

## **CHAPTER 2: THE RUMBLE IN THE JUNGLE – NATURAL RESOURCES AND “AFRICA’S FIRST WORLD WAR”**

The two wars that have plagued the DRC since 1996 and the ongoing conflict in its eastern provinces arguably represent the greatest scene of human tragedy anywhere in the world since the conclusion of the Second World War. Largely ignored by the western media, the factors that initiated and sustained the extreme levels of violence in the DRC have received a relatively low level of analysis in international relations discourse. Yet for a number of reasons, the Congolese conflict is held as a paradigmatic example of the shift to the new type of economically motivated warfare outlined in Chapter 1. While the motivation for the fighting was largely political in origin, the plunder of the country’s resources provided both the incentive and the means for the continuation of the conflicts. Rich in minerals, tropical timber and gem stones, the Congo’s resource wealth both motivated and sustained numerable combatant groups battling over access to valuable mining sites, profitable trade routes, and other commercial enterprises. However, prior to outlining how and why the two wars in the Congo were initiated and the roles that various natural resources played in funding and motivating their belligerents, violence surrounding resource extraction in the DRC needs to be placed within its historical context. For more than a century, the human and resource wealth of the DRC have been systematically exploited by an elite minority at the expense of the vast majority of Congolese society. In a number of ways, the current era of militarised and corrupt control over the DRC’s resources and people is a direct continuation of the pattern of colonial exploitation established under King Leopold II of Belgium during the late nineteenth century and later continued by the nation’s Cold War dictator, Mobutu Sese Seko<sup>1</sup>.

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<sup>1</sup> Global Witness, “Same Old Story – A Background Study on Natural Resources in the Democratic Republic of Congo”, June 2004, p.5

## King Leopold II and the Colonial Exploitation of the Congo

The plundering of the DRC's resource assets at the expense and suffering of its people has formed a stable and recurrent theme throughout the history of the Congo<sup>2</sup>. Emerging as a nation-state in the late 19<sup>th</sup> century under the rule of King Leopold II of Belgium, the "Congo Free State" was set up largely to facilitate the exploitation of the country's vast natural resources<sup>3</sup>. Rather than being administered as a typical colony, from the very beginning the Congo Free State was run more as a personal business enterprise of Leopold II than a state. Utilising slave labour and brute force to intimidate and control Congolese society, Leopold accumulated a vast personal fortune from the Congo's palm oil, rubber and ivory. As Joseph Conrad described Leopold's arbitrary rule in his 1899 novel, *Heart of Darkness*, "They were no colonialists; their administration was merely a squeeze, and nothing more....It was just robbery with violence, aggravated murder on a grand scale"<sup>4</sup>. Indeed, in under twenty years of Leopold's reign it was estimated that close to 10 million Congolese died<sup>5</sup>. While the Belgian government, who took control of the colony in 1908, curtailed some of the worst human rights abuses, the exploitation of the nation's resource wealth at the expense of its citizenry continued<sup>6</sup>.

## Mobutu's Rule – "How to Ruin a Country"

In 1960 the Congo obtained independence from Belgium, but immediately fell into a protracted state of chaos and disorder. In 1965, Colonel Mobutu seized control through a military coup backed by the United States and Belgium, and changed the country's name to Zaire<sup>7</sup>. Over the next thirty years, Mobutu instituted one of the most corrupt and inefficient systems of governance the world has seen. As one commentator succinctly put it "in Zaire...rulership appears to be an exercise in how to ruin a country"<sup>8</sup>. Characterised

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<sup>2</sup> John Katunga and Celine Moyroud, "Coltan Exploration in the Eastern Democratic Republic of Congo (DRC)", in *Scarcity or Surfeit*. (eds) Jeremy Lind and Kathryn Sturman (Pretoria, Institute for Security Studies, 2002) p.160

<sup>3</sup> Richard Burge and Karen Hayes, "Coltan Mining in the Democratic Republic of Congo: How Tantalum-Using Industries Can Commit to the Reconstruction of the DRC", Fauna and Flora International, 2003, p.25

<sup>4</sup> Congo: The prize of Predation, P.321 – GET THE ORIGINAL

<sup>5</sup> Burge and Hayes, "Coltan mining in the DRC", p.25

<sup>6</sup> *Ibid*, p.25

<sup>7</sup> Congdon Fors and Ola Olsson, "Congo: The Prize of Predation", *Journal of Peace Research* p.323

<sup>8</sup> David Renton, David Seddon and Leo Zeilig, *The Congo – Plunder and Resistance* (London, Zed Books, 2007) p.122

by rampant corruption, patrimony, political suppression, flagrant human rights abuses, gross economic mismanagement, and a near total lack of investment into public services and infrastructure, Mobutu's rule over Zaire demonstrated clearly the core tenets of the resource curse thesis outlined in Chapter 1<sup>9</sup>. Supported by the West as a Cold War bulwark against Soviet penetrations in central and southern Africa, western support for Mobutu's authoritarian regime only aided in the undermining of Zaire as an effective state<sup>10</sup>. Shielded from outside scrutiny by his Cold War allies and sustained by a ready flow of arms and support against regime opponents, Mobutu and his allies looted the state<sup>11</sup>. Presiding over an economy based upon copper, cobalt, and industrial diamond exports, the Congo's rich resource assets provided a ready source of income for the state elite. While the vast majority of the Congolese population languished in desperate poverty, a small neo-patrimonial network surrounding Mobutu embezzled billions of dollars. Undermining the financial base of the country, the predatory behaviour by the national elite slowly brought about the implosion of the Zairian state<sup>12</sup>.

By the late 1980's Zaire was in a serious state of decline. With the state having abandoned virtually all social service delivery functions and the nation's socio-economic infrastructure in a state of rapid decay, the Mobutu regime ceased to have any legitimacy whatsoever with the Congolese people<sup>13</sup>. Decades of mismanagement of the national mining company, *Gercamines*, saw its annual copper production fall from 500,000 tonnes in 1974 to a dismal 30,000 tonnes in 1990, depriving the Mobutu regime of its one steady source of income<sup>14</sup>. By 1993 Zaire's annual economic growth rate had contracted to a staggering -16.5%, while annual average wages had shrunk to around US\$50<sup>15</sup>. Despite its enormous wealth in natural resources the Zairian economy was bankrupt. Critically,

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<sup>9</sup> Global Witness "Same Old Story", p.8

<sup>10</sup> Claude Kabemba, "The Democratic Republic of Congo", in *Big African States*. (eds) Christopher Clapham, Jeffery Herbst and Greg Mills (Johannesburg, Wits University Press, 2001) p.103

<sup>11</sup> Global Witness, "Same Old Story", p.8

<sup>12</sup> Stefaan Marysse, "Regress, War and Fragile Recovery: The Case of the DR Congo", in *The Political Economy of the Great Lakes Region in Africa*. (eds) Stefaan Marysse and Filip Reyntjens (New York, Palgrave, 2005) p.132

<sup>13</sup> Tatiana Carayannis and Herbert F. Weiss, "The Enduring Idea of the Congo", in *Borders, Nationalism, and the African State*. (ed) Ricardo Rene Laremont (Boulder, Lynne Rienner, 2005) p.143

<sup>14</sup> Marysse, "Regress, War and Fragile Recovery: The Case of the DR Congo", p.130

<sup>15</sup> *Ibid*, p.131

decades of corruption and mismanagement within the military had also left the Zairian armed forces precariously weak. Unable to pay its soldiers, the army was left to fend for itself. No longer preoccupied with defending the nation, many soldiers turned to extorting the public to make a living<sup>16</sup>. Coupled with the withdrawal of external sources of patronage that accompanied the end of the Cold War and declining terms of trade for its remaining mineral exports, the Mobutu regime was left highly susceptible to challenges.

## The First Congolese War – The Anti-Mobutu Rebellion

The recent history of conflict in the DRC has its roots in the aftermath of the Rwandan genocide of 1994. After the mass killing of an estimated 800,000 Tutsi by the Rwandan army (FAR) and extremist Hutu militia, the *Interahamwe*, approximately 1.2 million Hutu refugees crossed into the Eastern provinces of Zaire fearing reprisal attacks by the Tutsi-led Rwandan Patriotic Front (RPF) following their capture of Kigali in July 1994<sup>17</sup>. Sheltered in U.N camps close to the Rwandan border, remnants of the FAR and *Interahamwe*, with the support of the Mobutu regime, used the camps as staging grounds from which to launch fresh offensives against the new Tutsi-dominated government in Rwanda. Having repeatedly warned the international community about inaction over the Hutu threat operating along its borders, Rwanda, with the help of an obscure rebel movement known as the Alliance of Democratic Forces for the Liberation of Congo-Zaire (ADFL), invaded the country with the goal of eliminating the FAR and *Interahamwe* and to strike a blow against the pro-Hutu Mobutu regime<sup>18</sup>. Joined by Uganda and Angola for similar reasons (Mobutu having provided sanctuary to a number of rebel groups operating in their territories), the invasion force quickly advanced across the vast nation. Tens of thousands of Hutu refugees and militiamen were slaughtered along the way<sup>19</sup>.

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<sup>16</sup> *Ibid*, p.147

<sup>17</sup> Katunga and Moyroud, “Coltan Exploration in Eastern Democratic Republic of Congo (DRC)”, p.160

<sup>18</sup> Carayannis and Weiss, “The Enduring Idea of the Congo”, p.146

<sup>19</sup> Crawford Young, “Contextualizing Congo Conflicts – Order and Disorder in Postcolonial Africa”, in *The African Stakes of the Congo War*. (ed) John F. Clark (New York, Palgrave, 2002) p.13

As it became apparent that the ADFL and its foreign backers were rapidly gaining the upper hand in the conflict, a flood of international mining companies began pouring into the country seeking lucrative contracts within the rebel held territories. Even before Mobutu's fall, the rebels made deals on the privatisation of state mining companies<sup>20</sup>. Signing billion dollar contracts with the leader of the ADFL, Laurent Kabila, resource firms such as De Beers and American Mineral Fields bankrolled the rebellion<sup>21</sup>. As Montague notes "Executives formed outright alliances with the AFDL" in their bids to secure copper, cobalt, diamond and gold concessions<sup>22</sup>. At one point American Mineral Fields even loaned a plane to the ADFL<sup>23</sup>. With entire units of the severely dilapidated Zairian armed forces defecting to the ADFL and Rwandan led alliance, the capital, Kinshasa, fell with little bloodshed in May 1997. While it first appeared that the nation's newly installed president, Laurent Kabila, was set to embark the renamed Democratic Republic of Congo (DRC) upon a new trajectory of democracy and freedom, in spite of his avowed opposition to Mobutu's regime familiar patterns of unaccountability, corruption and patronage re-emerged quickly<sup>24</sup>. Exercising a similar style of personalised control over the nation's resources as Mobutu, and avoiding any semblance of transparency and accountability, rather than building an inclusive, broad-based and democratic government, like Mobutu, Kabila built one whose agents were totally dedicated to self enrichment<sup>25</sup>.

## The Second Congolese War (1998-2002) – Africa's "First World War"

Although Laurent Kabila and the ADFL had been installed largely through the support of Rwanda and Uganda, the relationship between the alliance partners soured rapidly in the months following their capture of Kinshasa. Incapable of pacifying the still active rebel movements based in the nation's east, Rwanda and Uganda became increasingly displeased with Kabila's inability to deal with the insurgencies continuing to threaten

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<sup>20</sup> Renton, Seddon and Zeilig, *The Congo - Plunder and Resistance*, p.205

<sup>21</sup> Thomas Turner, *The Congo Wars – Conflict, Myth and Reality* (London, Zed Books, 2007) p.39

<sup>22</sup> Dena Montague, "Stolen Goods: Coltan and Conflict in the Democratic Republic of Congo", *SAIS Review* 22:1 (Winter-Spring 2002) 103-118, p.110

<sup>23</sup> Turner, *The Congo Wars*, p.39

<sup>24</sup> *Ibid*, p.38

<sup>25</sup> Kabemba, "The Democratic Republic of Congo", p.105

their security. This tension strained relations within the anti-Mobutu alliance to the point of collapse. Distrustful of his foreign allies, Kabila formally requested the presidents of Rwanda and Uganda to withdraw their troops from Congolese territory. Both nations complied, however, only weeks later both returned once again as invaders, determined to eliminate the security threats operating on their peripheries for good and to install a more subservient puppet in Kinshasa<sup>26</sup>. Joined by Burundi for similar security reasons, the Ugandan and Rwandan alliance quickly sponsored the creation of a new proxy rebel movement, the Congolese Rally for Democracy (RCD), to spearhead the overthrow of Kabila. Working in conjunction with the Rwandan, Ugandan, and Burundian armed forces, the RCD rapidly took control of eastern Congo<sup>27</sup>.

Within two weeks of the conflict the Kabila regime was on the verge of outright defeat. Appealing to the member states of the Southern Africa Development Community (SADC) for urgent military assistance, Namibia, Angola, Chad and Zimbabwe (and briefly joined by the Central African Republic), answered Kabila's plea and sent military forces to protect Kinshasa<sup>28</sup>. For the next year, the DRC became the arena of the most intense regional war in African history. By late 1998 troops from nine different African states along with their local rebel proxies, and a host of indigenous militias who had formed to resist the presence of foreign troops, known collectively as the *Mai-Mai*, were facing off in what has been labelled "Africa's First World War"<sup>29</sup>. While the joint RCD, Rwandan, Burundian and Ugandan offensive made a concerted push on the nation's capital, the Angolan and Zimbabwean armed forces succeeded in halting the advance on Kinshasa, leading the conflict into a protracted stalemate. Having only partially accomplished their objectives for launching the Second Congo War, Rwanda, Uganda,

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<sup>26</sup> Global Witness, "Same Old Story", p.10

<sup>27</sup> Christian P. Scherrer, *Genocide and Crisis in Central Africa – Conflict Roots, Mass Violence and Regional War* (Westport, Praeger, 2002) p.255

<sup>28</sup> Georges Nzongola-Ntalaja, "The International Dimensions of the Congo Crisis", United Nations Development Program, <http://www.undp.org/oslocentre/docs/os/the%international%dimensions.pdf> Accessed on 19/7/2007, p.2

<sup>29</sup> Herbert Weiss, "War and Peace in the Democratic Republic of Congo", *American Diplomacy* 5:3 (Summer 2000) p.113

Burundi and their rebel allies settled on a de facto partition of the country's eastern provinces<sup>30</sup>.

The Second Congo War took a devastating toll on Congolese society. In a survey of mortality rates, the International Rescue Committee found that 3.8 million deaths could be attributed to the war for the period 1998-2004, the highest war death toll ever documented in Africa or anywhere around the world in the past fifty years<sup>31</sup>. At the height of the conflict approximately 73,000 people died every month<sup>32</sup>. Civilian massacres occurred frequently, as did other human rights abuses, such as war rape, mutilations, population displacements and the forced conscription of tens of thousands of child soldiers. With a near total collapse of agriculture resulting from the war an estimated 33% of the population (16 million people) suffered from serious malnutrition<sup>33</sup>.

Although the war officially ended in 2002 with the signing of peace accords between the main combatant groups, fighting in the eastern regions of the country has continued unabated. Characterised by highly fluid alliance structures, in which rebel groups have frequently splintered, changed alliances and attacked former allies<sup>34</sup>, the landscape of conflict in the east has changed regularly since the beginning of hostilities in 1998<sup>35</sup>. While what little international attention that was paid to the fighting in the Congo has dissipated in recent years, currently, an estimated 1,000 people continue to die in the nation's east each week, posing a significant threat to the peace process, as well as the country's reconstruction<sup>36</sup>. As the UN and the International Crisis Group both contend, the potential for the resumption of large scale hostilities remains very real.

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<sup>30</sup> Fors and Olsson, "Congo: The Prize of Predation", p.326

<sup>31</sup> Nzongola-Ntalaja, "The International Dimensions of the Congo Crisis", p.1

<sup>32</sup> Montague, "Stolen Goods: Coltan and Conflict in the Democratic Republic of Congo", p.103

<sup>33</sup> Rights and Accountability in Development, "Unanswered Questions: Companies, Conflict and the Democratic Republic of Congo", March 2004, p.1

<sup>34</sup> The RCD splintered into several factions.

<sup>35</sup> Global Witness, "Same Old Story", p.11

<sup>36</sup> International Crisis Group, "Congo: Consolidating the Peace", Report no.128 (5 July 2007) p.3

## Resource Exploitation in the Second Congo War

Although Rwanda, Uganda, and Burundi had undoubtedly precipitated the Second Congo War because of genuine security concerns, their motives for retaining forces there changed over time<sup>37</sup>. After the initial thrust against Kinshasa, rather than engaging in any significant operations to further political or security objectives, the activities of the various foreign armies and rebel groups operating within the Congo became almost exclusively focused upon the pursuit of economic objectives. As a United Nations Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth in the Democratic Republic of Congo (UN Panel of Experts) determined “The conflict in the Democratic Republic of Congo has mainly become about access, control and trade of five key mineral resources: coltan, diamonds, copper, cobalt and gold”<sup>38</sup>. With the pattern of conflict closely mirroring fluctuations in international commodity markets, battles largely occurred in or around lucrative mining sites or strategically located trading towns, such as Kisangani and Bukavu (both centres of diamond and coltan production). As the UN Panel of Experts found, every party involved in the conflict, with the possible exceptions of Angola and Namibia, sought to profit from the commercial opportunities provided for by the fighting<sup>39</sup>.

The operation of the war economy in eastern Congo is characterised by a vicious and mutually reinforcing cycle. Violence permits the exploitation of resources, from which the profits are used to pay soldiers and to obtain arms, ammunition and military equipment, thereby facilitating further military operations in order to capture more resources. Creating a “win win” scenario for combatant groups, it is an entirely self-sustaining conflict system. For several governments involved in the war the massive drain on their national exchequers resulting from prolonged military activity within the Congo could only be sustained through continued access to the DRC’s immense resource wealth<sup>40</sup>. This was particularly the case for Zimbabwe, whose military involvement in the

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<sup>37</sup> Kabemba, “The Democratic Republic of Congo”, p.109

<sup>38</sup> United Nations, “Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth in the Democratic Republic of Congo S/2001/357”, 12 April 2001, p.41

<sup>39</sup> United Nations, “Report S/2001/357”, p.37

<sup>40</sup> International Crisis Group, “The Kivu’s: The Forgotten Crucible of the Congo Conflict”, ICG Africa Report no.56 (24 January 2003), p.23

DRC was especially costly for the Mugabe regime. Having incurred considerable costs in men, material and money, the embattled leaders of the Zimbabwean government were desperate to recoup some of their losses from the war that has been labelled “Zimbabwe’s Vietnam”<sup>41</sup>. Rewarded by the Kabila regime for their assistance in fending off the RCD offensive against Kinshasa with massive timber and mining concessions in the country’s south<sup>42</sup>, the Zimbabwean government has instigated what Global Witness calls a form of “resource colonialism” over much of the DRC’s sovereign territory, the proceeds from which are used to help consolidate the increasingly despotic Zanu-PF regime in Harare. While Zimbabwe as a state has not benefited from the stripping of the DRC’s resources, a small ring of the nation’s political and military elite have reaped enormous profits<sup>43</sup>.

## Resource Exploitation– The Cases of Uganda and Rwanda

While the economic activities of each of the parties to the Second Congo War were considerable, none rivalled those of Uganda, Rwanda, and their allied rebel movements. Soon after the start of the RCD campaign to overthrow the Kabila regime, complex networks of economic control were set up within Congo’s eastern provinces by Rwanda and Uganda, so as to maximise the generation of revenues collected through the extraction of the Congo’s resources<sup>44</sup>. As the Congolese political scientist, Nzongola-Ntalaja noted “A regime of pillage reminiscent of the Leopoldian era was established, with Ugandans and Rwandans dividing among themselves the gold, diamonds, timber, coffee and tea of the north-east”<sup>45</sup>. Their interests in the exploitation of the Congo’s resources were threefold: to finance their ongoing military operations; to boost their own domestic economies and foreign export earnings; and for the personal enrichment of a small political, military and business elite network. Facilitating the removal of hundreds of millions of dollars of resources, and intimately involved in a host of other illegal profit generating enterprises such as the production of counterfeit Congolese francs, Rwanda

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<sup>41</sup> Global Witness, “Branching Out – Zimbabwe’s Resource Colonialism in the Democratic Republic of Congo”, February 2002, p.12

<sup>42</sup> A Zimbabwean company has gained the rights to exploit 33 million hectares of forests in the DRC (an area ten times Switzerland), making it the largest single timber concession in the world (Global Witness).

<sup>43</sup> Nzongola-Ntalaja, “The International Dimensions of the Congo Crisis”, p.6

<sup>44</sup> Hans Romkema and Koen Vlassenroot, “Emergence of a New Order? Resources and War in Eastern Congo”, in *Journal of Humanitarian Assistance* (28 October 2002) p.6

<sup>45</sup> Nzongola-Ntalaja, “The International Dimensions of the Congo Crisis”, p.5

and Uganda have been the primary beneficiaries of the ongoing violence and system of militarised resource extraction in the eastern DRC<sup>46</sup>.

## Uganda

In the case of Uganda, the pattern of resource exploitation is characterised by a decentralised and loosely hierarchical network, centrally controlled by a core group of Ugandan army officers and businessmen (including the brother of President Museveni)<sup>47</sup>. Largely concentrated in the north and north-eastern provinces of Orientale, Equateur and North Kivu, the Ugandan People's Defence Forces (UPDF) and their rebel associates focused upon the extraction of gold, diamonds, timber, coltan and coffee<sup>48</sup>. According to the UN panel of experts, the extraction of Congolese resources by Uganda and its associates preceded in two stages. During the first stage, between September 1998 and August 1999, zones occupied by the UPDF and its allies were simply looted of existing stockpiles of minerals, timber, private property, livestock, and agricultural products<sup>49</sup>. After the resource stockpiles had been thoroughly exhausted the second "extractive" phase of Uganda's profiteering commenced. In this stage UPDF commanders and prominent Ugandan business figures took control over businesses, entered into joint ventures with foreign corporations or established their own companies to engage directly in the extraction of the Congo's resources. In command of a number of lucrative mining sites and often directly involved in mining activities themselves, members of the UPDF and their associates extracted millions of dollars worth of resources, subsequently transported by road or light aircraft back to Kampala, repackaged as Ugandan commodities and re-exported onto the international market. Heralded for its spectacular "export led" economic achievements in the late 1990's, much of Uganda's impressive recent economic performance has been built upon the pillaging and re-exportation of Congolese resources<sup>50</sup>.

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<sup>46</sup> United Nations, "Report S/2001/357", p.13

<sup>47</sup> Global Witness, "Same Old Story", p.11

<sup>48</sup> Global Witness, "Same Old Story", p.12-13

<sup>49</sup> John F. Clark, "Museveni's Adventure in the Congo War – Uganda's Vietnam?", in *The African Stakes of the Congo War*. (ed) John F. Clark (New York, Palgrave, 2002) p.157

<sup>50</sup> United Nations, "Report S/2001/357", p.31

## Ethnic Conflict, Gold and the UPDF

One particularly insidious aspect of Uganda's commercial strategy in eastern Congo has been the efforts of senior military commanders to provoke conflict between the Hema and Lendu ethnic groups in the Ituri region of Orientale province in order to exploit the regions rich gold deposits. Although a conflict over access to grazing lands and water resources had existed between the Hema and Lendu for many years, Ugandan manipulation significantly exacerbated local ethnic tensions and violence<sup>51</sup>. To create the conditions that would justify an ongoing Ugandan presence in Ituri, thus enabling their continued involvement in resource extraction and other commercial activities, UPDF personnel armed, trained and assisted the Hema in attacking Lendu villages whilst arming and assisting the Lendu against the Hema at the same time<sup>52</sup>. While Ugandan interests maintained their control over the region's lucrative gold mines, the consequences for the inhabitants of Ituri were particularly severe. The latest estimates put the number of deaths in the province since 1999 at 60,000, while the number of displaced persons is around half a million<sup>53</sup>.

## Rwanda

While Uganda was capable of illegally extracting hundreds of millions of dollars worth of natural resources from the Congo, the most effective system of exploitation was that established by Rwanda. In contrast to Uganda's decentralized and loosely hierarchical system of resource exploitation, Rwanda's administrative structure was centrally coordinated through the "Congo Desk" located in its Department of External Relations in Kigali. Whereas Uganda's system was largely directed by a small military, political, and business elite, in the case of Rwanda it was a deliberate state policy, commissioned, implemented and operated by the Rwandan government<sup>54</sup>. Largely concentrated in the provinces of North and South Kivu, Orientale, Maniema and parts of Katanga, Rwanda

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<sup>51</sup> Human Right Watch, "The Curse of Gold", June 2005, p.46

<sup>52</sup> United Nations, "Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth in the Democratic Republic of Congo S/2002/1146", 16 October 2002, p.23

<sup>53</sup> Drake, Kristin, "Gold and Ethnic Conflict in the Ituri Region of the Democratic Republic of Congo", Inventory of Conflict and the Environment, Case Study 173, May 2006, p.4

<sup>54</sup> George Monbiot, "The Victim's Licence", *Guardian*, April 13, 2004, p.1

and its associated rebel organisations exploited massive quantities of diamonds, gold, timber, cassiterite and coltan throughout the war, the profits from which were funnelled through the Congo Desk in Kigali and used to sustain its ongoing military operations<sup>55</sup>. As the Rwandan president, Paul Kagame, has unapologetically stated, for Rwanda the war was “self-financing”<sup>56</sup>. According to the UN Panel of Experts, income generated through the Congo Desk provided 80% of Rwanda’s military expenditures in 1999, an amount roughly equivalent to 20% of Rwanda’s gross national product<sup>57</sup>. Similar to Uganda, much of the impressive economic growth and prosperity experienced by Rwanda in recent years has been built upon the widespread violence and insecurity witnessed in the Congo since 1998.

Like Uganda’s pattern of exploitation, the removal of Congolese resources by the Rwandan Patriotic Army (RPA) and its associates preceded in two stages, mass looting and coordinated extraction. The looting began in late 1998 when the RPA working in conjunction with the RCD removed between 1,000 to 2,000 tons of cassiterite and between 1,000 to 1,500 tons of coltan stocks from the mining company Sominki<sup>58</sup>. Once existing mineral stocks were thoroughly exhausted, businesses, banks, farms and private property were targeted. Nothing of value was spared. As the mass scale looting began to die down in mid-1999, the RPA and its associates turned their attention to direct extraction. Thousands of Rwandans were subsequently transported into the Congo’s eastern provinces to supply the necessary security and logistics for their mining operations. While members of the RPA and RCD were often physically involved in mining activities themselves, Rwanda also used coerced labour and prisoners to dig for minerals. At one site, as many as 1500 prisoners were witnessed mining while being under the armed guard of RPA soldiers<sup>59</sup>. While Rwanda and its associates generated enough revenues through the extraction of various resources to financially sustain the

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<sup>55</sup> Global Witness, “Same Old Story”, p.12-13

<sup>56</sup> Richard C. Hottel, “The Plundering of the Congo: Without Precedent”, *Christian Science Monitor*, May 16 2001.

<sup>57</sup> United Nations, “Report S/2002/1146”, p.15

<sup>58</sup> United Nations, “Report S/2001/357”, p.8

<sup>59</sup> *Ibid*, p.12

25,000 RPA troops stationed in the Congo throughout the war, one resource in particular provided the bulk of the funds.

## The Coltan Rush

During the year 2000, the electronics industry saw an unprecedented demand for columbite-tantalite (coltan), a rare metal used in mobile phones, PCs and other electronic applications, causing its price to increase by around 300%<sup>60</sup>. Easily accessible through artisanal mining methods, and peaking in price at US\$365 per pound, coltan instantaneously became the mineral of choice for the DRC's many self-funded predatory armies<sup>61</sup>. None benefited from the coltan boom more, however, than the RPA, who controlled an estimated 70% of its trade in eastern Congo. Earning approximately US\$ 20 million a month for the Congo Desk, coltan was a highly lucrative business for the RPA and much of its military strategy was subsequently directed by the objective of capturing more of it<sup>62</sup>. Rather than attempting to further the security rationale on which Rwanda's invasion of Congolese territory was predicated upon, the RPA largely attacked rebel and militia groups with the intention of appropriating their coltan supplies<sup>63</sup>. In other cases, the sheer profitability of coltan extraction produced some unlikely commercial alliances between the RPA and other rebel and militia groups. On a number of occasions, RPA coltan traders worked in open partnership with the *Mai-Mai* groups who had originally formed to resist Rwanda's presence in the Congo and even with the same *Interhamwe* militia who had carried out the attempted genocide in Rwanda only six years earlier<sup>64</sup>.

While a sharp drop in the price of coltan in March 2001 significantly curtailed the financial attractiveness of columbite-tantalite as a means of war funding, the recent 74% increase in the price of cassiterite (tin ore), due to new environmental regulations in Japan and the European Union requiring manufacturers to use tin instead of lead in printed circuit boards, has provided a new resource of choice to profit-seeking combatant

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<sup>60</sup> Montague, "Stolen Goods: Coltan and Conflict in the Democratic Republic of Congo", p.105

<sup>61</sup> Global Witness, "Same Old Story", p.19

<sup>62</sup> United Nations, "Report S/2001/357", p.29

<sup>63</sup> Fors and Olsson, "Congo: the prize of Predation", p.326

<sup>64</sup> United Nations, "Report S/2001/357", p.37

groups<sup>65</sup>. Much of the fighting in eastern DRC has since become focused in or around major centres of cassiterite production, such as Walikale, in North Kivu. During the height of the boom in tin prices during 2004, some of the groups involved in cassiterite mining were believed to be making around US\$ 50,000 a day<sup>66</sup>.

Although most of the armed forces of Rwanda and Uganda have now formally withdrawn from Congolese territory, both nations put in place complex economic control mechanisms to ensure their continuing control over trade and resource flows in the country's east<sup>67</sup>. Similar to Zimbabwe's immense timber and mining concessions in the country's south, Rwanda and Uganda are now exercising a form of resource colonialism over much of the Congo's sovereign territory. As the UN Panel of Experts concluded about Rwanda's continuing commercial activity in the Congo: "The recent departure of troops should not be interpreted as a sign of Rwanda's willingness to reduce its considerable involvement in the evacuation of valuable resources, to reduce the level of armed conflict or to diminish the humanitarian crisis in the region<sup>68</sup>. Rather, according to the UN, the primary rationale for Rwanda's continued presence is to increase the number of Rwandans in the DRC's eastern provinces and to encourage those settled there to act in unison to support its exercise of economic control<sup>69</sup>. Similarly, while the UPDF have now officially withdrawn most of their personnel from Congolese territory, few observers believe that this will lead to a genuine decrease in Uganda's economic activities in eastern Congo. As the UN Panel of Experts found of the regions formerly under the control of the UPDF "There will be little change in the control that Ugandans now exercise over trade flows and economic resources"<sup>70</sup>.

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<sup>65</sup> Global Witness, "Under-Mining Peace – Tin: The Explosive Trade in Cassiterite in Eastern DRC", June 2005, p.14

<sup>66</sup> *Ibid*, p.16

<sup>67</sup> United Nations, "Report S/2002/1146", p.5

<sup>68</sup> *Ibid*, p.14

<sup>69</sup> *Ibid*

<sup>70</sup> *Ibid*, p.5

## The Role of the Congolese State

While Uganda, Rwanda, and to a lesser extent Burundi, have each played a sinister and insidious role in fuelling the ongoing violence in the DRC's eastern provinces, in a number of respects the role of the Congolese state has been no less menacing. As the majority of soldiers in the newly integrated Armed Forces of the Democratic Republic of Congo (FARDC) are either unpaid or under-paid, many have turned to mining activities, extortion and theft to supplement their income<sup>71</sup>. In direct control over a large number of cassiterite mining sites in South Kivu and exercising the same brutality as their Ugandan, Rwandan, Burundian and rebel counterparts, FARDC has in many cases become the principal threat to the security of citizens living in the Congo's east<sup>72</sup>. Similarly, much of the Congolese political elite are heavily implicated in illegal resource smuggling networks and the theft of state assets in Katanga, depriving the state of much needed revenues for the nation's recovery and reconstruction. With as much of three quarters of the copper and cobalt mined in the southern province of Katanga being exported illicitly by government officials in order to avoid the payment of taxes and customs duties, the Congolese state is being deprived of up to US\$1.1 billion dollars a year<sup>73</sup>. Furthermore, as UN investigations revealed, in the past three years at least US\$ 5 billion of state mining sector assets have been transferred to private companies under the control of the Congolese political elite<sup>74</sup>.

## Foreign Private Sector Involvement

In addition to the myriad of state and rebel actors who have sought to profit from the fighting and instability in the DRC, a number of shadowy private sector operators have also entered into alliances with various militias, warlords and state leaders to gain access to mining and timber concessions, and other trading opportunities (such as weaponry)<sup>75</sup>. Maintaining the pattern of corporate investment established during the first anti-Mobutu war of 1996, mining companies continued to regard rebel held territories as de facto

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<sup>71</sup> *Ibid*

<sup>72</sup> International Crisis Group. "Congo: Consolidating the Peace", p.14

<sup>73</sup> Global Witness, "Digging in Corruption – Fraud, Abuse and Exploitation in Katanga's Copper and Cobalt Mines", July 2006, p.46

<sup>74</sup> United Nations, "Report S/2002/1146", p.7

<sup>75</sup> Nzongola-Ntalaja, "The International Dimensions of the Congo Crisis", p.5

sovereign states open for business, regardless of humanitarian concerns or illegality<sup>76</sup>. While some companies purchased commodities from regions where they were known to be linked to violence and systemic human rights violations (the UN identified 34 foreign companies importing minerals from the DRC via Rwanda), others worked in open alliance with combatant groups. For example, Anglo Gold Ashanti, a subsidiary of the mining giant Anglo American, provided monetary and logistical support to one of Ituri's many rebel groups accused of committing extensive human rights abuses, the Nationalist and Intergrationalist Front (FNI), for assistance in gaining access to the region's gold deposits<sup>77</sup>. In the UN panel of experts report on the illegal exploitation of Congolese natural resources, 85 multinational business enterprises were deemed to have violated the OECD Guidelines For Multinational Corporations. Included in the list were a number of the largest mining, processing, and trading companies in the world, such as De Beers, Bayer, Cabot, and H.C Stack<sup>78</sup>.

For a number of reasons, the recent wars in the Congo are illustrative of the shift to economically driven warfare that has characterised a number of African conflicts since the 1990's. Although both wars were sparked by grievances, and were facilitated by the decay of the state's instruments of coercion, greed soon came to be the predominating factor. Conditioned by a legacy of colonial and state kleptocracy, rebel and state armies simply repeated the patterns of brutal force employed by King Leopold II and Mobutu to plunder the Congo's precious mineral wealth. Both motivating and enabling the activities of innumerable rebel and state armies, natural resources became the "engine of conflict" in the DRC<sup>79</sup>. Reaping enormous profits from continuing violence and instability, rather than attempting to conclude the fighting, its belligerents employed strategies to prolong the vicious cycle of war and exploitation. Whether through the kleptocratic abuse and theft of state assets practised by the Congolese government (in conjunction with Zimbabwe) in Katanga or the militarised system of resource extraction established by Rwanda, Uganda, Burundi and their rebel associates in the nation's east, the effect from

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<sup>76</sup> Montague, "Stolen Goods: Coltan and Conflict in the Democratic Republic of Congo", p.106

<sup>77</sup> Renton, Seddon and Zeilig, *The Congo – Plunder and Resistance*, p.197

<sup>78</sup> United Nations, "Report S/2002/1146", Annex III

<sup>79</sup> United Nations, "Report S/2001/357", p.42

the illegal plunder of the DRC's natural wealth has been the same, the perpetuation of violence, instability and unimaginable human suffering. In order to transform Africa's resource endowments from a source of corruption, poverty and conflict into an engine of development, deep rooted reforms of how Africa's resource industries are governed and the purposes to which its revenues are dispensed are crucial.

While primary responsibility for the tragedy that has beset the Congo over the past 11 years lies with the national and rebel leaders who instigated the fighting, foreign private sector involvement has been crucial. Serving as conduits for the illicit trade in natural resources and other goods originating in the Congo, the link between the continuation of the conflict and resource exploitation would not have been possible without foreign private sector involvement. Evidently, the growth of transnational corporations operating across borders raises a number of salient questions as to how international regulation and domestic legislation can effectively hold non-state actors accountable for their extraterritorial actions. Clearly, strategies for the termination of resource-centred conflicts such as that in the DRC need to not only focus on shutting groups involved in illicit resource extraction out of legitimate markets, but to establish how the various corporations that became complicit accomplices to the unfolding tragedy in the Congo can be held to account as well. Chapter 3 shall explore some of the emerging policy initiatives towards these ends.