2. THE POLITICAL ECONOMY OF THE DRC CONFLICT

David Moore

Privatisation is now a defining principle of the international system … states and public institutions have surrendered or subcontracted many erstwhile responsibilities to private associations … [M]ultinational companies are … becoming important political interlocutors between metropolitan and borderland states …enacting a role they once held during the eighteenth and especially the nineteenth centuries.[1] (Mark Duffield, 2000)

What we have now in place of nations [is] a corporate ethic…the extraordinary belief that at the centre of corporations lies a moral purpose, some humanitarian self-restraint. It's nonsense[2] (John le Carré, 2001)

2.1 Introduction

Mark Duffield's above words summarise how networks of private organisations most notably transnational corporations, metropolitan states, and their mediating 'multilateral institutions' attempt to govern the globe, and more particularly the 'borderlands' of what Michael Ignatieff has called the centre's 'zones of safety.'[3] John le Carré draws out the deeper significance of this transformation: it has changed our moral sensibilities, and indeed the roots of our language itself. Given that the fate of the Congo has mirrored the great successes of other moments of 'globalisation' in world history in brutal reverse image[4], it is not inappropriate for a discussion of the 'war economy' to understand the relationship between the world's dominant moral discourses and changing conceptions of war in the centre of Africa.

This chapter begins with what could be called an epistemological study of the emerging discipline of the economics of war. Following that exploration is an analysis of the various levels or planes of the 'war economy' in the Democratic Republic of the Congo (DRC). The chapter takes off from the observation that the emerging school of 'war economics' does not go far enough in its search for the roots and dynamics of militaristic solutions to the symptoms of the various crises of wartorn Africa,[5] but it changes direction from that criticism. It tries simultaneously to do two things. It tries to *restrict* the notion of 'economics' to its proper niche – 'economics' should remain in the 'market' from which it emerged to colonise all the other disciplines; and at the same time it tries to substantiate a claim that there are indeed *material* roots to the conflicts tearing Africa and in that sense they are 'economic,' but the phrase 'political economy' captures the multitudinous aspects of these struggles much better than does the narrowness of 'economics.' Economics speaks of the solitary sovereign of the individual: political economy speaks to the complex and historically contextualised interactions of groups, classes, and institutions linking individuals to social processes ranging from the 'local' to the 'global.'

The purpose of using Le Carré's above words is to draw attention to the roots of the way in which the discipline of 'economics' has become dominant in the social sciences. Economics 'rules' the social sciences to the extent that it has become legitimate to discuss all social endeavour solely in terms of the economics of self-interest. Le Carré's words suggest that in the face of the globally dominant corporations the concept of the nation-state has become meaningless. Thus it is whistling in the wind to discuss 'ethics' other than in global capital's terms. Any other institution is written off as an arena of 'rent-seeking,' corruption and parasitism: the IBMs, Shells, Coca-Colas and Nikes of the world are the only ethical entities left. The pursuit of profit – preferably by 'self-interested' large businesses – is the only remaining avenue of moral gain. Thus 'ethics' is inevitably coupled with 'business.' 'Politics' is left to the domain of 'good governance'.

In spite – or perhaps because – of this uncomfortable reality the language of business portrays the activity of pursuing profit as natural, harmonious and indeed peaceful. It was not, however, the case throughout its history, particularly during its birth. Nor is it the case in most of the world. It may be so in advanced capitalist societies. There are two ways this discourse can deal with the blindness and silence of the relationship between capitalism's birth and violence. One can portray all wars as 'irrational,' sullied by the pursuit of the intangible notion of 'power,' or the activities of 'primitive' civilisations. Although this notion does not fit too comfortably with the 'realist' school in international relations, because according to it states are supposed to go to war to protect or increase their 'national interests' – presumably placing 'economic' ones high on the hierarchy – the business discourse has become one in which most state actions are irrational.

A contradictory part of this discourse is, however, that war is even more irrational if pursued by 'sub-state' actors. This leads to the other way Le Carré's characterisation of corporate-speak perceives war. It is seemingly opposite to the above view, but in reality not that different. It sees *all* wars as 'economic,' but not all wars as legitimate. The legitimate wars – those protecting or advancing a state's interests as long as they are shared by capital – are ignored. Therefore the American war against Iraq was not seen to be protecting oil supplies, but as defending the notion of sovereignty and human rights.

The remaining wars challenge the *status quo:* they are the ones run by the small warlords' pursuit of loot in areas where it is easily portable. The battles chasing nascent states' loot make up the 'illegitimate' business of war, posed in opposition to the commerce bringing men and women together at a well-structured place (called 'the market') to reach a fair price on the mutually beneficial exchange of the products of their ingenuity, their labour and the allotment of nature to which they have managed to gain access. This unlawful use of violence is trade by war. It is the means to which suspect characters who cannot gain access to 'free markets' or the state, resort to satiate their unconscionable and very greedy desires. As World Bank conflict 'expert' Paul Collier puts it, they will utilise the language of 'justice' – or as he puts it, 'grievance'[6] – to rationalize their actions.

These 'warlords' may look strikingly similar to many of the buccaneers and brigands who helped start capitalism in its homelands, but those aspects of capital's history are removed as it maintains its current aura of respectability. This may be why the global corporate image of 'humanitarian self-restraint' referred to so sarcastically by le Carré is so easily horrified by the ugly reality of war. If they have not forgotten the relationship completely, the public relations experts of the world's transnational corporations would blanch at the possibility of linking the concepts of 'war' and 'economy' in their society. Thus they link it to the 'other' in the borderlands of their empire.

Again, there are two ways of dealing with this geographical displacement. Firstly, one can put war in the realm of the irrational once more. It can be placed at the centre of a revival of the old-fashioned representations of the 'native:' the primitive savages in the heart of darkness are seen to be the only sources of violence in an otherwise peaceful world. The second way is more complex, however. Paul Collier claims that all wars in Africa and the rest of the developing world are about economics. This semantic twist may perform a larger task than it at first appears. If this linguistic turn creates a chain of equivalences that looks like 'war = economics (*greed*) = developing world politics (*grievance*)' then its reversal creates a new world in which 'economics' is erased, but is even more dominant than before. Le Carré has realised that the new ethos of globalisation asserts that business is not the 'self-interest' of economics but the pinnacle of ethical behaviour. If one follows this reasoning, and turns the 'war and economics' echo chamber upside down, one gets something looking like this: 'peace = (business) ethics = western civilisation'. If we can be persuaded that the pursuit of profit is the eternalised ethic of natural law rather than the lowly pursuit of 'economic self-interest' then the language of the market has become truly hegemonic. Interestingly enough, politics disappears too. It hardly bears noting that in this circumstantial chain of logic, 'political economy' does not stand a chance.

The silent hegemony – hegemony meaning a process by which a discourse legitimating a social group and its activities are seen as 'natural' and irreversible[7] – of this language has entered the activity of war. Clausewitz's clever line that war is but politics by another means has been extended to the latest cynical tautology that war is but 'economics' by other methods. Politics has vanished. Economics has reappeared to be coupled with war, yet has departed from the world of peace. The new discourse on war – grabbed on to by left and right analysts – has been taken over by the philology of corporate-speak. Collier has become the most prolific of the proselytisers of this view: for him, those who take up arms in the pursuit of something as abstract as justice or democracy are but charlatans after resources, better to be compared to a mafia don than George Washington.[8] Recent wars in Africa may seem to confirm his view, but his focus on the micro-economies of wars prevents him from seeing the happy connivance of the corporations to which le Carré refers in such activities, not to mention the long historical processes by which oppositional movements – and even the states with which they are in combat – are turned into social and political forces more akin to warlords than agencies of

transformation or, more minimally, decent governance.
On another side of the discursive fence, the humanitarians focussing on 'blood diamonds' may also fall prey to that of which le Carré speaks. Focussing on the miniscule percentage of diamonds scratched out of the earth by small miners who then sell to the closest warlord,[9] and hoping that a global social movement in concert with the United Nations can somehow work with an 'ethical' diamond marketing cartel to stop this trade, they ignore the huge commodity-based corporations digging out other minerals or felling forests who work with the same warlords or authoritarian states. Why is a mining executive with cheque-books in hand who chased Laurent-Désiré Kabila as he marched westward to Kinshasa in 1996 and 1997 a better example of moral rectitude than the Jonas Savimbi who switched allegience from the 'right' side of the Cold War to the diamond market? Why is there not a call for all raw commodity extracting corporations involved in the exploitation of the resources under the ground of the Democratic Republic of the Congo to stop all transactions with any party to that conflict until it is resolved, and until they promise to pay adequate prices for the resources they take and taxes to the governing body which follows in the ruins of Kabila's legacy?[10] (For those who argue that sanctions hurt the poor, one would reply that if the corporations were the true moral force they pretend to be they could pay the World Food Programme and the United Nations High Commission for Refugees the necessary funds to take up the humanitarian slack.) Why is there not recognition that the first 'warlord' to lay to ruin the area which then became the Congo Free State in the pursuit of ivory and rubber was King Leopold?[11] If indeed nearly ten million people died in the realisation of Leopold's lofty aims something very close to genocide was committed. The contemporary discourse of the 'war economy' comes close to forgetting that.

Academic political economists of war, somewhat to the left of Collier, seem not to be so näive, but are so caught up on the nexus of the relationship between the policies of structural adjustment and a public choice theory of politics,[12] a fascination with contemporary – post-Cold War – manifestations of globalisation,[13] or the surprising discovery that 'humanitarian' aid can be used by state-based or insurgent 'war-lords' to further their cause,[14] that those trees get in the way of the forest. Of course, there is always a problem when one tries to get a view of the forest: one generalises too much. To assert that Clausewitz got it wrong by privileging 'politics' and separating it off from 'economics,' and that this has led to his mirror-image modern day disciples simply reversing the priorities to 'economics' so they both miss the interpenetration of these concepts – i.e. to argue that they all should have used the phrase 'political economy' – could be seen as advocating metaphysics instead of empirical investigation.

There are two reasons, however, for maintaining a preference for the concept of political economy. Firstly, it reminds us that power and wealth are inseparable: the pursuit of one is intractably tied up with the chase of the other. The 'state' and the 'market' are not completely separate institutions. They are linked by the fact that classes and other social groups struggle for ascendence and survival within the ambit of these arenas of activity. Depending on the social context of these struggles, the 'state' or the 'market' will be the dominant institution for the ruling class, or a group of people trying hard to propel themselves towards that status. Given that the condition of 'war' expresses a social context gone awry, both the 'state' and the 'market' are bound to be in flux. During war the role of force in all social interactions is predominant, so both 'politics' and 'economics' are in flux and even more inter-related than ever: if an army has the support of a strong state, its 'economics' are covered from the national treasury; but if not (if it is a 'rebel' army or consists of soldiers ostensibly fighting for a state but the state cannot pay) it must use the resource it has – force – to maintain subsistence and gain surplus. Politics is an arena a activity dominated by force, so the economics of war becomes political. However, if we remember that the forcible ejection of people from their means of subsistence not reliant on wages is at the roots of 'economics', then one can see 'economics as usual' in a different light. If we dispense with the idea of a 'free' market, then the surprise is taken out of the fact that war is about 'economics' just as much as 'politics.'

Even when one delves into the delicate issue of the pursuit of selfless 'justice' or 'humanitarianism,' material and institutional resources are needed and thus 'economics' comes into the picture: the funds for the United Nations High Commission for Refugees do not come out of thin air; and once the institutionalised means are established for pursuing the just ends of protecting innocent people from war (be they international refugees or 'internally displaced persons' who do not leave their countries but are fleeing wars nonetheless), workers have to be given the means of subsistence for their labour and local producers have to be employed to make shelter and the means of subsistence for the refugees. Foreign currency and higher than local wages thus arrive, and with them inflation and new classes of waged employees and artisans. 'Humanitarian' aid also becomes a source of pillage for the aspiring rulers commonly called 'warlords.' The economics of war is not just about the pursuit of profits by warlords or the plundering of one state's resources by another's armies, but about the way in which the 'international community' (a euphamism for rich states with the power to impose order – or alms – on the weaker states in the world) spends its tax revenue on international relief. 'Economics' is the gathering and spending of resources by public institutions as well as by the 'private sector,' which often 'straddles' this new public source of revenue and resources just as colonial civil servants and 'chiefs' did ftlinein the past.[15]

Secondly, both more and less abstractly, based as it is in the classical works of the scholars who examined the rise of capitalism in Europe and its settler-dominated offshoots, the study of political economy demands that one examine the development of capitalism in the places in the world wherein it is not firmly entrenched. If one concentrates more on the works of James Steuart and Karl Marx than Adam Smith – and indeed, if one reads between Smith's lines – one will not be surprised to see that an incredible amount of violence accompanies the birth of capitalism. It fortuitous, but perhaps fortunate, that Marx's translation of Smith's 'original' or 'previous' accumulation' became the more brutal sounding 'primitive accumulation.'[16] Primitive accumulation does not appear on the surface to be 'rational,' 'modern,' 'civilised,' or any of the other words that are so often used to describe the ethical world of corporate capital with which le Carré is so peeved. A political economist familiar at all with the emergence of the 'free market' would not be surprised to see 'economics' playing a key part in today's wars in 'emerging' (or 'developing') economies.

If the Clausewitzian doctrine that war is politics by another means has now been turned into 'war is economics by another means' this simply means that politics and economics are intextricably intertwined, especially when wars are raging and even more especially when those wars are part of the process by which states and capitalist markets 'emerge.' 'States' and 'markets' and 'war' cannot be pulled apart easily because they are all concerned with the conflict of class and other social forces over the accumulation of wealth and (if the process goes right, 'capital'). In war-torn Africa during the post-Cold War era we are witnessing the resurgence of a process of state and class formation in the context of primitive accumulation. This war process was diverted and distorted by colonialism and the Cold War. Now it has reemerged in full swing. Policy makers and civil society actors who try to create 'peace' in such turbulent times are bucking the weight of history. Idealism about either 'economics' (or its supposed absence in the zones of safety) or 'politics' will not help in such quests.

Certainly, the writers of the latest and most innovative political and economic history of the way in which our world has developed into an 'empire' headed by the United States have no doubt that the emergence of states and markets – accompanied by a heavy dose of violence – have gone hand in hand. Hardt and Negri's *Empire*[17] leaves no doubt that primitive accumulation and nation-state formation marched together throughout their bloody history. The sovereignty of national 'peoples' under the aegis of states progressed right along with their emergence into a 'community' of people whose labour has been fully subsumed into the dialectic of capital and commodity. 'Democracy,' too, accompanied this double process. One of the problems with *Empire*, though, is that it does not deal adequately with the 'third world,' or more particularly, Africa.[18] It asserts that primitive accumulation and nation-state formation (and democratisation, although it does not theorise that process extensively) are the route to modernity and capitalism. These processes must be accomplished and then transcended in order to enter the next 'stage' of history; the (global) informational mode of production. Hardt and Negri do not explain convincingly whether or not Africa has gone through these stages, but they do imply that nation-state building, if not primitive accumulation, is not on the cards these days. They suggest military or humanitarian intervention as two not unrelated ways out for the non-capitalist third world, both managed by the captains of our contemporary American centred 'empire.' American hesitation to intervene in the Congo militarily and the rather sparse efforts of the 'humanitarian international' suggests this intervention may be less 'political' than Hardt and Negri assert. Thus one may be forced to examine the roles of the more silent agents of international transformation: the conveyors of capitalism via le Carré's 'ethical' global businesses may be the people to examine.

This paper takes as its underlying assumption that post-Cold War Africa is entering a phase of primitive accumulation, nation-state formation, and democratisation that will be just as violent as these processes were in the rest of the world, and that Africa's subordinate position in the global political economy is likely to make that triple process very difficult indeed. Mercantile capitalist contact (most infamously, the slave trade) and colonialism distorted whatever 'natural' or 'spontaneous' types – these terms do not imply 'violence-free' – of nation-state formaton and primitive accumulation were evolving in Africa. Furthermore, colonialism stalled capitalist development by thwarting the development of a strong local bourgeoisie and balking at '[superintending] the mass dislocation and conflict that would ... [result] from a rapid programme of converting land and labour into commodities'.[19] It created bifurcated régimes of local despotisms contrasted with a faint semblence of urban civil societies instead.[20] The governing class which took over the colonial state at the moment of decolonisation may not have been inherently more interested in importing, exporting and rent-seeking than fostering a 'developmental state,' but inheriting an already weak (albeit authoritarian) state structure in a conjuncture dripping with the intrigues of the Cold War encouraged Mobutu-like politicians to thrive the continent over. As William Reno has put it, the 'shadow-state'[21] emerged because state actors could play the super-powers and other aid donors off against each other rather than cementing capitalist developmental links with civil society. The latter had to negotiate clandestinely to maintain state avenues of accumulation: rent-seeking and trade related accumulation were the results, not those conducive to the rise of a productive industrial bourgeoisie and a strong working class to push for a redistribute *modus vivendi*. The expansive aspects of this class, state and international compromise began to contract with lower commodity prices, the debt crisis, the structural adjustment régime and the end of the cold war. As the state became weaker its shadows grew longer – but thinner and more dispersed. Contending élites became marginalised and susceptible to the tempation of accumulation through war. The view from outside – in the international system – began to appear as

> a state of affairs which much more closely resembles the relationship between the western world and the disparate statelets and societies of tropical Africa in the years preceding their formal incorporation into the global system with the advent of colonialism.[22]

Simultaneously, the mode of war-making changed. From the fifties through to the seventies anti-colonial and 'liberation' wars combined marxist oriented cum nationalist ideologies with funding from both sides of the Cold War (China added another dimension with, Zimbabwe's ZANU and Angola's UNITA being beneficiaries). Perhaps the Ugandan National Resistance Movement and its *mchaka-mchaka* ideology maintained a Nyerereist momentum through to the mid-eighties, but by then challengers to incumbant régimes took on more of a Charles Taylor or Renamo veneer than that of the Algerian National Liberation Front or the South African National Congress. State resistance movements may have started in a mode of 'grievance' but more often than not debenerated into what Heike Behrend has called a 'war mode of production.'[23] Paul Richard's documentation of the evolution of Sierra Leone's Revolutionary United Front, which had its roots in youthful discontent but turned into the well-documented terror led by Foday Sankoh (and assisted – still – by then Liberian warlord and now president Charles Taylor) may be the quintessential example of this transformation.[24] One would hope that Sierra Leone is not Africa's future foretold, but its combination of grievance and greed in a context of the diamond trade, regional and international intervention, urban/rural divides structured by a long history of class and 'race,'[25] limited impositions of 'democracy,' and drug addled child soldiers has parallels across the continent. It is notable, too, that transformations in rural property relations that might in another frame of reference be called 'modernisation' (i.e. commodification) are related to this war. The 'tribal' conflict in the Ituri province of the DRC has similar origins.

To conclude this section, it must be reiterated that focussing on a narrow view of 'economics' does not advance the cause of understanding contemporary African conflict. There is no denying one must take the public utterances of the war leaders with a grain of salt – but one must apply the same caution to words of any public figure or global entrepreneur. Scholars and policy-makers would be better advised to take an historical materialist approach which combines economic history and historical sociology with modern political economy. Such a focus would discover that Africa is facing a triple crisis of primitive accumulation, nation-state formation and democratisation.

2.2 The Global, Regional and Local Dynamics of the DR Congo War's Political Economy

If there is one positive side to Paul Collier's perspective on war economies, it is that it appears to attribute agency to local actors (although one could contradict that complement by suggesting an element of geographical and resource determinism to his account: a one-to-one relationship between the amount of easily portable minerals in the ground and civil war does not really add up to great deal of agency for those fortunate or unfortunate enough to reside on top of them). It places the immediate parties to the war in charge of their own destinies, refusing to privilege the manipulations of imperialist states and corporations. This individualist perspective fits in well with what was first a negative reaction to dependency theory and then a rejection of marxism in the broad field of African and development studies. [26] However, reversing the stream of analysis from global determinism to local agency to the neglect of the former cannot be considered good analysis: surely the reciprocal relationship of the two levels – and including a 'regional' focus – should be the object of study. It is better to follow the guidance of MacGaffey and Bazenguissa-Ganga, who found in their analysis of Congolese traders in the 'second economy' negotiating the well-trod European-African ties that they relied heavily on personal ties based on kinship, ethnicity, nationality, and friendship from workplace and locality. Such ties are mobilised at all stages of trade. They may be used in assembling venture capital and for credit, in obtaining goods in foreign countries and transporting them home and, finally, in the process of finding consumers and selling the goods.[27]

This approach blends the 'local' with the 'global' in ways that connect anthropology with global political economy. Yet one must start somewhere. It would seem that the 'beginning' of such relationships is with European expansion. Thus this paper starts with an emphasis on the global causes and effects of the Congo war. Given King Leopold's role in the country's history it would be an insult not to do so. That the political and socio-economic relations of 'personal ties based on ... friendship' in recent times extended to the fact that Mobutu Sesé-Seko spent more than a dozen visits in the United States as a personal guest of once CIA chief and then president George Bush Sr.[28] simply makes it realistic.

2.3 The Global Effect: Structure and Agency at the Centre of Empire

The 'greed' school of interpreting Africa's wars focusses on the 'honey-pot' effect of mineral resources to the bee-like instincts of African warlords.[29] Why not suggest that the same honey-pot attracts the corporations of which John le Carré spoke about?[30] Readers need not be reminded that the uranium used by the Americans to bomb Hiroshima came from the Congo – Shinkolobwe mine in Katanga to be exact – but the fact that the Americans took it from the Belgians in lieu of debts incurred in World War II adds a new 'economic' dimension to that reality. Similary, it is a commonplace that Belgian and American mining interests supported the Katanga secession that contributed to the downfall of the Patrice Lumumba régime in 1960.[31] Contemporary relationships between the local and the global extend to space. One of the biggest hopes when Kabila marched from the borders of Rwanda to Kinshasa was a US $ 60 billion contract to construct the orbital platform around the earth. Entirely instrumentalised by American Mineral Fields (AMF) in December 1996, the orbital platform will replace the Russian MIR station. Sixty countries, with many more enterprises and industries, participated in the bid and the project is expected to be completed at the end of 2004 with the launching of the last module. The special alloys entering in the composition of numerous pieces of this spatial contraption require enormous quantities of rare and precious metal, such as cobalt, niobium, tungsten and gold, all present under the Congolese soil.

This indicates only a small slice of the mineral pie in the DRC – a pie that was being sold off as Mobutu began privatising in his last years of rule in accordance with conditionalities for liberalisation and democractisation imposed by the victors of the Cold War, thus beginning a new scramble for the core of the empire by the remaining competitors (notably French and American). In the post-Cold War era the new scramble takes place in a profoundly different context than that of most of the last century. It is worth spending some time analysing the more 'structural' aspects of the global political economy of minerals which will constrain any moves towards a peace beneficial to whatever local states gain from it. There are two dynamics underlying these changes. The first is easily recognisable to any social scientist studying the periphery of the world system, which involves the repayment and servicing of national debts by the developing world. The inability of developing countries to service their debts, have been exacerbated by the fall of the prices in raw materials and governmental corruption. To respect repayment schedules, the international financial institutions (IFIs) compel these countries to apply three unpopular decisions. They are: a) to reduce government expenditure drastically in the social sectors, including education and health care; b) to privatise state enterprises; and c) to devalue the currency.

The second dynamic, which is part of the first, involves the changing of strategy and tactics for both mining corporations and the states of the developing 'South'. It concerns the huge transformations in the global mineral industries in recent years, where there has been a significant increase in the privatisation of state owned mining enterprises that have been of immense benefit to the multinational corporations. Whereas the 1970s was characterised by the nationalisation of industrial sectors, especially those linked with the exploitation of natural resources, as part of the development strategies of a large number of African countries, present dynamics reveal an inverse movement towards the privatisation of the mining sector. In 1993, 18,5 per cent the of global mining production (except oil) was in state enterprises's hands. By 1994, this percentage declined to 16 per cent and it was foreseen that it would not be over 14 per cent at the end of 1996. The privatisation of mines were most important in the developed countries: from June 1995 to May 1996, US $ 2,2 billion were spent for the acquisition of state owned mines in African countries.

The gradual (and minimal) shift in the ideology of the IFIs towards the state may well reflect this reaction to too quick privatisation, but at the time of Kabila's move into Kinshasa, Zairean privatisation was the order of the day. The structure of the global gold mining industry was indicative of the new power that multinational mineral corporations had at their disposal. Prominent mining companies have argued about concessions of gold in the Oriental province of the DRC for a long time. Thus this province was always a strategic domain in all wars of conquests of the Congo. The monopoly by the public power of the office of gold of Kilomoto (OKIMO) on a surface of 82 000 km^2, with reserves valued to 100 tons, never stopped annoying the big transnational mining corporations, especially because their management left much to be desired. In August 1996 under the Mobutu regime, the OKIMO had already given up the monopoly to the Barrick Gold Corporation (BGC), which has George Bush and former Canadian Prime Minister Brian Mulroney on its board of directors.

When Kabila reneged on the progress the mineral corporations were making on privatisation in the Congo, they must have been perturbed. Many Congolese observers suggest that the fact that he reneged on the many contracts for concessons made while he was making his way to Kinshasa was enough for their host states to give the green light to Uganda and Rwanda to turn against him. Perhaps they thought that Angola, which had supported him in 1996 and 1997 might follow them.

In that context, oil, too, must be taken into account, which brings Angola into the picture on another score. It will soon be producing more oil than Nigeria, which will make Africa as a whole rank above the Middle East as the US's largest provider. France's oil interests, centred in Congo-Brazzaville, and the US's with the MPLA, mean that the place at the pivot (Bas Congo) is of crucial importance, so the fate of Angola's civil war is important to both sides (the US and France). However, given that Angola supported the post-1997 regime in Kinshasa, the US must have mixed opinions on the preservation of a Kinshasa axis. Angola also had total control over the distribution of oil products in the DRC. Dick Cheney, the new US vice-president recently led Halliburton Company, a giant oil services provider with many interests in Angola, while Condoleezza Rice, the national security advisor, was on Chevron's board of directors.[32]

Such 'structural' factors soon move into the area of 'agency' and the confusing foreign policy language which tries to combine 'idealism' with 'realism.' Given the US interests in central Africa, is it any wonder that when Susan Rice, then US Assistant Secretary for African Affairs, addressed the Bram Fischer Memorial Lecture at Oxford University (while trying very hard to ignore that Fischer had been a stalwart of the South African Communst Party), had this to say about the war in the DRC:

> Congo is resource rich, possessing substantial shares of the world's supply of hydro-electrical power, uranium, cobalt, gold, diamonds and copper. It also is an oil-producing nation. A fragmented, economically feeble Congo is an enormous security risk. It and other conflict zones threaten to become

> fertile ground for pariah states as well as hideaways and launching pads for international terrorists, arms smugglers and drug dealers.[33]

There are few better indications about how US foreign policy discourse on Africa combines economic interests with fear, and wraps them up in a package including 'security' and 'development' (through 'the market,' of course). However, given the many discussions in the DRC regions that border Rwanda and Uganda which suggest that the US supported – or even instigated – the Rwandan and Ugandan invasions after Kabila began cancelling the contracts signed with some of the the world's largest mining interests, one wonders which states were 'pariahs' for Ms. Rice. If indeed the Rwandan Patriotic Army (RPA) which accompanied and led Laurent Désiré Kabila into Kinshasa is responsible for the genocide of nearly 232 000 Rwandan Hutu refugees on the way[34] (not including up to 8,150 in Kibeho and Kanama[35]) then it is a 'pariah' state of comparable rank to its predecessor. It executed a quarter to a half the number that the *Interahamwe* slaughtered after Habyarimana's jet was shot out of the sky on April 6 1994, and very few voices have uttered the word 'genocide' about the massacres in the Congo. To the dismay of older Republican *realpolitickers* of the 'coddle-the-Mobutus' school, the former assistant secretary of state was known for her support of the 'new generation' of Museveni-style politicians who were allowed to lapse on the democracy front as long as they implemented structural adjustment and broadly speaking 'good governance' policies and perhaps US-styled foreign policy.

The US may well have gone 'all the way with the RPA' both in 1996 and 1998 or else the RPA went the distance with the USA[36] in order to first gain, and then maintain, the rights to minerals – primarily for space stations and such esoteric devices. The Wall Street glea was hard to contain as Kabila moved across Zaire, even though Mobutu had been handing out joint venture deals with the state mining corporation Gecamines since 1995, in line with the privatisation imperative referred to above.[37] However, when in July 1998 Banro's gold concessions were confiscated by the Kabila régime (perhaps to finance the upcoming war) the proverbial excrement hit the fan. By the next month, Banro took the DR Congo to the International Centre for the Settlement of Investment Disputes in Washington, demanding US $ 1 billion.[38]

The words of a veteran Congo-watcher illustrate the feelings of the corporations expecting to finally get control of the Congo's resources and the legal and extra-legal aspects of this struggle for resources:

> The trial in a military tribunal of two lawyers representing Banro resources of Toronto, Ontario, for high treason and of depriving the (Kabila) government of funds when they helped the mining company (Banro) to seize a shipment of tin, reflects the degeneration of the mining business in the DRC into a buccaneer industry run in the main by a tightly controlled business network operated directly from the seat of power at President Kabila's desk.[39]

This fact has been underscored by recent revelations that the Congolese and Zimbabwean armies have gone into business with ministers and senior army officers, and perhaps even national presidents. When he first took power as self-proclaimed president of the 'New Congo', Kabila set up a bank in downtown Kinshasa in October 1997, named the Banque du Commerce et de Développment (BDCI) on 30 juin boulevard. His ministers and dignitaries in neighboring countries all had a major financial interest in the bank. Then he wired together the Banque with his own personal company, Compagnie Mixte d'Import-Export (COMIEX). He then ordered foreign businesses doing business in the Congo to deposit their money in this bank. Kabila thereafter issued a decree that set up a government monopoly for purchasing diamonds and gold in Kinshasa. The presidential decree ordered all private exchanges to cease operations and informed them they could buy only through a new department, called the Department for Purchasing Precious Mineral Substances (SASMIP). Then Kabila issued another decree that said dollars were outlawed, and all deals must be transacted in congolese francs, a currency set at 4.5 francs to the dollar but being traded anywhere, at that time, between 10 and 16 francs per dollar in the parallel market. As part of this overall intrigue, Kabila and his justice minister, Mwenze Kongolo, replaced the civilian justice system in the Congo with a tightly controlled military tribunal, where military justice was the 'rule of law'.

Congolese observers suggest that Kabila's big mistake when he anulled the deals he had made with the mining corporations was to forget that the Cold War had ended. Mobutu was able to 'Africanise' the whole Congolese economy and parcel it out to his friends and temporary allies because the US needed him to keep 'communism' away from their mines. But even he had to begin to privatise and go into joint ventures after the end of the Cold War. Kabila thought he could go back to Mobutu's policies of 'Zairesation' with impunity, even after the corporations had been tasting success with the reforms at the end of Mobutu's reign and after they had pacted with him (Kabila) as he supervised the massacre of the Hutu refugees. However, in the new era – in which historical and ideological differences on how to manage wealth and create a bourgeoisie have ended, as Francis Fukuyama, the prophet of the new age of super-profit, has put it – they did not think they needed Kabila badly enough to let him assume the combined mantle of Lumumbaist nationalism and Mobutist kleptomania. Having made amends with the Angolan ruling Popular Movement for the Liberation of Angola (MPLA) government, perhaps they thought they did not need him to settle accounts with UNITA. Moreover, they had a proxy in the east with which they could do business, and it had never hesitated to use the gun-power that the US will – after the Somalia debacle – never use in Africa again.

Observers of Rwanda before and after 1994 use Israel as a metaphor to help understand the dyanamics of the Great Lakes region and the US's role there. An embattled régime representing a wronged people and surrounded by enemies makes the perfect foil for the interests of the US and the corporations that help fly its flag[40]. The US can pretend guilt about their inaction during the Rwandan genocide, so as to allow the new Kigali régime a free hand. Tutsi settlers can move into the northeast of Congo just as Jewish settlers can take over more disputed land on Israel's borders. The 'Hutus' and the 'Arabs' can be vilified now just as in the nineteenth century. The ascetic figure of Rwandan President, Paul Kagame, and the friendly face of Ugandan President, Yoweri Museveni, make stark contrasts with the surly visage of Laurent Kabila, just as the European-like Israelis are contrasted with the figures of Yasser Arafat and Muammar Gaddafi. All the 'Hutu' people can be tarred for the benefit of the public with the brush of the *interahamwe* and *genocidaire*, and even the brother-in-law of the former US press secretary can write emotive books about the events of the last decade, replete with avenging hero[41]. Given the US public's lack of knowledge of Africa – and an element of anti-Semitism still remaining in the west – such an act is even easier to pull off than in the Middle East. There are no Edward Saids or Noam Chomskys speaking for the Hutus in the Great Lakes. It is in such ways that essentially 'economic' interests can be covered with the paint-strokes of 'justice,' as is the wont of all hegemonic powers.

To be sure, such actions cannot rest on regional proxies alone. Multilateralism must be invoked too (as in the case of the Gulf War). Thus it is interesting to note that a retired Canadian diplomat and current director of many mining corporations intervened in the debate on the Congo crisis not too long after Banro was expropriated. Canada is often perceived as a disinterested party in affairs to do with the 'developing world,'[42] so it is interesting that this author suggested that a Canadian would be due for the Nobel Peace Prize if he or she managed to convince the UN to take a more active peacekeeping (or peacemaking) role in Africa's heart. It would be, Robert Stewart claimed, in Canada's material interests to take such a role.

> Congo is the world's largest producer of diamonds, cobalt and tropical hardwood, and a major producer of gold, tin, copper, coffee and tea. Canadian companies have lost more than $18-billion in exports, imports, construction, investment and trade in Congo. Forty-three Canadian companies – including Banro Resource Corp. of Toronto, Barrick Gold Corp. of Toronto, Tenke Mining Corp. of Vancouver, International Panorama Resource Corp. of Vancouver and First Quantum Minerals Ltd. of Vancouver – have lost more than $15-billion in mining claims in the past year.[43]

Perhaps, though, American interests do not demand active peacekeeping, preferring to let a *laisser-guerre*[44] strategy to carve up the historically indigestible Congo – the world's ninth largest country – into bite-size chunks. After all, if such a large country were to remain intact, there would be nothing to guarantee restraint from nationalisation once again – or even a modicum of redistributive taxation. It should not be forgotten that in 1960 the Union Miniére,[45] along with Northern Rhodesian interests, participated enthusiastically in the Katanga secession that propelled Lumumba's Congo to its fate. Then, however, the US preferred an intact Congo so as to prevent sections of it turning to variations of 'communism'. Now there is little fear of that, and an African régime makes a better partner than one in the midst of African nationalist struggles.

Issues of the relationships among various mining companies, rebels (be they still fighting or turned

into dictators), superpower governments and the UN are, of course, matters of 'agency' and subjectivity. It is never wise to construct conspiracy theories, because events change so quickly that strategies and alliances are unstable. Investment priorities in the Congo suggested that corporations aside from Banro were creating joint ventures in the areas in which the Laurent Kabila regime had control, and with rebels were they had control. Given that there was a relative stalemate in the DRC war since the Lusaka Agreement was signed, it could be said that having carved up the Congo, the dominant powers of the world were brokering for a peace that has the Congo the way they wanted it in 1960. Some of the same mining companies chafing at Kabila's about-farce in 1997 created joint ventures with Gecamines, the DRC mining parastal (subsequently 'managed' by the Zimbabweans[46] but produced very little in the way of profit).
For example, American Mineral Fields (AMF – 11 per cent owned by Union Miniére), with Anglo-American, has recently signed a 60/40 deal with Gecamines to extract cobalt talings from Musonoi River.[47] Once incensed with Kabila for ignoring its support during the 'first rebellion' and then signing a deal with De Beers, it became more 'pragmatic,' perhaps because it sensed a political *rapprochement* in the air. It also had a 50/50 deal with ISCOR owned ZINCOR, and Gecamines, to rehabilitate the zinc and copper mine near Lubumbashi. If it simultaneously supported the Rally for Congolese Democracy (RCD),[48] it was playing with both sides in the hopes that the peace will be one that divides the country along the lines of August 1998. When analysing relations between corporations and parties on either side of a war, one should never forget that in World War II, the Ford Motor Company was building engines for the German Fokker planes used by the 'enemy's' air force.

In September 2000, a joint venture between the American OM Group and the Belgian Groupe George Forrest International (which has taken over the management of Gecamines from Zimbabwe's disgraced Billy Rautenbach[49]) invested US $110 million in a tailings processing plant near Lubumbashi (which included the world's second largest electrode oven). Such deals suggested that global mining corporations at least saw the Lubumbashi area as safe for dealing with the Kabila régime. Perhaps the 'legitimate businesses' Ed Marek was referring to in his discussion of Kinshasa business practices are being wooed back to the bargaining tables that separate 'the market' and 'the state' by a metre.

Less fortuitous for Belgian business was the news that the US $10-14 million worth of diamonds in August 2000 that were sold by the state-owned La Miniére de Bakwanga (MIBA) to a Belgian businessman based in Anvers, would be the last heading his way. The monopoly on the valuation and purchase of diamonds was given to the Israeli based IDI Diamonds.[50] Rumour had it that the Israelis was to train anti-smuggling forces in return for the deal.[51] More rumours claim that the Lebanese merchants who had been trading diamonds were angered enough to commission the assassination of a president.

It is safe to say that international business is opportunistic. In the absence of definitive intervention from home states they may or may not support 'illegitimate' governments, warlords and 'genuine' rebels – and maybe all three, much as those who finance political parties in advanced capitalist democracies make donations to whoever has a chance – but will look for indications of stability before investing significant amounts of capital. That is why they hire 'risk analysists' and lobby foreign affairs departments and diplomats. However, in moments of chaos and confusion, such as the time Kabila was leading the anti-Mobutu forces across the country, they will line up to take advantage of what could appear to be a windfall and may forsake the cautionary advice of people who are paid not to take risks. It is doubtful that they will *start* wars on their own.

If indeed the world's dominant *states* (and the regional ones) are interested in the risky business of starting wars it is in the moments of chaos – ie. from 1994 to 1996, then from mid-1998 until mid-1999, and in the immediate aftermath of Kabila Sr's assassination, that one must look to see the interests in *starting* or reviving a war. Since mid-1999 it seems that the conjuncture is one of 'creating peace,' albeit a carved up peace that Congolese with a sense of nation do not want. Now it is a matter of looking at the local and regional war economies to see the interests in keeping the war going – and the incentives needed to stop it. In that case, it is the local rather than the international warlord who must be analysed with a view (from above) of creating incentives to co-opt them.[52]

2.4 The Regional Political Economy of War in the Congo

> the logic of the war is not institutional, and the economic motivations which are the cause of this war have nothing to do with a building of regional or sub-regional peace … war in the DRC is a military venture and an economic crime[53]

> Both Presidents, Kagame and Museveni regard the eastern part of the country as a natural economic hinterland. However, their political aims differ … and the greed and envy these mineral deposits arouse … are a powerful factor – perhaps even more powerful than political rivalries – in the clashes between Rwandan and Ugandan troops.[54]

The intermediate level of the DRC war involved the participation of many other countries. Rwanda, Uganda, Angola, and Zimbabwe are the known ones. Burundi, Namibia, and the Sudan are less so. Chad supported Kabila for awhile, and Congo-Brazzaville, Zambia and South Africa were involved to varying degrees. Tanzania hosts refugees and is an avenue for legal and extra-legal trade. All these countries, in turn, interact with western powers, the transnational corporations and humanitarian agencies from above and the local rebels and/or warlords from one plane of 'below' (the other plane being, of course, the 'people'). To fully understand the political economy of any subset of these interactions would take a monograph in itself. At this level of analysis, however, the political economy of contending state interests (traditionally called 'national interests,' but given the slippery nature of national identities anywhere that term is too problematic for general use) is dominant, although the way in which subsets of interests mesh with those of statecraft must constitute its foundations. A US official once remarked that Washington did not have friends or enemies, but only interests. Such 'interests' are, of course, always justified as 'national,' but they may not advance the objective interests of the majority of that country's citizens one bit. If more than two million people have died as a consequence of this war in the DRC, what of their 'economies?'[55] This section of the paper will concentrate on the 'political economy' of the main regional actors in the war, namely Rwanda, Uganda, Angola and Zimbabwe[56].

2.5 Rwanda's intervention in the DRC

Rwanda's publically stated motivation for first backing, and then turning against Kabila was that of security[57]. The 1.25 million Hutu people who fled into Zaire after the genocide included some 20 000 to 25 000 former Rwandan Armed Forces (ex-FAR) and 30 000 to 40 000 *Interahamwe* and I*mpuzamugambi* militiamen who had been responsible for the holocaust.[58] Fewer than six per cent of the refugee population maintained a significant degree of control in the camps, made deals with Mobutu, raided Rwanda, and incited regional conflict between Banyamulenge ('Tutsis' who had settled in the Congo after the Rwandan independence), Banyarwanda ('Tutsi' and 'Hutu' Rwandans who arrived in the colonial era and including around 50 000 'Tutsi' refugees exiled from Rwanda after independence ushered in the first exclusivist 'Hutu' régime) and people who considered themselves more deeply rooted in the region. Much of the conflict among these groups is rooted in land rights and thus is 'economic' in that it concerns issues of primitive accumulation.

But the 'security' threat to Rwanda is about the fragility of the Rwandan state and the resources it allows to the new ruling class, that is 'economic' as well. Indeed, Rwanda has three 'economic' *raisons d'état* for involvement in the Congo war. First, as noted above, is the 'security' issue. It is the reason Rwanda can cite to the international community for its involvement in the DRC war. It claimed that Kabila was not able to secure its borders from the *interahamwe* raids, and it also blames the UN for not stopping the genocide and for abetting the insurgents in its refugee camps. If the UN and the DRC would secure the borders and undertake to track down and bring the *interahamwe* to justice, this reason could no longer be used to justify what most Congolese perceive as invasion.

Secondly, an issue which is often remarked upon in the Kivus by Congolese and some international humanitarians, is the fact that Rwanda is very crowded and very poor. To use the language of another holocaust, it could be said that the Rwandan state needs *liebensraum*. Its incumbants want to expand their territory so their people can move there. The Kivus are lush and prosperous. International humanitarian workers in Goma[59] observed in July 2000 that there were cattle in the streets, indicating that 'Tutsi' cattle owners were in the ascendence. This motivation, if true, goes a long way beyond 'security' but is certainly 'geo-economic' and if a strong driving force for the Rwandans, would be difficult for international actors to change.

The third incentive is the one referred to in the above quotation, the looting of mineral and other economic resources. Late in 2000 the RCD-Goma announced that it had also negotiated a million-dollar a month deal with Belgian and Libyan entities to market diamonds.[60] It is not only the easily mined and common minerals such as gold and diamonds which make North and South Kivus interesting to the Rwandans (and multinationals working with them, thus bringing in the global level again), however. They have precious minerals, exceptionally resistant to heat and cold and therefore of use in highly ductile and resistant alloys for leading-edge industries (electronics, aeronautics, nuclear medicine and the space station mentioned above), including niobium (Africa has fifteen per cent of the world's reserves, while the DRC has eighty per cent of those) and coltan (or tantalum, associated with colombium – Africa has eighty per cent of the world reserves, and the Congo has eighty per cent of those).[61] The RCD-Goma announcement revealed that it had joined with a Belgian company called Africom, a Rwandan corporation called Promeco, and a South African one called Cogecom to expolit coltan. The Rwandans acquired a monopoly on the mining and marketing of these minerals. The mines were protected by the RCD-Goma army. Colette Braeckman notes that 'various international companies, including the Maryland company, Kenrow International of Gaithersburg, have representatives in Kigali'. She asserts that the corporations paid for the first war.

> According to the Tanzania Daily Mail of 14 January 1999, Vice-President Kagame and Major James Kabare – who was acting chief of staff to Kabila before turning against him – have interests in a number of mining companies (Littlerock Mining Limited, Tenfields Holdings Ltd, Collier Ventures Ltd, Sapora Mining Ltd) and an import-export company, Intermarket. Since the outbreak of the first war in the Congo, which led to the overthrow of Mobutu, several mining companies have been named for funding military operations in exchange for lucrative contracts in the east of the DRC: the American Barrick Gold Corporation (whose shareholders include former President George Bush), the Australian Russell Resources headed by David Agmon, a former Brigadier General in the Israeli army, the Austrian company Krall, and the Canadian Banro American Resources. Some of these companies initially concluded agreements with Comiex, an import-export company that belonged to Kabila and enabled him to fund his rebel activities when he was still only a resistance leader. Another company, Sonex, was subsequently set up at Goma to market Kivu's mineral resources. Several Rwandan banks provided the starting capital, using the revolving fund formula under which funds are advanced against a promise of payment in raw materials. Thus, an initial advance of US $10m is said to have been the price for starting a rebellion that is now being paid for on the ground.[62]

The question is, when Kabila annuled the corporation's contracts did they move to direct support of – and perhaps direction to – Rwanda? Braeckman states that the US 'approved' of the Rwandan move 'to get rid of this troublesome fellow' in 1998, and were 'dismayed' when Angola, Namibia and Zimbabwe backed Kabila (Rwanda and Uganda were 'surprised,' she says).[63] If Kabila's moves towards a state-directed economy were as worrisome to the structural-adjustment friendly neighbours as they were to the architects of the new world order, perhaps they simply acted in natural harmony.

> When he set about rebuilding the state, reviewing mining contracts, raising taxes, establishing a strong national currency and banning the use of foreign exchange for day-to-day transactions, the new president was regarded as a traitor by his neighbours, who expected to continue to receive some return for their military commitment. Some of the president's actions were to make him an even more dubious proposition in the eyes of the West and his supporters: take his decisions to review the privileges originally granted to Rwandan and Ugandan businessmen; to conclude substantial contracts with Zimbabwe's defence industry; to hand over control of Gecamines to a Zimbabwean; to allow Malaysian forestry interests to compete with Ugandan businessmen (including President Museveni's half-brother); and, worse still, to involve the Chinese ferrous metal company in the mining of cobalt, and invite North Korea in 1999 to supply 350 military instructors in return for permission to mine uranium in Katanga.The prospect of seeing the wealth of the Congo exploited by states regarded as outcasts by the West, or frittered away in 'South-South' agreements with Zimbabwe, Namibia, Malaysia and even Cuba, confirmed the US's worst suspicions. It had backed the president in his bid for power, and now he appeared to be beyond its control.[64]

Aside from the 'big stakes' suggested by Braeckman, it appears that aside from easily portable minerals (diamonds) there still remains a huge need for investment in extraction equipment. Small countries are not able to moblilise the capital for this, so they are attendent upon the wishes of large corporations. In turn, the corporations depend on the countries for security (unless they hire their own, as in Angola; there seems no evidence yet of this practice in the Congo's war zones). An analyst closer to the scene thinks the Rwandans are not doing as well out of minerals as they had hoped, so they collect taxes from 'local producers and Lebanese intermediaries.' In RCD-Goma areas it costs US $1,300 to buy a 'license' to be an intermediary between peasant producers and the market, and US $3,000 for a 'deposit' on that license. Local traders cannot afford these fees, so those of Lebanese and Indian extraction take over the niche. Military planes take palm oil, purchased at very low rates, from Kisangani to Kigali.[65] A *New York Times* article portrays a soldier confiscating a diamond worth approximately US $20 from a miner after watching him spend hours finding it.[66] who knows if that diamond made its way to the state's coffers or stayed with the soldier until he sold it to one of the many dealers in Kisangani? South Korean diamond buyers in the area[67] are probably able to steer clear of any state, saving the 'taxes' they undoubtedly pay to soldiers whose allegiance to states may not be absolute.
At a lower level, Rwandan businessmen are said to be trading arms for minerals outside of Goma with *Mayi-Mayi* soldiers (who, let it be emphasised, although quite autonomous are allied with Kabila and opposed to the Rwandan backed RCD-Goma). This is definitely not in the interests of the Rwandan *state*, but the capital is going back to, or through, Rwanda and thus is in the interests of a fraction of Rwanda's merchant-capital class.

The fact that in late 2000 Rwanda forced the RCD-Goma to change its leader may mean that it is losing economic as well as political ground compared to mid-1999. As David Shearer noted: "just because a war may benefits some individuals within a régime and its proxies, it can do a lot of harm to the economy as a whole" [68]. In 1998 the Rwandan government has claimed it is spending only 4.3 per cent of its GDP on military spending, but the IMF contested that figure and others include the revenues of semi-public corporations and illegal diamond trading to make up eight per cent. The government has apparently re-allocated teachers' salaries to its defence bills and has asked for the Rwandan diaspora to send in money for the war effort. [69]

There are no purely 'economic' motivations to keep Rwanda in the war. Even if it took over the areas in which it now has a modicum of control, it would not have legitimacy, and it is an expensive business running a polity without its people's support. If international corporations could be constrained from trying to convince Rwanda that it is in its interests to keep at this war, if the security problem could be solved, *and* if the section of the Rwandan ruling class benefiting from the war could be refrained from influencing decision-making circles, some progress could be made. Why Rwandan 'Tutsi' leaders think they should trust a country and its businessmen that let more or less than 800 000 of them be executed is an open question, but they should be disabused of the notion that it is is economically rational to do so.

2.6 Uganda in the DRC

Uganda on the other hand seems to have more economic than security motives for involvement in the war. To be sure, the Allied Democratic Forces (ADF) rebels and the Sudanese connection allow the security discourse to be invoked, but the fact that the gold from the leader of the Congolese Liberation Movement (MLC), Jean-Pierre Bemba's fiefdom in Equateur raised Uganda's 'exports' of gold from US $12.4 million in 1994 to US $110 million in 1996, and became the country's second largest export in 1999 – 'despite a lack of any increase in domestic production'[70] – must have great importance for that country's economic situation.

With these extra resources it has been able to improve its balance of payments. Yet it has at the same time overshot the defence limit of 1.9 per cent of the GDP, imposed by the Enhanced Structural Adjustment Facility (ESAF).[71] To the best of this author's knowledge, however, Uganda has not been taken off the Heavily Indebted Poor Country relief package, although the programme was delayed for a year in 1996 because it did not privatise its central commercial bank.[72] There seems to be little evidence of international donor pressure to restrain Uganda from its invasion of the Congo. Nor does the increasingly visible predatory behaviour of its army seem to worry a president who prided himself on classical 'participatory' models of guerrilla warfare, and developed his political and ideological reputation the the social democratic milieu of Dar es Salaam and while doing 'fieldwork' in Frelimo's liberated zones as a political science student. Indeed, it appears that in the case of the RCD-ML, he is allying with corrupt generals who have worked to remove the more democratically inclined of the leadership and have in the process exacerbated tensions among groups of different ethnicity and land-tenure systems.

The result was that the Ugandans began sponsoring a united movement, the Congolese Liberation Front (CLF), led by Bemba and young warlords Mbusa Nyamwisi and Tibasima Mbogemu Atenyi in Ituri. The latter are said to have skimmed over US$12 million from their subjects, who came up under Wamba dia Wamba's tutelage only to overthrow him when their corruption was discovered. Ostensibly Wamba dia Wamba's sponsor, Museveni has not been able to save him from the slightly renegade generals.[73] The scenario looks more like the generals of the Ugandan Peoples Defense Force (UPDF) and the local warlords are telling the Ugandan state what to do rather than the other way around.

According to a Congolese observer, when the Ugandan parliament questioned Museveni on war spending, he replied that it had nothing to do with parliament because only private money was involved. If indeed the involvement of his half-brother[74] – once minister of State for Defence – is seen by those implicated as having nothing to do with parliament, and if the investigations of the officers involved in the fuelling of violence in the RCD-ML areas fail to reach disinterested conclusions, one is tempted to fall back on 'traditional' American political science 'personal rule' explanations for the connections between politics and economics in Africa. The more materialist variation on that theme is the Marxist 'bonapartist' explanation, which claims that societies paralysed by class stalemate will allow dictators to emerge. Another variant is that offered in this paper, involving the complex combination of primitive accumulation, nation-state formation[75] and democratisation. None of these theoretical explanations add solace to the policy advisor, as they all indicate long and almost immutable historical processes. The only way to stop these wars through economic means is to impose sanctions on all parties involved, and sanctions are a notoriously inefficient means of policy imposition.

At a more realist and 'regionalist' level of the political economy of the war suggests that Rwanda and Uganda perceived that it would be impossible to regain the funds they loaned Kabila in his 'rebellion' (thus implying they were not its instigators). Thus their sponsorship of the new rebels is:

> the result of the threat of chaos caused by the incapacity of the government to suggest a political alternative [to its increasing 'Mobutuisation'], or [Rwanda's and Uganda's] conviction that the economic adventure of the government could reduce the chance of paying the debts of the first war. The evidence of the impossible miracle convinced the allies of Kinshasa that they should pay themselves by occupying mineral areas of the DRC.[76]

Philippe Biyoya also suggests that that Rwanda and Uganda may have been 'punishing' the DRC for its too eager desire to join the Southern African Development Community (SADC) and 'to eliminate the DRC's pretensions to regional leadership[77] At the level of SADC, other Congolese suggest that South Africa's apparent backing of Rwanda and Uganda will serve its interests: a carved up Congo will be be no threat to its continental aspirations and, of course, a source of easy pickings for the Anglo-Americans of the world. If that is so, as Biyoya suggests, the Kabila régime's

> choice to collaborate with the poor of the region [Zimbabwe and Angola] and to stay away from the rich South Africa is economically and politically questionable. But South Africa should understand that so that it could weigh in order to stop this criminal war. The pauperisation of the DRC will have consequences for the whole of SADC region with ramifications to those members which will be 100% in charge of the community.[78]

If indeed the DR Congo is becoming more pauperised than it was before and affects the whole regional economy, SADC's leaders should act propitiously. Even a realist might suggest that this is in their 'self-interest.'[79] When one brings SADC into the picture, Zimbabwe's role as the DRC's most visible supporter dominates the frame of analysis. Of the two main parties supporting the DRC, Zimbabwe's involvement seems more 'mercenary' than Angola's, although one could suggest that its move to protect the sovereignty of a fellow SADC member was justified. However, the fact that Zimbabwe too was acting to ensure that its 1996-7 debts would be paid should not be discounted. However, instead of following the Rwandan and Ugandan example of moving in to take resources from Kabila's space, it decided to do the same thing from 'inside,' perhaps banking on the régimes lasting power and the possibility that international recognition of sovereignty means something to the rest of the international 'community.'[80] It seems to be accepted as common knowledge that Mugabe, feeling that he had to make up for losing on the chances in investment in post-civil war Mozambique that had been taken up by South Africans (and there, too, Zimbabwe had invested militarily) rushed in to support Kabila in 1996 in order to beat South African business-state alliances to the draw. R. W. Johnson of the Suzman Foundation claims that the Zimbabwean régime loaned US $5 million to the newly minted liberators and, just before Kabila took over Kinshasa, a US $53 million arrangement was made between Zimbabwe Defence Industries and the emerging Congolese army 'to supply Kabila with everything from food to uniforms and mortar bombs.'[81]

The inveterate Congo[82] watcher in Washington recounts the details of the Zimbabwean interest in the war with some aplomb.

> Zimbabwean Defence Minister, the late Movan Mahachi, acknowledged in an interview with the Zimbabwe Broadcasting Corporation that the Zimbabwe Defense Force was not happy that the international business community was failing to exploit minerals opportunities in the Congo. In most countries, that is none of the military's business, but in Zimbabwe, the military has made Congolese minerals its business because it has a war to run in the Congo and the World Bank and IMF are breathing down the defense ministry's neck for overspending in the defense sector. The military apparently had banked on the Congo's state-owned mining company, Gecamines, which is run by a Zimbabwean, Billy Rautenbach,[83] to cough up enough cash to the Zimbabwean war machine to offset the expenses of fighting in the Congo. But Gecamines let the Zimbabwe military down, so the military decided to take matters into its own hands. How did it do that? The Zimbabwean military set up a company it calls Osleg,[84] incorporated in December 1998. Osleg's mission is to exploit minerals from the Congo so that the military would not have to go to the treasury for money to fight war in the Congo. Going to the treasury has become a tricky business of late, because the International Monetary Fund (IMF) and World Bank were balking at any more loans to Zimbabwe because of high defense spending. Osleg is owned by senior military officers and parastatal chiefs. The ZDF's commander, General Vitalis Zvinavashe holds 25 percent ownership, Job Whabira, permanent secretary in the defense ministry holds 25 percent, Onesimo Moyo, head of the parastatal Minerals Marketing Corp. of Zimbabwe holds 25 percent, and Isaiah Ruzengwa, the general manager of the parastatal Zimbabwe Mining Development Corp. owns the final 25 percent. With the BCDI-COMIEX-SASMIP lashup all wired together at the seat of power in the Congo, and now with the Osleg Corp. set up under senior level government ownership in Zimbabwe, all that had to be done was to link COMIEX to Osleg, which has now been achieved. Then Osleg set up a group of subsidiaries to handle a wide range of support activities, like Osleg Enterprise, Osleg Venture, Osleg Mining and Exloration and Osleg Mines. In the mining sector, the deal is that Comiex and Osleg will buy gold and diamonds from "small-scale producers" in the Congo, and then sell them to the SASMIP in Kinshasa. In the case of Comiex, you have a company owned by President Kabila buying gold and diamonds from small scale miners in the Congo, then selling those to the SASMIP which he also created, with a view then for him to again sell the minerals abroad through SASMIP. So in effect, Kabila buys them once and sells them twice. As the saying goes, not bad work if you can get it, and in Kabila's Congo, you can get it so long as you have the gun.

R W Johnson repeats essentially the same line, although some of the names are different in his version. ZANU-PF party treasurer and speaker in parliament Emmerson Mnangagwa (reputedly Mugabe's favoured *dauphin*, if indeed the current president has a remote perception that he must leave the pinnacle of power one day) plays a large role in Johnson's exposé, which links a whole series of party corporations with the war effort (its share in Woolworth Trading, for example, is important because that firm supplies clothing to the army.) Johnson outlines the involvement of the man who might be Zimbabwe's next president thusly:

> In May 1999 Mnangagwa admitted that he had introduced a Chinese arms company, two transport companies, a banking group and a power company to Laurent Kabila and that they had all established businesses there. In addition two other business associates of Mnangagwa went into business ferrying arms and supplies between Zimbabwe and the DRC, Billy Rautenbach's Wheels of Africa company and the head of the Zimbabwean army, General Vitalis Zvinavashe, with his company, Zvinavashe Transport. Mnangagwa then helped to broker an arms deal for Kabila of 21 000 AK-47 rifles and US$53 million of heavy arms, all from China. Mnangagwa also works closely with John Bredenkamp, who boasts of being the biggest single supplier of arms to the Congo.[85]

Johnson also presents an update of the failure of one sector of this state-to-state joint venture to gain international respectability.

> There followed a joint venture with the Omani-owned Oryx Natural Resources to form Oryx-Zimcon. In January 2000 Oryx Natural Resources bought Petra diamonds and rechristened it Oryx Diamonds in which Zidco[86] holds 237 000 shares. Rows enveloped Oryx Diamonds since its flotation on the London stock exchange was blocked and its director, Moses Anafu, forced to resign from the Commonwealth Observer Group sent to monitor Zimbabwe's election in June.[87]

The same *Financial Times* that reported on the ultimately short-lived Oryx deal also noted the negative side of Zimbabwe's involvement in the war. It reported that the Zimbabwean government was knocking on bank doors to mortgage its gold reserves for a US $120 million loan to stall devaluation and meet foreign exchange needs. It had already performed the same feat in Germany in November 1999, and its gold reserves had halved since February 2000, yet it still had 'at least US $500 million' of arrears in dividends and trade and services payments.[88] As the International Crisis Group report on the war puts it, such figures illustrate that the 'El Dorado' promised in the Congo has not materialised for Zimbabwe. Zimbabwe does not have the US$50 million it will take to get Gecamines on its feet, and no private investor will have anything to do with Zimbabwe until it Robert Mugabe disappears. Meanwhile, the war is costing up to US$1 million a day.[89] The former CIA man in the Washington area has words to summarise the situation in the DRC and Zimbabwe which are not entirely inappropriate.

> This is all a smoothly oiled machine for what it does, which is handle small scale miners and scrape off some nuggets from the top of the larger and potentially more valuable mines. But none of this will make a major contribution to national economic development and growth. The elite will get their pockets lined nicely, which is the foundation of economic strategy in this region, but the 50 million Congolese citizens are not likely to benefit at all. Indeed the [sic] kind of program operated in the Congo will impede economic growth for the rest of the country, because legitimate businesses will not get into this kind of quagmire and it will take hundreds of millions of dollars and enormous stockholder commitment for legitimate businesses to come in to the Congo and do what has to be done to make the nation's collapsed mining industry alive again.

If one could be assured that 'legitimate' business would ensure that enough of its profits would remain in the Congo to spread its benefits, one might leave such a statement as it is. Given both the Congo's and Zimbabwe's last century's experience with 'legitimate business,' however, at one level it is understandable why state industries are preferred to reliance on transnational capital. One can also understand this desire at another level, too: that of the desire of a 'comprador' class to use the state to accumulate the means of conspicuous consumption and dynastic power. Without the means to invest in the *production* of wealth, though, this is ultimately a futile quest.

Angola's oil, if soon surpasses Nigeria's production, means that even though Luanda has exhausted its savings and mortgaged its oil for the next few decades, the MPLA government does not have to worry about the financing of its role in the DRC quagmire quite so much as does Zimbabwe. Its main aim, to keep UNITA off-balance, means that it is not as committed to the war as is the desperate Zimbabwe (which would like to get out, but fears losing everything it has invested). Angola deployed not as many soldiers in the DRC as Zimbabwe (2 500 at the time of writing this chapter, as compared to 11 000 to 13 000, while both forces increased to maintain Joseph Kabila's precarious régime). Moreover, its biggest economic stake is not one involving production, but distribution. Sonangol, the National Angolan Fuel Company, and Angolan President, Jose Eduardo dos Santos's own fuel company, has the monopoly in the DRC (although fuel is scarce, and goes through a number of 'informal' hands before it gets in the tanks of a car-owner who cannot wait hours at the formal petrol-stations). It was reported that Kabila had given Angola control of offshore crude oil production of 15 000 barrels per day. Ethnic ties among some of Kabila's ministers and Angolans, plus the fact that many Conglolese soldiers have been fighting with Angolans for years, give Angolans more of a hold on the economy than Zimbabwe could have had.[90] If Angola, too, wants to be a regional hegemon, it does not want a strong DRC anymore than do Rwanda and Uganda. Perhaps Zimbabwe is the only country that does.

2.7 The Local Economies of the Congo War

It is almost a truism to say that no matter what the level of analysis, unless it deals directly with the individuals who bear the brunt of the war, it will serve the interests of either the *status quo* of the powerful or the future of the classes aspiring to power. Thus one must turn to a 'micro' study of how the war is affecting the people most affected by it, whose attitudes towards *any* manifestation of official power are bound to be permanently scoured by this war. It might be another pietistic platitude to remark that if as many anaylists were studying the war from 'below' as from the planes of *realpolitik*, something more might be done about it. Nevertheless, that sort of task is hard to do. Thus the information below is sparse indeed, resting for the most part on the notes of an economist living in Bukavu.[91] The ICG report and notes above on the Hema and Lendu peoples' 'war within a war' which has led to the loss of at least 10,000 lives, and is a direct result of renegade activities of the Ugandan officer corps, are sufficient to cover that issue (and newspaper coverage is increasing with the latest atrocities). The paper has already referred to Musifiky Mwanasali's chapter on some aspects of the RCD-Goma economy.

A multi-dimensional snapshot of the 'war economy,' incorporating levels ranging from the global (multin ional beverage and textile companies) to the 'humanitarian agenda' and the economies of boy soldiers, cattle and money in the Kivu would look something like this:

2.7.1 ***Cotton without borders':*** The 'Coontonniere du Lac' is a mixed company consisting of CFDT, a French company for textile development and the Congo government. Its activity consists of cultivating cotton along the Ruzizi River and ginning at the factory in Uvira. It has been recovering in the past few years after having declined dangerously. It was the best factory during colonial times. The factory's 1996 cotton stock was valued at about $US1 million. It was supposed to be sent to UtexAfrica, the main textile factory in Kinshasa. In November 1996, during the 'first war of liberation' when the neighbouring Rwanda and Burundi invaded, Burundian officers used trucks from COGERO, a state owned cotton factory, to transport all the Congolese cotton to COTEBU, a state-owned Burundian cotton mill factory. In 1997 the Burundian government signed an agreement with Congolese administrators to buy all cottons produced in the Congo. Meanwhile in early 1998, the CFDT, which was very interested by the high quality of cotton, offered at least $US460,000 to aid the plant's recovery. The CFDT took the Burundi government to an international court of justice and asked to be paid back for the cotton stolen in 1996. The CFDT was not prepared to invest such an amount of money because it can produce the same quality of cotton in West Africa easily. The 1998 war has reinforced this position. Since then, even the roof of the factory has been stolen.

2.7.2 ***'For sale: first quality roofs and bricks':*** At the military camp 'Saifo' at Bukavu, the RCD/RPA military threw off many schools which were used for soldiers' children. These buildings were from the 1950s. They were built with a very strong quality of firing bricks and were covered with strong roofs. After having sold the schools' roofs, the camp's occupants are now selling bricks. It is the typical behaviour of an army constituted by very young boys who have never had familial responsiblities, and who are taking revenge against an institution (school) from which they have never benefitted. This and similar examples also show the end of the safeguard of colonial public institutions.

2.7.3 ***'Jobless youth: the army offers you new and interesting employment opportunities':*** There is a huge ambiguity between the recruiting discourse for the soldiers of different sides. These young men are not moved by a special ideology, neither by a warlike aggressiveness, but rather by the attraction of getting certain positions which will allow them to satisfy their appetites. They are basically uneducated youth who have never benefitted from serene family care from their family, have never followed a normal school curriculum, did not marry, and found themselves with nothing in their lives. Once they have a weapon in their hands, they fight under different flags but because they can see the risk they participate as little as possible. Instead, they use their weapons to extort other people's goods, starting with food.

2.7.4 ***'Where have all the cattle gone?':*** When you move through the hills this is what shocks at the first glance: fields have remained the same but no cows, no pigs, no goats, no sheep nor hens because everything has been stolen by different rebel groups. The kraals of milk-producing cows (crosses of European breeds and local breeds) have been totally extorted, reduced to nothing. This is a loss of 15,000 solely for the South Kivu region. The breed was well-adapted; it will be be difficult to reconstitute after the conflict. The pasture is always there but it is being spoiled because it is niether used nor maintained. Cattle have also been taken away from the neighbouring countries (Uganda, Rwanda, Burundi) to the Congo to provide the market for meat. But these cattle movements are a source of transmission of infectious disease. This worries epidemiologists from the UN food organisations tremendously. One particular ethnic group, the 'Banyamulenge,' Rwandan Tutsi who arrived in the Congo decades ago with their cows, have probably lost 30,000 head since 1996, one quarter of all their cattle. Villagers are now reduced to domesticating rabbits and guinea pigs away from the soldiers' eyes, but it is only a last resort.

2.7.5 ***'Foreign beer is cheaper here':*** Before the war each board's beer market was mustered by its local brewery. In one year, Rwandan and Burundian breweries have invaded the East DRC market with beer brought in without paying taxes, which are even cheaper than the local beer. But it should be noted that the three breweries which are concerned here (Gitega in Burundi, Gesenyi in Rwanda and Bukavu in the Congo) all belong to the same Dutch group, Heinekin.

2.7.6 ***'When the war goes, the building goes too':*** As surprising as it could look, in one year a lot of big villas are built in Bukavu. Of course, it is difficult to give exact figures, but facts are obvious. There has never been such a number of villas in twenty or thirty years. It appears that between 1990 and 1997 a great number of traders have accumulated big fortunes, especially by their overvalued deliveries to humanitarian organisations between 1994 and 1997. Since it is now difficult to resume the trade at the same level as in 1997, traders prefer to invest their surplus in building. In the context of regional relationships and rivalry and competition in the Eastern part of the country, it is also possible that a will of showing off as 'being a somebody' reinforces this economical choice. Contrariwise, construction of small popular houses has stopped. This self-construction started and spread widely in the 1990s, taking advantage of the diminution of the predatory capacities of the central government in Kinshasa and the development of the artisanal extractions of gold, cassertite and coltan. This contrast displays the dualism of the society between a very small and rich minority on the one hand and a large majority of poor on the other hand. Moreover, current rebel leaders are also building themselves villas.[92] They oblige sand traders to deliver them big quantities free of charge. This impacts negatively on the price of basic materials.

2.7.7 ***Self-sufficiency: the impasse':*** The Mobutu régime slowly transformed the country into a huge laboratory of self-sufficiency. Even schools and health centres were self-sufficient because there were no subsidies from the government budget. Formulae were put in place to allow these institutions to perform as well as possible. But now most families are not able to sustain even those very basic needs.

2.7.8 ***Embargo non-declared':*** During Mobutu's Congo, most of the development activities were not financed by the state, but by bilateral or multilateral co-operation with foreign development agencies. But since the 1990s many of them left the country. While they were out, local NGOs for development (DNGOs) were the sole development operators, co-financed by the North. Lots of these contracts were still working when the war started in 1996. Donors have agreed to prolong contracts for one or two years because of the time wasted during the first war. But these contracts reached their ends by 1999 and 2000. Most of them have not been renewed, more because of rules than because of political decisions. We end up with a situation of asphyxia which leads to the dislocation of teams of local DNGOs and renders very difficult the revival of development activities at the grassroots after the conflict.

2.7.9. ***'Bad money chases good':*** As a result of the current division of the country into many places and economic constraints linked to each one, the exchange rate for the US dollar varies enormously from West to East. This encourages speculators to organise a 'trade' of money. They sell US dollars in Kinshasa and buy Congolese Francs at low rates (US$100 = 8 000 Francs); this money flies to Kivu via Kenya and Uganda or Rwanda. At Kivu with 8 000Fc you will have up to US$200. This money will go back to Kinshasa to buy other Francs which have devalued in the meantime. So with the US$200 you could have 18 000 Fc, and so on and so forth. The operation becomes interesting [profitable] when you have surplus after deducting travel tickets and other charges. Some government authorities in Kinshasa and Rwanda, and rebels in Kivu collaborate to protect this 'trade' of money.

2.7.10 ***'Buy Kivu-made':*** With the decline in economic power and in the transportation and import of some goods, new artisanal production possiblities are being experienced. Congolese villagers on the border of Lake Tanganiyika, for instance, can no longer sell their palm oil to the big towns of Kivu, nor their almond oil to Bujumbura soap factory. Instead, they have developed many artisanal installations to extract palm oil and produce soap. But recent experience has shown that this soap production is very fragile. When the normal situation comes back, it won't sustain the price of soap from Kinshasa or Kisangani, or Kigali or Bujumbura.

2.7.11 ***'Parasite neighbours':*** Sugar, salt, rice and petrol imports into Kivu continue via the two principal corridors from Mombassa in Kenya and Dar es Salaam, even if it is now in very slow rhythm because of the difficult local economic situation. This pushes many traders from Rwanda, including former refugees, to establish themselves as intermediaries using the Rwandan banking system, at the expense of traders from Kivu who have to pay taxes to this neighbouring country.

When one adds the 'taxes' of which Mwanasali wrote, and the frantic efforts of 'civil society' leaders in Bukavu and Goma to create a *modus vivendi* with the invaders, one sees a local economy fraught with uncertainty, and benefitting only a few. Perhaps the young man who approached this author with a request to track down the Consolidated Goldfields security manager in Johannesburg, who had fled the area after Kabila started reversing his contract agreements, symbolises the precariousness of an economy based on the minerals for which so many parties will fight.

One would think that even for the few 'greedy' winners, the fragility of their war surplus would negate any calculation of long-term gain. Thus it would seem that for those on the ground – carrying out the orders of state leaders far from the front, who may in turn be listening to the superpowers' or the transnational voices ('the madmen in power,' who according to Keynes are merely remembering the ill-digested scribbles and poorly delivered lectures of obscure academics) – there are not secure gains to me made from war unless they finally capture or create a state. After all, Charles Taylor – the Bentley College (Massachusetts) economics graduate prototype for the 'warlords' in the literature on the contemporary African war economy and the state's shadows in which it grows – eventually did get his state, and the fact that he is still managing another war does not make things any easier for him.

2.8 Conclusion

To conclude, it appears that the war economy in the DRC is benefitting no one to enough of a degree to warrant continuing the war. Aside from a few rebel leaders and politicians on all sides who are gaining from the trade of war, and a few soldiers who can steal food or small diamonds from those even poorer, there would not seem to be a direct 'economic' dynamic prolonging the war. It is a stalemate, with hesitations about peace based more on fear of losing than prospects of substantial gain. Unless the whole war is about something far deeper than 'agency' – that is, the structural contradictions of primitive accumulation, nation-state formation and democratisation (all of which lead to the class stalemate of 'Bonapartism' until the right Bonaparte comes along) – there should be means available to stop it at this propitious conjuncture. One way of so doing might be (as mooted in an *ad hoc* way throughout this paper) to ban all transnational corporations from having any dealings with any parties to this war, and making them pay for the humanitarian activities needed to fill whatever economic gap is left by these ‘sanctions.’ Given the neo-liberal climes of the current world order, they will be the winnners from this war. However, that climate would have to change substantially for such an outcome to occur.

End Notes:

1 M Duffield, "Privatisation, Global Governance and International Security", Conference on: The Privatisation of Multinational Development Institutions?, The North/South Coalition, Oslo, 8 December 2000, p1.

2 R McCrum, A sense of story, Interview with John le Carré, *Mail and Guardian* Friday Books, January 19-25, 2001, p5.

3 M Ignatieff, "Soldiers' Honour: Ethnic War and the Modern Conscience", *Metropolitan*, New York, 1998.

4 D Moore, "From Conrad to Kabila: The Congo and 'Our' Consciousness", *Review of African Political Economy*, no 82, December 1999, pp529-532.

5 S Naidoo, "The role of war economies in understanding conteporary conflicts", *Global Insight*, No 2, September 2000.

6 P Collier, "Doing Well out of War: An Economic Perspective", in M Berdal & D Malone (ed.), *Greed and Grievance: Economic agenda's in civil wars*, Lynne Rienner, Colorado, pp 91-112.

7 The term has its modern origins in the work of Antonio Gramsci, *Selections from the Prison Notebooks*.

8 P Collier, "Economic Causes of Civil Conflict and their Implications for Policy", World Bank, June 2000, http://www.worldbank.org/research/conflict/papers/civilconflict.pdf

9 B Harden, "Africa's Gems: Warfare's Best Friends", *New York Times*, 2000, http://www.nytimes.com/library/world/africa/040600africa-diamonds-article1.html

10 The paper is here foreshadowing its 'recommendations' section.

11 A Hochschild, "King Leopold's Ghost: a Story of Greed, Terror and Heroism in Colonial Africa", Houghton Miflin, Boston, 1998; and J Reader, *Africa: A Biography of the Continent*, Penguin, London, 1997, pp517-542.

12 W Reno, "Shadow States and the Political Economy of Civil Wars", in M Berdal & D Malone (ed.). op cit, pp43-68; and W Reno, *Warlord Politics and African States*, Lynne Rienner, Colorado, 1998.

13 M Duffield, "Globalisation, Transborder Trade, and War Economies", in M Berdal and D Malone (ed.), op cit, pp69-90.

14 A de Waal, *Famine Crimes: Politics and the Disaster Relief Industry in Africa*, James Currey, London, 1997.

15 C Leys, *Learning from the Kenya Debate: The Rise and Fall of Development Theory*, James Currey, London, 1996, borrowing from Michael Cowen's historical research on how African civil servants at all levels in Kenya used their sinecures as the seedbeds for private accumulation, and M Mamdani, *Citizen and Subject: Contemporary Africa and the Legacy of Late Colonialism*, Princeton University Press, Princeton, 1996.

16 M Perelman, *The Invention of Capitalism: Classical Political Economy and the Secret History of Primitive Accumulation*, University of Carolina Press, Durham, 2000, p25.

17 M Hardt and A Negri, *Empire*, Mass: Harvard University Press, Cambridge, 2000.

18 See D Moore, *Africa: The Black Hole at the Middle of Empire, Rethinking Marxism*, forthcoming, Fall 2001.

19
C Leys, "Confronting the African Tragedy", *New Left Review*, 204 (March-April 1994), pp44-5.

20 M Mamdani, op cit.

21 W Reno, op cit.

22 C Clapham, "Degrees of Statehood", *Review of International Studies*, vol 24, no 2, 1998, p155.

23 H Behrend, "War in Northern Uganda: The Holy Spirit Movements of Alice Lakwena, Severino Lukoyo and Joseph Kony (1986-1997)", in C Clapham (ed.), *African Guerrillas*, James Currey, Oxford, 1998, pp107-118.

24 P Richards, "Fighting for the Rain Forest: War, Youth and Resources in Sierra Leone", in C Clapham, (ed.) op cit, pp107-118.

25 B Davidson, *Black Man's Burden: Africa and the Curse of the Nation-State*, James Currey, London, 1992.

26 J-F Bayart, *The State in Africa: The Politics of the Belly*, London: Longmans, (1989) 1993; and P Chabal and J-P Daloz, *Africa Works: Disorder as a Political Instrument*, Oxford: James Currey, 1999.

27 J MacGaffey and R Bazenguissa-Ganga, Congo-Paris: Transnational Traders on the Margins of the Law, Oxford: James Currey, 2000, p12.

28 M Thierry, Mobutu: King of Zaire, Documentary Film, 1999.

29 I de Soysa, "The Resource Curse: Are Civil Wars Driven by Rapacity or Paucity?", in M Berdal and D Malone, op cit, p124. This chapter is much more balanced than Collier's.

30 See quote at the beginning of the chapter.

31 M Mwanasali, "The view from below…," ' Berdal and Malone, 2000, p148.

32 T Masland, Will the 'Dark Continent' Still Matter?, *Newsweek*, January 1, 2000, pp 46-47.

33 S Rice, "United States Interests in Africa: Post-Cold War, Post-Apartheid", Bram Fischer Memorial Lecture, Rhodes House, Oxford, England, May 13, 1999.

34 K Emizat, "The Massacre of Refugees in Congo: A Case of UN Peacekeeping Failure and International Law", *Journal of Modern African Studies*, vol 38, no 2, June 2000, pp163-202.

35 Op cit, p188.

36 Some observers of the Rwandan genocide contend that both the RPF and the USA knew that the genocide would take place in response to RPF strengths as it moved towards Kigali, but that both parties felt that would be a small price to pay for RPF victory.

37 D Griswold, "A strange 'liberation': Foreign Investors welcome Zaire rebels", *Workers World*, April 24, 1997, www.workers.org/ww/zaire0424.html.

38 I Viriri, $38 billion Mine Claim May Hit DRC Pay-back, Zimbabwe Standard, October 17 1999, http://www.samara.co.zw/standard/index.cfm?id=600&pubdate=1999%2D10%2D17.

39 The editor of this webpage – New Congo News at www.marekinc.com/NCN.html – is reputed to be a former CIA agent in the Congo. His latest venture, http://www.yourdotcomforafrica.com/ is pitched at a more general – and also business oriented – audience.

40 For all intents and purposes Canadian firms fly that flag too.

41 P Gourevitch, *We Wish to Inform You that Tomorrow We will be Killed with Our Families: Stories from Rwanda*, Picador, London, 1999.

42 See L Freeman, *The Ambiguous Champion: Canada and South Africa in the Trudeau and Mulroney Years*, Toronto: University of Toronto Press, 1997 for rectification of this myth.

43 R Stewart, "Africa burns, Canada fiddles: Empty words condemning genocide won't stop the bullets in the largest landmass war in history. Only forthright action stops wars", *Globe and Mail*, March 20, 1999.

44 Perhaps one should construct a theoretically based essay on the continuities between neo-liberal

laisser-faire economic policies and the *laisser-guerre* realities of the sole superpower 'governing at a distance' from its borderlands.

45 M Mwanasali, op cit, p148.

46 ICG 26, p 60. The Zimbabwean company Ridgepoint took over Gecamines, and received a 37.5 per cent stake and between 20 and 30 per cent of the DRC's 62.5 per cent of its profits to pay for Zimbabwe's war contribution. However, DRC's payments to Zimbabwe have stopped (ICG 26, p. 61) and there are disputes as to whether or not the DRC state made *any* promises to help Zimbabwe's 'self-financing' war effort.

47 American Mineral Fields website, www.am-min.com/index3.htm, (accessed 28 January 2001).

48 As suggested in M Mwanasali, op cit, p148.

49 ICG 26, p. 61, n. 191, states that 'George Forrest' is a Belgian individual, but the news of the joint venture in www.yourdotcomforafrica.com/BusBriefsMining.html (accessed 26 October 2000) suggests that the name is a corporate one – and that the Belgians are back in the Congo. See footnote 70 for indications that they are in Rwanda and Goma, too.

50 B Harden, "Africa's Gems: Warfare's Best Friend", *New York Times*, January 15, 200.
http://www.nytimes.com/library/world/africa/040600africa-diamonds-article1.html

51 Yourdotcomforafrica, Oct 26 2000.

52 A section on the relations between the global political economy and the DR Congo war cannot exclude the arms trade or even the drug trade (it is said that 'Hutu' insurgents are tapped into the drug trade).

53 B Philippe Biyoya Makutu, "Some Considerations on the Regional Economic Impacts of the War in he DRC," Project contribution, 2000, p. 2.

54 C Braeckman, "Partition Poses as Protection: Carve-up in the Congo", *Le Monde Diplomatique*, English Edition, October 1999.

55 ICG 26 reports 'hundreds of thousands' dead in the war but an epidemiologist's report for the International Rescue Group in July 2000 counted 1.7 million dead from war-related causes (malnutrition and disease) in the Eastern provinces alone.

56 The International Crisis Group's: "The Scramble for the Congo: An Anatomy of an Ugly War", published in the midst the the preparation for this work, is an excellent source on these issues; this section of the paper can be but a supplement to it.

57 D Shearer, "Africa's Great War", *Survival*, vol 41, no 2 (Summer 1999), p89-106.

58 Emizat, op cit, p165.

59 Goma is under the control of the Rwandan backed Rally for Congolese Democracy-Goma, the group which broke away from the movement's original founder, Professor Wamba dia Wamba, in Kisangani when in mid-1998 he preferred to politicise the people instead of marching straight to Kinshasa. Wamba then joined the Ugandans, who had fallen out with the Rwandans.

60 'Profits drive DRC Bloodshed,' City Press, January 21, 2001.

61 C Braeckman, op cit.

62 Ibid

63 D Shearer, op cit, p99-100 is less suspicious of the USA's motives.

64 C Braeckman, op cit.

65 M Mwanasali, op cit, p142-3.

66 Harden, 'Africa's Gems ...,' *New York Times*, 2000.

67 UN worker's observations; she was once approached by teenage boys offering to sell uranium.

68 Shearer, 'Africa's Great War ...,' *Survival*, 1999, p. 97

69 ICG 26, p. 26.

70 ICG 26, p. 31.

71 W Reno, "War Debt and the Role of Pretending in Uganda's International Relations", Paper presented at the conference *Conflict and Peacemaking in the Great Lakes Region*, 11 July 2000, Entebbe, quoted in ICG 26, p 31.

72 See the video *The Pearl, the President, and the World Bank,* 1997, a 'fly-on-the-wall' examination of World Bank and IMF negotiations with Ugandan politicians and civil servants.

73 After some altercations In November Wamba dia Wamba and his opponents were whisked off to Kampala to negotiate. In January photographs were seen in the Durban *Mercury* (January 18 2001) of Nyamwisi and Bemba signing an accord to merge the MLC and RCD-ML into the Congolese Liberation Front, but there was no story on the event. On January 31 *SABC 3 News* Wamba was interviewed saying he would support peace negotiations and 'national dialogue' with Joseph Kabila's régime, suggesting that he is leaving the Uganda orbit.

74 ICG 26, p32; and C Braeckman, op cit.

75 In a book this author has just received and therefore not had time to digest, Jeffrey Herbst suggests that African societies have not gone through the stage of state-making through war (but also seems to suggest that population patterns make it impossible for state power to be distributed throughout its area in any case), J Herbst, *States and Power in Africa: Comparative Lessons in Authority and Control*, Princeton: Princeton University Press, 2000, pp20-21.

76 Biyoya, op cit, p 3.

77 Ibid.

78 Ibid.

79 Burundi's politcal economy of war is not discussed directly in this paper, but as will be seen in the discussion of the 'local' war economy in the Kivus, it will come into the picture.

80 If R Jackson's scathing *Quasi-States: Sovereignty, International Relations and the Third World*, Cambridge: Cambridge University Press, 1990, is but a sophisticated reflection of what the western powers really think about the African pretenses to sovereignty, Mugabe's political advisors were wrong.

81 R W Johnson, 'Zimbabwe Inc.,' *Focus*, 19 (November 2000).

82 Ed Marek, New Congo News, at www.marekinc.com/NCN.html.

83 Since sacked and replaced by a Belgian firm run by George Forrest.

84 In a nice play on international relations discourse, Osleg is the acronym for 'Operation Sovereign Legitimacy.'

85 R W Johnson, op cit.

86 Zidco is the ZANU-PF owned 'Zimbabwe Development Corporation.' According to R W Johnson, op cit, Zidco is 45 per cent owned by 'Rambhai Patel, a Kenyan Asian who ... lives near Chislehurst in Kent ... and cemented his relationship with Mugabe by making a $50,000 contribution to Zanu-PF funds [in 1984].'

87 R W Johnson, op cit. It would seem that the flotation of the timing was infortuitous. Zimbabwe's various indiscretions were upsetting the kith and kin of its harried white farmers, and at the same time the British foreign affairs mandarins were attempting to add some polish to their 'ethical' foreign policy by putting their proposals for a 'conflict diamond' policy by the upcoming Group of Eight meeting in

Japan.

88 M Holman and T Hawkins, “Zimbabwe in Gold Reserves Mortgage Plan”, *Financial Times*, May 27-28, 2000, p 3.

89 ICG 26, op cit, pp 60-63.

90 Ibid, pp 55-59.

91 D Faihy, SJ, September 29 2000. Faihey’s notes have an aura of their own, undoubtedly due to the fact that he has taught at Bukavu’s secondary school for more than thirty years, that he runs many micro-development projects, and he is the supervisor of a small economic research unit. Therefore the notes are included with very little editing

92 This author was told that many rebel leaders do not bother building new houses. They simply expropriate the best of the ones already built.