Congolese International Relations

# The West’s failure and China’s promise

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International relations are undergoing a fundamental shift because of increased reliance on multilateral engagement, specifically among developing nations. One of the most recent and controversial communions is the one between China and Sub-Saharan Africa. Since African nations’ independence struggles in the 1940s and 50s, China has been a supporter of African goals and ideologies. As China has made great strides forward in the global economic order, its need for resources and desire for a buildup of soft power has pushed China further into Sub-Saharan Africa. In 2000, the Forum on China-Africa Cooperation (FOCAC) inaugurated a new era of Sino-African relations. Since then, China’s investments and trade activity with Africa have risen consistently and exponentially. Indeed, 2010 marked the year that China-Africa bilateral trade “topped US$115 billion, and it continues to grow at a rate of 44 percent annually” (Edoho 2012). This is coming at a time when Western aid and investment is decreasing, making China an even more critical and important player in African countries’ economies.

This paper will address the more specific relationship between the People’s Republic of China, Chinese companies and the Democratic Republic of the Congo. The DRC is one of the most resource-rich countries in the world, and it is therefore no surprise that it is among the top eight trade partners with China (Edoho 2012). This was not always the case. Prior to 2006, Chinese activity in the country was minor. In 2007, however, the Sicomines agreement marked a “radical amplification of Sino-Congolese ties” (Jansson 2011). The Sicomines agreement is an infrastructure-for-minerals arrangement, whereby China will construct infrastructure in the DRC in exchange for access to mining titles throughout the country. The deal was officially signed after revisions in 2009 and is under implementation (Jansson 2011).

Much controversy surrounds China’s activity in Africa, and particularly in the DRC, because many claim China’s intentions can be likened to the re-colonization of the continent through the exploitation of resource-rich countries. Others believe that China’s activity in Africa has the potential to contribute significantly to its development in a way the Western initiatives were not able to do. In this paper, I shall provide evidence for the latter argument, while noting that the Congo has a responsibility to ensure for itself that it does not enable China to make one-sided gains.

It is worth noting that the relative newness of China’s degree of involvement in Africa makes any long-term analysis of its effects on economic development prone to speculation. It is possible, however, to look at where Western aid has failed and how China has addressed these failures through different and specially formulated deals and arrangements.

I have chosen to study China’s operations in the Democratic Republic of Congo because of the failure of Western donors and governments to address the needs of the Congolese people, especially after two deadly civil wars that seriously damaged the country. In this paper, I will demonstrate how Western engagement with the DRC has focused on the immediate short-term needs of the people and has failed to properly address the roots of conflict and regression in the country. In the next part, I will discuss Sino-African relations and, more specifically, the evolution of the Sicomines deal and its potential to catalyze long-term economic gains for the Congo. This paper shall be a contribution to the discussion about what Sub-Saharan African nations really need in order to be integrated as viable players into the global economy and, ultimately, to improve the standard of living of people within those countries.

# A history of Western involvement

*The need for aid and investment in the Democratic Republic of the Congo is great, especially after two recent long and brutal civil and international wars that took place in the country. The effects of those wars have been devastating. For a nation whose state funds were already limited, conducting a war meant that money was kept from projects related to development, such as construction and maintenance of schools, hospitals, sanitation systems, energy systems, telecommunication systems, roads, railways, etc. Political conditions within the country, a lack of infrastructural development, and the threat of violence have prevented many foreign businesses and countries from investing in the Congo. In fact, the country was “ranked 182 out of 183 in the 2010 World Bank’s Doing Business report, the second most difficult country in the world in which to do business” (Political Risk Services 2011, 1). This is due to several factors, including “[u]nderdeveloped infrastructure, inadequate contract enforcement, limited access to credit, continued insecurity in the eastern part of the DRC, lack of adequate property rights protection, and high levels of both bureaucracy and corruption” (Political Risk Services 2011, 1).*

*International relations have been dictated by the circumstances in the Congo and have waxed and waned accordingly.* There are four different categories of Western involvement in the Democratic Republic of the Congo: economic trade, humanitarian aid, military intervention, and legislation. *Since before colonization, the DRC has been an enticing economic partner to Western nations because of its vast reserves of cobalt, copper, niobium, tantalum, petroleum, industrial and gem diamonds, gold, silver, zinc, manganese, tin, uranium, coal, hydropower, and timber (CIA World Factbook).* Colonization and exploitation of these resources has significantly contributed to the country’s experience of the “resource course,” which has hindered development in the DRC. In response to lagging development and the Congo Wars in the 1990s and early 2000s, the West has dumped billions of dollars into the DRC for humanitarian programs as well as sent a UN peacekeeping force (MONUC) there. To curb the violent effects of the mining of conflict minerals in the Congo, Western nations like the United States have enacted legislation to make Western companies mining in the Congo more transparent. The most recent example of this type of legislation is the Dodd-Frank Wall Street Reform and Consumer Protection Act (Seay 2012). But all of these types of involvement have missed their target of preventing violence in the DRC because they have overlooked the root causes of the conflict. In some cases, Western involvement has, indeed, helped fuel it.

The most elemental problem with Western engagement in the DRC is that its lacks a deep understanding of the conflict and therefore has denied it the attention and specially-catered solutions it needs. *Indeed, the Dodd-Frank Act is a clear example of the West’s misunderstanding of the root causes of conflict and underdevelopment in the DRC. The consequences of this act “will be felt in the form of a sharp drop in mining revenues and job losses, which have been reported in the Kivu region and the Katanga province” (Political Risk Services 2011, U-5). Further, most* Western prescriptions of aid have provided short-term solutions *to deeply-rooted problems. The issues in the DRC that contribute to violence and underdevelopment are multifaceted and highly complex—requiring intensive study and understanding of the history, poverty and the ethnic makeup of the country. That Western institutions and nations have not dedicated adequate time and energy to understanding the real problems in the DRC speaks to the fact that* Westerners “simply do not care enough” (Stearns 2011, 334). *Throughout the history of the Congo’s international relations, the West has approached the Congo within the framework of realism. This helps to explain the fluctuation in the degree of activity of the West in the DRC. In recent times—i.e. during the Congo Wars—Western activity in the DRC has been minimal, which demonstrates that* Western nations do not perceive the DRC as a key factor in their calculations of soft and hard power, national interest and prestige (Gegout 2009, 231).

*This is not to say that Western involvement has always been minimal. Indeed, as stated above, it has fluctuated with the times and circumstances. In the immediate post-independence period, Western nations were thoroughly involved in Congolese affairs.* When Patrice Lumumba became the first democratically-elected prime minister of the newly independent Congo in 1960, he issued statements that *iterated his belief* that the continent had to cease being an economic colony of Europe. *This worried Western stakeholders* on the country’s resources. European and American corporations by then had “vast investments” in the Congo (Hochschild 1999, 302). *And as Lumumba* rose in power and popularity, dispensing a potent message of nationalism that threatened the exclusion of Westerners from the Congo and other nations on the continent*, Westerners’ fears were heightened*. This threat was exacerbated when Lumumba began to turn to the Soviet Union, against which the U.S. was locked in a Cold War. These two factors pushed Western players into action against the Congo’s rebellious leader. In 1961, Belgian and CIA agents assassinated Lumumba (Gegout 2009, 232; Hochschild 1999, 302). Joseph Mobutu was one of the Congolese men who had helped Belgium and the U.S. with Lumumba’s murder. The U.S. supported Mobutu’s coup in 1965 and his rule until 1997. The West now had re-colonized the Congo using a puppet regime under Mobutu, and the country’s vast wealth flowed primarily into the pockets of the prime minister and foreign mining companies (Hochschild 1999, 303).

In the 1990s, the Cold War ended and U.S. attention on containing communism and alliances with the Soviet Union faded out of its foreign policy. The national interest of Western states was not so threatened as it had been in the immediate post-colonial years. Therefore, military intervention abated, and Western states’ engagement with the Congo became primarily economically focused. *During the Congo Wars, this new focus led the U.S. to establish ties with Uganda and* Rwanda*, who were taking* advantage of the chaos and political instability in the Congo by establishing “patterns of illegal resource appropriations” from the DRC (Mullins & Rothe 2008, 91). The U.S. supported Rwanda and Uganda during the first war because it believed they could help establish a friendly regime. The First Congo War ended with Laurent Kabila’s rise to the position of prime minister. But Kabila became a disappointment to the West. Processes of conflict resolution and management were stagnant because of Kabila’s “reluctance to engage with the West; the reluctance of the West to be involved in a major conflict in the DRC; and divisions between France and others that delayed the setting up of MONUC” (Gegout 2009, 235). MONUC, the name of the United Nations Organization Mission in the DRC, is a peacekeeping force composed of men and women from various UN member states. This UN group is mandated to protect civilians, humanitarian personnel and UN personnel and facilities; to promote disarmament and demobilization and to monitor resources of foreign and Congolese armed groups; to train and mentor the Armed Forces of the DRC (FARDC); and to promote territorial security within the country (UN MONUC, un.org).

But the efforts of MONUC and Western nations’ support of various actors before and during the Congo Wars has only made the problems within the DRC more complex. MONUC consists of mostly South Asians, who are “ill-equipped” and have “little will to carry out risky military operations” (Stearns 2011, 334) because Western nations have little incentive to engage in a complex war in the Congo. This is an example of Western apathy toward conflict resolution in Central Africa. *Although Westerners had economic interest in the Congo, the costs of becoming heavily involved in the conflict outweighed the benefits.* Only when conflict resolution and/or initiation has been potentially beneficial for Western powers have they acted. Otherwise, the international community has been willing to give just enough to maintain a good image to the Congo and the rest of the world, which is why MONUC was formed and why humanitarian aid has composed the bulk of Western intervention – it is “a short-term solution to a big problem” that no one wants to address in entirety (Stearns 2011, 334).

Still, as they have for other developing countries, Western donors have provided the bulk of funds for post conflict security, economic reconstruction and the 2006 election in the DRC (Matti, 52), although their success has been minimal. Since the end of the Congo Wars, the DRC has become unhealthily dependent on foreign aid, which has proven myopic and largely unsuccessful. In 2005, the ratio of the Congo’s Official Development Aid (ODA) to its GDP was 25.7 percent, with ODA providing 53 percent of state revenue (Matti, 52; Matti 2010, 406). Countries with ODA to GDP ratios exceeding 10 percent are classified has having a high dependence on foreign aid. These numbers have proven dangerous for the DRC’s ability to move forward after the wars. Aid, coupled with rentier state behavior, has created what Matti (2010) calls an “aid curse” (406). *This aid curse is the result of Western donors throwing money as a blanket solution to very specific problems within a specific country—in this case, the DRC. The West’s paternalistic attitude toward recipient countries has backfired. The solutions Western donors have prescribed have not accommodated the complexities of the political and economic needs of the Congolese people.*

The result has been wasted and misappropriated funds. First, Western donors focus primarily on basic human needs and the expedient delivery of them (Rebol 2010, 41). Rather than investing in infrastructure and industrial development of African nations, donor money goes toward health care, education, food aid, etc. This shift is epitomized by the Millennium Development Goals, introduced in 2000. While humanitarian needs are undoubtedly important, they are not the foundational problem in the Congo or other underdeveloped countries. Humanitarian needs are byproducts of other failures within a state.

*Poverty is the root cause of humanitarian needs, but the root cause of poverty is underdevelopment—not a lack of humanitarian aid. What the DRC needs are aid projects that promote short-term and long-term economic growth. Infrastructure projects, such as for telecommunications, transport and power, have an estimated marginal productivity that “significantly exceeds that of non-infrastructural capital” (Calderon, 4). Infrastructure raises growth and reduces income inequality (Calderon, 5), which explains why the Congo’s “poorly developed and deteriorating infrastructure is a major impediment to business and to the country’s economic growth” (Political Risk Services 2011, 7).*

*The Congo is the eleventh largest country in the world—at a size just under one-fourth that of the U.S (CIA World Factbook), but it has a mere 145,000 kilometers of roads, which “have deteriorated so badly that most roads outside of urban areas are virtually unusable” (Political Risk Services 2011, 7). This means that civilians—especially poor and rural—are disconnected from job opportunities, schools, hospitals, etc. Potential human capital, therefore, is lost. Infrastructure allows “poorer individuals and underdeveloped areas to get connected to core economic activities, thus allowing them to access additional productive opportunities” (Calderon, 6). In Calderon’s and Seetanah et al.’s (2009) studies, they find that infrastructural development—especially road construction—is positively associated with economic growth (15; 20). As Gachassin (2010) notes, however, it is not the road per se that leads to economic growth or the alleviation of poverty but rather “the fact that the road leads to some services or facilities” (3).*

*Western aid could help to provide these services and facilities, but donor money often does not make it to its intended projects. Despite Western-led international institutions’ efforts to curb problems of governance by spreading democracy and upholding human rights in developing countries, in the Congo they have failed. T*he World Bank imposes certain conditionalities for good governance upon borrowing states, and the Congo has been no exception to this. It is not within the scope of this paper to discuss what constitutes “good governance” or whether an outside power has the right to define this for another state. But, judging solely on its mission, the World Bank has failed in three ways to make the conditions successful. First, although there was a demand from the international community to improve governance by improving administrative capacity, the Bank “allocates only $15 million specifically for ‘institutional strengthening’ from a total of $1.4 billion it has dedicated to ten active projects” (Kaplan 2007, 304). Second, conditionalities make disbursement of funds a slow process because the government must “clear the hurdles of good economic policies, good governance, environmental sustainability, labour standards and human rights” (Samy 2010, 87). Since there is little investment in the improvement of institutions, this is a slow and arduous process. Third, foreign aid has replaced resources as a form of state revenue so that instead of “gaining control of natural resources through conflict, rent-seeking elites gain access to foreign aid by adopting the rhetoric of aid conditionalities” (Matti 2010, 407). Aid, therefore, does not go entirely toward its intended projects. Because of this, the Congo requires continuous and high levels of foreign aid, and “as a result it is not an option for long-term economic growth” (Matti 2010, 407). The weaknesses of the state, the failure or lack of efforts to revitalize it, and the misappropriation of aid have prevented citizens from receiving the benefits of that aid.

I have already discussed the colonial and political history of the Democratic Republic of the Congo that has helped to spawn a patrimonial and kleptocratic government since the first coup in 1965. The Belgians handed over the parastatals to Congolese state officials, who were part of the ruling elite and “lacked the requisite management and technical skills” needed to enable economic growth and development (Matti 2010, 404). Very early on, resource revenues were used as salaries for the prime minister and his cronies. That the government did not need to rely on taxes from citizens meant it was completely detached from and unaccountable to them (Matti 2010, 405). Price volatility of resources and the informal mining sector have made state revenues mercurial and have ultimately led to state collapse.

Since independence, the Congo has remained underdeveloped because of the weakness of the state due, largely, to the “resource curse” that plagues much of Sub-Saharan Africa. Client states and transnational corporations of the Congo have only promoted underdevelopment, in part because of the very nature of resource extraction. In the DRC, the primary means of mining are artisanal and small-scale, which is done by “small teams with shovels and sieves” and “does not require large investment or extensive infrastructure” (Matti 2010, 404). Therefore, corporate clients of these miners do not need to invest in the Congo in a way in which Congolese citizens can benefit from the externalities, such as by building things like roads. Furthermore, because artisanal miners are not regulated by the weak government, revenues from mining have helped fund the various militias in the conflict. This is a trait of the resource course – that a country so rich in highly-demanded minerals uses the profits to fund conflict. Mullins & Rothe (2008) write that “transnational corporations and Switzerland alike were either directly involved or duly complicit with the violence in Northern Congo” (92). Indeed, the international corporate community has helped fuel the war and violence in the Congo.

The key word, though, is “fuel.” Conflict minerals, such as coltan, tungsten, copper, gold, diamonds, etc., are not the *cause* of conflict in the region. They have certainly helped *fund* the conflict. But to accept that they are the cause is to admit a grave misunderstanding of Congolese history. Moreover, it is to accept that the Congo’s vast reserve of minerals will always produce negative consequences. This is a defeatist attitude and oversimplifies a very complex amalgamation of issues in the DRC. Nonetheless, this is the approach that the United States has taken toward conflict resolution in the Congo. In 2010, the Enough Project[[1]](#footnote-1) and other activist groups working on the DRC “pursued a legislative strategy to pass a law that would require companies to be more transparent and accountable in their mineral sourcing practices” (Seay 2012). The purpose was to “help stop the deadly conflict over minerals in eastern Congo by regulating the importation and trade of tin, tungsten and tantalum—minerals commonly used in cell phones, laptop computers and other popular electronic devices” (OpenCongress Summary). The problem with this well-meaning piece of legislation is that it has completely overlooked the real cause of conflict within the DRC *and* it has resulted in unintended, negative consequences on the Congolese (Seay 2012).

Seay (2012) argues that the “de facto ban on Congolese mineral exports” will put as many as millions of Congolese out of a job because in many artisanal mining communities, “it is the only paid employment available.” If miners do not have an income, other businesses within the informal local market lose profits. The point of the legislation is to end violence in the Congo. But the results are that it has crippled the local economy of mining communities, and there has been “no reduction in violence in the Kivu provinces as a result of the government-imposed or the international de facto bans” (Seay 2012). This is a clear example of how Western aid and intervention has been more problematic than beneficial for the Congolese. And the reason is clear. The Western model of engagement with the Congo has been paternalistic, and has evidently failed to provide the Congolese what they need.

# China in Africa & the Sicomines Agreement

China is challenging the Western monopoly over aid in Sub-Saharan Africa. With its economic growth and rise to prominence in the international arena, China has become more and more engaged with the developing world for two purposes: to gain access to raw materials it needs for its growing economy and to enhance its political soft power. These are, certainly, some of the same reasons Western nations and institutions have engaged with Africa, but the dynamic between China and Africa is far different. Campbell (2008) lists five reasons why the relationship between China and Africa is distinguished from that between the West and Africa.

“First and most importantly, China was never a participant in the inglorious transatlantic slave trade. Second, there has been no tradition of Chinese colonialism, genocide and occupation in Africa. Third, China embraced the African liberation process with diplomatic, political, material and military support. Fourth, both China and the AU formed the part of the South-South bloc in the WTO, opposing the patenting of life forms and the hegemonistic plans of US-based biotech corporations. Fifth, China has not been identified with the structural adjustment policies that impoverished Africa over the past 30 years” (100).

The importance and influence of these facts cannot be exaggerated. This is the context into which Sino-African relations have developed since the beginning. It has been a relationship based on shared experiences, empathy, and mutual benefit. And China’s increased attention to Africa has come at a time when Africa needs it most. Since the end of the Cold War, the West has disengaged from Africa, creating an “economic vacuum” on the continent (Edoho, 110).

One of the most distinctive aspects of China is that it is a developing country, albeit one that is developing much more actively and quickly than others in the same category. Indeed, while globalization has “contributed to the marginalization of Africa in the global economy” (Edoho, 104), China has integrated itself into the global economy and become a leading power. Its economy has grown at an average of 9 percent per year between 1978 and 2008 and millions of Chinese have been lifted out of poverty (Edoho, 104; Matti 2010, 408; Samy 2010, 75). But China’s economy has not developed so rapidly and consistently because of the philanthropy of Western donors. Its development began with its own initiatives through negotiation with Japan – a negotiation that looked much like China’s negotiations with Africa now (Friedman 2008, 2). In the late 1970s, Japanese firms negotiated a preliminary agreement to “export high technology coal and oil extraction equipment to China, with repayment in oil and coal” (Brautigam 2011, 5). China understood that it needed infrastructure, training and financing to enable sustainable economic growth. This is what the “Goa formula” provided.

This form of economic cooperation seems to be a feature of South-South interaction, and it is definitely a feature of China-Africa relations. It is a clear contrast to the paternalistic nature of Western engagement with African nations, whereby Western aid takes the form of programs “while China substantially channels aid into industrial cooperation” (Tan-Mullins 2010, 863; Rebol 2010, 52). Most of the money that flows into Africa from China does not come in the form of ODA, rather it is comes in the form of investment and trade deals. Brautigam (2011) characterizes China as a “mid-sized donor in Africa,” although annual aid commitments are growing (7). The comparatively low level of aid that China doles out to African states is explained by the main tenet of the Forum on China-Africa Cooperation (FOCAC): that Sino-African relations are based on equality and mutual benefit through “political dialogue and economic cooperation and trade, with a view to seeking mutual reinforcement and common development” (FOCAC.org). China holds to this promise by implementing business deals that are tailored to promote the development of African nations in the long term, i.e. by providing the necessary infrastructure that these underdeveloped states lack in exchange for some resource(s).

China’s approach to Africa is not one-sided and paternalistic as the Western approach has been. China’s assistance and investment does not come with any strings attached, something that African governments greatly appreciate. That China does not impose conditionalities on its assistance and investment packages to African states is controversial to many international institutions, like the UN and World Bank. They argue that China’s dealings with rogue regimes, such as Sudan and the Democratic Republic of the Congo, undermine their efforts to improve governance in Africa (Samy 2010, 77). This criticism reflects the attitudes of both Western-led international institutions and China. The former takes a more hegemonic and patronizing stance – imposing on the sovereignty of other nations by requiring certain conditions to be met. This imposition has had negative, unintended consequences. It has created feelings of resentment from African states toward the West, and it has failed to catalyze development and economic growth for various reasons. China-Africa relations, in contrast, are established on more equal footing—China respects African states’ sovereignty. The point of its aid is not to improve governance; it is to enable development on the continent. It is not in the interest of China to interfere in African politics. This has been a salient criticism of China—that it puts its interests about the citizens of the countries with which it does business. But rarely has the West, as I argued above, become involved in African affairs when they did not coincide with Western nations’ interest. Furthermore, it has rarely been in the interest of African states when the West has interfered in their politics.

*Good governance—i.e. the upholding of the rule of law—is an important goal for all states to strive toward. But the intentions of institutions like the World Bank and the IMF while admirable are not successful. Perhaps the point is not that good governance should not be promoted by international institutions but that it should not be a component of aid packages. A huge portion of Congolese state revenues come from aid, but a study conducted by Brautigam and Knack showed that “in Africa, higher aid levels are associated with larger declines in the quality of governance and in tax revenues as a share of GDP” (Erbeznik, 897). There is also no evidence that conditionalities have any effect on this trend in recipient nations (897). Using aid as an incentive for governments to improve has not been a successful strategy. China’s interaction with rogue regimes, such as Kabila’s in the DRC, therefore does not necessarily undermine the efforts by the international community to demand good governance through the imposition of conditionalities on aid. If the international community strives to promote good governance around the world, and especially in developing countries, it needs to develop a more effective method of doing so.*

In any case, it would be hypocritical for China to demand democratic reform, the upholding of labor rights, and environmental sustainability, among other conditionalities, from its African partners. China’s own questionable practices are part and parcel of a nation who is developing itself and is not democratic. *This is not to say that China and other African nations should not be held accountable for their human rights violations—they should be*. But China’s developmental success demonstrates that transparency and good governance are part of the development process rather than initial requirements for development (Brautigam 2011, 15). Transparency and good governance are important, but they do not look the same everywhere. There is no one-size-fits-all style of governance, like the West has actively tried to assign to developing nations across the globe. The way China engages with Africa, however, allows governments to learn through the process. This is because China’s partner countries are granted “greater ownership, and more equal partnerships, lower transaction costs, a new emphasis on infrastructure and productive activities, ‘agency of restraint,’ and policy space” (Brautigam 2011, 9). All of these invite African officials to be actively engaged in the policy-making in an environment in which they have control but also restraint—starkly contrasting the way Western aid takes power away from leaders by imposing conditionalities and deciding for them to which projects the aid money will go:

* In the China-Africa model, African partners control the development strategy because of China’s non-interference policy. Therefore, the governments make the plans for China to follow rather than simply accept plans handed down to them by World Bank workers that are far removed from African affairs.
* The relationship between the Chinese and Africans is not described with rhetoric that implies hierarchy, i.e. the words “donor” and “recipient” are not generally used. There is a kind of shared culture between Africans and Chinese at the civilian level, and this is reflected in their elite-elite interactions. Africa is not the “child” to China that it is perceived to be by Western patrons.
* Western donors have denied African states what they’ve wanted: infrastructure. Chinese companies and banks, however, do finance and invest in the infrastructure, processing activities and industrial projects that Africans are demanding. This proves that in the China-Africa relationship, Africa has a voice.
* Many African states are weak, and China’s “system of resource-backed infrastructure loans is a way for countries with weak governance, unable to access global finance, and prone to the ‘resource curse’, to opt for an agency of restraint” (11). This means that weak states can get what they need now – in the form of infrastructure projects – and pay for it later with exports to China. In this way, economic improvement does not have to wait for good governance.
* China does not, like the West, impose advice and conditions on Africa. Therefore, Africa has policy space to make its own decisions that suit its own needs – as China has done throughout its development process. China’s relationship with Africa provides an example to Africa to experiment with various methods of development. (Brautigam 2011).

It is clear that African states that unite with China are given a responsibility that the West denied them. Making each partner responsible for its part of the deal creates an incentive for both to be accountable, which produces mutual benefit. While China’s interaction with African states may not aim to better governance, Friedman (2008) argues that China will begin to raise Africa out of poverty (17).

The Sicomines Agreement

The Sicomines Agreement marks a turning point in the relationship between the Congo and China. During the Congo Wars, relatively little economic interaction transpired between the two states. I have discussed above how Western aid during and after the Congo Wars made minimal if any positive impacts on the Congo, because it was providing superficial, short-term solutions. The West failed to give the Congo what it really needed.

Economic relations between China and Africa are characterized by China’s 2001 Going Global Strategy (Jansson 2011, 6). This policy means not necessarily that the Chinese government engages with African nations, rather it means that the government encourages Chinese corporations to establish trading contracts with and invest in other developing nations. This is part of its efforts at liberalization and integration of Chinese firms into the global market. The Sicomines Agreement is a prime example of Chinese firms opening up economic cooperation with a developing country, the DRC. For in this agreement, the constituents are the China Railway Engineering Corporation (CREC), Sinohydro and the Congolese government. The companies and financial institutions involved, however, are owned by the Chinese state (Jansson 2011, 7). But it was CREC that initiated the establishment of an economic deal.

The deal came at an opportune time for the Congo. After President Kabila won the 2006 elections on the platform of post-war reconstruction of the state through infrastructural development, he knew he had better do something about his promises in order to win the 2011 elections. Prospects for aid packages that would allow his multi-billion dollar *Cinq Chantiers* (the five public works) program to come into fruition were bleak. In 2006, the DRC was denied IMF funding because of “misreporting of budgetary spending and non-implementation of certain structural measures” (Jansson 2011, 8). This meant that other Paris Club donors could not provide Kabila with his needed loans. Already, the Congo had accumulated $13.1 billion of bilateral and multilateral debt (Jansson 2011, 8). Therefore, Kabila was effectively denied by Western donors the means to actuate his *Cinq Chantiers* program. China was the only state willing to fund Kabila’s endeavors – but not through the traditional donor-recipient way.

The Sicomines agreement follows the ‘Angola model,’ whereby access to mining titles is exchanged for transport and social infrastructure projects that are not specifically built for the transport of extracted resources. Furthermore, Sicomines is the name of the joint venture company created that combines a group of Chinese companies (with a 68 percent stake) and the DRC’s Gecamines mining company (with a 32 percent stake) (Jansson 2011, 10). In the agreement, the Chinese companies would “provide the DRC with two tranches of turnkey transport and social infrastructure projects, funded by loans from China Exim Bank” (10). Between 2007 and 2009, however, the details of the negotiation changed. This is because the international community and Congolese themselves debated furiously about the fairness of the Convention of Collaboration, as it was called. There were three main concerns: first, that the convention was skewed in favor of the Chinese; second, that a $9 billion loan was too large for a country with a $13.1 billion debt to traditional donors and debt sustainability seemed problematic under the auspices of the agreement; third, there was no transparency in the making of negotiations as they were done in secret (Jansson 2011, 14).

Traditional donors, i.e. the IMF and the World Bank, were especially concerned with Kabila’s decision to move forward with the agreement as it was. Kabila had little optimism regarding the Congo’s ability to reach the point of HIPC debt relief, so he probably thought he had to choose between Chinese financing and HIPC debt relief (Jansson 2011, 15). The managing director of the IMF, Dominique Strauss-Kahn, paid a visit to Kabila in 2009. After this visit, Kabila decided to renegotiate the terms of the Sicomines convention. In the end, instead of a $9 billion loan, it was reduced to a maximum of $3 billion (15). This allowed Kabila to achieve debt relief from the IMF and World Bank and garner Chinese financing of his infrastructure projects. Even after renegotiations, the deal “will represent the largest infrastructure investment in the DRC since colonialism” (Matti 2010, 409). The deal involves

“the upgrade, modernization and construction of 3215 kilometers of railway on the Ilebo-Lubumbashi line, in addition to 3900 kilometers of asphalt and2738 kilometers of beaten earth road work projects. Addressing the government’s five development priorities (water, electricity, education, health and transport), the agreement undertakes to build 32 hospitals, 145 health centers, two hydroelectric dams, 5000 houses, two universities, two vocational training centers, and to upgrade two airports (Goma and Bukavu) and two electricity distribution grids (Kinshasa and Lubumbashi)” (Matti 2010, 409).

These projects are critical. Tristan Coloma (2011) describes the lack of infrastructure Congolese people face. More than 94 percent of the population has no electricity. There are hardly any roads to link regions within the country, which is roughly the size of Western Europe. There are an estimated 153,000 km of road, of which only 2,800 km are paved (Enne et al 2010, 305). Most transportation for the purposes of import and export is by plane or boat. This means that people are cut off almost entirely from social services, which are minimal. It is no surprise that only 46 percent of Congolese people have access to potable water (African Economic Outlook 2008). The disparity between rural and urban access to good water is vast, with 60 percent of waterworks in the rural areas not operational because of a lack of maintenance (Ibid.). Schools and hospitals are also in a dilapidated state. Even if the government were able to provide basic public services, the amount of money it would have to spend in the reconstruction and revitalization of the necessary infrastructure would be extremely expensive.

As I mentioned above, the Sicomines Agreement initially received much criticism. But, in its final form, it proves to be promising. For one, the evolution of the agreement shows that the Congo played an active role in the creation of it. This means that it took advantage of its leverage in the negotiations and actively sought terms that would be beneficial to it. Jansson (2011) argues that the final terms of the Sicomines Agreement are not skewed in favor of China. Critics said that the mining concessions were worth much more than the infrastructure projects the Chinese were to finance. But this argument fails to recognize that “once the loans for infrastructure refurbishment are fully reimbursed, the Sicomines JV [joint venture] will start paying taxes in accordance with the Mining Code, just like other large-scale mining ventures operating in the country” (Jansson 2011, 18). Further, both parties are undertaking huge risks: the DRC risks acquiring too much debt and China Exim Bank risks not getting the loans repaid.

The Sicomines, or Angola, model ensures that the Congo’s state revenues from the extractive industries are really channeled toward public goods (Jansson 2011, 20). The funds are allocated directly to Sicomines rather than to the state. That Congolese state officials do not see the money is probably a good thing considering the state’s reputation of severe corruption. However, those same Congolese officials are not left out of the planning processes; thereby they do have the sense of sovereignty and independence that China promotes in its economic engagements. In fact, it is because of Congolese demands that 10-12 percent of the work for each project “must be sub-contracted out to Congolese companies” and the “use of Chinese labor is limited to 20 percent of the required workforce” (Matti 2010, 409). And it is because of Congolese demands that infrastructure is a main component of the deal at all.

# Conclusion

The real benefits of the Sicomines Agreement on the Congolese cannot be known until after the implementation and completion of all the infrastructure projects. Quality is a key factor. If the Chinese companies build low-quality infrastructure, the Congolese will receive little to not benefit from the deal. There is also the question of maintenance once infrastructure is built. This is not a topic addressed by the deal; rather this is something that the Congolese state will need to plan out. Indeed, it is critical that the DRC takes the responsibility for its own development. It is the only actor in the international community that cares enough about its national interests to fight for them. This does not require democracy. China is not democratic and yet it has been able to aggressively pursue its own economic interest. It does require a stronger state and a partner that is willing to listen. The development of infrastructure can certainly help to bolster the state and the Sicomines deal itself will provide tax revenues to the government. China is also apparently willing to listen, as it did during the negotiation of the Convention of Collaboration.

What the Sicomines Agreement shows is that the world order is changing. China now challenges Western hegemony – over the global market and over FDI and ODA. This means that developing states can now select development packages and economic deals from a market with more options. Increasingly, Africans are turning to the China option because of their disenchantment with Western aid. As discussed above, Western aid has been paternalistic and one-sided, avoiding treating African states like equals and more like children who cannot make their own decisions. More often than not, Western aid aims for the wrong target, bringing about short-term changes that are not sustainable. Because of the ineffectiveness of Western aid to promote sustainable economic growth, the DRC has become entirely dependent on ODA. This has created a volatile situation, in which government revenues are subjected to the whims of Western donors, making state planning difficult or impossible.

While well-meaning, Western donors aim for the wrong targets and fail even to hit those targets. The West’s paternalistic approach has had profound impact on its failure to effectively promote growth on the continent. The West has left a great vacancy in Africa for an actor like China to fill. Africa does need external states to catalyze development, just as China had Japan. But the World Bank, IMF and other Western donors have not been catalytic, they have provided pacifiers. Brautigam (2011) lists five lessons that the West can learn from China’s engagement with Africa. First, Africa needs to be treated like a business partner rather than as a “continent of collapsed states … that deserves our pity and our charity, but not (except for raw materials) our investment” (14). This brings Africa into the global economy rather than keeping it at bay. Second, the West should stop pretending that it knows what African states need. The abject failure of structural adjustment should serve as a case in point that the West, despite its economic prowess, does not have all the answers. China allows African governments, like in the case of the Sicomines Agreement, to decide for themselves what they need for development. Third, good governance should not be a precondition for development assistance. By denying such assistance, millions of citizens suffer alongside the government officials. *Furthermore, providing aid for rogue regimes has made them dependent and has not ameliorated the governance problem.* There must be ways to avoid promoting kleptocracy while still delivering the needed development packages. Fourth, there should be an increased focus on infrastructure because, when African governments have ownership over their aid packages, this is what they want. There is an enormous need for infrastructure, and it benefits the public more than anything. *For example, provincial roads “directly improve the wages and employment of the poor, such that a 1 percent increase in road investment is associated with a 0.3 percent drop in poverty incidence over five years” (Seetanah, 21).* Lastly, donors should enable Africans to discover through experimentation their own “pathways out of poverty” (15). Each nation has its own development story – including the U.S. No country started off as an economic power; they arrived at that position through a process. Each African state will have its own, and the West should accept this.

China’s engagement with the DRC is relatively new, and only time will reveal whether it is a truly mutually beneficial relationship. Until then, I can only argue that in theory China’s model addresses those issues that the West has neglected. And it seems that China’s policies will catalyze economic growth in the Congo, a country that desperately needs progress in all aspects of its statehood. The DRC is a wealthy state, based on its reserves of minerals and forestry. But because of the state’s detrimental weakness, it has not been able to use its natural resources for the benefit of the country. The DRC is one of the most paradigmatic examples of a victim of the resource curse. Its history under this curse has prevented the construction of much-needed infrastructure. Infrastructure is different from humanitarian aid because it cannot fluctuate. It is built and then it remains. It requires maintenance, but this is just another way that it creates jobs and economic self-reliance. Infrastructure provides a permanent locus at which humanitarian needs can be met. It also serves to unite a country by providing legitimate trade routes. Developing energies infrastructure can provide people in the Congo with electricity that can allow them more time to do other things – such as work, go to school, or even engage in politics. When citizens are concerned solely on meeting their own basic needs each day, there is little time for human development. Infrastructure enables long-term development because it saves ordinary, and especially impoverished, citizens time and promotes independence. Humanitarian aid, on the other hand, is a quick fix. It prescribes quick solutions for immediate problems and does not enable the recipients to find their own solutions. This is why the Sicomines Agreement is potentially much more conducive for the Congo to economic development than has been the aid Westerners have provided.

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1. The Enough Project is a non-government organization that “fights to end genocide and crimes against humanity, focused on areas where some of the world’s worst atrocities occur” (<http://www.enoughproject.org/about>). [↑](#footnote-ref-1)