Howard, M. (1976): *War in European History*, Oxford University Press, United Kingdom.

<sup>70</sup> Jenkins, J. C. (2013): 'Asset Mobilization Theory. *Annual Review of Sociology*, Vol.9, pp.527-553..

kept on being the locale with the best number of contentions". These local conflicts represent a genuine risk to monetary advancement, particularly for these poor African nations. Exact works have demonstrated that conflicts can tear down levels of monetary improvement that took a long time to accomplish. Additionally, for quite a while after their end the turn offs of conflicts keep on limiting monetary development.<sup>71</sup>

Encompassing the largest share of ex-colonial nations, the African continent has been caught up in conflicts since independence some have ended while others continue to grapple. The unfortunate truth is that since independence, around 33% of the nations of Africa have encountered civil war. In some African nations, an entire age has never experienced peacetime from the time they were born to adult hood, sadly to many of them war was disguised as a true-blue piece of life. For example, from 1960s to 1990s around 80 brutal changes in governments in 48 African nations occurred. For some odd reason, Africa has seen more than seventy coups in the last quarter of the twentieth Century. Generally, in a similar period, Africa has endured the worst number of armed conflicts on the planet.<sup>72</sup>

### **2.3 Causes of Conflict and Civil Wars in Africa**

A 1998 United Nations report provides details regarding the record of different causes of war and various ways the promotion of peace and development in Africa were to be attained. The report was released due to the enormous pressure from global spheres over the kind of conflicts being experienced in Africa and its magnitude. The report details the sources of dispute in Africa and assesses the estimations of how organized this conflicts can be. The report allocates

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<sup>71</sup> Landis, D & Rosita, D. A., (2012). Handbook of Ethnic Conflict: *International Perspectives International and Cultural Psychology Journal*, 382.

<sup>72</sup> Ibid

the blame to both external and local parties who contribute towards instigating and fueling the wars in Africa. The report defines three advancements in which conflict is organized.<sup>73</sup>

Firstly, the root causes are gross inequalities, extreme deficiency and weak governments. This are grounds enough to start a war when these issues are not resolved. There are the underlying drivers, for example, abject poverty, net imbalances and powerless state limits. The local population can easily prompt conflict when they continue to feel oppressed in the areas that matter to them including political, social, monetary and social contrasts.<sup>74</sup> Secondly there are empowering factors which incorporate inequitable distribution of resources by governments, outside interferences of abusive administrations, and provision of arms from outside sources. The empowering factors in this way don't cause conflict in essence, yet compound the underlying drivers or add to a situation that encourages equipped conflict.<sup>75</sup> Third, there are mobilizing elements, for example, ethnicity, religion and financial conditions which are used by people or governments to instigate brutal activities. Thus, the causes, enabling and mobilizing factors are on the whole important to cross examine while breaking down conflict in Africa.<sup>76</sup>

The World Bank's Post Conflict Unit defines wars as being determined fundamentally by budgetary inspiration, predominantly those disputes in Africa. Among the Bank's diagnostic apparatuses is an informational index of contentions over the period 1960 to 1999 that tries to take a gander at the risk of common war. Two positions of assumptions bolster this review of the correlation earlier established among war ridden countries and money related issues that is

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<sup>73</sup> United Nation Report (1998)

<sup>74</sup> Ormerci, O. (2010). "The Concept of Security and Security Studies." Caspien Weekly. September 24.

<sup>75</sup> Ibid

<sup>76</sup> Ibid

easily extractable resources are used to support common wars in Africa. The wars are spread to ensure wealthy African leaders procure quick easy wealth.<sup>77</sup> Kieh and Mukenge strengthen the notion that the search for wealth in Africa has become the eventual outcome that has attracted the interest of various outside parties who are willing to do anything so as to collect the premiums enjoyed in the exploitative nature of conflict.<sup>78</sup>

#### **2.4 Relationship between Conflict Financing and Civil Wars in Africa**

There is a solid connection between conflict financing and civil wars in Africa. Among the key systems for conflict financing are unified war economies, coupled with essential battle equipment, peripheral help and asset trades from normal individuals. The people on the ground fighting what international law call insurgents or rebels rarely have the means to instigate or maintain a war. Hence the strong belief that this rebels must be financed by groups that are either within the country of war or outside.

For decades most conflicts in Africa were argued to be as a result of poor governance and greed from political elites or warlords. Then came the notion of conflict diamonds which argued that the sale of diamonds caused the conflict in those nations. Scholars went further to term countries that were rich in minerals as cursed. However, the study finds these arguments very simplistic as there are more plausible explanations to conflict in Africa that perhaps scholars have chosen not to discuss in depth as it could shed bad light on powerful influential nations of the West.

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<sup>77</sup> Davies, A. (2012). War, Poverty & Growth in Africa: Lessons from Sierra Leone. Centre for the Study of African Economies 5th Annual Conference, St. Catherine's College.

<sup>78</sup> Collier, P. (2002), Greed and Grievance in Civil War. CSAE WPS, Oxford. Study of economics.

The study argues that conflicts in Africa are purposely fueled by outside forces who fund the rebels with the necessary weaponry and finances to cause instability in a nation that is endowed with minerals resources. The theory of resource curse was coined to show how African countries are indeed cursed as they have not been able to utilize their resources for the benefit of their nation. Though there could be some half-truth in that theory, those with the audacity to call African nations resourced cursed forget to mention the forces behind that cause conflict in most of the rich mineral resources nations. The study discusses the real players behind the resource curse in following chapters.

#### **2.4.1 Conflict Goods and Civil Wars in Africa**

With declining assistance from outside supporters, revolt gatherings and governments in Africa have depended logically on the commercialization of the benefits under their control.<sup>79</sup> The civil argument of the war behind diamonds conveyed an expanding regard for the issue under discussion. The connection between the repugnance of war and precious stones as an image of adoration and time everlasting was taken up in movements from non-administrative association.<sup>80</sup>

Nonetheless, diamonds are no longer the only conflict good. Mineral in DRC have taken over the space of conflict minerals with its vast majority of minerals. Another major good that has also passed the test of war is oil. The conflict over oil has not only been fought by African nations like Angola, Sudan, Nigeria, Algeria but western, Arab and Eastern European countries

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<sup>79</sup> Cooper, N. (2002). State Collapse as Business. The Role of Conflict Trade in Development and Change, Vol.33, No.5, pp.935-955.

<sup>80</sup> Global Witness (2002): The Logs of War. The Timber Trade and Armed Conflict, Report No.379. *Institute for Applied Social Science*.

as well.<sup>81</sup> Timber has also been linked as a source of conflict in DRC which is said to be the second largest forest after the Amazon, Liberia and Cambodia, have also fought in the name of wood.<sup>82</sup>

Conflict items have advanced towards becoming instruments for financing conflict in various ways. In Angola precious stones and oil brought turmoil to the nation. The UNITA was said to have made between USD 3-4 billion during the war. On the inverse side, the organization was vivaciously occupied with the abuse of petroleum in a joint effort with Western oil organizations.

Futures contract is an additional device to finance war through common assets. Deals are cast and exploitation rights are sold to rebels who then finance conflict in an area so that they could take control of it.<sup>83</sup> This methodology of raising support was utilized by several African nations. Once the support was raised the financier is assured that they would gain control of the rich mineral area. The pawns being used to do the dirty work in most cases are poor uneducated individuals whose main goal in life is to survive. When an opportunity arises that seem lucrative enough to remove them from property they have very few options to choose from. It also works to help government powers who are on the verge of defeat to restore their position. Along these lines, futures contract can affect the start and propagation of conflict since the immediate revenues are in the midst of edginess.<sup>84</sup>

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<sup>81</sup> Amnesty International (2010). International, London.

<sup>82</sup> Global Witness (2009): Conflict Diamonds, London.

<sup>83</sup> Ross, M. L. (2005). Working Paper, University College of Los Angeles.

<sup>84</sup> Ibid

#### **2.4.2 External Assistance and Civil Wars In Africa**

The majority of the previously mentioned strategies for conflict financing in Africa are established in the control over an area and are consequently household sources of financing. Regardless, most by far of these nearby sources can't be promoted without the relationship of outside on-screen characters. This association relies upon business interests, profiteering from political forces which are connected with governments. While generally speaking Diasporas are a hot spot for good, individuals from Diaspora can also be a resourceful source that back and stimulates conflict on occasion. For example the Lebanese Diaspora in West Africa sustained the Amal Militia during the Lebanese war and the Tamil Diaspora in Europe and Canada.<sup>85</sup>

Humanitarian organizations can likewise influence the finance of conflict if the conveyance of help saddled by those controlling a region or if their possessions are stolen and after that sold again by rebels. In conflict circumstances, philanthropic guide is a profitable resource. Warlords find humanitarian assistance as an easy target for funding there conflict.<sup>86</sup> In general, aid has helped fund conflict and equip rebels by enhancing the capacities in waging war, contorting nearby economies, and having distributional effects. Due to this, many humanitarian agencies have resulted to reevaluate the call for help to conflict areas with the minimum conceivable level of damage.<sup>87</sup>

Associations or Organizations participate in external financing by cooperating in conflict zones. This may combine paying off either governments or rebel heads to manhandle resources

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<sup>85</sup> Gunaratna, R. (2003). 'Feeding the Tamil Tigers' in Karen Ballentine and Jake Sherman. *The Political Economy of Armed Conflict*: London, pp.197-223.

<sup>86</sup> Anderson, Mary B. (2009). *Do No Harm: How Aid Can Support Peace – Or War*, Lynne Rienner, Boulder.

<sup>87</sup> Ibid

or various markets. This also induces the paying for security by getting a private military company to secure an area. This was the work of mercenaries there engagement in conflict was seen evident as they were used both by multinational companies and governments. Critics argued that most mercenaries helped restore order in many conflict nations but the underlying truth revealed later was that mercenaries were used to eliminate rebels that did not cooperate with the deals on the ground.

## **2.5 Conflict Financing and Civil Wars in Africa**

The dynamic idea of funding conflict has been stressed in the changes in discourse on economies of war after Cold War from support to commercialization procedures of conflict. The support during the Cold War had a tendency to be an element of Western power governmental issues as opposed to a general wonder.<sup>88</sup> Western forces were more associated with supporting guerrilla developments in contrast with the Soviet Union and China. Additionally, notwithstanding amid the Cold War, guerrilla bunches could depend to some degree of normal asset extraction and the tax collection and in addition the operation of financial movement. Illustrations incorporate guerrilla bunches in, Burma, Angola the Philippines, Lebanon, and Cambodia.<sup>89</sup>

On the multilateral level, the issue of rich mineral resources picked up prominence through the reports of the United Nations Security Council Sanctions Monitoring Mechanism on Angola, the Democratic Republic of the Congo (DRC) and Sierra Leone. Especially the part of purported "conflict diamonds" in the commercialization of African Conflicts that turned into a

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<sup>88</sup> Jakkie C. and Richard C. Africa *From the privatization of security to the privatization of war?*

<sup>89</sup> <http://www.socsci.uci.edu/~mrgarfin/OUP/papers/Hoeffler.pdf>

focal component in multilateral peace-making techniques.<sup>90</sup> Nongovernmental associations (NGOs) played a major role in unearthing the nature in which companies and governments run their businesses by uncovering the connection between diamonds and armed conflict in Africa. The NGO battle changed the diamonds industry's response from denying their involvement to engagements and added to a substantially harder treatment of conflict jewels. Be that as it may, once the connection was uncovered, the multi partner coalition which arranged the Kimberley Process Certification Scheme was predominantly persuaded by business concerns.

As far as peacemaking is concerned, basic voices contended that the Kimberley Process was a piece of factional way to deal with change. Many nations were worried that by debilitating the weaker and fortifying the more grounded antagonistic focus of some policy makers on curtailing the smuggling of diamonds in Sierra Leone and Angola would allow the attention to be diverted from the fact that demanding such sanctions was an implicit call for the military defeat of the rebels by the government. As calls for military victory appear to be politically incorrect in the current age, the vocabulary of victory and defeat has been transferred to the more neutral and technocratic language of sanctions and restraints on the trade of natural resources.<sup>91</sup>

### **2.5.1 Conflict Financing and Civil War in Angola**

Angola is a nation favored with copious mineral resources. Ranging from high quality oil and diamonds which eventually drew the world's most powerful foreign companies to its shores.

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<sup>90</sup> <https://reliefweb.int/report/burundi/plundering-dr-congo-natural-resources-final-report-panel-experts-s20021146>

<sup>91</sup> Herbst, J. (2014): 'African Militaries and Rebellion: The Political Economy of Threat and Combat Effectiveness' in *Journal of Peace Research*, Vol.41, No.3, pp.357- 369.

Angola is the second largest producer of oil in sub-Saharan Africa, after Nigeria.<sup>92</sup> The mineral abundance of Angola like many African countries meant that governments and businesses alike found ways to exploit the resources.<sup>93</sup>

Angola has suffered civil war since the battle against their colonial masters in 1961. Armed conflict continued even after colonialism. The war then transformed into a Cold War between the intermediary struggle of the superpowers, opposing the Movimento Popular de Libertação de Angola (MPLA) and União Nacional Para an Independência Total de Angola (UNITA). When the Cold War ended, there was hope that Angola would gain peace following three years of armed conflict. Unfortunately, this expectation was slippery as the threat of controlling the state, became more apparent and what was to end up being a decade long conflict. The intractable conflict in Angola grievously featured the failure of the peace processes and the desire to control the resources.<sup>94</sup> Just like the fate of Angola's counter parts, she too was labeled a resource curse nation where rather than benefiting of its economic potentials which ranged from oil and precious stones, prolific horticultural terrains, and rich fish stocks, the citizens of Angola were once more drawn into armed conflict and saw Angola's wealth disperse right before their eyes.<sup>95</sup>

The desire to control oil resources had been a vital resource for MPLA which funded its operation. The majority of Angola's oil stores were seaward which made the oil assets practically identical to a monetary asylum.<sup>96</sup> This key area may have given the MPLA the

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<sup>92</sup> Henderson, L. W. (2009): *Angola: Five Centuries of Conflict*, Cornell University Press, Ithaca.

<sup>93</sup> *Ibid*

<sup>94</sup> Hodges, T. (2011): *Angola: From Afro-Stalinism to Petro-Dollar Capitalism*, James Currey, Oxford.

<sup>95</sup> *Ibid*

<sup>96</sup> Le Billon, P. (2005). 'Resource Wealth and Angola's Uncivil War' in Cynthia Arnson and William Zartman (Eds.): *Rethinking the Economics of War: The Intersection of Need, Creed and Greed*, Hopkins University Press, Washington D.C., 107-139.

preferred standpoint over UNITA as diamonds were scattered over a substantial area North-eastern Angola. While UNITA was at first ready to exploit diamonds effectively with diamonds diggers and the supposed garimpeiros could even somewhat move to semi-industrial exploitation in the mid-1990s, not having the capacity to control the precious diamond against MPLA propelled traded off the capacity of UNITA to fund itself and that was the end of UNITA as an organized armed group.<sup>97</sup>

Moreover, Luvhengo's research demonstrated that the South African based DeBeers diamond mining company also worked in Angola with the help of UNITA. UNITA was once reinforced by France, United Kingdom and United States while the administration was upheld by Cuba and the USSR/Russia. Belgium, South Africa and Germany were additionally referred to among nations that intervened in the war with the help of UNITA.<sup>98</sup> As indicated by the report, access to diamond regions and the deals thereof, assisted the revolutionary development with attracting foreign governments and business organizations. Truth be told what had showed up as conflict of free enterprise and socialism finished as a conflict for minerals in Angola.<sup>99</sup>

Conflict financing and civil war left most of the Angolan individuals under contemptible destitution in a place that was known for bounty. When war ended more than half of the general population lived in abject poverty. The assimilados who were for the most part connected with MPLA had access to better training, education and wealth of Angola, while the indigenas related with UNITA and who additionally dwarfed the assimilados were packed in country

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<sup>97</sup> Ibid

<sup>98</sup> Kingston, P., & Ian S. (Eds.) (2014): States-Within-States: Incipient Political Entities in the Post-Cold War Era, Palgrave Macmillan, Basingstoke.

<sup>99</sup> Ibid

ranges with little access to education, health facilities and the wealth of Angola.<sup>100</sup> This added to the compounding civil war in Angola, as the indigenas individuals who were for the most part poor proceeded with the battle against the assimilados commanded government. In this way, amid the war, the lion's share of individuals needed essential needs and were jobless which no doubt enraged them for the administration couldn't satisfy their necessities. Fact is while Angola gives off an impression of development growth and stability the economy is yet to reach the desired heights of a country that has rich minerals and oil as it does. Irony of Angola is that one of the richest women in Africa is an Angolan native while Angola has been named one of least developed nations in the world and poverty gap is still wide.<sup>101</sup>

### **2.5.2 Conflict Financing and Civil War in Liberia**

The early settlers of Monrovia, were known as Americo-Liberians, who were liberated slaves from the United States and landed in Monrovia in 1829 and 1835. When the freed slaves touched base in Liberia they met the indigenous populations, who were the original inhabitants.<sup>102</sup> The Americo-Liberians were definitely more educated and advanced than the indigenous people. They had come from a civilization that was established and they used that to assume control over region. They set up a republic with the American constitution and along these lines, in 1847, the first Liberian president was elected under the True Whig Party (TWP) headed by President J.J. Roberts, an Americo-Liberian.<sup>103</sup> TWP as a political gathering of the

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<sup>100</sup> Cooper, N. (2002): 'State Collapse as Business: The Role of Conflict Trade and their Emerging Control Agenda' in *Development and Change*, Vol.33, No.5, pp.935-955.

<sup>101</sup> Herbst, J. (2014): 'African Militaries and Rebellion: The Political Economy of Threat and Combat Effectiveness' in *Journal of Peace Research*, Vol.41, No.3, pp.357- 369.

<sup>102</sup> Major I. A. (2010). "A Study in Internal Conflicts: the Liberian Crisis and the West Africa Peace Initiative," Fourth Dimension Publishing Co. Ltd, p .6.

<sup>103</sup> Taisier M. & Robert, O. (2011). *Civil Wars in Africa: Roots and Resolution*, (Toronto: McGill-Queen's University Press), p. 91

Americo-Liberians led the country like a settlement. It was like they were living there slavery days only that this time they were the slave masters.<sup>104</sup> It was not long before the native Liberians started a rebellion against the Americo-Liberian and betrayed each other. The 14-year civil war left between 150 000 - 200 000 citizens, dead and no less than 1 million displaced people to neighboring countries.

The native's uprising was not the end of Liberia's problems. The need for equitable distribution of resources led to the growth of several political parties who fought for supremacy. Eventually a native took power in the 80s and led the country with much support from the United States. Samuel Doe was said to have acted as an Enlightened leader despite his background. His reign was not to last long and in 1989 he was assassinated by Taylor's rebels. Liberia had already experienced conflict but nothing was to compare with what Charles Taylor's had planned. The first civil war broke out and a series of ethnic conflict engulfed the country as different factions tried their best to gain power and take control of the resources. Taylor at the time seemed to have had more power, some scholars argue that Taylor's ability to create a regional conflict into Sierra Leone was mainly because he had support from a few Americans one in particular a televangelist of whom Charles had given mining rights to and in return he was given ammunition that was used during the war.

Taylor become a notable figure in international politics. His involvement in the civil war in Sierra Leone raised eyebrows at his business dealings and he was later accused of using his presidency to smuggle diamonds to the west. The people of Liberia were fed up and a rebellion was fronted by a group of Liberians that called themselves the Liberians United for

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<sup>104</sup> Ibid

Reconciliation and Democracy (LURD). This uprising signaled the beginning of another civil war that marred Liberia for years killing thousands of people. The nation was divided and it was difficult to bring normalcy back after so many decades of civil war. Taylor's indictment by the international criminal court marked the beginning of Liberia's road to peace and reconciliation. However, the after math of the war was too grave as national resources were still controlled by a few and since the country had not had any proper structures in place since its inception poverty continued to be Liberians way of life.<sup>105</sup>

All through the historical backdrop of Liberia it was evident that the distribution of the nation's diamond wealth was unequal and that acted as one of the reasons that ethnic and civil wars broke out at such high magnitude. The exceptionally poor administration and undemocratic country of Liberia, greed and joblessness implied fundamental needs of the population who remained neglected by the political authority. The Doe and Taylor administrations ensured that the status quo was maintained and kept on denying the general population of Liberia their birth rights. The war in Liberia was additionally a battle by the citizens who were miserable. Those edgy for change and the individuals who felt denied their rights, would have no motivation to safeguard the administrations that abused them.<sup>106</sup>

The Liberian war may have been pictured to be more of an ethnic war which had little to no interference from outsiders. But that was far from the truth Charles Taylor during his court proceedings linked several foreign companies and states who he claimed to have helped him with ammunition and other necessary resources to ensure conflict was fueled. The interests of other African nations was also very conspicuous. Economic Community of West African

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<sup>105</sup> Ibid

<sup>106</sup> The Truth and Reconciliation of Liberia. (2008).

States (ECOWAS) in a bid to try and help Liberia sent in peace keepers through a cease fire monitoring group called Economic Community Cease-Fire Monitoring Group (ECOMOG). Their role seemed to have succeeded in temporarily stopping the killings however, they were later accused of massive looting and contravening human rights laws. The soldiers were sent to bring peace saw the opportunity to loot from a vulnerable nation. The nation states that were represented did not do anything to stop the looting and some would even say that they welcomed it as it also benefitted them. In analyzing this situations it is only safe to conclude that the war in Liberia was fueled by outside parties and to some extent made the war a commercial unit for their own personal gain.

There were many other nations that have been linked to the war in Liberia, the United States, Sweden and Lebanese dealers were to a great extent propelled by monetary and business interests in rubber, oil and metal. As indicated by Ali and Matthews, "at the height of the war, when Taylor controlled the greater part of the nation there was a flourishing export trade in diamond, timber, gold and agricultural products, made conceivable through a system of foreign firms."<sup>107</sup> They further added that "Canada, Britain, Japan and French organizations advanced businesses with Liberia at the height of the civil war." Monrovia also served as the center for blood diamonds coming from a group Sierra Leone's rebel group called Revolutionary United Front (RUF).<sup>108</sup>

Belgium's Antwerp port city which acted as the receiver of RUF diamonds from Monrovia showed how other state actors did not care for the fact that this diamonds were labelled conflict

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<sup>107</sup> Report of the Interim Chairperson on Peace Process in Liberia, (Presented at the 94th Ordinary Session of the AU, August 2003),

<sup>108</sup> Ibid

diamonds. It was clear that no nation wanted to work towards ending the conflict and since they provided ready market for the diamonds Taylor had no choice but to ensure that he controlled the diamond business in both in Liberia and Sierra Leone. Taylor's continued greed to maintain his lavish life and the available market for his illegal goods kept him tied with the RUF rebels who were exceedingly known for their ruthlessness.<sup>109</sup>

Charles Taylor's days had to eventually come to an end. He surrendered from presidency in August 2003 and paved way for his prosecution. A Special Court in Sierra Leone was set up by the Government with the help of the United Nations. The Special Court responsibility was to try all the culprits who had been linked to war crimes against Sierra Leone's citizens between the years of 1996 and 1999.<sup>110</sup> The international criminal court also tried Charles Taylor and after several years of interrogation and court proceeding Charles Taylor was served with a fifty year sentence. However, the study note that other accomplices who helped Taylor fuel the war were not indicted neither tried. A notable person was the televangelist from the West who provide him with Weapons. The study believes that all nation states who traded in conflict diamonds should be made to pay reparations to Liberia for their involvement in driving the conflict. This kind of double standards in the way the ICC treats cases from Africa affirms the recent attempt of some African countries opting to withdraw from the Rome statute.

Liberia's hope for a stable and safe nation began its realization when, a Peace Agreement between the Government of Liberia (GOL), The Movement for Democracy in Liberia (MODEL), The Liberians United for Reconciliation and Democracy (LURD), and the Political Parties was concluded in August 2003. The negotiation was done in Ghana, fronted by

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<sup>109</sup> Ibid

<sup>110</sup> Augustine K. (2012). "Understanding the Liberian Civil War, " in George Kieh and Ida Mukenge ed., "Zones of Conflict in Africa: Theories and Cases," (Portsmouth: Greenwood Publishing Group), p. 75.

(ECOWAS). The agreement was expected to bring peace to all Liberians after decades of war. One of the outcomes of the agreement was that all the different parties agreed to working together towards creating a stable political environment for Liberians, to advance majority rules system, improve the administration of the government and the control of law for sustainable growth for the general population of Liberia. An interim government was proposed which was to provide a conducive environment for elections.<sup>111</sup>

### **2.5.3 Conflict Financing and Civil War in Sierra Leone Civil War**

Freed slaves from the US were to Sierra Leone in 1787 to settle and rebuild their lives. It acted as the first African nation to be proclaimed a British protectorate in 1896. The new inhabitants of Sierra Leone mixed with the indigenous people barely constituted a population of six million. However as slave trade continued to be abolished the number of freed slaves increased mainly settling in Free town the current capital city of Sierra Leone. The nation was rich in natural resources diamonds being the most sort after then gold and timber. The British colonized up until 1961 and their first president was elected into office, President Milton Margia. Several authors praised Sierra Leone and depicted the nation to have been stable with a working and effective government in the 60s. According Shola Omotola Sierra Leone had a self-sufficient and dynamic civil administration, a justice system that was functioning and a military that was well trained. The country had established a very impressive infrastructure to the envy of many African nations the, roads, hospitals facilities and education facilities were well organized and they served the people. They were doing so well that the first university in the sub-Saharan Africa was Forrah Bay which was situated in Freetown. Ndumbe reiterates

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<sup>111</sup> Amnesty International (2010). Human Right Violations Committed in the Name of Oil, Amnesty International, London.

Shola's sentiments by stating that, Sierra Leone flourished up until 1970 with an extraordinary public-sector that had structures and systems that worked. They were also rich in human capital as those working in the public institutions were professionally trained employees.<sup>112</sup>

Sierra Leone enjoyed several years of stability until some members of the military decided to stage several coup de tats. The desire for power opened doors for civil war and when the war in Liberia broke out the RUF took over and continued the fighting in Sierra Leone. As discussed earlier the war in Liberia was propagated by Charles Taylor in his bid to control the diamond rich areas. He succeeded to bring Sierra Leone to its knees as Charles chose a time when the country was battling with political rivalry and there was no one who realized what was going to hit them after the war broke out.

The RUF were clever enough to recruit young idle and jobless Sierra Leoneans who had nothing to lose and thus the war become even more dreadful. Furthermore, during Siaka Stephen's rule he declared that the mining businesses should fall under one association under his control. He then brought in excavators to do the job that was done by the youth. This left a gap in their income source and consequently they had no choice but to join the rebel groups in a bid to fend for themselves. The economy likewise also took a deep plunge and thus the government was no longer able to cater for the elite as they were not able to pay salaries of civil servants and other employees alike. Teachers across the nation left their jobs and this impacted the level of literacy among the youth and children. Since there were no teachers to

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<sup>112</sup> Anyo, N. (2011). "Diamonds, Ethnicity and Power: The Case of Sierra Leone," *Mediterranean Quarterly*, vol. 12, no. 4 ,p. 90

teach, children stopped going to school the after math of this saw the rise of child soldiers who were later known to have caused havoc during the civil war.<sup>113</sup>

The precious metal diamond was first discovered in 1930 in the Eastern Kono region. The war ravaged this precious stone and in the 70s, half of it was traded unlawfully. What made the diamonds in Sierra Leone so easy to exploit was because they did not need huge machinery or heavy digging to extract. It was at first sight extraction, a sight to behold by many including President Stephens. He eyes might have sparkled in the mere sight of the open diamonds and that may have increased his greed and desire to control the mines himself. This led him to form the National Diamond Company which was governed under the office of the Prime Minister. Like all African leaders he entrusted the company to his friend, a Lebanese businessman Jamil Mohammed who safeguarded the interests to the two. Unfortunately after Stephen was ousted his successor Joseph Momoh aggravated the situation further and followed in his predecessors footsteps by giving Mohammed more control over the mining part. This did not sit well with many Sierra Leoneans and tension grew as they felt undermined by their own.<sup>114</sup>

The tension among the common man grew and it reached a point when they said enough is enough. The plunder and defilement of diamond mining in Sierra Leone become too much for the citizens to bare and subsequently what was termed as the diamond war emerged. The war became the golden opportunity for illegal mining and trade of diamonds. The desire to continue servicing the market with illegal diamond trade supported all kinds of crime including serious war atrocities. It also brought about the development of frantic excavators known as the san-

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<sup>113</sup> Ibrahim A. (2012). "Bush Path to Destruction: The Origin and Character of the Revolutionary United Front/Sierra Leone," *The Journal of Modern African Studies*, vol. 36, no. 2, pp. 203-235.

<sup>114</sup> Greg C. (2012). *Blood Diamonds: Tracing the Deadly Path of the World's Most Precious Stones*, (New York: Westview Press), p. 42.

san boys. The race for diamonds by authorities, rebel groups and business people was heightened by the fact that a market was available to trade and the benefits gained were too great to be missed.

The black market that was controlled by the RUF entered the market camouflaged as Liberian and Guinean diamonds. These diamonds were of such high demand due to the fact that they were less expensive. Foreign companies also wanted a piece of the cake and they were lured into the business. However many did not want to be directly associated with the war so they used shadow companies and middlemen to do the dirty job for them.<sup>115</sup> Eventually the diamond market became more lucrative leading to the need of ensuring that the insecurity remained as is to allow the illegal trade to flourish. In this way, the savage hunger for diamonds knew no limits as those included would lean towards the present state of affairs with a specific end goal to benefit from the unlawful trade.<sup>116</sup>

Further evidence that the criminal courts or even the Sierra Leone courts would have used to indict foreign firms was the fact that diamonds were mainly purchased in foreign currency. The availability of foreign currency acted as a motivating force and contributor to the war.<sup>117</sup> It meant that rebels and the government was able to procure the needed weaponry to advance the war and keep people fighting. Nations like Belgium should have been the first to be indicted. It was reported that The "Diamond High Council in Antwerp used to record the inceptions of diamond imports as the last nation to deliver the merchandise implying that the RUF diamonds transported from Monrovia were erroneously distinguished as originating from Liberia and

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<sup>115</sup> Herbst, J. (2014): 'African Militaries and Rebellion: The Political Economy of Threat and Combat Effectiveness' in *Journal of Peace Research*, Vol.41, No.3, pp.357- 369.

<sup>116</sup> Republic of Sierra Leone (2004). *Witness to Truth: Report of Sierra Leone Truth and Reconciliation Commission,* vol. 2 (Graphic Packaging: Accra, 2004), p. 7.

<sup>117</sup> *Ibid*

thus were imported into the true blue markets of Antwerp in Belgium, Israel and Ukraine among others. It was this loophole clause which guaranteed benefits for Charles Taylor's and the RUF and in such manner delayed the war. Campbell contends that the escape clause was purposely created for trade. Although In 2000, a Canadian based NGO reprimanded the Belgian business for purposely attracting organized crime and thus fueling the wars in Africa, it was not enough and the study affirms that they should be prosecuted for the crimes that were committed to the Liberian and Sierra Leonean people.<sup>118</sup>

Not all was lost in 2000 the United Nations Security Council collectively received resolution 1306, instituting a year and a half ban on trade of Sierra Leone's diamonds. In 2003 the Kimberly process was initiated by the Global witness and it was a government led certification scheme that was aimed at cleaning up the illegal diamond trade. Although it has to some extent helped reduce the trade of illegal diamonds many civil activist have argued that the process has several weaknesses that have not been addressed. This weaknesses act as a catalyst that ensure the criminal chain of conflict diamonds does not end. One of the weaknesses cited by the civil society is that fact that the definition of conflict diamonds was not well defined and hence once the diamond had been and moved to the international market it is no longer termed as a conflict diamond and the Kimberly process no longer covered it. This has left nations like DRC vulnerable to continued looting and illegal mineral trade.

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<sup>118</sup> Amnesty International (2010). Human Right Violations Committed in the Name of Oil, Amnesty International, London.

## **2.6 Summary**

This Chapter expounded on the relationship between conflict financing and civil wars in Africa. It discusses the various ways in which conflict was financed. The basic condition that provided the basis for sources of financing conflict and the actors outside the areas of conflict. The motivating force for funding conflict was characterized by the future advantages and opportunities hoped to gain.

There was no doubt that commerce and conflict have a correlation, hence the terminology war economies. Investigations by Global Witness have indicated that MNCs have the biggest networks in conflict finance in Africa that was why Global report recommended in their reports that the fastest way to end the conflict in resource-endowed countries is by introducing trade embargoes on certain natural resource commodities. Conflict financing and civil war left many Africans dead or living in deplorable conditions to the extent that some wished they were dead. This chapter's analysis of conflict in Africa affirms its initial hypothesis that state and non-state actors sustain and fuel conflicts in Africa. Conflict financing is no longer a theory or idea but it is an actual reality lived by many and some are still experiencing it with no hope of restitution.

## CHAPTER THREE

### ACTORS WHO CONTRIBUTE TOWARDS CONFLICT FINANCE IN DRC

#### 3.1 Introduction

The natural resource conflict in DRC is a peculiar one since the variables contributing to the conflict have greatly been believed to be emanating from both internal and external variables ranging from state to non-state actors. This chapter, therefore, wants to identify the actors who contribute towards conflict finance in DRC. Focus was emphasised on the state actors who- Rwand, Uganda and other state actors. The non-state actors include multinational corporations (MNC), Non Governmental organizations and individuals.

#### 3.2 State Actors

Before the study delves deeper into state actor's roles and impacts in conflict finance it is important to be cognizant of the fact that states can be crucial in organizing and supporting activities that violate their own laws and international law to fulfill both their economic and political objectives as highlighted in subsequent paragraphs.<sup>119</sup> State criminality can, therefore, violate domestic, international and human rights law, that can be perpetuated through a Multilateral basis, Bilateral or even unilateral depending on the states political, economic, and ideological interest.

According to Micheal Ross, through his empirical findings, there was an indication that between the years 1989 – 2004 five African governments used the sale of booty futures when they were on the brink of losing their sovereignty to rebels. Further findings indicate that the

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<sup>119</sup> Chambliss, W. (2000). State Crimes of Minerals Congo.

sale was conducted amongst sovereign states through the signing of concessions in exchange for weapons and soldiers.

Mobutu's ouster in 1996 provided the best case study of the role of governments in the sale of booty futures. Laurent Kabila then, a warlord planned to ouster the existing regime and he sought the support of his neighbors Rwanda and Uganda who became very instrumental in Mobutu's ouster.<sup>120</sup> Laurent's interaction and call for support from Rwanda and Uganda as a rebel leader were a clear indication that the two neighbors were keen at destabilizing a sovereign state, not because of poor relations between the states but because of selfish state interest to exploit mineral resources.<sup>121</sup>

As mentioned in the previous chapter according to respondent J the major rebel groups in Congo, FDLR, MaiMai, and M23 are said to be composed of Rwandese citizenry since nearly all speak Kinyarwanda, a linguistical dialect that does not originate from DRC. The former M23 leader Bosco Ntanganda also commonly referred to as Terminator speaks fluent Kinyarwanda his primordial features also indicate that he is a Tutsi since he is tall and has a Caucasian look, a common feature among the Tutsi Rwandese. The big question is why have this Rwandese rebel groups been able to hold DRC a country bigger than the European Union hostage for so many years in conflict? The arguments are that Kabila whose origin is questionable has allowed this rebels to remain powerful enough to cause continuous instability in DRC by financing and motivating conflict to enable him and his cronies to loot the vast mineral reserve found in the eastern parts.

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<sup>120</sup> Edward, G & Materson, T. (2002). *Governance Quality and Governments Commitment*. p.45. "The Fragile Peace."

<sup>121</sup> Wennmann, A. (2017). *Political Economy of Conflict Financing*, "they operate in a structural environment of weak states, willing collaborators and shadow economies"

According to respondent B President Sassou Nguesso of Congo Brazzaville has made frantic efforts to try and bring together President Museveni, Kagame and Nkurunziza to deliberate on an amicable solution to resolve the DRC conflict but his efforts received less attention from his peers. Great Lakes Region (ICGLR) and the East African Community (EAC) have also tried to persuade the three leaders to critically evaluate conflict finance in DRC and abide by the existing legal frameworks such as the Kimberly process.

Rwanda and Uganda have however defended themselves that their entry into DRC should not be viewed as an incursion but as an intervention for the restoration of peace and security among the Congolese, the better good of the East African Region. The latter is not the case since, upon their involvement in the conflict, financial institutions like World Bank and International Monetary Fund re-evaluated these two countries' stock exchange markets and realized that they had grown instead of going under due to their involvement in the DRC conflict.

Resources have been utilized to fuel conflict and not to get individuals out of destitution. In 2007, the Human Development Index positioned the nation at 168 positions out of a sum of 177 nations.<sup>122</sup> The flimsy circumstance provided for misuse of resources in DRC is mainly instigated by the criminalization of looting and trade which happens by offering significant factional and individual enhancement through the trafficking of arms, illicit goods, mineral assets and messy cash.

### **3.2.1 Rwanda Involvement in Conflict Finance**

As indicated by the united nations master board report dealers in Rwanda have been financing a rebellion in the asset rich territory of Eastern Congo in order to benefit from tin, tungsten and

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<sup>122</sup> <http://hdr.undp.org/sites/default/files/reports/267/hdr06-complete.pdf>

tantalum which are trafficked over the fringe from mines in Eastern Democratic Republic of Congo. The confidential report, stated that even though Congolese government subjected exporters to guarantee minerals were conflict-free and stopped almost all trade from the nation's east, the smuggling into Rwanda, Uganda and Burundi did not stop but rather expanded. Devastated Congo is surrounded and engulfed by substantial stores of various precious metals and minerals that are used to make the most sort after products. Chatham House study reports that an expected 10 million individuals are either directly or indirectly reliant on the mining business.<sup>123</sup>

Respondent C stated that M23 rebels directed by warlord Bosco Ntaganda a Rwandese national, who is currently on head bounty by the ICC for war crimes, was allegedly fighting government soldiers in Congo's North Kivu. This raises questions at who are the real culprits in the Congo war. In this case it is evident that Rwanda has been heavily involved in the conflict in DRC. The respondent further stated that the notion that the international community portrays by accusing Congolese nationals as the rebel groups fighting in Eastern Congo are all lies. According to him the Congolese's people are merely victims of the vicious desire of a few to acquire and control the rich mineral area.

The UNEP MONUSCO report noted that "The credibility of the mineral tagging system in place in Rwanda was jeopardized by the laundering of Congolese minerals, as tags were routinely sold, and the bag and tag method to certify the origins of the minerals was not effective." Respondent D added that traders contributed to financing M23 rebels out of profits resulting from smuggling Congolese minerals into Rwanda. The report confirmed the

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<sup>123</sup> <https://www.reuters.com/article/us-congo-democratic-rwanda-minerals/exclusive-mineral-traders-in-rwanda-helping-fund-congo-rebels-u-n-panel-idUSBRE89F1M320121016>

respondent's claims and added that Rwandan exports of tantalum and tungsten rose in 2012 with increased smuggling out of Congo.<sup>124</sup>

A recent study by Enough Project, stated that in 2010 to 2011 Rwanda's mineral exports shot by 62 percent which meant there was a 22 percent increase in mineral trade.<sup>125</sup> The East African paper reported in March 2013 that Rwandan export volumes and value from minerals had improved since private investors bought all the 21 mines in the country, with the last privatization deal sealed in 2007. In addition the country earned \$136.6 million (over Rwf87 billion) from mineral exports in 2012. However, it targets \$409 million (about Rwf261 million) by 2017.<sup>126</sup>

This positioned Rwanda's mineral revenues ahead of tourism, which was currently the leading foreign exchange earner. Tourism fetched Rwanda \$281.8 million (over Rwf180 billion) last year, accounting for 8.4 per cent of total export earnings.<sup>127</sup> The numbers are commendable especially for a country that has struggled economically, however many have questioned the origin of the minerals that is growing Rwanda's economy at such a high speed. The East African reports that the Rwandese government have been making efforts to prove to the world that it has considerable amounts of gold, tin, tantalum and tantalite like the Democratic Republic of Congo (DRC). Unfortunately, that proof is yet to surface in the meantime it is safe to assume that the country could be a conduit for smuggled minerals.<sup>128</sup>

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<sup>124</sup> Ibid

<sup>125</sup> Ibid

<sup>126</sup> <http://www.theeastafrican.co.ke/news/Rwanda-puts-three-mines-on-the-block/2558-1728570-13gksvyz/index.html>

<sup>127</sup> [http://www.rse.rw/uploaded\\_reports/Rwanda\\_Stock\\_Exchange\\_final1.pdf](http://www.rse.rw/uploaded_reports/Rwanda_Stock_Exchange_final1.pdf)

<sup>128</sup> Ibid

According to respondent A a recent intelligence by the Congolese's government discovered that Rwanda was constructing an airport at the North Kivu border. In his opinion Rwanda, Uganda and the several multinational companies colluded to smuggle minerals from DRC and the airport being built works to serve that function.<sup>129</sup> Respondent E added that it was difficult to pin point the multinational companies working in DRC because the people on the ground are what he termed as shadow companies who were not registered and to find their origin was a tall order.<sup>130</sup> A report by UNEP and MONUSCO also noted that there were many charter planes coming in and out of DRC and since charter planes do not have the capacity to fly long distance it was assumed that they stopped over either Rwanda or Uganda so as to refine the mineral. He further added that it is in this countries that the mineral was legalized and most international companies used this as a basis to argue that they did not engage in conflict minerals.

To provide further proof, tantalum was smuggled from Rubaya via Goma and eventually, found itself in Rwanda where it was legalized and certified as official Rwandan commodity ready for foreign exportation. UNEP figures indicate that Rwanda, Burundi, and Uganda receive a total of 60-71% of DRC mineral. Respondent E adds that the smuggling is done by small trucks near Goma to facilitate border crossing at the watch and protection of rebel groups with some corrupt government officials who authorize the certification. Kenya has also been accused of smuggling timber which is done via Uganda from the eastern part of DRC along the border points of Kivu, Kasindi, Mahagi and Bwera regions.<sup>131</sup>

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<sup>129</sup> Interview, Embassy of Congo Representative.

<sup>130</sup> UNEP Country Representative

<sup>131</sup> UNEP-MONUSCO Report April 2015

### 3.2.2 Uganda Involvement in Conflict Finance

Uganda's invasion of DRC dates as far back as 30 years ago. In those days Uganda was one of the poorest countries in Africa today Uganda is slowly growing into a middle class economy. It was also believed that Uganda was the number one exporter of Gold from DRC. Uganda and Rwanda represent realists' views of state centrism. They have upheld this theory to its highest regard and have ensured that they reap maximum benefits despite the plunder they leave behind.

Respondent A added that Uganda's involvement in DRC is not only state based. There are many individuals who have been linked to directly fund rebels in gold rich areas. General Saleh who is related President Museveni apparently has been linked to massive mineral exploitation in DRC. In the UN panel of expert's report Mr. Saleh's name was mentioned as among the people the panel recommended several restrictions including travel, freezing of personal assets and use of financial institutions.<sup>132</sup>

It may seem as if it is all doom for DRC, but a recent ruling by the ICJ for Uganda to pay punitive damages for the five-year occupation of its eastern regions shows that international law is not a toothless dog- assuming that Uganda actually pays. The ICC's ruling that Uganda's 1998-2003 intervention violated international sovereignty and led crimes against humanity, brought a sense of relief for DRC even though Uganda expressed dissatisfaction with the ruling. Kampala government officials claims that it acted in self-defense was dismissed in a sweeping ruling which piled fresh pressure on President Yoweri Museveni.<sup>133</sup>

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<sup>132</sup> Ibid

<sup>133</sup> <https://www.theguardian.com/world/2005/dec/20/congo.uganda>

The court maintained DRC's entitlement that it had been the target of illegitimate military interference. DRC officials received the ruling with great jubilation and said it would pursue \$6-\$10bn (£3.4-£5.6bn) in reimbursement, an estimate the court purported would be suitable. DRC was very pleased with the ruling and the government stated that it plans to seek legal reparation from Rwanda as well even though the government in Kigali does not recognize the court.<sup>134</sup>

### **3.2.3 Other state actors**

The UN panel of expert's investigations released a list of 11 African States who directly or indirectly assisted in fueling the war in DRC. In the report the panel stated that this countries allowed for the passage of goods originating in DRC to other nations without following the agreed rules. Those that were found to be directly involved in the conflict were, Mozambique, South Africa, and the Republic of the Congo, Burundi, the United Republic of Tanzania and Zambia.<sup>135</sup>

Zimbabwe's deteriorating economy did not stop them from offering assistance to Joseph Kabila taking into account that war is generally a very expensive affair and only capable nations have the capacity to offer military assistance to allies.<sup>136</sup> It begs the questions why Zimbabwe saw it fit to engage in a war that did not directly affect them. The only reasonable explanation for Zimbabwe's action was geared towards safeguarding its political economic interest to try and salvage their economy. Whether the move was successful or not the evident

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<sup>134</sup> Ibid

<sup>135</sup> UNEP-MONUSCO Report April 2015

<sup>136</sup> <http://news.bbc.co.uk/2/hi/africa/611898.stm>

outcome after the arrival of the troops in DRC was a surge of both potential and influential businessmen and companies from Zimbabwe.

America took part in the assassination of Patrice Lumumba through its CIA, to install a stooge who could act as a gatekeeper by protecting Americans interests. Respondent F stated that Mobutu ascendancy to power was crafted by the Americans and upon realizing that his regime was collapsing at the end of the cold war they shifted their allegiance to Joseph Laurent Kabila AMF was used to destroy Mobutu's reign by proving, both financial and military planes that were channeled to Joseph through DRC was not the only peculiar case where Americans had been accused of promoting booty future. In, Afghanistan, Americans are said to have financed the Mujahidin rebel groups, to a tune of \$3 Billion to support the 300,000 militiamen in exchange for oil rights.<sup>137</sup>

The Congolese citizens who fall under the state structure have also constantly looted and smuggled minerals to a point of becoming more powerful than the State itself. The populations of looters working in the mineral fields are estimated to be 200,000 – 300,000. The looters are however not referred to as looters but small-scale artisans. These small artisans account for 70% of mineral production in the DRC extractive sector.<sup>138</sup> Their prowess and power can be seen when they themselves extort non-governmental organizations, multi-national corporations and even peacekeeping missions. If an entity evades their taxation rackets they

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<sup>137</sup> Chambliss, W. (1993). *Making Law: The State, The Law, and Structural Contradictions*. Indiana University Press, Bloomington and Indianapolis.

<sup>138</sup> Herman, J. C. (2015). *The Mind of the African Strongman: Conversations with Dictators, Statesmen, and Father Figures*. New Academia Publishing.

therefore resort to kidnappings and later on demand for ransom payments as a form of taxation.<sup>139</sup>

Amnesty International and Human Rights Watch reports indicate that a big number of foreign workers have ended up into captivity through kidnappings. It is important to be cognizant of the fact that the first step to form a militia group has always been through individual looting that snowballs into a group that controls a certain mine field which later culminates into a full-blown militia. Economists would argue that whenever a population is untaxed and unregulated they, therefore, become stronger than the government because they accumulate more resources than the government. The Zaireanization program proved how citizens can become more powerful and influential than the state that was due to the fact that Mobutu through cronyism allowed his loyalists to loot and acquire more minerals for themselves.<sup>140</sup>

The act of sovereign states destabilizing other constitutionally instituted sovereign states for self-gain is not only limited to DRC it also happened in Liberia in 1989 when Charles Taylor led a battalion of 100 soldiers from Cote D ivoire to Liberia to conduct a coup de tat an act that went against the country's constitutional provision and Organization of African Union. Cote D ivoire was not the only country that facilitated Taylor's quest to overthrow Samuel Doe but Burkina Faso and Libya too. Libya through its then leader Muammar Gaddafi offered Charles Taylor military training for his troops.<sup>141</sup>

The three countries assistance to Taylor was not precipitated by their love for him and the hate for his country, but it was mainly trivialized by their interest to loot the natural resources in

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<sup>139</sup> Ibid

<sup>140</sup> Amnesty International and Human Rights Watch, (2003). Reports on DRC.

<sup>141</sup> <https://www.newyorker.com/news/news-desk/charles-taylor-and-the-killing-tree>

Liberia, mainly diamonds, and gold. Taylor's unsuccessful attempt to ouster Doe worsened the situation because instead of creating a regime change it plunged the country into a full-blown armed conflict. The political instability made it hard for the government to take control over the endowed resources areas, leaving most of its resources susceptible to looting, Taylor himself earned a whopping \$75 million dollars annually emanating from the mining sector.<sup>142</sup>

Emizet Kisangani insists that whenever neighbors intervene in DRC they come with their own agenda.<sup>143</sup> A good example of this statement was when state actors under the umbrella body of ECOMOG who had been sent to pacify the conflict in Liberia opted to resort to looting upon realizing Liberia's rich unexploited natural minerals while in the line of duty. Nigeria a hegemon in ECOWAS had the privilege of sending the largest peacekeeping troops to Liberia, but instead of doing what they were sent to do which was help bring peace to Liberia they instead used their military prowess as a looting conduit. Nigeria didn't stop at looting but went further to collect taxation from timber and rubber export. Kenya has also been accused of going against their intended mandate in Somalia through AMISOM where they have been accused of taking taxation from charcoal that was being exported and imported by Somali militia along Kismayo seaport. That is normally done under the watch of military elites at the behest of political elites.<sup>144</sup>

The examples mentioned above explicitly prove the involvement of state actors in defending illegal actions that their men in boots and berets do. Multi-lateral agreements have turned out to be associations of convenience to fulfill Political and Economic Interests.<sup>145</sup> The study can

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<sup>142</sup> Kimber lite Process Certification Scheme. "Each country must designate an importing and exporting authority...., establish a system of internal control"

<sup>143</sup> Emizet, K. (2010). *Civil Wars in the DRC*. Kansas State University.

<sup>144</sup> International Jurist Black & White Report.

<sup>145</sup> UN Charter

establish that peacekeeping missions indeed form part of the spoilers in well-endowed war-torn countries, since they benefit a lot from the conflict and also help to secure the interest of their state. This further explains why a big number of peacekeeping troops are always sluggish when it comes to withdrawing their troops from the mission, Rwanda and Uganda were not ready to withdraw their troops from DRC even after several peace accords had been signed the same for Uganda and Kenya in Somali. The accrued benefit that they get from the mission cannot be underestimated!

### **3.3 Non-State Actors**

Non-State actors are all organizations, networks, associations that participate in international affairs and have sufficient power to cause shifts or change in international relations even though they do not belong to any established state institution.

#### **3.3.1 Multinational Corporations (MNC)**

MNC are business entities that operate in more than one state. They usually have a parent company stationed in one state and subsidiaries spread in different states. They have also been referred to as transnational corporations although many academic authors have opted to use multinational corporations. In traditional international law MNC's had no obligations but rights, this meant that in practice MNC's were only subjected to domestic laws in which they operate under but not internationally bound.<sup>146</sup> This then explains why it has been difficult to hold MNC's accountable for any actions that they may contravene internationally, more so in countries that do not have stable governments to ensure enforceability.

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<sup>146</sup> <http://www.oxfordbibliographies.com/view/document/obo-9780199796953/obo-9780199796953-0049.xml>

Political economists and security experts would write off DRC as an investment hub because its environment is not conducive for business however that has not been the case since DRC is second to South Africa when it comes to hosting the biggest number of MNC's. The questions that the study would, therefore, beg to ask; how are businesses thriving in such an unconducive environment? Could it be that they are part of the conflict? Those are some of the few questions that the following paragraphs would attempt to address.<sup>147</sup>

There is no doubt that commerce and conflict have a correlation, hence the terminology war economies. Investigations by Global Witness have indicated that MNCs have the biggest networks in conflict finance, that is why Global report have recommended in their reports that the fastest way to end the conflict in resource-endowed countries is by introducing trade embargoes on certain natural resource commodities. In DRC for instance, 85 companies were listed as being in contravention of the Multinational Enterprise Guidelines, this was due to their illegal resource exploitation. Most of these countries were found to be originating from Belgium, USA, Britain, Zimbabwe, Rwanda, Uganda, and Israel.<sup>148</sup>

The study has realized that it would be wrong to pass a blanket assumption that all MNCs in DRC are guilty of perpetuating conflict finance. According to respondent B, there are several MNC's in DRC who conduct business legally and there those MNC'S that conduct illegal business. Those conducting legal business, however, have found themselves through unintended purposes contributing to conflict finance via complex financial webs. Their role in fuelling the conflict is unintended, unintentional and indirect. However, those conducting

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<sup>147</sup> Kramer, R. (1982). "Corporate Crime: An Organizational Perspective". Pp. 75-94. Daily Eds. White Collar and Economic Crime. Lexington, KY: Lexington Books

<sup>148</sup> <http://www.leftcom.org/en/articles/2008-12-15/the-war-in-dr-congo-behind-the-slaughter-and-looting-stand-imperialist-interests>

illegal business fuel conflict deliberately to profiteer from trade. Rebels and middlemen play the role of security forces in the commercial web. The war is the most conducive atmosphere to conduct business simply because domestic laws are difficult to enforce and thus basic legal requirements like taxation, payment of legal requirements and others are not utilized. Worst still MNC's also enjoy the use of unregulated labor force making it easier and profitable for them to run their businesses without any accountability.<sup>149</sup>

Conflict finance between MNC, governments, and rebel groups are in many at times forged through concession rights, royalties and bonuses that are later used to oppress opposition, minority groups and ultimately counterinsurgencies. For instance, the U.S.-based mining firm American Mineral Fields reportedly signed contracts with the Alliance des Forces Démocratiques movement of the then-rebel leader Laurent Desire Kabila over mines that the AFDL captured on its way to overthrowing the Mobutu regime in Kinshasa.<sup>150</sup>

The UN report, was alarmed at the rate of Illegal exploitation of the mineral and other natural resources in DRC and they were concerned at the rate at which it was occurring. They argued that it was happening in two disturbing stages; large scale plundering and the accurate looting of minerals. Companies from around the world have made it their business to utilize DRC resources for as little as possible particularly Coltan, the current most sort after mineral that is used to make the world a global village.<sup>151</sup> The report likewise shows that various organizations were made to encourage illicit exercises in the Democratic Republic of the Congo. Others have

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<sup>149</sup> Ibid.

<sup>150</sup> Collier, P and Hoeffler, A. (2002). *Greed and Grievance in Civil War*. p. 1. "We have found that greed out powers grievances."

<sup>151</sup> <https://www.justice.gov/sites/default/files/eoir/legacy/2014/02/25/Congo.pdf>

existed in the area for a considerable length of time and joined the temporary fad to seek after the conspicuous financial benefits engaged with the abuse of the nation.

When they complete their business, multinational organizations that benefit most from the trade and the conflict took cover behind precisely developed shield of numbness, contending that they did not know about the origin of the minerals that they bought. These cases of obliviousness are treacherous. The most recent UN report shows that organizations are painstakingly evading any examinations that may uncover reality further, corporate administration declines to perform adequately and diligently due to the huge demand posited by their consumers. MNC's are unquestionably not going past to stop acquiring conflict minerals as the returns are too great to ignore. Rather, they continue to exploit Congo's mineral riches without conscious.<sup>152</sup>

In certain circumstances, funds are directly paid as bribes to either rebel groups, or even opposition officials to destabilize the government in power. These financial transactions later have a direct impact on the citizenry and rebel groups through the trickle-down effect. In the event that these MNC avoid direct transactions with rebel groups, the latter has always then resorted to kidnappings upon which ransoms are paid to facilitate conflict finance.<sup>153</sup>

Baron Corporation a Canadian Multi-National Corporation has been accused of financing conflict in DRC during their operations by paying security fee to the rebel groups for protection and exploitation rights. A good number of MNC's have gone as far as contracting private

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<sup>152</sup> Ibid

<sup>153</sup> <http://www.socsci.uci.edu/~mrgarfin/OUP/papers/Hoeffler.pdf>

military, militia and rebel groups to offer security in their areas of exploitation. Security therefore forms a very lucrative business for the rebel groups to generate conflict finance.<sup>154</sup>

De beers activities in DRC has resulted to numerous scandals that have put them on the frontline of DRC's conflict. The latest trend in the African continent of using mercenary companies to quell wars and bring peace has seen many companies run from the normal use of rebels to contracting private companies. De beers has been linked to one of the leading Private Military Companies (PMCs) in the industry. Their activities in DRC have led to investigations of their controversial military actions and mining activities which called for restrictions to be taken against them by the South African government.<sup>155</sup> The Company has also been linked to the former military president of Sierra Leone, Valentine Strasser, who allegedly awarded diamond licenses to Executive Outcome (EO) a mercenary company for fighting the rebels and bringing him to power.<sup>156</sup> African states and even NGO's are increasingly using the services of mercenaries as they have been believed to bring some form of normalcy in active combat zones. Critics on the hand negate this notion and argue that the use of mercenaries has only activated a boom in the business of war.<sup>157</sup> In addition, mercenaries have been accused by the international community for going against human rights but because they are private companies it has been difficult to pin them down.<sup>158</sup>

International trade and the high demand for solid minerals in DRC has precipitated conflict finance and thus a contribution to resource conflict through the supply chain web. In as much as the government has always issued official extraction rights to MNC, extraction of the

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<sup>154</sup> Garrett, N. & Mitchell, (2009). Trading Conflict for Development. P.6.

<sup>155</sup> Ibid

<sup>156</sup> Pech K. Executive Outcomes A Corporate Conquest.

<sup>157</sup> Ibid

<sup>158</sup> Ibid

minerals has posed a challenge because the minefields are still under the control of warlords. Companies are therefore forced to re-negotiate with the rebel groups, the negotiation, therefore, establishes a complex and non-transparent supply chain.<sup>159</sup> The supply chain is complex with various actors drawing payments from the chain, goal posts get shifted and different mechanisms are deployed to avoid official authorities. However new demands reemerge from the various actors involved, a good number of them feel short-changed whereas some fail to fulfill their bargains and with that comes disagreements and the conflict explodes again.<sup>160</sup>

Illicit finance being generated from a natural resource in DRC can be capped at US\$ 1.25 billion per year out of that generated amount 10 – 30% of it goes to conflict finance which is about US\$ 72 - 426 million per annum. To further break it down, each commodity attracts the following resources; gold US\$40 – 120, Timber US\$ 16 – 48, Charcoal US\$ 12 – 35 Million, 3T Mineral 7.5 – 22.6 Million, Diamond US\$ 16 – 48 Million, Local Taxation US\$ 14 .3 – 28 Million. The figures, therefore, give an indication that war in itself is a self-sustaining economy as President Paul Kagame once reiterated and that is why MNC are thriving in DRC.<sup>161</sup>

UNEP findings indicate that conflict finance being generated from DRC sustained over 25 rebel groups, whereas other sources indicate that it was sustaining more than 49 rebel groups within the country. The rebel groups played a checkmate game to prevent one another from playing a dominant role in the trade, the weaker rebel groups had their own survival strategies of criminal networks, forming part of a transnationally organized crime web.

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<sup>159</sup> Karlsson, Ida. "EU Urged to Ban Conflict Minerals."

<sup>160</sup> <https://mneguidelines.oecd.org/Mineral-Supply-Chains-DRC-Due-Diligence-Report.pdf>

<sup>161</sup> UNEP, (2015). *Report on Illegal Exploitation of Natural Resource In DRC: Benefiting Organized Criminals in DRC.*

Trinity and Victoria companies were mentioned in the report to have been involved in the illicit looting and trade of natural resources in DRC. Victoria Group has its headquarters in Kampala. The report provides a detailed account of how officials in the company deal with members based in DRC on diamond issues. One of the members is Mr. Khalil who has two agents in DRC, one is based in Kisangani and the other Gbadolite. Both agents are said to be of Lebanese origin Mr. Mohammed Gassan and Mr. Talal. The panel in its report visited the mentioned areas and received confirmation and reports that the Lebanese agents did operate in those areas and their role in the purchase of diamonds in the region. Victoria Group is involved in trading diamonds, gold and coffee. The Group purchases these mineral and agricultural products in Isiro, Bunia, Bumba, Bondo, Buta and Kisangani.<sup>162</sup>

The panel also discovered that Trinity was a fictitious company and a parent company of various businesses owned by Mr. Salim Saleh and his wife. According to respondent B Mr. Salim is a relative of president Museveni of Uganda. Their main region of business is Orientale province where they are said to mine and trade in gold, coffee and timber without paying any tax.<sup>163</sup>

First Quantum Minerals (FQM) of Canada has also been accused of engaging in booty futures when they attempted to buy rights to the Kolwezi Tailings. Reports stated that they offered the government a deposit of \$100 million. The result of this payment led to the increase in FQM shares in the global market as it had secured some of the most valuable mineral concessions in DRC.<sup>164</sup> Another notorious company accused of paying the government concession rights for

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<sup>162</sup> Ibid

<sup>163</sup> Ibid

<sup>164</sup> <https://reliefweb.int/report/burundi/plundering-dr-congo-natural-resources-final-report-panel-experts-s20021146>

mining and own considerable mine area is Tremalt Ltd. It estimated that Tremalt holds the rights to exploit six Gécamines which contain over 2.7 million tons of copper and 325,000 tons of cobalt for over 25 years. Tremalt is said to have paid the Government of the DRC only \$400,000, but the estimated worth of the mines exceeds \$1 billion. All these companies claimed that they received considerable support from government officials who approved their mining activities and also provided export permits.<sup>165</sup> Even though these companies blame government officials for the looting they are not to be absolved from responsibility as they all work together to steal from the Congolese people for their own private gains.<sup>166</sup>

### **3.3.2 Coltan and other metals**

One of the most sought-after minerals in DRC currently is Coltan. According to research firm Roskill Information Services DRC has the world's fourth-largest Coltan reserve in the world. Its scientific name is Columbite-tantalite. As anyone might expect, offering Coltan isn't unlawful. The majority of the overall tantalum supply esteemed at as much as \$6 billion a year originates from honest mining operations in Australia, Canada and Brazil. The interest for tantalum grew with a cutting edge demand for the latest gadgets in the market creating, an evil market in DRC. These organizations deny any knowledge that tantalum originating from DRC was utilized as a part of their items. That is not astounding, considering how dinky the inventory network out of the Congo is and how entangled the worldwide exchange tantalum gets. The puzzling bit is that it was nearly impossible to demonstrate whether the tantalum used in phones and tablets is or isn't from DRC. It has nevertheless been reported that 8 percent of the tantalum metal imported into the United States in 1999 originated from the DRC, and that

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<sup>165</sup> Ibid

<sup>166</sup> Ibid

doesn't count the mineral the U.S organizations imported from Rwanda and Uganda which may have originated from DRC.<sup>167</sup>

The UN report likewise featured that the request for Coltan has had huge effects. This effects were shown in the considerable increment in the cost of Coltan between late 1999 and late 2000. A period in which the world supply was diminishing while the request was expanding, and a kilo of Coltan of normal review was assessed at \$200. Experts further reiterate that, the Rwandan armed forces through Rwanda Metals was trading no less than 100 tons for every month. Rwandan armed forces has also been accused of making \$20 million monthly, by selling it to merchants at about \$10 per kg. The proceeds gained have sufficiently financed the conflict. Coltan has allowed the Rwandan armed forces to manage the distribution of Coltan in DRC giving the ability to offer security to the people and companies looking to exploit the mineral. This malicious cycle has allowed for the war to continue giving the spoilers an empowering condition to proceed with the exploitation.<sup>168</sup>

To survey the inventory network of a few minerals in DRC the investigation ran over a report of how Coltan was exploited from the mine to the end client. As indicated by the UN board of specialists report Coltan had been misused widely in Orientale Province by different groups under the assurance of UPDF. Various Coltan operations, particularly under the supervision of UPDF Colonels Muzora, had been facilitated under the front organization Trinity Investment, where UPDF Major General Kazini was principal head.

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<sup>167</sup> [http://www.law.indiana.edu/publicland/files/nma\\_report\\_on\\_minerals\\_and\\_mfg.pdf](http://www.law.indiana.edu/publicland/files/nma_report_on_minerals_and_mfg.pdf)

<sup>168</sup> Batware B. 2011. The role of multinational corporations in the Democratic Republic of Congo. MA Peace and Conflict Studies | EPU.

The UN panel of experts interview of a group of business people in DRC told the panel that Coltan was transported by road over the outskirts between the Democratic Republic of the Congo and Uganda at Kasindi into Entebbe International Airport, where it was then transported by Boeing 707, by means of Sharjah, United Arab Emirates, at a cost of \$140,000 per flight, to Ulba, Kazakhstan, for handling. Notwithstanding the benefit made on the offers of Coltan, LA CONMET additionally experienced reserve funds by being allowed full exemption for all exercises including misuse for the region of Beni-Lubero in DRC it also included the flexibility from paying monetary and traditions obligations. The systems are generally all around facilitated and now and again because of the high danger of directing business the companies expressed that they needed to pay radicals to guarantee safe transportation of the minerals. This illustration was just a single of many networks in DRC that shows how Multinational organizations back clash and inevitably draw out in DRC.<sup>169</sup>

The report likewise found that Rwandan, Ugandan and Burundian revolutionaries had plundered and snuck a huge amount of Coltan from DRC into their nations so as to profit from the worldwide market, utilizing the benefits to fund their civilian armies. Statistics show that a lot of bootleg market exchanging, in the two neighboring countries drastically expanded the cost of Coltan following their control of northeastern Congo. For instance, a UN report revealed that Uganda exported 2.5 tons of Coltan out in the year 1997. In 1999, the volume shot up to almost 70 tons. Uganda, Rwanda and Burundi have issued dissents to the United Nations over the report, guaranteeing it to be erroneous and unwarranted.<sup>170</sup>

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<sup>169</sup>[https://www.globalwitness.org/sites/default/files/pdfs/drc\\_exploitation\\_and\\_human\\_rights\\_abuses\\_93\\_03\\_en.pdf](https://www.globalwitness.org/sites/default/files/pdfs/drc_exploitation_and_human_rights_abuses_93_03_en.pdf)

<sup>170</sup> Ibid

In 2003, a subsequent report was made in which it was said that, in 1999 and 2000 a sharp increment on the planet costs of tantalum happened, prompting a vast increment in Coltan. Some portion of that new production included rebel groups and deceitful businessmen driving ranchers and their families to leave their property, or pursuing individuals off land where Coltan was found and constraining them to work in high quality mines. Subsequently, the boundless decimation of agriculture and pulverizing social impacts happened, which in various occurrences were the same as subjugation.<sup>171</sup> In 2008, the UN issued another report in which it was uncovered that Coltan and different minerals kept on being removed from the DRC while more cash was gotten. The report says that, a year ago outside direct projects in DRC was the most noteworthy ever records on trade.<sup>172</sup>

Coltan is not the only metal that is a bone of contention in DRC. At present, cassiterite metal which is refined to create tin is the main mineral regarding dollar value adding to outfitted armed groups in the DRC. The nation has the world's 6th leading producer of tin, in spite of the fact that evaluations of aggregate production change. The Enough Project ascertains that Eastern DRC delivers more than 24,000 metric tons of tin, or 6-8% of worldwide creation. This contributed about \$115 million to spoilers in 2008. A good portion of this material originated from the Bisie mine in North Kivu, which has changed hands among different spoilers a few times and as of now controlled by a unit of previous National Congress for the Defense of the People (CNDP) who were incorporated into the Congolese armed force. Despite the fact that Coltan metal; refined to create tantalum isn't as huge as cassiterite in its monetary commitments in regards to illegal trade of the minerals in DRC, it was the primary clash metal

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<sup>171</sup> Ibid

<sup>172</sup> Ibid

from the DRC to be the subject of worldwide worry in the mid-2000s, as the cost for the mineral spiked in conjunction with developing interest from the hardware business. DRC was one of the main producers of this material, evaluated by one source at 155 metric tons (tantalum proportional) every year, or 15-20% of worldwide production. Equally, the U.S. Topographical Survey (USGS) figures evaluated that DRC produced a 100 metric amounts in 2009 and 8.6% of the worldwide aggregate. This demonstrated that a portion of the changeability in insights identified with these minerals. This may have given equipped spoilers about \$12 million out of 2008.<sup>173</sup>

The demand in overall markets is moreover an engendering factor. The minerals tin metal and Coltan are fundamental sections of cell phones, PCs, and other electronic devices, and DRC continues to be a source. The demand for this goods has become the basis in which spoilers have made it their business to strengthen the illegal trade. This is done by funding rebel groups to ensure that they control or access mines in remote zones where they subject normal individuals to net human rights abuse and movement. Besides the provincial part of illegal trafficking of these minerals the other advantages gained by this criminal dealings are that minerals have been used in lieu of hard cash for trading to sponsor strife which consolidates the supply of arms.<sup>174</sup>

### **3.3.3 Reactions from MNC's**

Some scholars have argued the need and demand for minerals that are used for high tech devices and luxury items like gold have helped in fueling the conflict. In addition to fueling

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<sup>173</sup> <https://investingnews.com/daily/resource-investing/critical-metals-investing/tantalum-investing/2013-top-tantalum-producers-rwanda-brazil-drc-canada/>

<sup>174</sup> <http://web.mit.edu/mission/www/m2016/pdf/coltan.pdf>

the conflict ending it was an even bigger challenge but not an impossible one. Several people have gone out to investigate the involvement of Multinational corporations in fueling the conflict in DRC. So far, high-tech companies have been reluctant to acknowledge they may be using materials originating from DRC however, they could do little to prove that they do not.<sup>175</sup>

Several MNC's representatives have been interviewed and questioned about the involvement of their companies in the conflict in DRC. The chief for ecological issues at Nokia Outi Mikkonen, when asked if he had any idea about Nokia's involvement in utilizing conflict minerals he responded that "Initially they only found out about the issue recently and that they instantly inquired as to whether they utilized tantalum from the Congo however all they could do was inquire and if the sellers said no that was what they trusted." One of Nokia's primary providers, added that they had backpedaled their providers to find out whether the material they were purchasing was not acquired unlawfully from the Congo but I was difficult to be certain of their response.<sup>176</sup>

However, tantalum providers can offer little affirmation to capacitor makers that their item does not come from DRC rebels. "I'm not for murdering gorillas," says Dick Rosen, CEO of AVX, a tantalum capacitor creator in Myrtle Beach, S.C. Be that as it may, "we don't have a thought where the metal originates from. There's no real way to tell. I don't know how to control it," he adds. Epcos, a tantalum capacitor producer in Munich providing the cell phone industry with Coltan, rushes to a portion responsibility to his providers. Heinz Kahlert, a representative for Epcos, indicated that an official statement issued by H.C. Starck that stated "we just buy crude materials from built up exchanging organizations that have worked in different African

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<sup>175</sup> Batware B. 2011. The role of multinational corporations in the Democratic Republic of Congo. MA Peace and Conflict Studies | EPU.

<sup>176</sup> Ibid

nations for quite a while and are headquartered in Europe or the United States."<sup>177</sup> This was to suggest that once the minerals reached Western nations it was no longer their responsibility to find out the origin of the mineral.<sup>178</sup>

Sooner or later however, the mass of conceivable deniability begins to separate. While H.C. Starck is inflexible that they are not being provided with bootleg market Coltan, one of its own providers, U.K. based exchanging organization A&M Minerals and Metals, was less certain. A&M works generally with Nigerian and Bolivian diggers, yet additionally purchases up to 3 tons of tantalum-bearing metal from Uganda. "I couldn't reveal to you 100 percent that this material from Uganda didn't originate from the Congo," says James McCombie. "It could have been pirated over the fringe." The organization works with nearby brokers, and McCombie concedes that "once you get to that level, it is exceptionally hard to check the provenance. It would be senseless of us to attempt to imagine that we know the cause of each pound of Coltan we get in our grasp."<sup>179</sup>

At that point there's Brussels-based Sogem, another global exchanging organization that offers the foul Coltan it purchases in the Congo and Rwanda to handling organizations in the United States, Europe and Asia. It offers just a dubious consolation about the inceptions of the metal it exchanges. "We have been informed that our cash goes specifically to the populace," says Sogem representative Moniek Delvou. However she concedes and states that they are not 100 percent sure beyond any doubt of the first source of the minerals. "How might you be 100 percent beyond any doubt of anything in life?" she inquired.<sup>180</sup>

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<sup>177</sup> Ibid

<sup>178</sup> Ibid

<sup>179</sup> Ibid

<sup>180</sup> Ibid

Ericsson says it requires its providers to agree to the organizations natural, moral and human-rights arrangements. In the meantime, Kemet says it can only wait for other companies to agree that the minerals they are acquiring originate from the Congo, Rwanda, Burundi or Uganda. On the other hand Intel has started an audit to decide the source of the tantalum. Compaq has issued an announcement stating that they are digging deep to ensure that their raw materials were not from conflict Democratic Republic of Congo. However others argue that a large portion of the products are gotten from outsider suppliers, so it is difficult to ascertain where it really comes from. Hewlett-Packard authorities additionally criticize the circumstance in DRC and say the organization means to work with the Electronic Industries Alliance to guarantee no spoiled tantalum winds up in HP items.<sup>181</sup>

These reactions prove that companies are not willing to do what is necessary to stop illegal trade of minerals from the Congo. They are more concerned with competition between companies than the millions of Congolese people dying. It is important that the international and regional community to take a firm stand on this issue and to force MNC's to stop purchasing conflict minerals and make their core business to know the origin of the minerals they purchase.

### **3.4 Non-Governmental Organizations**

NGO are the main structures of the society and they exist outside the government and public administration, they, however, form part of the economy whereas their real establishment is for non-profit making. This sector is sometimes referred to as the third sector in reference to the private sector and the public sector. NGO's are mandated to ensure that the society is

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<sup>181</sup> Ibid

civilized and everything operates under the rule of law. The concern by non-governmental organizations to address the humanitarian situation in DRC has partly contributed to the growth of conflict finance. Non-Governmental Organizations and Faith-Based Organizations operating within the war-torn regions like Kivu, and Katanga have been forced to pay taxes so that their aid can get to the intended victims.

Non-governmental actors just like MNC have also been forced to hire rebel groups and militia groupings to offer security to either their staff or help secure the safe transit of their aid, if that was not done then they are been forced to pay ransom for the goods and sometimes ransom for staff who may have been kidnapped. By paying ransom indirectly contributes to the conflict finance. According to global witness reports, militia and rebel groups are not only limited to taxing and kidnapping members of the third sector but go as far as stealing the aid and donations that they have been provided for, with the sole intention of selling them to outsource for more funding that goes into conflict finance.<sup>182</sup>

NGO's have also been accused of misusing their diplomatic immunities and leverages to smuggle in weaponry and smuggling out minerals to governments and rebel groups through the immunity that they enjoy hence directly contributing to conflict finance. Respondent C stated that during the DRC peace accord 300 NGO's based in DRC signed a petition to the special envoys not to sign the peace agreement. That gives a clear indication that these non-state actors had a hidden interest and therefore their actions allow the study to profile them as spoilers to the conflict. The donor funding that they receive is highly dependent on the conflict.<sup>183</sup>

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<sup>182</sup> See, Human Rights Watch, (2009) Soldiers who Rape, and Commanders who condone.

<sup>183</sup> See, British Global Witness Publication on Rough Trade.

### **3.5 Summary**

The study identified actors who have contributed towards conflict finance in DRC. Evidence provided prove that state actors mainly Uganda and Rwanda have continuously funded conflict in DRC. The argument presented by some of the respondents that the rebels controlling the mines are not of Congolese origin but are of Rwandese and Ugandan decent substantiates the claims that this two states have continuously funded the conflict in DRC for their own selfish gains. The fact that despite numerous peace accords that have been signed both countries have refused to withdraw their military from Congo citing insecurity and refugee issues. The truth however, is showcased in their stock exchange earnings and business reviews.

MNC's on the other hand have taken advantage of the instability that has been created by the two state actors and have joined the bang wagon of financing this rebel groups so as to take control of particular mine areas or for the trade they enjoy by purchasing mineral at very low prices reducing the cost of production and in the end increasing their profits to such great heights that the suffering they cause becomes collateral damage for the gains they receive. The cycle seems never ending and it would take a great deal of commitment from all sides to stop conflict finance in DRC.

## **CHAPTER FOUR**

### **ANALYSIS OF CONFLICT FINANCING IN DRC AND MITIGATION MEASURES THAT CAN BE UTILIZED TO LEVERAGE DRC FROM CONFLICT FINANCE**

#### **4.1 Introduction**

This chapter covers the analysis of conflicts financing in DRC and the mitigation measures put in place to curb conflict finance. Statistics indicate that most of the war-torn African countries which are rich in mineral resources have experienced conflict and the assumption is that minerals are a precursor to State failure and subsequent conflicts. There have been mitigation measures that have been put in place to curb natural resource conflict in Africa however the main measure that has so far been fully utilized in the Kimberly process. This chapter will analyze conflict finance in DRC and discuss the various mitigation measure that the research believes would help curb conflict finance. This measures include; regulating commodity trade from conflict areas, trade policies, Kimberly process, role of governments and good governance, international and regional organizations and developing political space as an alternative to military operations.

#### **4.2 Analysis of Conflicts Financing in DRC**

David Easton argues that state will always find itself in these compromising scenarios because it's for her to determine who gets what, how and when, when it comes to resource distribution.<sup>184</sup> The biggest challenge facing countries that are mineral resource rich like DRC is the ability to consolidate the process of resource distribution and the capacity for the state to

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<sup>184</sup> David Easton. *The Political System: An Inquiry into the State of Political Science*. (New York: Alfred A. Knopf, 1953) p.320

govern how well the resources are extracted. Natural resources in themselves are neither a blessing nor a curse. What highly matters is how well the state regulates the extraction and distribution. Policymakers and researchers have made much of the specter that in DRC its all about resource curse and not a blessing. However, DRC is not the only nation that is rich in natural resources. There are several Western nations that have similar minerals like DRC and they have not experienced civil war. So what is the difference between this nations and DRC? The first thing you notice is that this states have little to no interference from outside nations. They govern and control their minerals diligently and trade with other nations purely on their terms. Off course this requires a proper working government that respects the rule of law and has officials who draw up policies that look out for the interest of their nation. Australia, Canada Brazil, China, Ethiopia and Mozambique are countries that supply the world with Coltan and yet they have not been termed as nations that suffer the resource curse.<sup>185</sup>

DRC on the other hand has faced constant conflict and immense suffering due to its mineral deposits. The Congolese people can only testify to leaving in a life of hardship as compared to its counter part nations that share the same minerals deposits. The war in DRC has led to the demise of no less than 4 million people adding to it is the gigantic decrease in financial development which adds on to political unsteadiness.<sup>186</sup> Spoilers supporting themselves through benefits from illegal mining and trade in DRC have made not only the nation weak but the regional community as well creating a complex and diverse criminal network that looks almost impossible to solve. The complexity of the illegal trade in DRC is so sundry in that the people involved in the looting range from military personel whose have traded of their legal

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<sup>185</sup> [https://en.wikipedia.org/wiki/Coltan\\_mining\\_and\\_ethics](https://en.wikipedia.org/wiki/Coltan_mining_and_ethics)

<sup>186</sup> <http://www.leftcom.org/en/articles/2008-12-15/the-war-in-dr-congo-behind-the-slaughter-and-looting-stand-imperialist-interests>

responsibility of protecting the nation to engage in illegal trade.<sup>187</sup>

Scholars have further argued that the Congolese army have chosen to default from their duty due to the fact that the government has been accused of neglecting them. M23 rebels have been said to have better working conditions than the military such that they were able to defeat a group of more than 150,000 Congolese soldiers compared to 1500 M23 rebels during the take down in Goma.<sup>188</sup> Respondent J stated that the reason why many areas in Eastern Congo is still under rebel control is because the Congolese military is so weak and the government has not shown any willingness to strengthen them. This weakness provides room for spoilers to penetrate and drive their agenda. Some people have also argued that the government purposely allows for the military to be weak so as allow the looting and illegal mineral trade to flourish. This claims have proven difficult to ascertain however, it does not need rocket science to understand that if the government and the military worked hand in hand to eliminate the rebels that have caused havoc in DRC the notion of resource curse would not be up for discussion.<sup>189</sup>

In the last report of the United Nations Group of Experts on DRC, it was contemplated that the incorporation of the military and armed gatherings in unlawful mineral exchange was by technique for asset accumulation, protection, business control and coercive control. Expense gathering incorporates requesting unlawful charges on mining practices and separated business practices in the range. For business reasons, the military use unlawful wage to partake in mineral trade.<sup>190</sup>

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<sup>187</sup> Ibid

<sup>188</sup> [http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s\\_2014\\_42.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_2014_42.pdf)

<sup>189</sup> Telephone Interview response from Congolese national residing in France, Paris

<sup>190</sup> Ibid

Military and outfitted social affairs get control through seizing advantageous pits and discontinuously assaulting minerals. The relationship of the military in the unlawful abuse and trade of normal resources has haggled their responsibility of giving customary national protection. In reference to these criminal parts in the equipped power, it was watched that the game plan of these criminal frameworks was dynamically controlled by the need to control customary resources. Their part in regionalizing unsteadiness is not completely financed by unlawful abuse and trade assets. This underlines the hugeness of accepting a regional perspective as to customary resources and strife in Democratic Republic of Congo.<sup>191</sup>

#### **4.3 Mitigation Measures at can be utilized to leverage DRC from conflict finance**

A dozen noteworthy peace assentation's, negotiations, and compromise activities, frequently expedited with assistance from the global group, have been the essential vehicles utilized to determine struggle in Democratic Republic Congo in the Great Lakes area.<sup>192</sup> The vast majority of these accords, in any case, have tended to apportion the causes and results of the contention and, on occasion, disregard its key drivers which are identical in restorative fields of curing the side effects and not reasons for the maladies.<sup>193</sup> The measures much of the time are utilized just when the contention is out and out and this has prompted fractional clash determination in the Democratic Republic Congo. The International Conference on the Great Lakes Region has to date been the biggest peace activity. Assembled by United Nations Resolution 1291 in 2000 held under the protection of the African Union and UN with help of universal benefactors, conveyed 18 nations to the arranging table of which were specifically associated with the

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<sup>191</sup> Ibid

<sup>192</sup> <http://repository.uneca.org/bitstream/handle/10855/22687/b11546694.pdf>

<sup>193</sup> Ibid

contention.<sup>194</sup> Following 6 years of political arrangements, the meeting offered ascend to the Pact on Security, Stability, and Development in the Great Lakes Region, marked in December 2006 by heads of state from Angola, Burundi, the Central African Republic, the Democratic Republic Congo, Kenya, the Republic of Congo, Rwanda, Sudan, Tanzania, Uganda, and Zambia.<sup>195</sup>

The settlement went into force in June 2008 after it was sanctioned by eight signatories. An International Conference of the Great Lakes Region (ICGLR) Secretariat was built up in Bujumbura to actualize the settlement's 10 conventions, including territorial non-animosity, shared safeguard, great administration, recreation and improvement. Just restricted advance towards these goals has been acknowledged to date.<sup>196</sup> A key commitment of the ICGLR has been that it considered the financial measurements and inspirations of the contention in the eastern DRC. In particular, it propelled a Regional Initiative on Natural Resources to ensure, formalize, and track the minerals exchange in order to dispose of trafficking. Pilots implemented in Rwanda and South Kivu have demonstrated some advance.<sup>197</sup>

The International Conference of the Great Lakes Region's primary weakness has been that it did not address the monstrous human rights infringement submitted by different state on-screen characters that interceded in the Democratic Republic of Congo that have now been very much recorded through UN reports. As a result, the spoilers have had minimal motivating force to end their dependence on DRC illegal trade.

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<sup>194</sup>[https://ungreatlakes.unmissions.org/sites/default/files/icglr\\_pact\\_on\\_security\\_stability\\_and\\_development\\_for\\_the\\_glr.pdf](https://ungreatlakes.unmissions.org/sites/default/files/icglr_pact_on_security_stability_and_development_for_the_glr.pdf)

<sup>195</sup> Ibid

<sup>196</sup> Ibid

<sup>197</sup> Ibid

### **4.3.1 Goma Conference**

The Goma peace meeting has been the only one started by the DRC government. From January 6– 24, 2008, the gathering united 1,500 representatives from all groups and social strata in North and South Kivu.<sup>198</sup> Its general target was to rally partners and include them in the reclamation of peace in the zone. Delegates at last marked an acted engagement to stop dangers, by giving all groups a voice. The Goma meeting spoke to a critical advance forward in understanding the contention from neighborhood viewpoints. What's more, a high need for these groups was to keep those liable of conferring genocides, sexual brutality, or actuating ethnic contempt from holding places of duty, especially in the security administrations. After the meeting, the association of conventional town boss and other group pioneers encouraged the demobilization or joining of 22 equipped gatherings into the national armed force demonstrating a powerful urge at the nearby level to end the fight.<sup>199</sup>

### **4.3.2 Regulating Commodity Trade from Conflict Areas**

Specialized industry associations, for example, the Tantalum Niobium International Study Center and the International Gold Council, in collaboration with the United Nations Conference on Trade and Development have set up an association that allows for screening of exchange wares from struggle territories. This would bring about a solid collection of information that incorporates data identifying with the departure of products, travel courses through neighboring nations and data on end-clients and their operations.<sup>200</sup> The information created could be the premise of industry policing of those people, organizations and money

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<sup>198</sup> <https://reliefweb.int/report/democratic-republic-congo/dr-congo-goma-peace-conference-begins>

<sup>199</sup> Ibid

<sup>200</sup> Letter dated 8 October 2002 from the Chairman of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo addressed to the Secretary-General

related foundations that exchange items with rebels. The information could likewise serve if a ban is called for on the illicit exchange items beginning in the Democratic Republic of the Congo, for example, Coltan.<sup>201</sup>

### **4.3.3 Trade Policies**

Export policy and incentives must be harmonized at a regional level to eliminate smuggling. For instance, an exporter will pay a taxation fee of \$200 for a barrel of tin ore being exported from Rwanda to Europe, the same exporter in DRC will pay \$6,500 for the same barrel to be exported to Europe. It is such inequalities that promote conflict finance through smuggling, countries from the great lake region should, therefore, develop a unifying protocol on natural resources that bring in a regional pact, upon its development the regional Heads of State should adopt the protocol and operationalize it at a regional level.<sup>202</sup>

A transnational mining authority should be established by the international community alongside the DRC government, the authority should be in charge of certifying traders and other actors. The authority should also be in charge of all mining fields by overseeing the activities that are being undertaken at a local level and also evaluate the supply chain racket.<sup>203</sup>

The Kimberly process, for instance, was meant to prevent the sale of a blood diamond, the policy has been a success in Liberia due to its non-tariff barrier component. The process lays emphasis on the certification of the mineral's so as to be able to determine the origin of the

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<sup>201</sup> Ibid

<sup>202</sup> Ibid.

<sup>203</sup> <http://www.itri.co.uk/POOLED/ARTICLES/BF>

mineral. The process emphasized on a quota system whereby a number of minerals being exported must declare their origin and sources determined.<sup>204</sup>

#### **4.3.4 Kimberly Process**

To curb booty futures in DRC a multi-disciplinary approach was needed. In as much as the Kimberly process has been the universal policy document on solid minerals, it has fallen short in curbing resource finance on other solid minerals like Coltan, tin, tantalum, and tungsten used to make electronic materials. The Kimberly certification process was specifically developed to curb blood diamond and not all solid minerals that contribute to the finance of conflict.<sup>205</sup>

World Bank, however, insists that the Universal Kimberly Policy certification system has been the best policy to be ever developed by the United Nations despite its shortfall in DRC. They, however, argue that the Kimberly certification process has enabled DRC to regain 70% of its lost extractive sector, the argument that most of the minerals being smuggled to the neighboring countries are always certified and therefore its operationalization should be emphasized to ensure that lootable minerals do not find their way into the black markets. Sanctions on individuals and MNC that have been found to smuggle materials should also be highly emphasized.<sup>206</sup>

The Kimberly process, therefore, reaffirms the studies justification that the Fragile States should not be allowed to liberalize their economies fully, some form of protectionism must be

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<sup>204</sup> The Kimberly process, made sure that all the diamond being sold in the global market must be accompanied by a certificate of origin to ensure that it's not blood diamond

<sup>205</sup> See, The Kimberly Certification Process. <https://en.wikipedia.org/wiki/kimberly>.

<sup>206</sup> Ibid

exhibited and emphasized.<sup>207</sup> In as much as full protectionism is not the route to go. The study, therefore, advises that neoliberalism is adopted in DRC. Neoliberalism is better placed because it talks about the institutionalization of mineral fields and the establishment of private enterprise through a proper regulatory mechanism where the government can be able to generate revenue and promote equitable resource distribution.<sup>208</sup>

Chile for instance after the dictatorial rule of Augusto Pinochet adopted neoliberalism at the expense of liberalism, today Chile has a stable economy. The shift from industrial mining to small-scale mining by DRC has denied the central government revenue and resources to work on its capabilities. Institutionalised Industrial mining should be the route to go because it can be monitored and controlled whereas small-scale mining breeds cartels which eventually build up into rebel groups that take control over minefields, that was the case with ADFL. Small-scale mining develops extraction rights to small cartels that eventually form militia groups, by having extraction rights to the small-scale miners, cartels and middlemen acquire full control of the minefields thus in a position to generate conflict finance. As Collier reiterates, easily extractable solid minerals attract booty future agreements. Collier further reiterates that when easily extractable mineral resources are not well managed, they then become susceptible to looting, with looting cartels and rebel groups demarcate resource endowed regions, to later claim ownership over the resources. The act of demarcation by cartels eventually breeds rebel groups that resort to conflict.<sup>209</sup>

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<sup>207</sup> Establish a system of internal control. Enact appropriate and regulations to implement and enforce certification.

<sup>208</sup> Patricia, C. & Andrea, R (2014). Rwanda INC: *How a Devastated Nation Became an Economic Model For The Developing World*.

<sup>209</sup> Ibid

The UN panel of experts provide the following recommendation in regards to the use of the Kimberly process to curb conflict finance in DRC. States where exchange in rough diamond and other crude minerals is being done should join the Kimberley Process. All-inclusive investment will influence the Kimberley process to become a more powerful instrument. Nations with rich in characteristic assets ought to apply interior controls from extraction to exportation. Thought ought to be given to setting up an arrangement of universally settled upon measures for this procedure. A specific requirement association inside every nation should be framed that has the expert information and particular preparing important to guarantee the viability of the Kimberley Process. A forever staffed secretariat ought to be made with the duty of organizing the usage of the Kimberley Process<sup>210</sup>.

#### **4.3.5 Role of Governments and Good Governance**

Economist Intelligence Unit asserted that the current economic and political challenges facing DRC were as a result of the collapse of the Zairean State. The unconstitutional change of government through foreign support gave rise to ethnic groups that were at war with each other. It also presented a mutiny within the military, that later gave rise to a private militia, rebel, and mercenary groups. The acquisition of power by Laurent Kabila introduced dictatorial tendencies, corruption, nepotism and the use of military elite to capture state resources.

Paul Collier reiterates that to curb conflict finance and booty futures, the DRC government must, therefore, undertake key reforms in its governance structures. It should first ensure that all the mining fields are brought under state control to provide a revenue base for local and

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<sup>210</sup> Ibid

provincial authorities. All stakeholders and actors in the solid mineral trade must be brought together for a dialogue on how to reform and review the trade sector.<sup>211</sup>

The various peace accord's that were signed under the Unified Transnational Agreement should be operationalized and adhered to the letter. Actualising the peace agreements in totality is very important since it is the only avenue to address the Humanitarian situation in DRC. The study acknowledges that livelihoods in DRC must be taken care of, since the conflict has in many forms contravened the Rome statute of 1998. They have literally every atrocity from rape women and children, child soldiers, abduction of people, displacement of persons genocide, and a refugee crisis bulging.<sup>212</sup>

Cohen J Herman a political and security expert, views DRC as a failed state for its inability to manage the rich mineral provinces. Lack of a powerful central government to control the mineral endowed provinces provokes the profiling of DRC as a failed state. Determining, whether a state is failed, has always been considered to be a political term. But Ross brings a few pointers that may justify the statement (i) The central government of DRC in many at times has lost control over her endowed territories to rebel groups which is not expected of a stable state but is the case for DRC (ii) the central government in order to squash local rebels has always resorted for external support not limited to military and financial support. A well-established government should have the capability to squash any internal rebellion, if that cannot happen then the profiling of a failed state, deems fit.<sup>213</sup>

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<sup>211</sup> Collier, P. (2009). Wars, Guns and Votes. "Democracy in Dangerous places."

<sup>212</sup> International, C. C. (1998). *The Rome Statute*.

<sup>213</sup> Herman, J. C. (2015). *The Mind of the African Strongman: Conversations with Dictators, Statesmen, and Father Figures*. New Academia Publishing.

Poor governance contributes to conflict finance there are countries in Europe like Australia and the United Arab Emirates which are well endowed with natural resources but are not facing any natural resource conflict, proper governance systems must be therefore adopted.<sup>214</sup> Marginalization breeds a mentality of we verse them and thus a recipe to recruit rebel groups. The government in place should, therefore, ensure that there is equitable resource distribution. However much still needs to be done to ensure that the underlying issues of natural resource conflict are addressed, it is so unfortunate that DRC is almost slipping back into anarchy due to an unconstitutional regime. The incumbent still wants to seek a third term, despite the populace unwillingness.<sup>215</sup>

The Governments of the nations where the people, companies and organizations that are deliberately and effectively associated with conflict finance ought to accept the roles they have played over the years in funding conflict. Governments have the ability to manage the people that represent them hence it is for them to successfully explore and indict the unlawful traffickers. Likewise, the OECD Guidelines offer a component for bringing infringement of them by business undertakings to the consideration of home Governments, that is, Governments of the nations where the ventures are enrolled. Governments with locale over these ventures are complicit themselves when they do not take therapeutic measure.<sup>216</sup>

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<sup>214</sup> World .B. International M. F. and African, D.B. (2000), *Can Africa Claim the 21 st Century*.

<sup>215</sup> Paul. C (1998). *On Economic Causes of Civil War*, Oxford: Economic Papers.

<sup>216</sup> Letter dated 8 October 2002 from the Chairman of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo addressed to the Secretary-General

#### 4.3.6 International and Regional Organizations

The Southern African Development Community (SADC) shared the perspective of some end-client States that current declarations of starting point were satisfactory for showing that items had been legitimately created and gained.<sup>217</sup> Issues of capacity building and data sharing inside the area should be tended as this process propels. The World Customs Organization has built up a system of Regional Intelligence Liaison Offices, each appointed to various nations, to encourage the trading of data and collaboration inside a district. DRC and numerous francophone nations in the encompassing district are appended to the Liaison Office at Douala, Cameroon. The fact is that the control of false exchange products traveling through a district relies upon powerful correspondence between the nations concerned.<sup>218</sup> Concerning exchange streams, the World Trade Organization has expressed that the two arrangements of the 1994 GATT, a segment of the WTO settlement, approve individuals to take measures that generally would be conflicting with GATT/WTO rules.<sup>219</sup> These tenets by and large forbid exchange limitations and segregation. Articles 20 (c) and 21 portray circumstances and strategy points allowing uncommon measures. The security special case arrangement, alludes to exemptions identified with a State satisfying its commitments under the Charter of the United Nations. This may fill in as an avocation for Members making a move in consistence with a Security Council determination on looking after peace. The Economic Commission for Africa agreed with Belgium that "keen approvals" ought to be a piece of the answer for closure of the illicit exchange. It included that the Governments of the nations included ought to likewise be

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<sup>217</sup> Ibid

<sup>218</sup> Ibid

<sup>219</sup>Letter dated 8 October 2002 from the Chairman of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo addressed to the Secretary-General

"considered responsible for the illicit exercises of people and additionally organizations and also banks that are working in their nation since they have the ability to manage them".<sup>220</sup>

With an end goal to figure out what measures may be taken toward the end of the business anchor to control the exchange assets of DRC and disjoin its connects to the furnished clash, the UN Panel of master's studied 17 end-client nations in Asia, Europe, the Middle East and North America. A considerable lot of these nations fill in as optional travel focuses and preparing focuses and significant shopper markets.<sup>221</sup> They included Belgium, France, Germany, China, Israel, Japan, India, Kazakhstan, Malaysia, Netherlands, Lebanon, the United Arab Emirates, the Russian Federation, Switzerland, Thailand, UK and the USA. A few European Union individuals, including France and the Netherlands, stated that any measures influencing exchange streams would need to be taken inside the system of the European Union and its exchange controls. Belgium and UK focused on that the weight of guaranteeing straightforwardness in business and money related streams or supply chains ought to be borne fundamentally by privately owned businesses and ought to be founded on either intentional measures or the OECD Guidelines for Multinational Enterprises.<sup>222</sup> Germany resounded this, saying it had engaged German organizations to stick to those rules and the standards of the European Union Commission's Green Paper on Social Responsibility and the United Nations Global Compact in their business exercises in the area.

Germany likewise urged the Panel to proceed with its endeavors to build the straightforwardness of the business chains for the regular assets of the Democratic Republic of the Congo, particularly by increasing its discourse with privately owned businesses. Just

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<sup>220</sup> Ibid

<sup>221</sup> Ibid

<sup>222</sup> Ibid

Belgium proposed the likelihood of forcing sanctions against organizations or people benefitting from the exchange strife merchandise. The Netherlands communicated the view that the confirmation of items would be less troublesome and expensive if did toward the start of the business chain. Belgium, Germany and the US additionally featured the re-foundation of the State's power all through the domain of the DRC as fundamental to fighting the unlawful misuse, and the requirement for limit working to help accomplish this. Correspondingly, Lebanon said that the traditions organization of the DRC ought to be strengthened with the goal that it could all the more adequately control outskirts, screen exchange streams and avoid pirating.<sup>223</sup>

Although the international community has made efforts to try and stop conflict finance in DRC, there is a huge concern that the efforts being made are not adequate and there seems to be some reluctance in helping the Congolese people. Oxfam condemned the global group in their 2000 report for overlooking the DRC. When contrasting with the reaction given to Kosovo, noted that in 1999, benefactor governments gave just \$8 per individual in the DRC, while giving \$207 per individual in light of the UN advance for the previous Yugoslavia. While unmistakably the two districts have huge requirements, there is little responsibility regarding general privilege to humanitarian assistance.<sup>224</sup> Oxfam likewise noticed that the global group is basically disregarding what has been considered Africa's first world war. DRC remains an overlooked crisis. Falling outside of the media spotlight, and encountering tireless shortages in swore helpful guide, the number of inhabitants in DRC has been to a great extent deserted

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<sup>223</sup> Ibid

<sup>224</sup> Oxfam report 2001

to battle for their own particular survival. It begs the question whether there is hope for DRC to end the conflict?

#### **4.3.7 Developing Political Space as Alternative to Military Operations**

As far back as the 2007 Nairobi dispatch, military reactions to the contention have been organized to the detriment of different methodologies. The outcomes have been extremely blended. Groups focused in swaps frequently moved until the point when operations end, at that point return and assault regular of citizens whom they blame for helping state experts. Military operations against non-state furnished gatherings might be fundamental, however they ought to be joined with activities that offer an option and a future to specific individuals from these gatherings, particularly those not liable of war violations. There is motivation to trust that warriors can be induced to advance down.<sup>225</sup> The Goma meeting revived some certainty among volunteer army bunches on away forward. In like manner, amid past transactions, the FDLR consented to decry the utilization of power, censure genocide philosophy, collaborate with the universal tribunal on the genocide, and change itself into a political gathering in Rwanda. Offering individuals from volunteer armies sensible and secure open doors in their nations of origin ought to be a key viewpoint in peace endeavors. Cultivating insurance of political rights and common freedoms, in addition, will undermine the cases of rejection and mistreatment that local armies, for example, the FDLR use to select among banished groups.<sup>226</sup>

In conclusion, DRC's abundant mineral and fuel resources can be an asset in the quest for inclusive and sustainable development, but researchers and policy experts have come to recognize that governance is crucial in determining whether resources are a blessing or a curse.

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<sup>225</sup> Ibid

<sup>226</sup> Ibid

Research into the resource curse initially had a narrow economic focus, but now natural resources are seen to be linked to broader challenges like consolidating democracy, achieving accountable and transparent governance and averting violent conflict. Initiatives like the Africa Mining vision show that regional organizations and policy experts are paying increasing attention to extractive issues. They portray Africa's extractives industries as, at best, lucrative enclaves that historically have done little to promote industrialization and reduce poverty, while imposing heavy social and environmental costs. The history, they argue, can be turned around through an overhaul of the policy framework for resource extraction.<sup>227</sup>

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<sup>227</sup> Ibid

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The DRC war as mentioned earlier poses a significant threat to the stability of the continent. This chapter covers the summary, conclusions and recommendations of the study in a view to summarize the role of state and non-state actors in fueling conflict in DRC.

#### **5.2 Summary and Conclusion**

Truth as highlighted in an old African proverb “If you want to move fast move alone but if you want to move far move together.” It is upon this adage that the study hopes to bring together the African continent and the international community in a bid to curtail all illegal mining in DRC and find solutions to build DRC into a stable economy that is booming. The overriding purpose of this study was to investigate the role of state and non state actors in fueling conflict in DRC. The fate of the African people are intertwined and thus a Congolese problem is an African problem, we share the turmoil just as much as they do and we cannot continue to ignore the detriments of this conflict as it would soon become a burden for all.

The Study relied on secondary data and interviews held with individuals who had vast knowledge of the conflict in DRC. Noting the uniqueness of the study, finding reliable and available data was difficult especially in the case of identifying multinational companies directly fueling the conflict. This was because many companies involved in the racket do not directly operate in DRC but use shadow companies to do the dirty work for them. The study sought consent from the respondents and upheld confidentiality and anonymity of the respondents.

The rampant exploitation of resources in DRC has only been in favor of outsiders and a few greedy Congolese. Asian and Western companies have had continued booming businesses in their various industries from technology to mining at the detriment of Congolese nationals who many of them do not get to enjoy the high tech innovations that are released each year. It is evident from the extended conflict cycle and uncertainty in eastern DRC that the contention is progressively commanded by monetary interests instead of political inspirations. The sheer size of the illegal trade and benefits gotten only means that a largescale transnational criminal system has been put in place in DRC and to dismantle this criminal outfit it requires the the full participation of all stakeholders.

DRC abundant resources can be utilized in the quest for inclusive and sustainable development. Researchers and policy experts have come to recognize that governance is crucial in determining whether resources are a blessing or a curse. Research into the resource curse initially had a narrow economic focus, but now natural resources are seen to be linked to broader challenges like state interference, lack of knowledge when it comes to leveraging policies and agreements with foreign nations, consolidating democracy, achieving accountable and transparent governance and averting violent conflict. Initiatives like the Africa Mining vision show that regional organizations and policy experts are paying increasing attention to extractive issues. They portray Africa's extractives industries as, at best, lucrative enclaves that historically have done little to promote industrialization and reduce poverty, while imposing heavy social and environmental costs. The history, they argue, can be turned around through an overhaul of the policy framework for resource extraction.

The study has managed to achieve all its objectives and affirms its hypotheses that indeed both state and non-state actors have funded the war in DRC and this has created an intractable

conflict one that seems to have no limits as the gains received have proven to great to withdraw. Even though DRC situation seems to have no future of peace, the Congolese people have started to raise concerns about the policies being made on how the natural resources are being exploited and the nature in which the exploitation is affecting families. This sheds a glimpse of hope in the narrative being raised by concerned parties in helping to end conflict finance. However, it is important to note that the voices of the Congolese people are yet to be incorporated in the multi-stakeholder process.

The theoretical framework used by study affirms the deep correlation between politics and economics. Both domestic and international politics play a center stage in the DRC conflict. DRC's domestic politics has long acted contrary to what is expected of a nation. Its inability to fairly distribute its resources or intelligently utilize its minerals for the benefits of its citizens depicts how poor domestic policies and governance can weaken and destroy a nation. Strong domestic economic or trade policies are one of the major solutions to DRC's impeding problem.

International politics better referred to as international political economy by scholars of international relations discussed the relationship of the two even though it was long ignored. One of the major issues that take lead on matters concerning international political economy is international trade. In the DRC context this is the contending problem that has been argued to be the cause of stubborn conflicts in Congo. The basic tenets of international trade is a peaceful stable environment however, ironically in DRC the reverse is true. UN reports have reported massive trade taking place in DRC and it continues to puzzle scholars. The study no longer views this situation as puzzling as it has determined the nature in which international trade in DRC is carried out. The economic gains received from trading in a weak nation has proven

lucrative for businesses hence what is now termed as war economies. Weak states as Congo have become a play ground for MNC's and individuals who wish to take advantage of their lack of control of minerals. The incapacity to leverage their positions in international economic relations creates room for spoilers to infiltrate the economy and establish a criminal network that favours their business.

In principle political economy theory has greatly helped researchers to understand the economic aspect of conflict. The DRC case clearly depicts how conflict has been commercialized in the face of political economy. The role of state actors in engaging in war with nation for the sole purpose of looting its minerals and contravening international law of sovereignty further advances realists views of state centrism. As mentioned earlier not only outsider states engage in conflict finance. State heads have been accused severally of paying mercenaries to fight rebels so as to eventually gain control of mine areas. Non-state actors alike, the cycle of illegal trade in DRC ascertains the argument that MNC's are involved in sustaining conflict in DRC.

The study hopes that the issues raised would act as a voice for the marginalized and propel future research to delve into conflict finance so as to bring forth relevant discussions that can help shape the future of DRC's mineral exploration and trade.

## **5.4 Recommendations**

### **5.4.1 Recommendations to Consumers**

1. The fight against conflict finance in DRC must be a collective one. The consumers of high tech devices and luxury products have a responsibility towards demanding for conflict free products. By pressuring companies to remove conflict financed products from their supply chains and demanding for higher standards of products which have been vetted to ensure no involvement in conflict finance. This will certainly help remove fuel from the fire by ensuring that companies are held accountable for the products they produce and in turn reduce the need to pay rebels or sign concession rights for future exploitation. It is up to the consumers to put a lot of pressure on multinational corporations because they are not willing to lose the high profits they gain from DRC minerals. The study calls for consumers to take a lead and create a movement that will call for action against conflict mineral products and take a stand or a knee not purchase any products that have not been certified to be free from conflict minerals.

### **5.4.2 Recommendations to the Government of DRC**

1. It is evident that the international community looks at DRC as a gem and possibly they cannot continue to grow their multinational companies without DRC's resources. In this regard DRC needs to rethink its relation with the international community. It is time that DRC realized its potential and greatness. The negotiation table should take a 360 degree turn to ensure that it always favors the Congolese people. This can only be achieved if the government invests in its people to create and advance knowledge about the minerals

they have to offer and the economics behind it.

2. The DRC government must by all means revive its education system. It must be cautious however, not to adapt archaic Western education. Instead it should source for African centered education system that will revolutionize the mind of the Congolese people. DRC is a gold mine of human capital with its over 80 million people it has the manpower and consumer base needed to drive the economy. Hence it is imperative that the government invests in training its people both technical and academic skills.
3. The major issue in DRC is the control of the mine areas. The government has been accused of being too weak in taking control of the mine areas. This has allowed rebels groups to dominate several areas in Eastern DRC and because the military is shrouded in corruption very little has been done. The government requires to take aggressive measures and put in place policies and laws that will provide the military the will power to actively support the government and protect the country.
4. The President needs to realign his priorities and firmly work together with other leaders to put in place proper mechanisms for fighting corruption, strengthen transparency and accountability which provides for prosecution of culprits. Reorganize and strengthen the legislative, judicial and executive arms of government to ensure that they uphold the rule of law.
5. The DRC government also needs to re-strategize its diplomatic relations with its neighbours. Perhaps it is time that hard power is used to achieve the desired goal. Multilateral talks need to be held with the regional community to discuss ways that they could work together to build DRC in a way that all parties gain. The African Union should also put pressure on Rwanda and Uganda to obey the peace accords and pay all

punitive damages as instructed by the international criminal court.

6. Punitive damages should be paid by all countries that have been involved in looting in DRC and Belgium should be first on the list. Once that is done then they should establish talks to discuss ways in which business will be conducted in fair and just manner assuming that the government would have done its in house cleaning and ensured that their were policies and laws in place that governed mineral trade.

#### **5.4.3 Recommendations to UN Mission MONUSCO and other UN Agencies**

1. The study further recommends that MONUSCO should work hand in hand with the government of DRC to establish an effective government that is able to enforce the rule of law. MONUSCO through its different task forces should support national authorities to be able to take control of areas that are dominated and controlled by rebels. In addition the mission together with the international community should continue to advocate for legal and fiscal reforms, including on excessive and illegal taxation.

2. Other UN bodies like UNCTAD and UNDP should also play an active role in working towards ensuring the illegal trade in DRC is stopped and help DRC formulate policies that would help legalize trade and ensure its done effectively such that it benefits the Congolese people.

3. In addition UN agencies should increase their capacity building efforts to ensure previous and current development projects have been enforced and implemented. Literacy levels in DRC are at low and agencies like UNICEF and UNESCO with the concerted efforts from the DRC government should do their level best to ensure education is available for all Congolese nationals young and old. This will increase the

level of civil education among DRC nationals and eventually see the population have the ability to fight for their rights and work together as a nation to develop the country.

#### **5.4.4 Recommendations to Regional Community and Africa as a whole**

1. The regional community needs to make a more deliberate efforts to help DRC end the conflict and retain peace. Heads of state should call for immediate removal of all Rwandese and Ugandan soldiers in DRC.
2. Sanctions should be placed on whichever government that refuses to withdraw its troops. The government should also provide amnesty to all Rwandese and Ugandan rebels that may be hiding in DRC.
3. In addition the regional community needs to cooperate and fight transnational crime at the international and regional level. Strong policies should be put in place to ensure multinational cooperations are engaged in illegal trade are barred from accessing any minerals from DRC.
4. Policies that will encourage regional trade development should be enforced. All African nations are called to come together plan and agree on ways to utilize DRC minerals for the betterment of Congolese nationals and Africa as whole. African states should mobilize ways to add value to the raw minerals in DRC so as to ensure they get maximum benefits.

### **5.5.5 Suggestions for Further Study**

The conflict finance mineral problem is complicated and diverse, the study managed to achieve its objectives however, more needs to be discussed and researched on as the conflict remains a reality for many. The complicated supply chain of mineral trade is one area that needs to be investigated keenly so as to provide the direct links of MNC's or Organizations that are directly funding the conflict. Although considerable progress has been made by policy makers in the international community to try and curb illegal mining and trade little has been done to help the Congolese government in the implementation and enforcement of these policies. The study calls for further research in the area of policy making and implementation regarding the DRC conflict.

The Congolese people have begun to raise their voice. Conflict finance does not only destabilize the country but it affects the lives of Congolese people on a very personal level. The study therefore believes that the voices of the Congolese people need to be given a platform to be heard and all policies and decisions need to reflect the voice of the people. The study hopes that this research would open doors for other researchers to dig deeper into local views and come up with practical home-grown solutions to end the conflict and close all doors that would leave room for financing rebels or state heads for economic gain.

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## **APPENDICES**

### **Appendix I**

Interview Guide for Email Interview

#### **Section 1: Understanding the geography of the dispute**

Which areas are most affected by the conflict?

- a. XX
- b. XXX
- c. XXXX
- d. XXXX

Are these areas resource rich?

- a. Yes
- b. No
- c. Mostly

Which entities control those areas?

- a. Rebels
- b. Government
- c. Combination of the two

#### **Section 2: Understanding the drivers of the conflict**

Which of the following best approximates what is at the core of the conflict in the DRC?

- a. Local economic interests
- b. International economic interests
- c. Local social disputes
- d. Power disputes
- e. Other (please note below)

In your opinion, which of the following entities are driving the conflict?

- a. Rebel groups
- b. Multinational companies
- c. Wealthy individuals in the DRC
- d. The national government
- e. Foreign governments
- f. Other (please specify)

Who is largely financing the conflict?

- a. Rebel groups
- b. Multinational companies

- c. Wealthy individuals in the DRC
- d. The national government
- e. Foreign governments
- f. Other (please specify)
- g. If your response to the question above is Multinational Companies, can you provide the names of the Companies involved?
  - a) XXX
  - b) XXX
  - c) XXX
  - d) XXX
  - e) XXX
  - f) XXX
  - g) XXX
  - h) XXX

### **Understanding the solution sets**

In your opinion, has the international mediation process been effective?

- a. Yes, largely
- b. Somewhat helpful
- c. Not helpful
- d. Very poor

In your opinion has the DRC government effectively mediated in the conflict?

- a. Very helpful
- b. Somewhat helpful
- c. Very unhelpful
- d. Somewhat unhelpful

In your opinion, would privatisation of the mineral sector help stop the conflict?

- a. Very helpful
- b. Somewhat helpful
- c. Very unhelpful
- d. Somewhat unhelpful

In your opinion would nationalisation of the mineral sector help stop the conflict?

- a. Very helpful
- b. Somewhat helpful
- c. Very unhelpful
- d. Somewhat unhelpful

## **Appendix II**

### **Interview and Focus Group Guide.**

1. What is your analysis of the conflict situation in DRC?
2. Do you believe that the Conflict in DRC is a natural resource conflict?
3. Which areas in DRC experience natural resource conflict and are they all headed by rebel groups?
4. Who do you think finances the conflict?
5. Do you know of international companies/MNC's that are based in the areas facing conflict and what is your take on the kind of Business that they do?
6. Can you sight examples of Companies that you think fund rebel groups in order to get future exploitation rights?
7. Are you able to give a breakdown of how this companies get into negotiations with rebels and the supply chain of how they get the minerals out?
8. What is your take on Rwanda's and Uganda's Involvement in the DRC conflict and which other countries do you believe have contributed to the conflict in Congo?
9. What do you think will help stop the conflict in DRC and bring development and growth for the country?
10. Should Mineral Cites in DRC be Privatized or Nationalized?

### **Appendix III: Field Interviews**

**Respondent A-**Field interview (2017) with Congolese Minister at the Embassy of DRC

**Respondent B-** Field Interview (2017) with Ambassdor Jean Pierre Ossey of the Republic of Congo Brazaville

**Respondent C-** Field Interview (2017) with Director of Political Affairs, Office of the Special Envoy of the Secretary General for the Great Lakes Region

**Respondent D-**Field Interview with (2017) with Deputy Special Representative og the Secretary General of the United Nations for the Somali Mission

**Respondent E-** Field Interview (2017) with Political Affairs Officer, United Nations Organization Stabilization Mission in the Democratic Republic of Congo (MONUSCO)

**Respondent F-** Field Interview (2017) with Director, United Nations Enviromental Program

**Respondent G** Field Interview (2017) with Congolese Business man, Living and working in Kenya

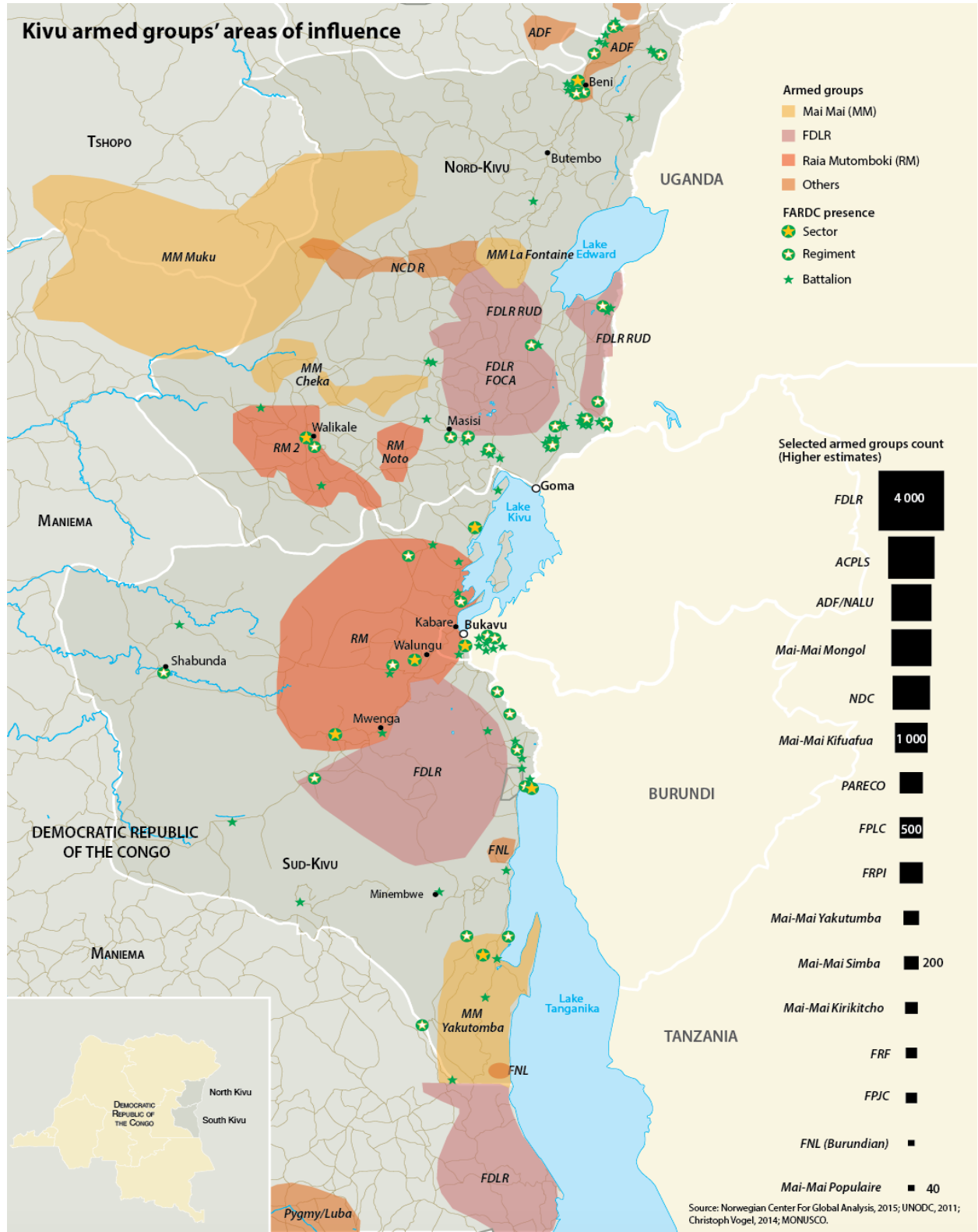
**Respondent H-** Field Interview (2017) with Congolese UN staff member, working in Mogadishu

**Respondent I-** Telephone Interview (2017) with Congolese national residing in Goma

**Respondent J** -Telephone Interview (2017) with Congolese national residing in Paris

Respondent Focus group discussion with (2017) ten Congolese nationals and Kenyans at the United states International University.

## Appendix IV: Map showing 30 Non-State Armed Groups In Eastern DRC



**Appendix V: Map Showing the Smuggling Routes by Transnational Organized Crime From Eastern DRC to Criminal Groups, Companies or Individuals in Uganda, Rwanda And Burundi**

