Policy Brief

The Nexus of Neoliberalism, Violence and Slavery in the Democratic Republic of Congo

March 2018

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Executive Summary

The world's compulsive habits to purchase new electronic devices such as cell phones, laptops, tablets, and smartwatches, result from constant technological advancements. Technology companies frequently release improved versions of their products and use marketing strategies to sell users the upgraded devices. However, the globe's incessant consumption of electrotonic goods is having negative consequences on mineral mining countries such as the Democratic Republic of Congo (DRC), a country located in the Central African Great Lakes' region, slightly less than one-fourth the size of the United States. DRC is the largest country in Francophone Africa, with 80 million hectares of arable land and over 1,100 minerals and precious metals. The DRC's economy is primarily involved in extracting raw materials such as tin, tantalum, and tungsten, which are vital minerals needed to produce electronic devices. Due to the global demand for inexpensive production, the DRC has become highly susceptible of the volatility in the market for raw minerals. Ultimately, DRC's citizens have been left mourning for the environmental degradation, economic instability, ongoing violent wars, and forced slavery in the extractive sector. There is a need for concerted regional and global action from countries involved in the DRC's extractive sector, as well as greater reform, regulatory frameworks, oversight of companies involved in exporting raw materials, and political reform by the government of the DRC.

I. Introduction

The Democratic Republic of Congo possesses a wealth of minerals which are crucial for manufacturing electronic devices. The continuous technological improvements drive large companies, such as Apple and Samsung, to frequently introduce upgraded versions of their devices into the global market and persuade consumers to always have the latest tech devices. However, consumers around the world are demanding these products at an affordable price. For the global market to make a profit, they've compelled nations, like the DRC, to adapt to the global conditions and resort to inexpensive exploitation of raw materials. This has imposed a significant burden on the country and has ultimately left its citizens to cope with the adverse effects.

Since the Democratic Republic of Congo's independence in the 1960's, the country has experienced a challenging history of leaders who, time and time again, manifest a phenomenon known as the Leopoldian model. Ultimately, the Leopoldian model describes leaders who choose to neglect the wellbeing of their citizens and instead direct their interests towards the extraction of minerals and capital for personal gains.

This form of governing has induced negative consequences leading to environmental degradation, underdevelopment, violent conflicts, and forced slave labor.

II. Environmental Destruction

In 2010, the DRC government granted Banro, a Canadian gold company, a permit of 25 years to exploit Luwidja, a city south of Bukavu, for gold. Since 2010, the region has experienced high levels of water pollution due to the company's formations of water pools which contain chemical residue from mining, resulting in the destruction of flora and fauna. To protect the mining company, Banro pays a tax to the local government in attempts of suppress people from raising environmental concerns against their establishment. The money gained from the exchange often ends up in the personal pockets of the government officials. To attest to this, an ex-employee of the DRC government, Baudion Nzowo, stated that out of 50 billion dollars acquired from Congo mining, only 6 billion dollars made it to the state treasury. Similarly, between 2011 and 2014, Global Witness reported that only 5% of a 1.5 billion dollar profit was put into the state treasury. In terms of the DRC's environmental and economic development, government officials are disregarding the need to enact policies and invest in projects that could improve the citizens' quality of life.

III. Economic Impact

The length of industrial contracts between the government and extractive companies is a threat to economic stability for the growing population of 83 million. DRC is currently experiencing high fertility rates. Down the road, when the contracts expire in 25 years, the-then-children will grow up not only to find severe environmental damage, but the depletion of their natural resources. Because there has been little investment from the government to diversify the economy and most of the natural resources would be exhausted by then, the future generations have ineffectual financial opportunities to prosper.

Industrial extraction has dominated the DRC, but in desperate economic measures, citizens have resorted to artisanal mining to produce income for their households. Rebel groups in the DRC have also turned to small-scale mining as a source of revenue to build their artisanal income and fund rebel activities. In 2010, the U.S. government passed the Dodd-Frank Act, which created substantial restrictions on small-scale mining to ensure outsourced minerals were free of conflict, and that they were not supporting rebel groups. While the actions of the U.S. were well-intended, the law has intervened with the innocent by-standers who were only pursuing a better standard of living. Companies have found creative ways to circumvent the framework of the Dodd-Frank

Act. Similarly, some rebel groups have managed to find ways around the law by selling the conflict minerals to neighboring countries willing to buy and sell them.

IV. Modern Day Slavery, Neoliberalism and Conflict

Most international markets have adopted a neoliberalist approach that privatizes public goods, and encourages free-market capitalism with little interference in the economy from the government. To keep the global standard of living stable in other countries, the DRC is left to adjust its provision of cheap raw materials to ensure capitalists make a profit and devices are affordable. As a result, militia and rebel groups engage in violence by raiding villages for men and women to enslave in regions such as North Kivu, South Kivu, and Northern Katanga. Males and females are forced into slave laborer working in extractive sites for coltan – a mineral used in electronic devices. In other cases, the chiefs of mining sites get away with indentured servitude by making a deal with the national police to convict young men of minute violations of the law, and set expensive fines they're not able to pay. This results in their imprisonment, and sets them up to be exploited as indentured laborers. Once imprisoned, the chief pays for their freedom in exchange for six months to a year of labor in their mines. Slavery keeps the prices of minerals low because the laborers do not get paid for their work. If the real cost of coltan was transparent and reflected labor costs in the electronic device sales, the final products would increase by ten to twenty times the current sale price.

Policy Recommendations

Besides having an abundant wealth of minerals, DRC has other advantageous features, such as arable land, great climate, and rivers, that could be used to strategically develop the country. An accessible and affordable education system is essential for youth to acquire skills and understand the country's dynamics for further economic, social, and environmental progress. The lack of educational and employment opportunities in the DRC has forced young children to work in mines, ultimately giving them small leeway for better opportunities in the future. While the DRC has experienced failed education reforms in the past, I recommend that an alternative education system with participatory values would greatly benefit the citizens of the DRC. When implementing education disciplines, it would be best to first explore subjects that relate to what the nation offers, for example, their environment. Essentially, if children were taught about the ecology and the composition of the subsoil, they could diversify the economy by supporting the agricultural sector. Providing incentives for educated youth to stay in the country, instead of migrating to other nations, is also an essential factor to consider so that they can use their knowledge to improve the conditions for future generations.

Another vital issue to consider is the reduction of corruption within the government. In 2005, the DRC passed a referendum to decentralize the government. Unfortunately, decentralizing the government has only created room for more corruption at all levels of the government by allowing officials to impose multiple taxes on the citizens for personal enrichment. While the a steering committee for the reform of public finance was established in 2013 to monitor finances, unwarranted taxes continue to go unpunished. Policy reforms are crucial to exposing transparent exchanges within the government, and adequately secure investments should be used for the development of the nation. In the end, the DRC crisis is not limited to the national government. Rather, the crisis of governance involves local, national, regional and international actors. Likewise, durable reform requires a comprehensive political solution that will pave the way to economic and social progress.

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