



The Democratic Republic of the Congo: Rethinking State Building

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November 2007

Purpose and Scope

- Discuss structural issues undermining efforts to stabilize the DRC
- Critique existing international aid paradigm as applied to the country
- Propose alternative ways to bring security and development to the state
- Make some general conclusions applicable to all fragile states

My Perspective

- Businessman who has spent 15 years dealing with developing country environments
- Someone with great faith in local people's capacity to enhance their own lives -- if only their states could be partners with them
- Someone with great skepticism of international efforts to impose stability and development on conflict-prone societies

My Assumptions about Successful States

- Sufficient social cohesion necessary to formulate national consensus
- State institutions must be representative of underlying sociopolitical, geographical, and informal institutional reality
- State must be structured so as to take advantage of local governance capacities
- Security is a prerequisite for progress
- Must foster private investment, low-cost transactions, and low-cost property rights

DRC Country-Specific Analysis

- Long history of state break-up and conflict
- State capacity and ability to project authority are very limited
- Political geography is highly disadvantageous
- Enormous natural resource wealth
- Deeply fractured society
- Limited national transportation and infrastructure

History of State Failure and Conflict

- Brutal colonial history under King Leopold
- Belgian apartheid -- most ill-prepared country for independence at birth
- 1960's war devastates institutional heritage
- 1965-97 Mobutu reign sees decline of state into regional fiefdoms and patronage network
- 1997-2004 war drew in six neighbors, led to as many as 4 million dead from fighting, disease, malnutrition
- Since then, international community has spent USD billions on 17,000+ UN troops, elections, aid projects

Weak State Capacity

- Human Development Index lower now than in 1975
- GDP/capita roughly one-third of 1960
- Shocking 75 percent of children under five malnourished
- Fourth worst-administered state after Somalia, Iraq, and Myanmar (World Bank)
- Second most unstable country after Sudan (*Foreign Policy* magazine Failed States Index)
- Fifth most corrupt country (Transparency Int'l)
- Most difficult country to do business in out of 178 surveyed (World Bank)

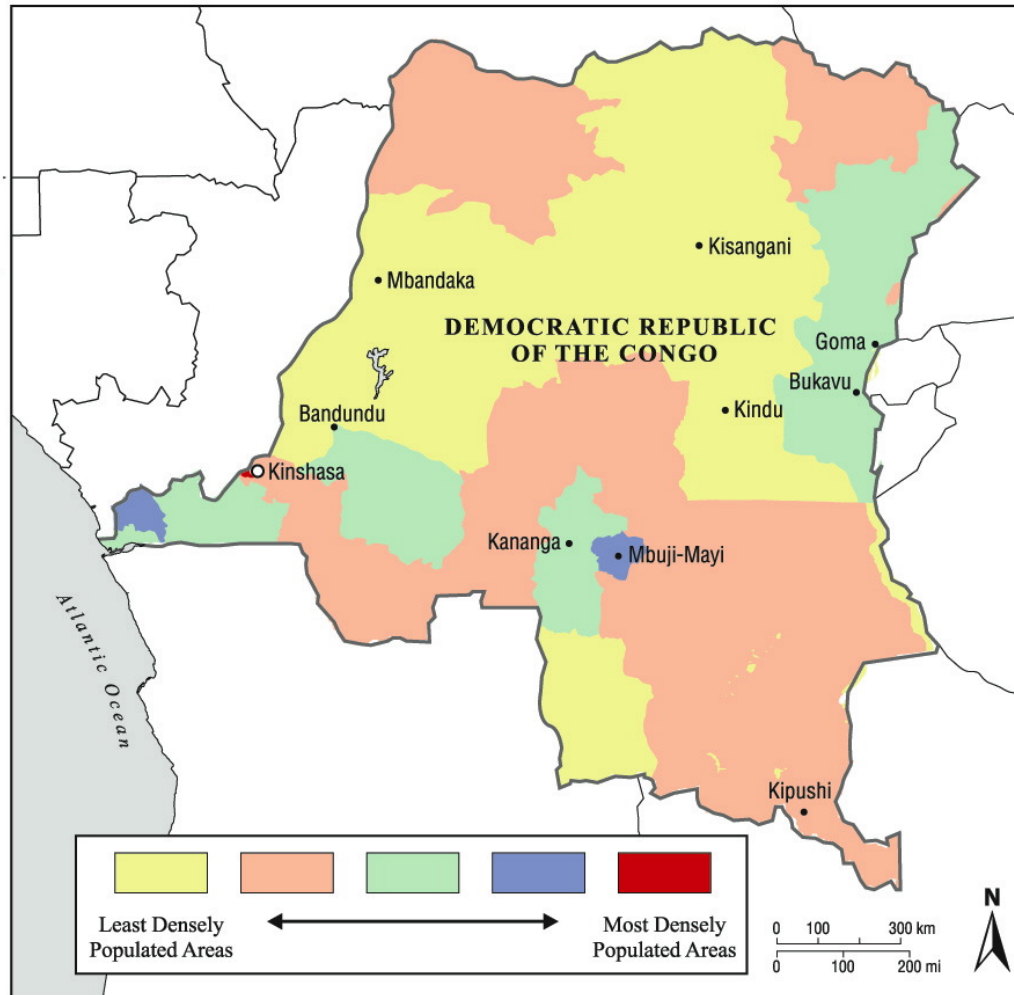
Weak Projection of State Authority

- DRC is the size of Western Europe, has 60 million people, and borders nine states
- Until postwar aid influx, only one well-paved road in whole country (Kinshasa to port); one of worst road densities of any state in the world
- Worst telecommunications infrastructure per capita of 175 countries surveyed
- Health and education indicators vary tremendously by regions, with Kinshasa far above the rest (13 years longer lifespan than worst region, twice as much education than anyone, 10 times more education than worst region, etc.)

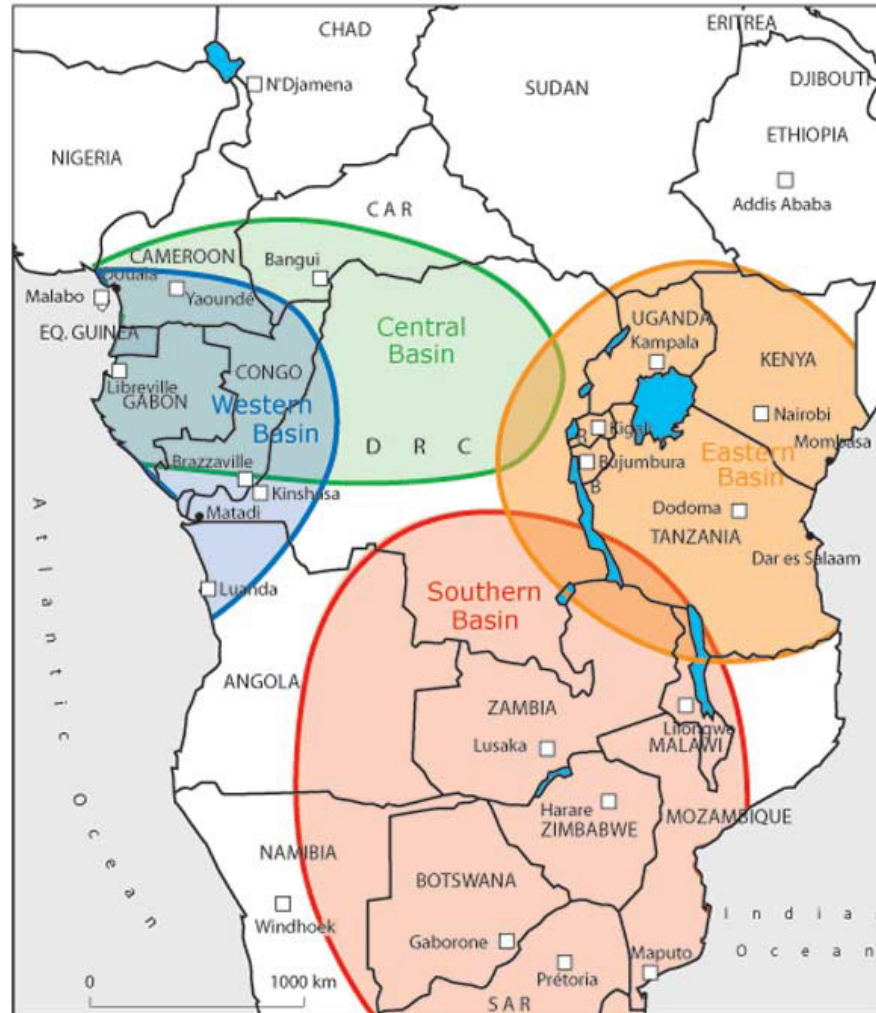
Enormous Unsecured Natural Resources

- One of the world's greatest concentrations of minerals: copper (10% global reserves), cobalt (33%), coltan (85%), along with extensive deposits of diamonds, gold, oil, silver, timber, uranium, and zinc
- Extensive smuggling: \$400 million in diamonds and gold alone; Rwanda army taking \$20 million a month in coltan (UNSC report)
- Until recently, business dominated by small firms with extensive ties to elite; little transparency
- China announced \$5 billion deal in September

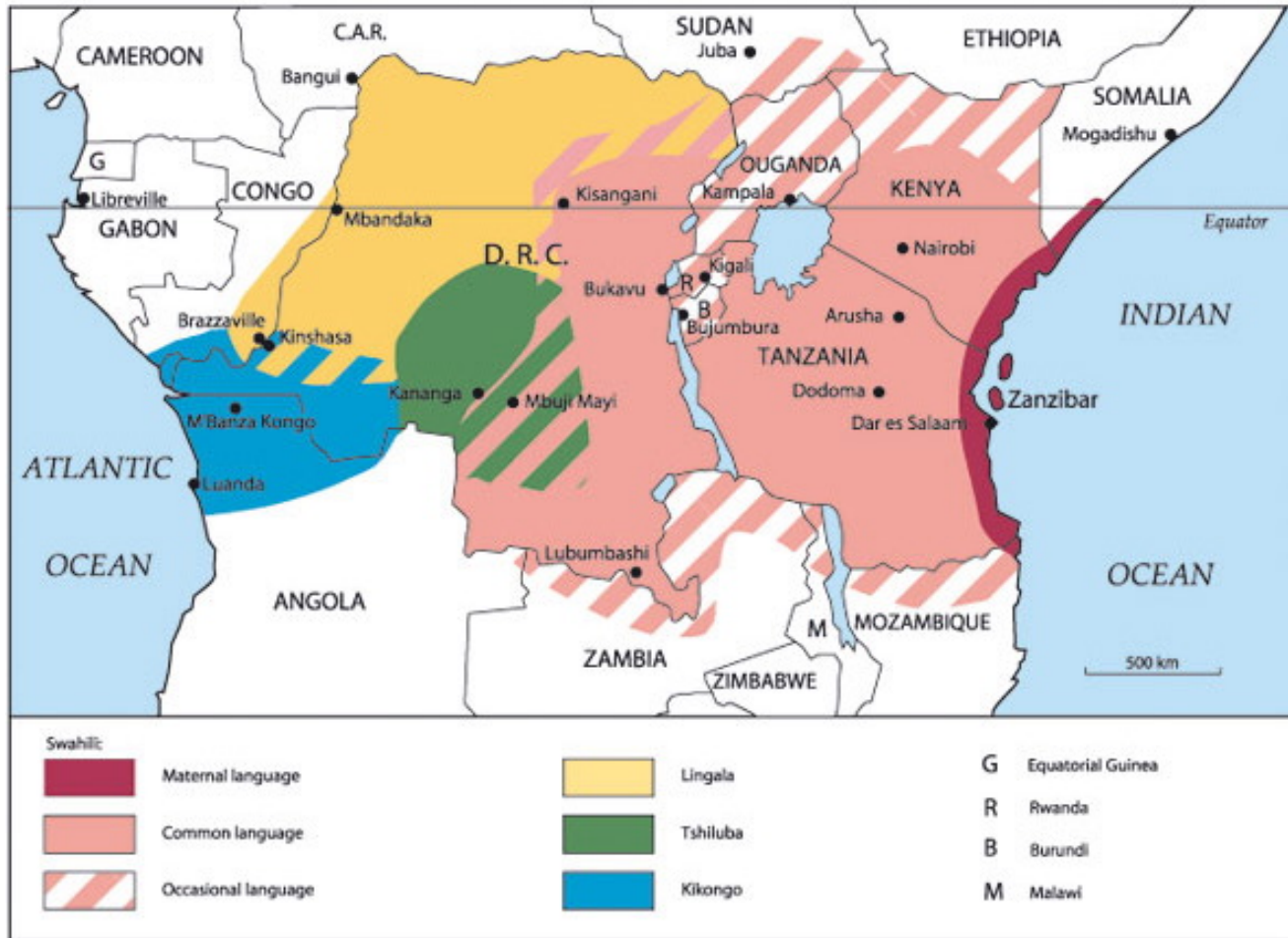
Divided by Population Distribution



Divided by Topography



Divided by Culture and Language



Key Questions

1. How to secure natural resources?
2. How to ensure mineral wealth brings social development?
3. Where to find administrative capacity?
4. How to leverage local self-governance capacity?
5. How to overcome weak government capacity and projection abilities?
6. How to overcome sociopolitical and geographical divisions?
7. Which outsiders should play what roles?

Multinational Corporations

- Only player with incentive and ability to impose security and ensure minimum standards of social development -- if right players are chosen and monitored
- Consider alternatives -- unsavory players with connections to elite underpay state and bring no social benefits
- Many leading MNCs have better records of managing security and development projects than governments such as the DRC
- Scheme: choose right firms; design transparent revenue collection; contract security, education, health, roads plus royalties; create DRC and NGO watchdog agency to monitor behavior
- Far less expensive, more efficient, more reliable way to help the country than through aid (but highly resisted by aid community)

Horizontal Development

- Build the state bottom up not top down (the Swiss state model, not the French)
- Use urban-based concentric structure (as in Africa's past) by concentrating on building local capacity in major cities and surrounding regions; rural areas depend more on traditional structures
- Make central government more technocratic and made up of representatives of regions
- This approach seeks to leverage local capacities for local governance, remove problems of projection, and downplay sociocultural divisions; it also allows regions to advance at their own speed and aid to be better targeted at good performers
- Contrast with international community's focus on national government elections and capacity

Enhancing Accountability

- Outsiders have major role to play in setting up “accountability loops” in local government
- But real accountability is only possible in small-scale, relatively cohesive units -- the farther away leaders are geographically and sociopolitically and the larger the number of people who must monitor them, the less accountable they will become
- Focus on cities or districts of largest cities and rural areas run by traditional groupings
- Where possible, focus on cohesive groups and traditional identities and institutions
- Almost impossible for population to hold leaders in Kinshasa accountable (yet the international community spent \$500m USD and made the presidential election centerpiece of strategy for the country)

Failure of Existing International Strategy

- One-size-fits-all model of state building -- limited adaptation to fit local circumstances
- Excessive focus on targets -- for aid, poverty reduction, macroeconomic reform, etc.
- Too much focus on national elections and national government
- Too little effort to build state capacity (especially local government capacity) -- too much dependence on NGOs
- Ideological dislike of private enterprise
- Little effort to leverage local identities, institutions, and capacities

To Sum Up...

- Inappropriate institutions major cause of state fragility
- Need new ways to think about how to make the state a reflection of its surrounding society
- Need to focus on constructing self-sustaining, locally driven governance systems
- Need new ways to “wrap” state around sociopolitically cohesive groups
- Need new ways to leverage local peoples’ capacities
- Need new ways to think about accountability
- Need new ways to leverage FDI