

Building Growth and Prosperity in the Democratic Republic of Congo



Prepared by Terence McNamee and Wendy Trott

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Cover photo: *Delegates at the Congo Dialogue.*

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Introduction

On 17 to 18 September 2014 the Brenthurst Foundation, in partnership with *Afrique Avenir Congo*, hosted the ‘Congo Dialogue’ in Johannesburg, South Africa. This unique forum brought together distinguished Congolese academics, civil society members, and corporate and political leaders to discuss new approaches to ‘building growth and prosperity in the DRC’. Drawing participants from the DRC as well as the Congolese Diaspora in Europe and North America together with a small number of external experts, the Congo Dialogue was established in the belief that despite the country’s myriad problems, traumatic history and extremely poor reputation, real opportunities exist for Congo to break with the past.

Over the two days of discussions, no attempt was made to understate what several participants referred to as the ‘*mal congolais*’. And while there were some sharp disagreements over potential ‘cures’, a strong consensus over the nature of the core problems was evident throughout. There was also wide agreement among the Congolese participants that Congo’s perennial difficulties do not mean that the state itself ought to be reconsidered in terms of some form of secession or redrawing of its territory into smaller, arguably more efficient new states, as some (mostly external) analysts have suggested. Commitment to and passion for a united Congo was, perhaps somewhat surprisingly given the diversity (in terms of geography, profession and ethnicity) of participants, apparent in nearly every intervention during the Dialogue. Common too was a feeling that for all the justifiable criticisms of the state, Congo possesses a wealth of human talent and expertise – often deployed in jobs and positions outside the country – that is rarely accorded sufficient weight in (invariably negative) reports and assessments on the country’s political and economic prospects.

The foundational paper for the Dialogue was written by US-based academic Dr Pierre Englebert (published as *Brenthurst Foundation Discussion Paper 06/14*) and guest presentations were made by John Endres, CEO of Good Governance Africa, and Thebe Ikalafeng, founder and chairman of Brand Africa.



Pierre Englebert with Martin Fayulu.

The discussions ranged widely but key ‘takeaways’ can be grouped under three overarching themes, which provide the structure for the remainder of this Report: Politics and Society, Culture and Tradition, and Development and Prosperity. No one could dispute that the DRC confronts a number of seemingly intractable issues simultaneously – legacies of embedded authoritarian rule (both foreign and Congolese), rampant plundering of its resources, and an armed conflict that is ongoing in the East, to name just a few. The focus of this Dialogue was to look anew at the obstacles to economic development and prosperity in order to identify key areas where citizens and government can act now to improve the lot of all Congolese. The DRC is abundantly rich in resources and human energy, yet throughout its history only a tiny minority have reaped the benefits. It is hoped that this summary of the Congo Dialogue will help spur a wider initiative to build growth and prosperity in the DRC.

Politics and Society

The political system in the DRC is the centre of a web from which many of the country’s problems emanate. First and foremost among these, as several participants attested, is the lack of predictability in the system and continuity of the state beyond regime changes. History has shown this to be true in the past, but the upcoming end of President Joseph Kabila’s second (and last, as mandated by the constitution) term as President will be a true test for Congo in this regard. The unpredictable nature of the political system also distorts incentives even for the average citizen participating in the economy. The ‘daily arbitrariness and uncertainty brought about by Congo’s dysfunctional governance’ encourages participating in the system of predation rather than falling victim to it, and perpetuates the vicious cycle. One clear way to deal with this uncertainty is to re-impose the rule of law and judicial discipline in Congolese society. Building judicial capacity that reliably sanctions all social groups is key to many of the political challenges in the DRC. This requires support from citizens, civil society, political parties, the private sector, and international partners to enact real change within government.

Another obstacle to development that stems from the political system, and which arose time and again during the Dialogue, is a lack of respect for human rights and the nation’s adopted texts. The Congolese government is widely perceived internationally and within the country itself as repressive, and the leadership seems to suffer from a ‘siege mentality’. Furthermore, there is a severe lack of accountability that has turned Congo into what was termed a ‘declarative state’: officials declare what they will, mining companies declare their own revenues, and there are little or no mechanisms for corroborating these statements. The distorting power of lobbies exacerbates this effect as groups exert a disproportionate influence on policies and processes beyond the surveillance of the people.

The first step to generating accountability for government is to create transparency that empowers the populace to act – this is key to tackling corruption, patronage and plunder in the DRC. John Endres argued that to do this in an environment such as the Congo requires finding ways in which the changes are perceived to serve the self-interest of those in power and thereby overcoming the threat to their position that changes inevitably pose; building coalitions to mobilise the various sectors of society that hold a stake in good governance; and taking slow, steady, often unglamorous steps to construct foundational improvements in the overall structure of government. One specific example of how to facilitate this process is to create competition for those in power, forcing the state to adopt change when the public is made aware of successes elsewhere. Endres cited the ‘flagship approach’ to politics which had been successfully used in a region of South Africa, where a minority party sought to demonstrate what it believed was its superior governance capability by winning power in one municipality and then, through its own performance, aggregate support and consequently expand its jurisdiction over time.

Strengthening the decentralisation of powers and government processes, as stipulated in the constitution, can enable this competition, and is certainly required to boost the responsiveness of government in the DRC. However, devolving power to regional authorities is intricately related to culture and identity, and any moves

that would restrict the authority of local chiefs are bound to be both highly controversial and logistically difficult to implement. The prospect of local elections provoked contrasting views among participants, despite already being enshrined in the 2006 constitution that was massively approved by the Congolese by referendum. These elections have never taken place and are now tentatively scheduled for 2015 (but remain uncertain). In sum, effective and selective decentralisation will undeniably form a part of future reform in Congo; when and how it occurs is a question that demands attention.

Even where state power has been devolved to a limited extent to local authorities, as with provinces and decentralised territorial entities, dysfunction continues to dominate. Because land in Congo is frequently allocated by local chiefs, the issue of land security is greatly distorted by politics and identity. Land is profoundly valuable as a resource to Congolese citizens, and is deeply embroiled in the system of predation and patronage – as well as a core issue of the conflict in the East of the country. It is essential that the state clearly defines the law through the relevant texts by specifying the roles and responsibilities of traditional chiefs, of the beneficiary population and of the state itself. All participants agreed that the system by which rights to land are allocated must be clear, transparent, and predictable, though there was robust debate over whether market mechanisms – that aim to maximise efficiency and productivity – were the best means for Congo to mitigate the impassioned land struggles that plague the country. While linked to concrete issues of sustainable development and population management, Congo's land troubles stem mainly from the way in which rights are defined and enforced, a policy that resides with – and is thus fixable by – the state.

Civil society and the general public also play a crucial role in holding the government accountable. In his paper, Englebert illustrates the successes that some organisations, such as the Extractive Industries Transparency Initiative, have had in the DRC, but there is much more room to improve in terms of state transparency



Father John Beya leads the discussion.

especially in the areas of mining and public budget administration. For real progress to be made, Englebert argues that private companies must take a stand to protect legitimate and transparent practices and the rule of law, and opposition parties should become more aggressive in their role in politics. The latter could be enabled by reinforcing the role of the National Assembly. Some participants also stressed the need to promote a 'localisation' of opposition by supporting grass-roots demands for government transparency and accountability.

Beyond the political system, fundamental questions arose over the appropriate roles and size of the state in the DRC. The state has been called 'both impotent and omnipotent', a clear example of the tension that can exist between capacity and 'bloatedness' (or over-reach) in a country. The Congolese government is not empowered, yet has a predatory reach into the economy that inhibits the operation of market forces and negatively distorts incentives for those that participate in it. As a result of many factors – the colonial and dictatorial history, corruption, natural resource dependence and a culture of patronage, amongst others – the state suffers from severe incapacity and an inability to adequately administer the country and implement policies. On the other hand, the state spreads its tentacles into every aspect of life in the country, from the economy to social networks. Many participants noted state weakness and over-reach may in fact be a conscious goal of many in power who benefit from the system of predation. While deflating the state – in terms of its prerogatives over society and the economy – may be a controversial proposal, there remains considerable scope to reinforce its capacity in areas critical to the development of the country, such as in administration and basic governance.

Doing so begins right at the top. Many of Congo's development challenges arise from its very distinctive situation, but others are more generic, such as the quest to find quality and responsible leadership. It has been suggested that the DRC's ongoing inability to make democracy work for its people stems from a cultural disassociation from – or lack of desire to understand – what is commonly understood as a 'Western' system



Vital Barholere speaks to the participants.



Agathe Tshimpanga.



Pierre Englebert chairing a session.

of government. But much of the political difficulties experienced in the country are exacerbated by widespread popular distrust of the leadership, who frequently appear more motivated by personal gain than public service. This, in turn, is a consequence of corruption, predation, tribalism, and a dysfunctional and unaccountable government – issues which percolated throughout the discussions. This lack of trust extends not only to the President but to all public officials, and indeed constrains collective action at all levels of governance. Furthermore, generalised social trust, vital even to economic networks beyond the reach of government – everyday transactions and collaboration between citizens – is also wanting. The prevalence of predation, patronage and ethnicism in Congo inhibits many fundamental functions of society and, consequently, its overall development.

Ameliorating this involves, above all, cultivating trust between Congolese citizens and their leaders. This task is intertwined with many other observations in this Report, but begins with a government that leads by example and makes an active effort to demonstrate its accountability to the electorate. Secondly, it requires that the process of reconciliation started at the end of the Second Congo War (1998–2003) be given the attention and resources it requires in order to build social trust between all Congolese citizens. The trust deficiency is another cause of the identity problems that will be dealt with below. It is understandable that Congolese will see less meaning in being a member of their country than they do in being of the ethnic and regional groups that serve them more concretely.

Another suggestion to ameliorate Congo's dysfunctional governance is to introduce concrete criteria for advancement in public administration positions. Similarly, though much more controversially, electoral candidates could be made to pass a number of predetermined criteria in order to facilitate the public's trust in their leadership by providing clear knowledge of the candidates available. Several participants voiced their disapproval of the proposal, on the grounds *inter alia* that the costs associated with complying with such criteria may unfairly disqualify some candidates, and that inordinate power would thereby rest in the creators and implementers of the requirements.

More generally, elections are a fundamental pillar of any democracy, and work is therefore required to ensure that elections in the DRC are truly free, transparent, well-organised, peaceful and that they respect the text of the constitution. In order to do so, the Independent National Electoral Commission (CENI) must be exactly that: independent, as well as legitimate. Furthermore, clear knowledge about every candidate and political party should be freely and easily available to all voters, and an election fund may help to ameliorate the resource problems that prevent CENI's ability to fulfil its function. Even as the legitimacy and capacity of CENI is consolidated, it is nonetheless desirable that an independent, trusted body be created to verify elections. Such an arrangement will facilitate participants' ability to trust elections and is therefore the foundation of any improvements in the political system of the DRC. Other changes in the electoral code, such as of voting districts and instituting multiple rounds, are controversial, but deserving of further consideration. Civil society organisations and other monitoring groups must also be allowed to operate freely throughout the country at election times and to verify the consistency of local and national tallies.

Security, though not the focus of the Dialogue, remains a vital piece of the puzzle that is the DRC's development. The lack of security in much of the Congo has direct implications for the economic environment and potential of the country, and also for the successful realisation of free and fair elections. Examples where the dearth of security remains evident are unfortunately numerous: the ongoing war in the East, the existence of armed militia groups throughout the country, and what has been called the 'negative intervention' of foreign powers and neighbouring countries, resulting in a loss of Congo's 'international sovereignty'.

Culture and Tradition

The foundational paper noted that 'the use of state authority for the private appropriation, accumulation and redistribution of public resources remains the fundamental problem for economic governance and development in Congo, and conditions most other issues including the behaviour of Congolese at every level of society'. Two specific areas that suffer most from this corruption are mining and the implementation of the budget, where it is estimated that about US\$4 billion of revenue is lost each year. The culture of predation reaches into all aspects of society in the DRC, and is related to many other of its maladies. 'Tribalism', for example, is often cited as a fundamental problem as well. This general term refers to the 'ethnicisation' of access to public power and economic opportunities. The DRC has a long history of what has been broadly termed 'ethnic tension', culminating in a violent conflict that raged throughout much of the country between 1996 and 2003 and is ongoing in some provinces. This history demonstrates that while 'tribalism' is economically hazardous at the level of national governance, it also tragically plays itself out at local levels of society far from the capital, destroying all forms of productive economic activity.

Another related concept is that of nationalism and citizens' identities. Despite the fact that the Congolese are known to be patriotic and nationalistic, a trait that was powerfully in evidence at the Dialogue, their self-identification as Congolese does not preclude the salience of competing subnational identities. In general, ethnic identity is stronger in urban settings or in regions with high population density and thus competition for finite resources (for example the Kivus) than in the 'regular' countryside. The relationship between democracy and economic growth is vital to any country's development strategy, but none more so than the Congo's. Several participants suggested that the country appears to suffer from a lack of democratic culture and citizen involvement, a charge that some attribute to the possible cultural disengagement, noted above, from a system of governance that was imported not only from elsewhere but from illegitimate colonial powers. Whether or not this argument is justified, democracy is already enshrined in the Congolese constitution of 2006, and participants at the Dialogue agreed that it is a failure to honestly implement this framework and run the country by its dictates that precipitates many of its difficulties. There was strong concurrence on the need for a common ethical code that embodies the shared values of the entire Congolese population and to which government should be held accountable: a 'Republican Pact'.

Development and Prosperity

In the same way that respecting the separation of powers between branches of government is vital to the functioning of democracy, so is respecting the separation of powers between the political and economic spheres a crucial part of an efficient and productive economy. A key point to emerge from the Dialogue is that depoliticising the economy and enabling its health independent of the state should therefore be a priority in the development strategy for Congo. It was suggested that this could be done by promoting bottom-up economic growth and entrepreneurship; most participants strongly agreed that a challenge to develop 'local-style capitalism' in the country merits serious attention. In addition, several voices emphasised the necessity of stimulating and supporting SMEs, local development banks and potentially a local capital market, all of which would serve to enlarge the base of economic growth both geographically and sectorally (in terms of diversifying away from natural resources), enlarge the middle class, and orient growth into a more pro-social model.

Diversifying the economy can also be done in a way that deals with the omnipotent-impotent state dynamic by diluting the role of the state sector. In order to grow the economic base geographically, policy-makers must confront the strong economic poles and accompanying inequality that have developed in the country as a result of politics, corruption and conflict. Key sectors identified for attention in terms of diversification include agriculture, energy and manufacturing.

It is also important to avoid the existence of a zero-sum political game that gives a monopoly over both political and economic power to the winners of elections. The Dialogue returned time and again to the importance of nurturing a political mentality in which even those who have not won elections are permitted the opportunity to evolve and advance within the system.

Another area central to successful economic governance is management of the Treasury and Central Bank, an issue close to the heart of many Congolese. Naturally, this is related to the size and reach of the state, as currently these institutions are not seen as independent or transparent and therefore contribute to the state's inability to generate revenue and function effectively. Other suggestions in this regard related to giving the Bank the capacity to intervene in a crisis with a security fund, and methods for ensuring adequate reserves.

There is a tragic lack of human resource development in the DRC, especially given the fact that the population is one of the country's most valuable resources. Besides the disastrous lack of investment in education, there also appear to be few initiatives to foster links between the widely dispersed and generally very well-educated diaspora, which could serve to transfer knowledge and capabilities back to the local population. In addition, both the Congolese population and the political system can benefit from reinforcing the functional or informal education of adults, encouraging them to participate in the rebuilding of the political and socio-economic structures of the country. Facilitating the informed instruction of the population enables their active participation in a way that is geared towards development.

Although structural transformation of the Congolese economy is crucial, trade agreements will not be signed, exports will not be sold, tourists will not arrive and integration with the global economy will not occur if the image of the DRC in the international consciousness is not improved. This was a main takeaway from the remarks of Thebe Ikalafeng, who stressed the need for Congo to build a distinct and iconic 'brand' for the country that enables it to fulfil its potential, instead of inhibiting it. A country brand unites all citizens of a country around a common vision and the action necessary to achieve it. However, Congo's brand – as with all other country 'brands' – is determined not by its own people but by the perceptions of outsiders. Transforming it therefore requires building a clear, credible, compelling and consistent image that celebrates the genuine strengths and uniqueness of the country, while intelligently targeting key priorities that influence how the DRC is perceived.

To give substance to the critical issues highlighted in the Dialogue, they need to be 'translatable' into a comprehensive, inclusive and informed National Development Plan for the DRC which, critically, overcomes short-term politics. The participants rued that no such development plan exists to transparently lay out the government's future strategy and by which citizens can evaluate their leaders' performance. Congo requires, as

an imperative, that a participative economic vision be shaped into a tangible and visible document to serve as a viable potential alternative to the current situation. A compelling vision of the future is crucial to mobilising both government and ordinary citizens to participate in building the necessary components of development.

Next Steps for the Congo Dialogue?

Challenging as the problems facing the DRC evidently are, the palpable interest and determination to ensure that the days of ‘business as usual’ in Congo come to an end suggests there is scope for building this initiative begun by the Brenthurst Foundation and *Afrique Avenir Congo*. Participants were adamant that the opportunity for such a group to be together and the knowledge gained from the experience not be lost. While the parameters of any future discussions, collaborations and actions would need to be agreed, the Congo Dialogue narrowed in on a number of key imperatives to build growth and prosperity in the DRC. These issues merit further scrutiny and elaboration – and could form the basis of a wider ‘*Initiative pour l’avenir du Congo*’ (Congo Future Initiative).

- Building respect for Congo’s adopted texts.
- Cultivate trust between Congolese citizens and their leaders.
- Create transparency in government that empowers citizens and builds citizenship.
- Nurture a political mentality in which both winners and losers (in democratic, free, transparent and smooth elections) can evolve and advance within the political system.
- Establish effective and selective decentralisation.
- Reinforce state capacity in areas of administration and basic governance, while reducing its prerogatives over society and the economy.
- Promote judicial security and reform of the security sector (revise the role of the Army, the Police and reinforce the Border Police).
- Draft a common ethical code that embodies shared values of all Congolese – a ‘Republican Pact’ – to which government is accountable.
- Take account of the economy of the informal sector and find a mechanism and a way to integrate it into the financial system, the capital markets and facilitate cooperation with SMEs.
- Devise, after nation-wide consultation, a national development plan (including expanding growth in the mining, industrial and agricultural sectors, and developing SMEs) which represents a tangible vision of the future and can mobilise both government and ordinary citizens to action.

Capitalising on the massive potential of the DRC has been a challenge since the country’s very conception. At this current moment of economic growth and tentative progress toward peace, it is imperative that the Congolese initiate what will inevitably be a long and difficult process towards development and an inclusive state. The suggestions above may serve as focusing points for such a strategy, but the ultimate determinant of whether this moment might act as a catalyst for Congo’s development is the initiative and motivation of the country’s citizens themselves to make fundamental changes. Judging by the experience at the Congo Dialogue, this motivation is not lacking. What is required now, above all, is action.

List of Participants

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Participants at the 2014 Congo Dialogue.