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SPECIAL REPORT

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About the Report

This report assesses the strength of the business community in the Democratic Republic of Congo (DRC), a constituency important to building sustainable peace. The report draws on data collected by USIP's Center for Sustainable Economies, the Bureau d'Etudes, de Recherche et de Consulting International (BERCI) in the DRC, and UK-based Transparency Research in Bukavu in the northeast and Lubumbashi in the south. In the survey, respondents were asked to identify the main obstacles to business and offer their assessment of what the future might hold for the economy. Their responses highlight the perceptions and challenges of businesses in conflict-affected environments and outline how success can make an important difference regarding whether these regions stabilize or remain vulnerable to conflict.

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Conflict-Business Dynamics in the Democratic Republic of Congo

Summary

- The Democratic Republic of Congo (DRC) has enormous economic potential thanks to its rich mineral deposits and vast tracts of arable land. Historically, these resources have been exploited by predatory leaders and a host of subregional actors. The time is now ripe for the DRC to put years of war and economic underdevelopment behind it.
- The business community has an important part to play in promoting sustainable peace in the DRC. Business communities in Bukavu and Lubumbashi have managed to remain profitable in the very trying years following the signing of the 1999 Lusaka peace accord by showing great resilience and versatility, primarily outside formal channels.
- Congolese businesses face serious obstacles, including poor infrastructure, high taxes, extortion, and market distortions. However, respondents expressed relatively little concern about insecurity and violence, suggesting that these costs have been internalized or that other obstacles impose much greater costs.
- DRC businesses neither want nor expect handouts. Respondents would prefer assistance in removing barriers to trade, improving infrastructure, and reducing corruption.
- Respondents are broadly optimistic about the future and their economic prospects, and have a strong sense of being stakeholders in shaping society. This bodes well for the future of the DRC, provided public policy can harness this energy and not impede it.

Research suggests that a robust business sector can help rebuild postwar economies and give citizens a stake in promoting and consolidating peace.[1] The DRC, which is in the early stages of economic recovery following two devastating wars, offers a testing ground for this proposition. The business community showed impressive resilience by continuing to operate throughout the conflict and an associated humanitarian crisis, in which as many as 5.4 million people died.[2] As the DRC emerges from war, its business leaders are well placed to facilitate the transition toward lasting peace. This survey of businesspeople attempts to aid that process by finding out what can be done to improve the business climate in two cities located in two of the DRC's strategically important regions—Bukavu in the east and Lubumbashi in the south—where business activity is thriving despite the challenges. Importantly, though businesspeople cite security and violent conflict as factors hampering economic activity, these are not the most crucial issues. Rather, the more mundane problems of unreliable electricity supply, high taxes, and other bureaucratic and logistical hurdles are perceived as the largest challenges. Interventions that focus on these obstacles stand the best chance of improving economic conditions and promoting peace.

Battling the Resource Curse

The DRC's enormous resource wealth is a driving force in the regional economy and significantly affects some sectors of the global economy. About one-third of the world's known deposits of cobalt and nearly two-thirds of its coltan lie within the DRC's borders. The country is also extravagantly endowed with copper, cassiterite (tin ore), diamonds, and gold. Yet this abundance of riches has led to war and poverty instead of peace and prosperity. Since the 1980s, academics have explored the dynamics behind this resource curse, the paradox whereby nations rich in natural resources tend to be poorer and less stable than those that are comparatively less endowed. Research has identified a set of economic distortions linked to natural-resource wealth, including the so-called Dutch disease, whereby a resource boom causes a nation's currency to appreciate, harming tradable sectors of the economy.[3] The resource curse also has political dimensions. Resource wealth is closely associated with poor governance, clientelism, and the absence of a social contract between ruler and ruled. In such conditions, grievances fester and can easily become violent. Paul Collier and Anne Hoeffler have observed that resource-rich countries tend to be poorer and that poorer nations are more prone to conflict; civil war in such places is thus a serious concern, particularly when the resources can be easily looted, as the DRC's diamonds can be.[4] In turn, civil wars fought on territory rich in natural resources tend to drag on, as the wealth from the resources often enables the warring parties to sustain their operations and offers greedy individuals the opportunity to line their pockets, lowering their incentives to lay down arms.[5]

The DRC's recent history is a case study of the resource curse. Prior to his overthrow in 1997, Mobutu Sese Seko organized his regime around the wholesale plunder of the nation's resources for private gain. The government of Laurent Kabila followed his example. Kabila's foreign backers, notably Rwanda and Uganda, took control of large zones in the north and east of the DRC and ran them like extensions of their own territories, extracting their minerals and exporting them as their own. The DRC's exploitation at the hands of its smaller neighbors became even more brazen during the Second Congo War, between 1998 and 2003. By the end of that conflict period, the extraction of the DRC's resources involved seven foreign governments, sometimes in collusion with mining companies. The peace deal of 2003 and the elections of 2006 that cemented it may have ended the war formally, but did little to extend the writ of the Congolese state, end the fighting, or decelerate the flow of stolen resources across its borders. The eastern region of North and South Kivu, in which

Bukavu is situated, continues to suffer from the aftermath of the 1994 Rwandan genocide and the ethnic violence it unleashed. The region remains overrun with armed groups and the rule of law is virtually nonexistent. However, behind it all, a wartime economy, anchored by the organized exploitation of natural resources by militia groups, continues to operate unhindered.

National Context

The two cities chosen as the focus of this study offer interesting contrasts, suggesting, first, that one-size-fits-all approaches to economic development in the DRC will not work. The effects of the Congo wars were not felt uniformly across the country. While Bukavu lay at the epicenter of the conflict, Lubumbashi—in the far southeast of the country—remained relatively stable. Consequently, the informal economy dominates in Bukavu, while the formal economy is more prominent in Lubumbashi. However, war is not the only dynamic to shape the economic landscapes of the two cities. The types of natural resources that predominate locally are also relevant. In the Katanga region, of which Lubumbashi is the capital, plentiful supplies of copper and cobalt lend themselves to large-scale industrial mining, which naturally tends to be a more stable and long-term enterprise. In the Kivus, where cassiterite, gold, and diamonds are the main minerals, there are no industrial mines at all. The minerals are extracted mainly by small-scale artisanal mining, a more transient enterprise in which economic and security uncertainty dominate. Cassiterite production is overseen by troops from the government Forces Armées de la République Démocratique du Congo (FARDC) or the Hutu Forces Démocratiques de Libération du Rwanda (FDLR), which control the majority of the mines.[6]

Geographical location has also been important in determining the economic directions of Bukavu and Lubumbashi. Both cities are close to international borders and exemplify the DRC's relatively open trading environment. Bukavu in particular is an important trading post for Rwanda-bound goods despite the woeful state of the regional transport network. Lax border controls allow unprocessed minerals to slip out of the Kivus with ease, depriving the DRC of a significant portion of its wealth. From Lubumbashi, close to the Zambian border, copper and cobalt are the main commodities traded, with 90 percent of the DRC's copper exported to Zambia[7] via a relatively well-developed transport network. The desire to trade the DRC's commodities from outside the country is understandable when one considers the DRC's high tax rates and the need to pay off an average of ten to fifteen officials to complete any business transaction.[8] But its effect on the nation's gross domestic product (GDP) is calamitous. The best estimates suggest that the DRC's official export wealth from diamonds, measured at $870 million in 2005, is at least 30 percent short of the actual level of exports. The figure for copper, which stood at $58 million, is undervalued by 40 percent.[9]

These figures suggest that the benefits of economic activity in Lubumbashi and Bukavu have failed to trickle down to many citizens. The reality is even starker. For many people, the unregulated, informal nature of most economic activity in the DRC and its symbiotic relationship with armed conflict, at least in Bukavu, has constrained growth prospects for most businesses, even though the business sector has taken heroic steps to keep from collapsing against overwhelming odds. Entrepreneurs in the survey areas have found innovative ways to thrive despite continued insecurity, extortion, corruption, and inefficiencies. Barter and informal finance have largely replaced banks, which are more costly and slow. Commerce appears to have adapted to an environment of continued unrest. In both cities, the battle for resources has prolonged violence and insecurity, facilitated economic exploitation, triggered migration flows that have caused

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social upheaval, caused an overconcentration on mining activities to the detriment of agriculture, and wreaked environmental destruction on a vast scale.

Over a two-week period in August and September 2008, two teams of twenty enumerators were recruited by the Kinshasa-based Bureau d'Etudes, de Recherche et de Consulting International (BERCI) and trained and supervised by Transparency Research and USIP. Local business directories were supplemented by presurvey research for sampling. The teams conducted 1,000 interviews of businesspeople, one half in Bukavu, the other half in Lubumbashi.[10]

Businesspeople

The demographic structures of Lubumbashi and Bukavu shed some light on the types of business conducted there, underscoring the cities' reputations as regional mining centers and attractive destinations for migrant laborers. Most survey respondents were male: 70 percent in Lubumbashi and 62 percent in Bukavu. They also tended to be young: on average, 32.2 years old in Lubumbashi and 34.9 years old in Bukavu. Moreover, the sample of interviewees was ethnically diverse. Twenty-three distinct ethnic groups in Lubumbashi and seventeen groups in Bukavu were represented by five or more respondents. Also, respondents in Lubumbashi had more education than those in Bukavu. More than one-quarter of the former had been educated up to the tertiary level, compared with fewer than one-fifth in the latter. Almost one-fifth of those questioned in Lubumbashi had received some vocational training, while in Bukavu, fewer than one-tenth had.

When respondents were asked what they did for a living, there were substantial differences between the answers given in Bukavu and Lubumbashi. In Bukavu, an overwhelming majority—more than 90 percent—described themselves as either retailers or wholesalers, which appears to underlie the importance of the informal trade economy in the city. Two factors help to explain this result. The first is the city's location on the Rwandan border, which encourages trade and commerce. The second is that operating in a conflict environment limits business options. Buying and selling goods on a small scale is perhaps the only viable occupation for most people.

The stated professions of respondents in Lubumbashi suggest an economy that is much more diversified and well established. A total of thirty-two professions were recorded, compared with fourteen in Bukavu. The mining industry in Katanga has led to a concentration of ancillary services in Lubumbashi. Hence there are significant numbers of invoice clerks, welders, drivers, guards, construction workers, phone operators, and secretaries. More than 12 percent of respondents described themselves as managers. However, as in Bukavu, the single largest profession was sales or retail, with 25 percent of respondents placing themselves in this group.

There were also interesting variations in the size and structure of businesses in both cities. The entrepreneurial, informal nature of the economy in Bukavu is further underlined by the higher number of self-owned businesses there: 69 percent, as opposed to 32 percent in Lubumbashi. Nearly 30 percent of Bukavu businesses had just one employee; none had more than twenty employees. While the trend in Lubumbashi was also toward small businesses, a significant proportion—nearly one-fifth—had more than twenty employees. However, the self-starting, risk-taking nature of business in Bukavu seemed to offer the potential for greater prosperity. Wages tended to be higher despite the lower level of educational attainment. The average respondent in Bukavu earned $240 a month compared with $215 a month in Lubumbashi. One might have expected that by working for others rather than for themselves, respondents in Lubumbashi would have benefited from greater job security. In reality, this does not seem to be the case.

Despite the contrasting business environments in Bukavu and Lubumbashi, all the survey's respondents shared one thing in common: self-reliance. The research showed that businesses could not count on outside assistance, financial or otherwise. Overall, 96 percent of respondents reported receiving no help from the government. Yet, despite the government's failure to deliver, its reputation for incompetence and corruption, and its general absence from daily life—particularly in Bukavu—there was a general expectation that the state was the correct agency to administer assistance and improve the economic environment. More than 60 percent of respondents across the two cities believed that the onus for tackling the main impediments they faced in their businesses environments should lie with the government.

Business Environment

Survey respondents' views on the business environment in which they operated again highlighted the differences between the economic landscapes in Bukavu and Lubumbashi. Respondents were asked to identify, in order of importance, the three main problems that affected businesses (see figure, p. 6). A wide range of answers were given, many of them specific to a respondent's particular line of work. Perhaps most striking, however, is the relative unimportance of security issues or the threat of violence. While these were mentioned as problems—particularly in Bukavu, where the security situation remains volatile—they were not regarded as significant. Less than 3 percent of those surveyed in Bukavu mentioned insecurity as being a major problem, while the figure in Lubumbashi was just over 2 percent. Concerns about crime in general were mentioned more frequently, but only marginally.

Instead, in Lubumbashi, the most common problem businesses faced was irregular electricity supply, noted by 16 percent of respondents. Unreliable electricity was the second-biggest problem in Bukavu, where nearly 10 percent of businesses mentioned it. The most frequent complaints in Bukavu were extortion and high taxation, which one-fifth of those surveyed identified as one of the three largest obstacles to business (see box, p. 7). Taxes were less of an issue in Lubumbashi, where they were the fourth-most frequent complaint overall. It is unclear from the results which kinds of taxation were the main source of frustration for the people of Bukavu. However, that taxes were less of an issue in Lubumbashi suggests that the blame does not belong with the government; the people of Bukavu operate within a war economy where armed groups run the resource extraction process in the Kivus, forcing independent operators to pay large commissions to armies and militias.

A number of other issues emerged as important constraints on economic activity. Respondents in Bukavu tended to focus on impediments to trade, including supply of goods problems (8 percent of answers), price instability (5 percent), a lack of customers (5 percent), and exchange rate fluctuations (4 percent). Lubumbashi respondents agreed with their compatriots in Bukavu that the supply of goods was a problem (7 percent), but also emphasized transport difficulties (5 percent), low wages (5 percent), poor working conditions (5 percent), and water shortages (5 percent).

Several conclusions can be drawn from the above results. That respondents in both Bukavu and Lubumbashi regard general market distortions and the lack of infrastructure as far greater impediments to doing business than security threats and other forms of instability points toward a high level of resilience among businesses. The security situation remains bleak in eastern DRC, where Bukavu is located. Yet businesses appear to regard insecurity as a fact of life, so they do not view it as a significant issue in going about their daily activities. The capacity to make a living has endured even in the toughest of environments and the informal economy is thriving. This suggests huge potential for the business community to lead the way in delivering economic growth to the DRC if serious efforts are made to remove

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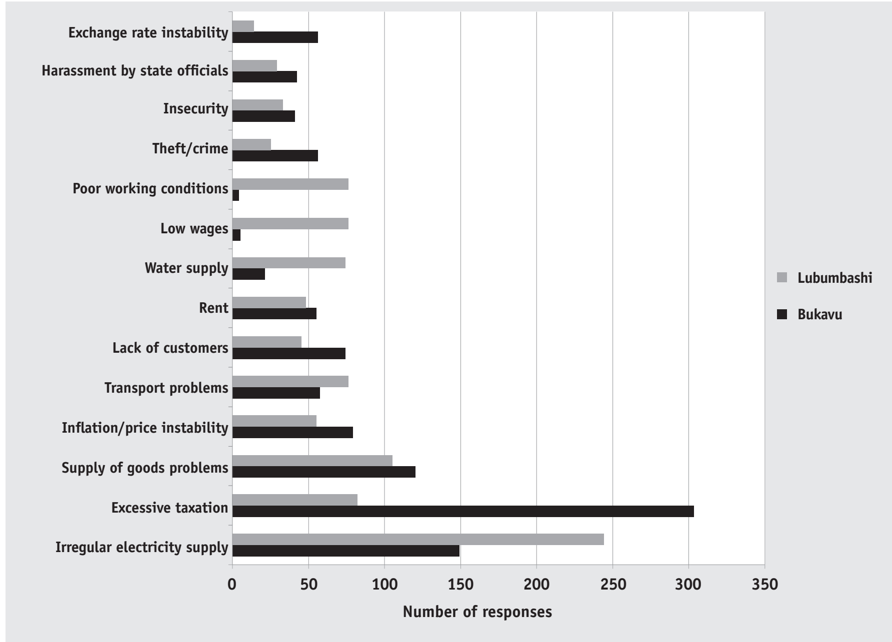
Main Problems Faced by Businesses in Lubumbashi and Bukavu



market distortions, such as high taxes, and improve the country's decrepit infrastructure, even if pervasive insecurity (especially in the north) and weak governance frustrate work on the latter. The survey results also suggest that attempts to formalize what is already a thriving informal economy need to be approached with caution. Businesses were forced out of formal institutions because of significantly higher costs, bureaucratic inefficiencies, onerous delays, and corruption. Strategies to reintegrate businesses operating in the informal sector must be preceded by reforms that address the myriad regulatory, institutional, and capacity challenges that have made operating in the formal sector prohibitive. The emphasis must be on improving the overall business climate through systemwide reform and greater transparency.

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That said, the business environments differ markedly in Bukavu and Lubumbashi; the types of businesses vary, and respondents in the two cities face different challenges and have different sets of priorities. Gender and age also seem to be important in the respondents' answers. When asked to list the major impediments to business, those under thirty years of age were more likely to cite high rents and a lack of customers than were older people. Women tended to be more concerned about high rents and, in Lubumbashi at least, electricity shortages than their male counterparts. In addition, there were big differences in priorities according to business size. The smallest businesses tended to be the most severly affected by extortion and high taxes, with 50 percent of traders who worked alone saying they were a problem, compared with 39 percent of small businesses (e.g., those with between two and ten employees) and 17 percent of larger enterprises. Sole traders also suffered disproportionately from a lack of customers. High rents were a big problem for small businesses. Irregular electricity supplies tended to hit sole traders and small businesses harder than larger firms, which were more likely to have their own generators. Policy interventions that do not recognize these diverse problems within the DRC's business community would be in danger of failing.

Perceptions

A second set of survey questions attempted to assess the mood of the business community in Bukavu and Lubumbashi by asking respondents to compare the current business

The Challenges of Doing Business in the DRC

According to the 2009 issue of the World Bank's Doing Business Project, the DRC ranks at the bottom among all countries surveyed, partly because of its onerous tax regime. The study found that the average business in the DRC pays thirty-two separate taxes each year and bears a tax burden that jeopardizes profitability. Strategies to avoid and evade these taxes are vital components of business survival. Thus, most businesses operate outside formal structures. Numerous, opaque, and excessive taxation also creates an environment in which corruption thrives.

The problems created by barriers to entry for DRC businesses are reflected in the 155 days it takes to register a business and the astounding average of 645 days to enforce contracts. Recruiting employees in the formal sector requires filling out numerous forms and weeks of delay. Firing workers requires a detailed verification of reasons for the dismissal and separation benefits equivalent to thirty-one weeks' wages. Circumventing these delays and associated costs is also an integral part of the DRC business model. The nonformal sector provides a refuge, but it is also fraught with difficulties.

Source: Doing Business 2009, World Bank.

environment with the recent past and to offer a forecast for the future. When respondents were asked to look back one year and compare the economic situation then and now, their answers were inconclusive. In Bukavu, 36 percent of those questioned believed the general business climate had improved in the previous year, compared with 23 percent who thought it had deteriorated. People in Lubumbashi were marginally happier; 42 percent said the situation was better and 22 percent said it was worse. However, when people were asked to explain their answer by pinpointing, in order of importance, specific improvements to the business environment, many backtracked on their original responses. A total of 40 percent of people across the two cities either said there had been no improvements at all or failed to offer an answer. To put this result in perspective, the next most popular answer was that the flow of goods had improved, a response given by less than 8 percent of people.

The results were similarly inconclusive when people were asked to compare the current business climate with the situation earlier in the year. Again, people in Lubumbashi were marginally happier with the way things had gone. In Bukavu, opinion was more evenly divided between those who thought things had improved and those who thought things had worsened. Smaller numbers of people in Bukavu than in Lubumbashi thought the situation had stayed the same, suggesting a greater degree of volatility in South Kivu's business environment compared with that of Katanga.

When asked for their expectations for the coming year, the most striking feature of the responses, in both cities, was businesses' high level of confidence (see table, page 8). Fully 73 percent of those surveyed in Lubumbashi believed the general business climate would improve, compared with 61 percent in Bukavu. In both cities, just 2 percent of respondents thought things would get worse. When questioned about specifics, strong majorities in Lubumbashi believed that consumer prices would rise, business costs would fall, and both the business infrastructure and the security situation would improve. In Bukavu, there was a little less optimism, but not much less: More than half the respondents were sanguine about changes in prices, costs, infrastructure, and security. On the issue of security, the mood was particularly bullish, as 57 percent of Bukavu businesses thought there would be an improvement in the coming year. On the downside, a fear of crime was clearly evident; in both cities, optimists on this particular issue were in the minority.

Overall, however, while there was clearly some doubt about whether or not the business environment had improved in the months before the survey, people's confidence in the future was unshaken. The mood of the business community was buoyant, particularly in Lubumbashi, where more people believed that the business climate had improved from

The mood of the business community was buoyant, particularly in Lubumbashi, where more people believed that the business climate had improved from the previous year and were more optimistic about the future.

Respondents' Expectations for Business Climate in the Coming Year (percent)

	Better	Same	Worse	Uncertain
Bukavu				
General business climate	61	15	2	22
Consumer prices	53	17	6	24
Business costs	55	15	6	24
Business infrastructure	57	12	6	25
Security	57	9	5	29
Crime	47	6	6	41
All	55	12	5	28
Lubumbashi				
General business climate	73	11	2	14
Consumer prices	70	12	1	17
Business costs	68	14	1	17
Business infrastructure	66	14	3	17
Security	68	13	3	16
Crime	45	15	5	35
All	65	13	3	19

the previous year and were more optimistic about the future. This difference in optimism between the cities is not too surprising and should not be overstated. The overall business environment is more settled and predictable in Lubumbashi than in Bukavu, where a sense of instability seems to color perspectives. People in Bukavu were slightly more circumspect than they were in Lubumbashi—but given the persistent security threat in South Kivu, confidence was still remarkably high.

Also, the headline figures again obscure subtle but important differences between old and young, men and women, and different types of enterprise. Overall, those under thirty tended to be more optimistic about the future than those over thirty. Women gave more measured responses than men, who were more likely to report that things had either improved or worsened rather than stayed the same. Small businesses were more likely to have reported improvements in the business climate during the past year. Policymakers should consider these subtle variations as they attempt to improve conditions for businesses in the DRC—conditions that, hopefully, will also contribute to alleviating conflict and making the country a more stable place to work and live.

Moving Ahead

The DRC . . . history since independence has shown that without sound economic policies, possessing great natural wealth can lead to disaster.

Ensuring that the DRC continues along the path to lasting peace is in the interests not only of its own citizens, but of the wider international community. With its great size and mineral wealth, the DRC could become a major economic power in Africa. Unfortunately, its history since independence has shown that without sound economic policies, possessing great natural wealth can lead to disaster. Now that the DRC seems to be emerging from years of war, building a strong economy that benefits its citizens must be a top priority if lasting peace is to be achieved. As the business community is a vital part of the peace process, it is important to assess the strength of the business sector and identify ways in which it might be further strengthened.

This study has shown that in Bukavu and Lubumbashi, the business community is resilient, buoyant, and optimistic about the future. Workers in both cities enjoy relatively long job tenures. In Bukavu, businesses have survived and even flourished in the midst of war by conducting mainly small-scale trading operations outside the formal economy. In Lubumbashi, which has been less affected by conflict, a more stable business environment has continued to function successfully. The high levels of confidence displayed by the business communities in Bukavu and Lubumbashi augur well for the future of the DRC. People who have jobs, run businesses, and make money have a higher stake in their societies and exhibit a keener interest in maintaining a peaceful environment. Given that the business community is already in good health, it is important that intervention strategies transition quickly from a humanitarian phase into a secondary peacebuilding phase that focuses on helping people to not only survive, but flourish. Policy interventions should recognize the sense of optimism in the DRC and attempt to harness it, working in partnership with local businesses to make specific improvements to their operating environments.

As the survey makes clear, businesses in Bukavu and Lubumbashi share some common problems, but they also operate in very different environments and have different priorities. Policy interventions should account for these similarities and differences. In both Bukavu and Lubumbashi, tackling the inadequate local infrastructure should be a priority. Ensuring that businesses have a reliable power supply is particularly important. So too is addressing the problem of high taxes. In Lubumbashi, this problem is more likely to be one of corruption. In Bukavu, however, this issue is intertwined with the security situation and probably relates to the unofficial taxes levied by armed groups as well as by corrupt officials. In the latter case, it might make sense to focus efforts on freeing up the trading environment and helping sole traders and small businesses. In the former, emphasis might be placed on assisting small- and medium-sized businesses, developing the transport network, and improving working conditions for low-paid employees.

Overall, however, the survey demonstrates that the business communities of Bukavu and Lubumbashi are not helpless; they have done well without outside assistance and do not need government interference. In the past, the government has tended to impede rather than facilitate trade in any case. Despite this, businesses in Bukavu and Lubumbashi believe that the state has a role to play in creating a more stable business environment. Improved governance could ensure predictable and transparent regulations, uphold the rule of law, and provide the public utilities that businesses need.

Policy interventions should recognize the sense of optimism in the DRC and attempt to harness it, working in partnership with local businesses to make specific improvements to their operating environments.

Recommendations

Attempts to support the business community in the DRC should focus on:

- Addressing the day-to-day concerns of businesspeople. The survey suggests that these are less likely to center on fears of insecurity or conflict, and more likely to focus on unreliable power supplies and excessive taxes.
- Designing post-conflict stabilization programs that can be fully operational in as short a time frame as possible.
- Finding conflict-sensitive approaches to increasing employment and reducing economic distortions.
- Capacity building: supporting the creation of strong business institutions, such as chambers of commerce and other business associations, and providing other services that enable businesses to access information on international prices, potential clients, and investment opportunities.
- Improving financial and trade services. Possible interventions might include making credit more available and offering savings facilities and trade-friendly banking instruments.
- Making the DRC a more attractive destination for foreign investment. The nation is ranked at the bottom of the World Bank's annual Doing Business survey for 2009.[11]
- Avoiding approaches that attempt to push workers from the informal into the formal economy too quickly.
- Conducting more research into the relationship between armed conflict and excessive taxation.

- Ensuring that the different priorities of men and women, younger and older people, and those working in small or larger businesses are taken into account.

Notes

1. See International Alert, Local Business, *Local Peace: The Peacebuilding Potential of the Domestic Private Sector* (London: International Alert, 2006). http://www.international-alert.org/peace_and_economy/peace_and_economy_projects.php?t=2 (accessed September 15, 2009). This publication highlights the domestic private sector's often overlooked peacebuilding potential. Developed and researched with partner organizations and businesspeople from conflict-affected countries around the world, it presents more than twenty case studies in which private sector actors have taken proactive steps to address violent conflict. See also United Nations Development Programme (UNDP), *Creating Value for All: Strategies for Doing Business with the Poor* (New York: UNDP, 2008). www.undp.org/gimlaunch/docs/GIM%20Report%20Final%20August%202008.pdf (accessed September 15, 2009).
2. *International Rescue Committee, Mortality in the Democratic Republic of Congo: An Ongoing Crisis* (New York and Washington, D.C.: International Rescue Committee, 2008), www.theirc.org/special-report/congo-forgotten-crisis.html (acccessed September 15, 2009).
3. Christine Ebrahim-zadeh, "Dutch Disease: Too Much Wealth Managed Unwisely," *Finance and Development,* vol. 40, no. 1 (March 2003). http://www.imf.org/external/pubs/ft/fandd/2003/03/ebra.htm (accessed September 15, 2009).
4. Paul Collier and Anne Hoeffler, "On the Incidence of Civil War in Africa," *Journal of Conflict Resolution,* vol. 46, no. 1 (February 2002), 13–28.
5. For a good analysis of how resources can sustain conflict, see Philippe Le Billon, "Angola's Political Economy of War: The Role of Oil and Diamonds, 1975–2000," *African Affairs,* vol. 100 (2001), 55–80.
6. Global Witness, *Under-Mining Peace: Tin—The Explosive Trade in Cassiterite in Eastern DRC* (Washington, D.C.: Global Witness Publishing, 2005), 22.
7. Hilary Sunman and Nick Bates, *Trading For Peace: Achieving Security and Poverty Reduction through Trade in Natural Resources in the Great Lakes Area* (London: Department for International Development, 2007), 17.
8. Initiative for Central Africa, *Natural Resources and Trade Flows in the Great Lakes Region* (Kigali: Initiative for Central Africa, 2007), 14.
9. Initiative for Central Africa, *Natural Resources,* 10.
10. The research was carried out by three parties. A senior member of USIP oversaw the project; the UK-based organization Transparency Research provided leadership, quality control, and on-the-ground advice; and the survey was conducted on the ground in French by a DRC polling firm, the Bureau de Recherchés et de Consulting International (BERCI).
11. The World Bank Group Doing Business Project, "Doing Business: Measuring Business Regulations: Economy Rankings." www.doingbusiness.org/economyrankings/ (accessed September 15, 2009).

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Of Related Interest

- *Disaster in the DRC: Responding to the Humanitarian Crisis in North Kivu* by Go Funai and Catherine Morris (USIPeace Briefing, December 2008)
- *Elections in the DRC: The Bemba Surprise* by Tatiana Carayannis (Special Report, February 2008)
- *Healing and Reintegrating the Victims of Congo's War* by Dorina Bekoe and Christina Parajon (USIPeace Briefing, July 2007)

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