

6. THE POLITICAL ECONOMY OF THE WAR

The control and pillage of natural resources has contributed to the perpetuation of the war in the DRC, which has its roots in Joseph Conrad's book *'Heart of Darkness'* when the Belgian began plundering this part of the African continent in the XIXth century. In this business have participated the Congolese Armed Forces (FARDC), local and foreign armed groups, local businesses, several neighboring countries and Western and Asian multinationals, as signaled for the first time by the UN in April 2001.⁷ It is also the UN that in that moment was asserting that the exploitation was systematic and systemic and that the cartels had branches all over the world. It claimed that several firms had participated in the war and had promoted it directly; exchanging weapons for natural resources and some others had facilitated the access to financial resources to buy armament. It also added that the bilateral and multilateral donors had adopted very diverse attitudes towards the involved governments. Nevertheless, only a few voluntary good practice guidelines from the OECD were drawn from the report.

All the armed actors benefited from the illegal exploitation of natural resources of the east of the DRC, as well as a bunch of local firms and transnational ones that operate through intermediaries in the country, as has been signaled by the UN. However, this has triggered little reaction from the international community to put a halt to this plunder.

The armed actors have benefitted in three different ways from the mineral resources of the country: through its physical control, its trade, and the establishment of taxation. They can carry out the despoilment directly, by means of workers under a slave regime, by the control of the trade and export of the natural resources, or by the direct control and exploitation of the mines. Mechanisms of indirect pillage include taxing in the place of origin, in the mines themselves, in the transportation by road, through the establishment of controls and physical barriers, or by air, establishing taxes on the airline companies that provide the linkage to the *comptoirs*⁸ placed in most of the localities and cities in the east of the DRC, Butembo, Goma

and Bukavu standing out.⁹ Besides the control and exploitation of the natural resources, other resources which generate important benefits for the armed groups and the FARDC have to be taken into account, like the taxation of the trade and breeding of beef cattle, essential for the Banyarwanda community, the Banyamulenge and for Rwanda and Burundi. Besides the Congolese, the Rwandan and Burundian breeders send or have their cattle in the Kivus -where there are not as many problems of demographic pressure and competition for the livestock pastures as in their respective countries-, the exploitation of wood, agriculture and the production of charcoal -which is also being exported to Rwanda and Burundi, two countries which are practically deforested as a consequence of this activity-.

The UN asserted in 2001 that the exploitation was systematic and systemic and that the cartels had branches all over the world. Not many things have changed since then

15 years have gone by since the first study by the Group of Experts of the UN and, even if the situation on the ground is not as serious as back then as the troops of nearby countries -especially, Uganda and Rwanda- have withdrawn from the DRC and now have acceptable relations with its Congolese neighbor, the illegal plundering practices continue to follow the same patterns, as well as the sexual violence and the forced displacement of the population as a consequence of the confrontations.

It has to be reminded that the situation in the DRC is the sum of many factors, as not only does the exploitation of natural resources finance the war, but also the tensions over the property of the land, unresolved identity questions, fights over regional power and the weakness and corruption of the State. As a consequence, the control of the pillage of natural resources will not put an end to the multiple problems that affect the country, but it can stop financing the war economy derived from the despoilment of the resources and the permanent extortion of the mining sector and the civil population who works there by armed groups still active and sectors of the Armed Forces.

Even though some progress has been made concerning the application of the 'Due Diligence Guidance on Responsible Supply Chains' to assure that they do not support the exploitation of minerals from conflict-affected and high-

7. See Security Council of the UN, *Letter from the Secretary General on the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo*, S/2001/357, of the 13th of November 2001. <http://www.un.org/en/sc/documents/letters/2001.shtml>

8. Selling-buying offices of mineral resources which are the point of origin of the exports.

9. Personal interviews, Butembo, 2011. To delve into the issue, see the studies made by GW, IPIS (2009) or the reports by the Group of Experts on the exploitation of natural resources of the DRC.

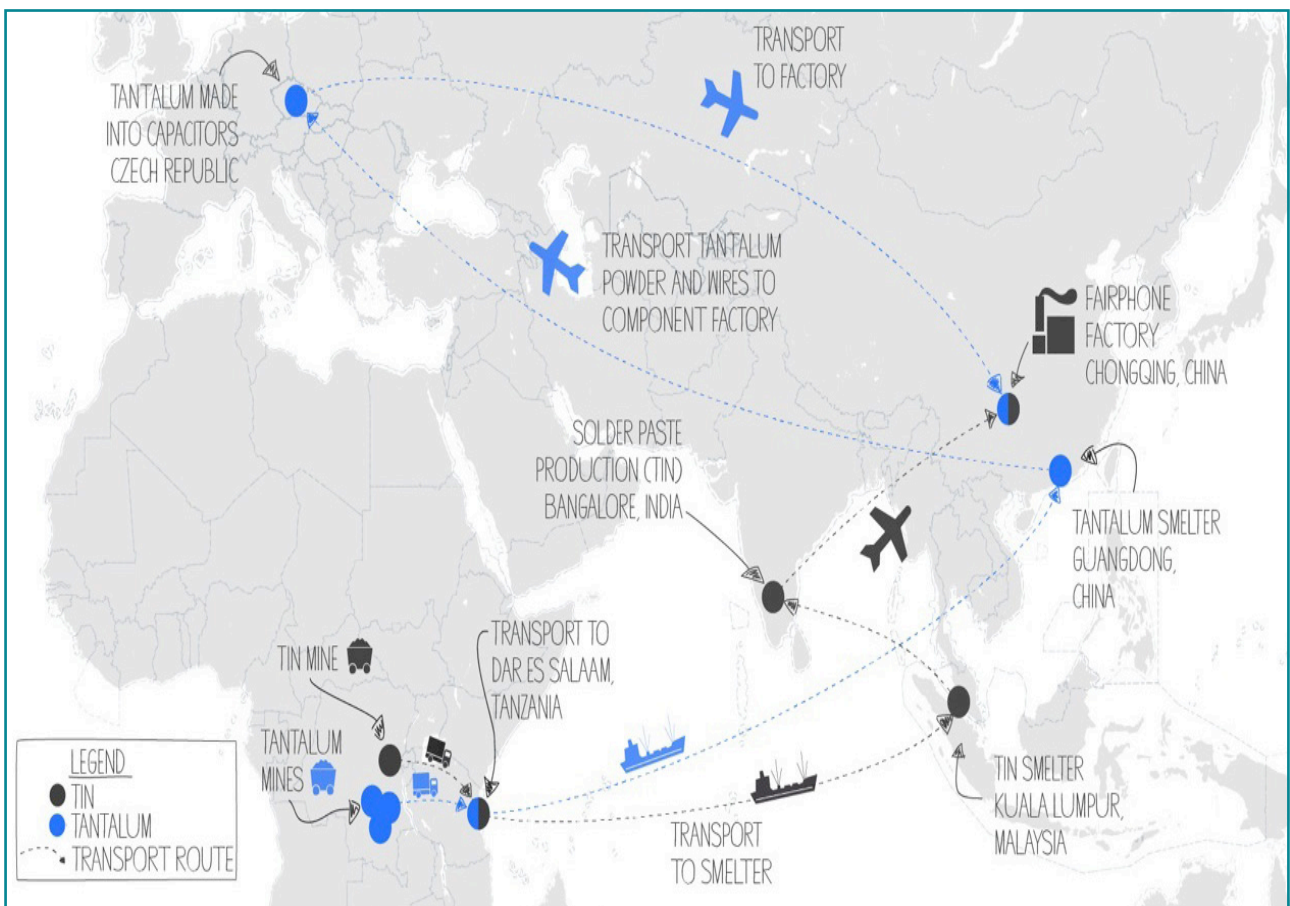
risk areas, the mining sector does not observe them, and only a few *comptoirs* in eastern DRC and in the neighboring countries do, as testifies the considerable importance of smuggling. It is in Rwanda that the major parts of the illegally exported resources are laundered, as signaled by the UN Group of Experts on the exploitation of natural re-sources in the DRC.

Nevertheless, there are several initiatives that are beginning to be applied which can contribute to spur a change in the situation and cut the fluxes of economic resources that contribute to perpetuate the conflict in the Great Lakes. In the first place, it has to be highlighted that the lobby campaign begun in 2007 by the American organization Enough Project, which precisely contributed, together with other organizations, to the elaboration of a law put forward by the congressman James McDermott which received the support of organizations and businesses such as Human Rights Watch and Hewlett Packard, among others, but which did not see the light of the day. Afterwards, in July 2010, the American government carried out a financial reform law in the context of the global economic crisis, the Dodd-Frank Wall Street Reform and Consumer Protection Act, in which its Section 1502 signaled

that the US economic regulator, the Securities and Exchange Commission (SEC), had to apply a series of requirements to American companies so as to reveal the origin of its minerals with due diligence. Despite that, the law has received multiple critiques, both from the business sector due to the constraints it implies and the necessary resources needed to audit the supply chain, and from some Congolese local actors and NGOs. Nevertheless, since 2012, the SEC began implementing the law. The UN Security Council also defined the due diligence in its resolution 1952 (2010). Subsequently, in December 2010, the OECD elaborated a series of recommendations, as did the International Conference on the Great Lakes Region in the Lusaka Summit. It was not until the end of 2012 that the directives clarifying the particular obligations for the firms affected by Section 1502 were approved. The causes of such delay are to be found in the difficulty implied in an issue of great technical complexity and the pressure of business groups in the US, opposed to the regulation and who attempted to impede its development.

To these international initiatives are to be added the efforts of the Congolese Government, who approved a directive in September 2011

Map 6.1. Fairphone, a responsible circuit for global production



Source: Fairphone