

The Curse of a Colonial Institution, not Resources: Colonialism and Kleptocracy in the Congo

Tyler G. Hugo

Fall 2023

Abstract: *The Democratic Republic of Congo's (DRC) immense natural resource wealth and stunted economic growth and poverty cause many to deem it "resource cursed" – a theory used to describe states with abundant natural resources and negative development outcomes. This theory is said to materialize through several mechanisms, but its presentation is widely understood to be conditionally reliant on the strength of institutions, and further critiques point to an insufficient consideration of history. So, what else might explain the DRC's development shortcomings? This paper contends that if the resource curse is conditional on institutions, then the institution itself is the curse, not the resources. Critiques of institutional conditionality and historical understatement are blended to argue that institutions traceable to the colonial era are the primary cause of poor development outcomes in the DRC. A qualitative historical analysis tracing the Congo's institutional history reveals that the extractive institution was established in the colonial period and perpetuated by subsequent domestic political leaders and foreign influence in the form of neo-colonialism. These factors, not natural resource abundance, are found to be the root cause of the negative development outcomes experienced by the DRC. Understanding the crucial role of institutions in the DRC's development encourages greater attention to their role elsewhere and could help shape how scholars and policy-makers approach development globally.*

I. INTRODUCTION

Some would say the Congo is the site of a tragic coincidence. Technology has made enormous leaps during the past two and a half centuries, and while these leaps have improved the quality of life for many, they have too often served as a precursor to suffering in the Congo. First, it was the Industrial Revolution that created the steamboat and provided European "explorers" with a path to central Africa. Next, the development of the automobile created immense demand for rubber needed to make tires – a resource abundantly and conveniently available in the region. During the First World War, copper deposits in the

Congo were exploited to produce bullet casings. During the Second World War, the uranium used in the atom bombs detonated in Japan was also sourced from the Congo. The 21st century birthed the smartphone, and vital to its production are the so-called 'conflict minerals' of tin, tantalum, tungsten, and gold – all of which are found in the Congo (Van Reybrouck 2010). The DRC has been and remains one of the world's largest industrial diamond producers (International Trade Administration 2022). Today, in a story that has come full circle, the Congo provides a resource critical to modern automobile manufacture – cobalt. As the green energy

movement pushes electric vehicles (EVs) to the foreground, the rechargeable lithium-ion batteries that are necessary for EVs rely on the cobalt that the DRC supplies.

At the center of this story seems to be resources, and despite their natural resource wealth, the Democratic Republic of Congo (DRC) is one of the five poorest nations in the world and is suffering from an ongoing humanitarian crisis (World Bank 2023). The juxtaposition of poverty and slow or lackluster development alongside resource wealth is not unique to the Congo, as other states with abundant natural resources have also suffered from adverse outcomes – a phenomenon coined the “resource curse.”³ The resource curse theory describes the negative outcomes experienced by these states abundant in natural resources and posits several mechanisms that cause this phenomenon. This theory, however, is widely understood by scholars to be conditional on the quality of the state’s institutions. Moreover, much of the resource curse scholarship underplays the significance of states’ history and fails to acknowledge country-specific nuances, as seminal studies tell a story beginning in the 1970s following decolonization in many of these states.⁴ These critiques are foundational to understanding that the root of poverty and stunted economic growth in the Congo is and always has been its institutions.

This paper builds off a claim made by Morrison (2013) where he states: “...put simply, if oil’s effect is conditional, there is no curse. If there is a curse to be discussed, it regards a country’s institutions, not its natural resources” (1122).⁵ I blend the critiques of institutional conditionality and

historical understatement to advance the following argument: The resource curse in the DRC is instead a curse rooted in the extractive institutional model established under King Leopold II of Belgium and upheld by subsequent domestic political leaders and neo-colonialism. That is, the negative experience of the Congo despite its natural resource wealth is the path-dependent outcome of colonial institutional establishment and the actions of kleptocratic domestic leaders and neo-colonial forces that sought to uphold this institution.

This argument is articulated through a historical analysis of institutional formation during the colonial period and the tracing of institutional characteristics in the DRC from then to now. Within the tracing of this history, I explain the mechanisms that facilitated institutional persistence. I argue that the economic model that sought to move natural resources from the colony to a foreign power during colonial times has persisted. This paper does not confine itself to the consideration of a single resource, as I argue that the extractive institutional model exists above any single resource and contend that the quality of institutions is the core cause of poverty and slow economic growth in the Congo.

The remainder of this paper proceeds as follows: II) Background about the DRC’s current conditions; III) A review of the literature regarding the resource curse, inclusive and extractive institutions, and neo-colonialism; IV) An analysis of the historical events that established and maintained an extractive political (and

³ Also known as the “poverty paradox” or the “paradox of plenty.”

⁴ Pointed out by Mukoyama (2020).

⁵ While this study examines the effect of oil, the logic remains consistent regardless of resource.

thus, economic) institution in the DRC. This section is divided into six subsections:

- i.* Extractive institutional establishment under the Congo Free State (CFS) from 1885 to 1908
- ii.* The first institutional continuation which describes the transition from the CFS to the Belgian Congo and their rule from 1908 to 1960
- iii.* Institutional preservation which describes how the Congolese independence movement failed to rid the country of its extractive institutions
- iv.* The second institutional continuation during the Mobutu dictatorship from 1965 to 1997
- v.* The third institutional continuation under Laurent Kabila from 1997 to 2001
- vi.* The fourth intuitional continuation beginning with the rule of Joseph Kabila in 2001 and continuing with the establishment of Chinese mining companies in the DRC that persist today

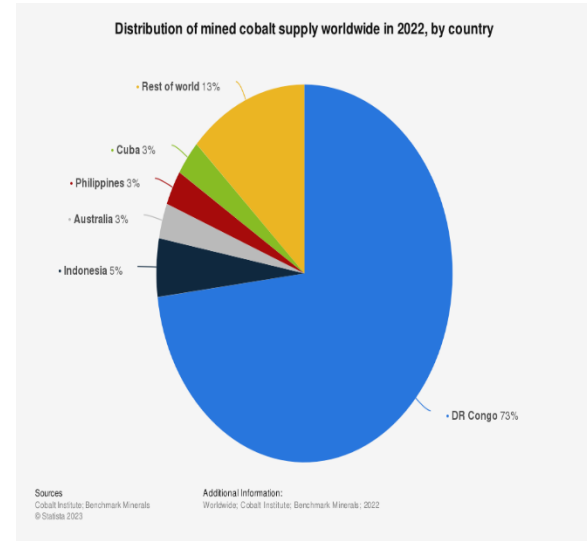
Section V concludes and includes a discussion of limitations and directions for future research.

II. BACKGROUND

The DRC is the source of multiple primary commodities critical to the global economy – most notably cobalt. In 2022, nearly three-quarters of the global cobalt supply came from the Congo (Statista 2023, see Figure 1). This level of production is a product of increasing demand that has generated a corresponding increase in production (see Figures 2 and 3). The DRC also produces 3.7 million carats of industrial diamonds annually – the sixth highest globally. Collectively, the mineral riches of the DRC are immense (estimated to be worth tens of trillions USD), with the nation also providing copper and gold to the global market (International Trade Administration 2022). To say that the

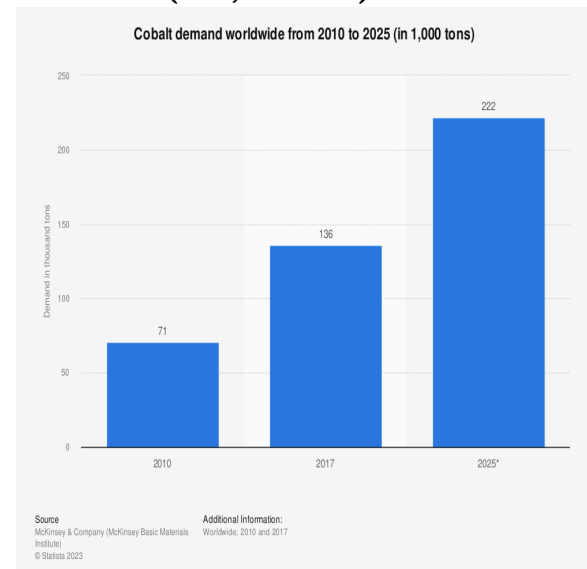
Congo is key to the global economy would be an understatement.

Figure 1. Distribution of mined cobalt supply worldwide in 2022, by country



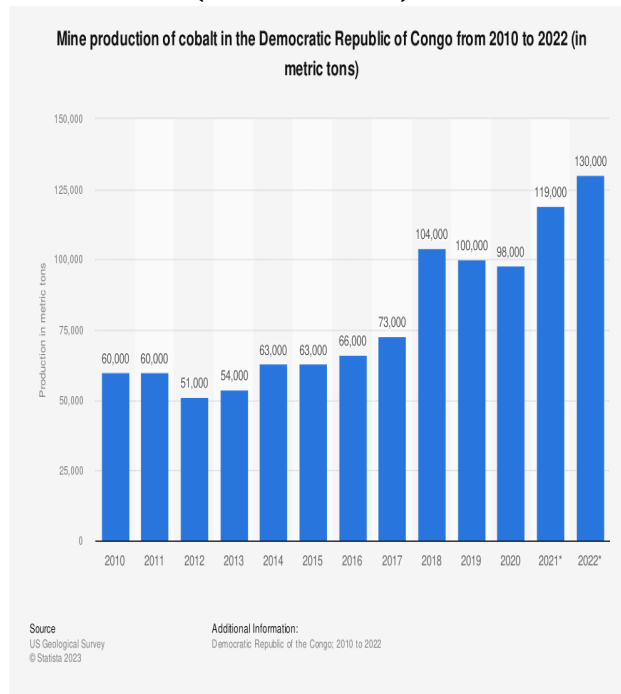
Source: Cobalt Institute via Statista 2023.

Figure 2. Cobalt demand worldwide from 2010-2025 (in 1,000 tons)



Source: McKinsey & Company via Statista 2023

Figure 3. Mine production of cobalt in the Democratic Republic of Congo from 2010 to 2022 (in metric tons)



Source: US Geological Survey via Statista 2023

While the DRC contributes immense value to the global economy, the people of the DRC live in some of the harshest conditions in the world.⁶ Conditions have improved since the early 21st century, but poverty, conflict, and humanitarian crises continue. In 2022, the DRC was ranked 179 out of 191 countries in the United Nations Development Programme’s 2021/2022 Human Development Report with a Human Development Index Value of 0.479. Additionally, in 2022, roughly 60 million people in the DRC (appx. 62% of the population) lived on less than \$2.15 per day (World Bank 2023). In 2023, the DRC accounted for 11.3% of the global population living below the extreme poverty line (World Data Lab 2023). These

⁶ This is the basis for claims that the Congo is resource cursed.

conditions have been exacerbated by conflict this year, as armed groups in the eastern provinces of North and South Kivu and Ituri have contributed to the internal displacement of nearly 7 million people (International Organization for Migration 2023). All these factors underscore the overall instability of the DRC.

III. LITERATURE REVIEW

THE RESOURCE CURSE

The resource curse refers to the adverse effects nations with natural resource abundance experience such as increased autocracy/decreased democracy, slow economic growth, and stunted economic and human development compared to countries with fewer natural resources (Smith and Waldner 2021). While discussions of the relationship between natural resources and development predate Richard Auty’s *Sustaining Development in Mineral Economies: The Resource Curse Thesis* (1993), Auty was the first to coin the term *resource curse*. The theory was advanced by Sachs and Warner’s 1995 pioneering research that implemented a cross-sectional analysis to find that countries with a higher ratio of natural resource exports to GDP experienced slower economic growth (Sachs and Warner 1995). They later argue that natural resource export-led economies failed to enjoy strong and sustainable economic growth (Sachs and Rodriguez 1999; Sachs and Warner 1997). Proponents of the theory have proposed several different mechanisms connecting natural resource abundance to adverse outcomes which can be divided into two categories: political and economic.⁷ Political mechanisms of the resource curse

⁷ This two-level analysis is also used by Morrison (2013).

describe a positive relationship between natural resource abundance and rent-seeking and between petroleum and autocracy (Leite and Weidman 1999; Ross 2001; Ross 2015). Petroleum is also said to be a permissive or enabling condition of civil war (Fearon and Laitin 2003). Economic mechanisms include the Prebisch-Singer Hypothesis,⁸ commodity price volatility, the crowding out of manufacturing, Dutch disease, and negative effects on education (Black et al. 2021; Frankel 2012; Papyrakis and Gerlagh 2004). All these mechanisms have been used as support for the existence of a resource curse.

While many treat the resource curse and its extensions⁹ as conventional wisdom, it remains highly contested. Concerns with the cross-country regression analysis methodology, causal claims based on observational data, and theoretical and conceptual inconsistencies highlight the shortcomings of the theory (Haber and Menaldo 2011; Morrison 2013; Smith and Waldner 2021). Additionally, an opposing body of research and data has provided contradictory results. These studies find the relationship between oil and democracy – or more broadly between natural resources and growth – to be null, and some even find that the relationship may be positive (Haber and Menaldo; Kolstad and Wiig 2009; Morrison 2013; Smith 2015; Smith and Waldner 2021; Venables 2016). Most notable, however, is that the resource curse is understood by many scholars to be conditional on the strength of institutions (Cabrales and Hauk 2010; Hodler et al. 2023; Mehlum et al. 2006a; Mehlum et al. 2006b; Morrison 2013). As mentioned in the

introduction, Morrison (2013) suggests that the curse is not resources, but institutions. Mehlum et al. (2006a) differentiate between “grabber-friendly” and “producer-friendly” institutions, a framework similar to the “inclusive” and “extractive” institutions identified by Acemoglu et al. (2001). The following subsection explores the classification of these institutions.

INCLUSIVE AND EXTRACTIVE INSTITUTIONS

Acemoglu and Robinson differentiate between the “inclusive institution” and the “extractive institution” and eventually argue that the colonial foundations of these institutions permit their persistence (2012; 2017). At the root of this argument lies the identification of two distinct types of colonialism: settler colonialism and exploitation colonialism. In settler colonies, European settlers inhabited the colony and sought to replicate the economic and political structures of their home country. This led to greater political and economic freedom, as settlers could participate in trade for personal gain and would eventually gain the same political rights as those in the home country. Examples of these colonies include what would later become Australia, Canada, New Zealand, and the United States. Here, emphasis was placed on property rights and protections against government overreach (Acemoglu et al. 2001). Meanwhile, extractive states (or exploitation colonies) created a system based on the exploitation of indigenous labor and resources that was designed to move wealth from the colony to the metropole as efficiently as possible. Dense populations of indigenous people

⁸ Primary commodity prices deteriorate over time compared to manufactured goods, leaving

primary commodity producing economies vulnerable in the long run.

⁹ The alleged negative effects of oil.

provided a labor force that the colonizer exploited through coercive institutions like slavery and forced labor¹⁰ (Acemoglu and Robinson 2017), and settlement in these colonies was less feasible due to high rates of settler mortality from local diseases (Acemoglu et al. 2001). Examples of these colonies can be found throughout Africa and parts of Asia. While colonial goals may have been similar across nations, the pre-existing conditions of the colonies were not and thus created great variation in outcomes.

The type of colonialism experienced by a colony created either inclusive or extractive political institutions, which led to inclusive or extractive economic institutions and are, in part, responsible for underdevelopment and poverty today. Forming an inclusive political institution requires two elements: 1.) Broad distribution of political power (to Acemoglu and Robinson, pluralistic) and 2.) A strong and “sufficiently centralized” state. Sufficient centralization is contingent upon the distribution of power permitting the enforcement of law and order permissive of economic activity, trade, and the basic security of citizens (Acemoglu and Robinson 2012, 81). These elements are crucial for innovation, the driver of economic growth, and in societies with inclusive institutions, innovation is possible because broad political representation provides avenues to economic participation and ensures property rights which are then enforced and upheld by strong states. With a greater ability to participate in the economic system, more people do so, and society reaps the benefits of the full creative and innovative potential of the population. The full potential of the population is also more

¹⁰ E.g., the Spanish *Encomienda*.

attainable because the inclusive institution funds technological advancement and education – two other drivers of growth. Lastly, the inclusive institution protects against monopolies and clientelism, which inhibit economic growth by reducing the capacity for innovation (Acemoglu and Robinson, 2012). Together, these conditions facilitate economic development.

When an institution lacks either required element of an inclusive institution, it is extractive. In the extractive institution, political power is concentrated in the hands of a select few who can then shape economic institutions to their liking. They face little opposition, and often use their power to evade accountability and further suppress opposition. Little investment is allocated to education, so schooling becomes either unavailable or inadequate and the potential of the population is never realized. The people of the extractive institution are excluded from the “economic game.”¹¹ Property rights are not adequately enforced, technological innovation is not encouraged, and the people are left unsupported (Acemoglu and Robinson 2012). The result is an institution whose goal is to benefit the political elites at the expense of the masses. These characteristics are central to the story of development.

The final prong of this argument posits that the types of colonial institutions formed in a country tend to persist. In a study using the mortality rates of Europeans in colonies as an expression of extractive institutional formation, Acemoglu et al. (2001) found a strong correlation between settler mortality rates and economic underperformance today.

¹¹ Participation in the market by starting businesses and engaging in free trade.

That is, colonies less hospitable (with higher rates of mortality) to European settlers led to the formation of extractive institutions that still exist today. Acemoglu et al. argue that independence only changed the faces of governance, as the institutions, structures, policies, practices, and tendencies of the colonial regime were all inherited by those who gained political power upon independence (2001). Based on this premise, they argue three mechanisms permitted institutional persistence (Acemoglu et al. 2001):

1. Elites have little incentive to bear the costs required to transform extractive institutions into inclusive ones and instead exploit existing institutions for personal gain.

2. The small local elite to whom European powers had delegated everyday procedures during colonial rule were the ones who inherited the state and chose to maintain a system that divided immense resource rents among a small group.

3. The local elites had invested in mechanisms that facilitated the extractive institution. Counterfactually, they had not invested in mechanisms promoting inclusive institutions and, thus, were incentivized to uphold the systems that perpetuated the interests around which their investments were organized.

Acemoglu and Robinson expand on some of these mechanisms in their 2012 book, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, where they discuss examples in Sierra Leone and Guatemala (among others) of local elites inheriting extractive institutions and using them for personal gain just as the colonial power did. These observations permit a conclusion that – while requiring linkage – is structurally sound. Extractive political and economic institutions are inhibitive to economic growth and development, and

colonies, where extractive institutions were imposed, tend to retain these since the post-independence political regime typically inherited and maintained the same political and economic institutions as the colonial power, now using them for personal gain. This is not to say that every exploitation colony created extractive institutions that have persisted and will last forever – as there is no claim of absolute path dependence. Rather, the exploitation colony presents a condition that *can* create extractive institutions that *may* persist based on the decisions made by political elites.

Critiques of the institutional framework that Acemoglu et al. (2012) present are vast. Criticism has taken place in various forms including book reviews, personal websites, and blog posts, and Acemoglu et al. have often posted/published direct responses to critics. Popular critiques include accusations of oversimplification and misrepresentation of historical events, failure to properly consider other factors (many cite geography), and overly vague definitions of extractive and inclusive institutions (Diamond 2012; Fukuyama 2012; Sachs 2012). A back and forth between Acemoglu/Robinson and Jeffery Sachs, a seminal scholar of the resource curse literature, has seen the most substantive critiques. Published on Sachs' website, he accuses them of neglecting other factors such as diffusion as another measure of development (in addition to innovation), criticizes their inability to predict or describe outcomes, claims their data are unreliable, and criticizes their measure of political institutions for its conflation of expropriation risk with extractive political institutions (Sachs 2012). The critiques of the institutional framework posed by Acemoglu, Robinson, and Johnson do demonstrate flaws in their

theory, but nothing put forward has been definitive and for every example, there is a corresponding counterexample. A reasonable interpretation of this back and forth creates one logical conclusion – like the resource curse, the extractive institution as a predictor of development is influenced by other factors.

NEO-COLONIALISM

The post-war period saw the beginning of decolonization, and scholars quickly began to discuss efforts that former colonial powers were undertaking to reimpose or retain control of their former colonies. This idea became known as neo-colonialism. Kwame Nkrumah is said to have coined the term in 1963 at the Organization of African States Charter (Afisi 2017).¹² It was formally advanced in literature by Jean Paul Sartre in *Colonialism and Neocolonialism* (1964) and again by Kwame Nkrumah in *Neo-colonialism: The Last Stage of Imperialism* (1965). The concept has roots in Marxian critiques of capitalism and finds that the former colonial power exacts control over the independent state through the indirect mechanisms of economic and political influence. In this state, independence is a façade that disguises the continuation of the colonial relationship (Afisi 2017). Also critical to the construction of this idea are the works of Frantz Fanon: *Black Skin White Mask* (1952) and *The Wretched of the Earth* (1961) – seminal contributions to the study of decolonization. Fanon’s writings describe what can be deduced as the counterfactual to neo-colonialism where the former colony achieves freedom from all colonial influences. Neo-colonialism describes the failure to achieve the complete liberation Fanon describes, as the neocolonial system differs from the colonial

system in that its domination is insidious. Instead of direct violence, it is defined by its deceptive appearance of autonomy that hides the influence of the former colonial power, yet the colonizer still retains control over the former colony (Afisi 2017; Fanon 1961). From neo-colonialism, there have emerged various theoretical frameworks.

Dependency theory, world-systems theory, and postcolonialism are helpful frameworks to analyze neo-colonialism. Dependency theory and world-systems theory separate the world into the “centre” or “core” and the “periphery” wherein the former grows at the expense and the detriment of the latter (Halperin 2018; Munro 2023). Postcolonialism offers another useful framework to conceptualize neo-colonialism, as it recognizes the long-lasting effects of the cultural influence of the colonial power on the colony and how this influences the material and cultural construction of the newly independent state (Ivison 2023). These theoretical frameworks are part of the foundation of neo-colonialism and the idea that the post-colonial state endures long-lasting colonial influence.

Notable forms of neo-colonialism can be separated into two categories that correspond with dependency theory and world-systems theory. Under the dependency theory framework, multinational corporations (MNCs) and global economic institutions replicate the exploitative colonial dynamic. Under world systems theory, states replicate this dynamic. MNCs replicate this system by exploiting cheap labor and raw materials and benefit only a select few in the neo-colonial state. Since these corporations seek to retain their source of cheap labor and raw materials, they discourage steps

¹² The exact origins of the term are debated.

that foster development antithetical to their goals. Global economic institutions preserve this through conditions on loans that limit investment conducive to development, again, maintaining the neocolonial state as a source of cheap labor and raw materials (Halperin 2023). Powerful states engage in neo-colonialism by interfering in the domestic affairs of the neo-colonial state. This often happens through supporting the side that best suits the power's interests during domestic conflicts. This occurred throughout the Cold War, and the interests of the foreign powers often served to continue economic exploitation (Halperin 2023). Together, these displays of neo-colonialism all serve the same purpose – the preservation of the colonial system that sought to extract wealth at the expense of the people at the source.

Neo-colonial influence is achieved through three avenues: economics, politics, and military. The economic avenue propagates global capitalism and sees MNCs gain control of the country's natural resources at the marginal expense of paying off a small group of political elites. This practice facilitates continued dependence. The political avenue capitalizes on a mutually beneficial relationship between political leaders and foreign powers wherein domestic leaders advocate for the foreign power's interests. As is the case with the MNC, these relationships disproportionately benefit the political elites and continue the exploitation of the state's people. In these cases, the installation of a political leader often follows efforts that destabilize the political

system and see a previous political leader removed from power. Lastly, the military avenue involves foreign powers' support of rebels, revolutionaries, and coups. These efforts aim to install political leaders who will advocate for their interests. Additionally, the military aid provided by foreign powers can become crucial in fighting rebel groups and maintaining the strength of the current government. The importance of this aid creates a relationship of dependence where the government can only thwart rebel groups with the support of the foreign power. Through this reliance, the foreign power can use their leverage to create a favorable relationship and continue a system that benefits them at the expense of the neocolonial state (Rapanyane 2023).¹⁵ Through some or all these avenues, the colonial relationship is replicated.

Critiques of neo-colonialism are vast. Some are based on the racist colonial ideology that points to the alleged backwardness of African societies and puts forward the idea that African societies needed to be civilized by European powers.¹⁴ A reasonable criticism recognizes the negative impacts of European colonialism in Africa but claims that former colonies need economic aid and other forms of assistance to develop (Afisi 2017). These critiques do little in explaining what has occurred since independence in many African countries. The neocolonial perspective attributes negative outcomes after independence to the continued involvement of colonial powers. Despite recent growth and the likely future emergence of more African states as major economic players in the global system,

¹⁵ The paragraph above uses Rapanyane's (2023) "The Derivations of Neo-Colonial Dimensions" subsection as a framework.

¹⁴ This paper will not engage with these fundamentally racist arguments.

many African nations are still impoverished. To critics of neo-colonialism, this means that other factors must be causing these negative outcomes, or these countries are still “catching up.” Neither answer meaningfully addresses the reality that European and Western involvement continues alongside slow development in several countries.

IV. THE EXTRACTIVE INSTITUTION IN THE CONGO

The following section contains the argument central to this paper: Poor development outcomes experienced by the Congo despite its natural resource wealth are the path-dependent outcome of colonial institutional establishment and its continuation by kleptocrats and neocolonial forces. In each stage, I identify how the institution fails to meet the condition of pluralism or sufficient centralization and describe how it continues the model of elite personal enrichment of both domestic and foreign entities at the expense of the Congolese people. The argument is neither purely that of Acemoglu and Robinson’s extractive institution nor is it entirely neocolonial. Rather, the argument is that the combination of these factors shaped the history of the Congo since 1885, and they are more vital to explaining the development outcomes of the state than its resources are.

i. EXTRACTIVE INSTITUTIONAL ESTABLISHMENT

The history of institutions in the Congo did not begin under the CFS, as the people of the region had existing political and economic institutions centuries before the arrival of Henry Morton Stanley in 1871. However, the story of *the* Congolese institution begins here because, as was the

case in most of Africa, the colonial power established arbitrary borders that grouped numerous societies together. So, while institutions in the region predate colonization, the region called the “Democratic Republic of Congo” today had its first collective institution under the CFS.

While disguised as a humanitarian mission, Leopold’s motivation for obtaining an African colony was pure greed. In pursuit of these exploits, he expended great wealth and effort in his financing of Stanley’s expeditions and diplomatic maneuvers to legitimize his claim to the Congo in the eyes of European powers and the United States. Upon assuming control of the region, he turned to profit (Hochschild 1998). Nzongola-Ntalaja (2002) summarizes his motivations well in saying: “As a good capitalist, the king had to judge the success of his colonial enterprise strictly in business terms, that is, in terms of whether or not it was profitable” (20). And despite Leopold’s proclaimed humanitarian motivations including opposition to slavery, he immediately implemented a forced labor system akin to slavery. The colonial military force, the *Force Publique*, ransacked villages and kidnapped women to compel the men into labor. Men of the village were told to collect rubber, and after meeting the quotas imposed by the soldiers, the women could be bought back. If they refused, they or their families would be killed. The Congolese people were later required to provide labor, rubber, and ivory by law. If they did not comply, they were met with

horrific violence.¹⁵ Rubber extraction in the Congo was especially profitable because it could be harvested from wild vines, so after labor costs were removed, the only cost remaining was transportation. Under this model, Leopold became the richest man in the world (Hochschild 1998). This brief overview of the atrocities committed in the CFS does not fully capture the horror endured by the Congolese under Leopold's rule.¹⁶ An estimated 10 million Congolese people were killed through murder, starvation, exhaustion, famine, and disease while birth rates plummeted (Hochschild 1998).¹⁷ The CFS marks one of the darkest periods of human history. It also marks the establishment of the extractive institution in the Congo.

That the CFS was an extractive political and economic institution is not a novel conclusion. The people of the CFS held no political rights, which was vital in upholding the system of exploitation. Living in a slave system, their labor was forced under the use and threat of violence. The profits derived from their labor were moved swiftly to Leopold, his business partners, and the Belgian officials who maintained the system on the ground – the ground upon which Leopold never set foot (Nzongola-Ntalaja 2002). Failing to meet the condition of pluralism, here is the foundation of the extractive institution. This is not to say that any system following the CFS was equally exploitative. Rather, what underscores this stage is that a small group of political elites used the abundant natural resources of the land to enrich themselves at the expense of the people – a

system reliant on the exclusion of the people from the political process. This is consistent with the exploitation of colonialism and extractive institutions described by Acemoglu et al. (2001; 2012), and here begins the Congolese extractive institution.

ii. INSTITUTIONAL CONTINUATION 1

The atrocities of the CFS brought the first international humanitarian campaign – the Congo Reform Movement. Led by journalists George Washington Williams and E.D. Morel, missionary William Sheppard, and diplomat Roger Casement, the publicization of the acts committed under Leopold's regime forced him to relinquish the CFS to Belgium in 1908 (Hochschild 1998). However, the Congo Reform Movement focused only on the horrifying effects of this particular colonial system. That is, what was wrong with the CFS was that the *Force Publique* committed acts of reprehensible violence against the Congolese people, not that a system of forced labor was used to extract value from the Congo. Thus, when Belgium inherited the CFS from Leopold (then becoming the Belgian Congo), there were no calls for meaningful institutional reform (Nzongola-Ntalaja 2002). The Leopoldian system of direct economic exploitation and political and cultural repression was not only upheld by Belgium but refined through collaboration with the Catholic Church and corporations (Nzongola-Ntalaja 2002). Besides Leopold, few figures were removed. The *Force Publique* remained, some colonial officials received promotions, and some

¹⁵ The atrocities of the CFS included rape, arson, bodily mutilation, lashing, and murder among many others (Nzongola-Ntalaja 2002).

¹⁶ It should be noted that while other foreign investors held concessions in the Congo, this

did not change the treatment of the people or the characteristics of the system.

¹⁷ Estimates are as high as 13 million.

remained in the same roles with new bosses. Forced labor continued, only it now took place under the imposition of high taxes and conscription during World War I. But when mineral deposit exploitation accelerated following WWI, tactics of old resurfaced with village chiefs receiving gifts from mining recruiters who then imposed labor quotas for chiefs to meet. These workers were compelled to work under a hostage system like that of the CFS. World War II brought another resurgence of forced labor, as 120 days of forced labor could be mandated annually (Hochschild 1998). This period saw copper production in the Congo increase by 180 percent between 1940 and 1960, accounting for 10 percent of global production by 1960 (Kara 2023, 109). Also under Belgian rule, concessions were sold to the Lever brothers who used forced labor to extract the palm oil vital to soap production – the profits of which built Unilever.

Meanwhile in Belgium, the wealth continued to flow from the Congo. No differently than under Leopold, resources extracted from the Congo were used to enrich the metropole and foreign elites. Leopold was removed as the face of exploitation, but the political exclusion used to uphold a system of economic exploitation persisted in the Belgian Congo. That this system continued is unsurprising, as the Congo remained a colony, and its institutions remained consistent with Acemoglu et al.'s extractive institutional framework (2012). Despite the first international humanitarian campaign, the transition of the CFS to the Belgian Congo upheld the extractive institutional model

and signifies the first institutional continuation in the Congo.

iii. INSTITUTIONAL PRESERVATION

The following section details the Congolese independence movement and shows how the extractive institution was preserved through two mechanisms: 1.) a flawed independence movement and 2.) foreign interference. These two mechanisms occurred during five years of extreme political instability following Congolese independence from Belgium in 1960, a period known as the “Congo Crisis.”¹⁸ This section will implement two lenses of analysis: 1.) Whether or not the institutions satisfied the conditions of pluralism or sufficient centralization (Acemoglu and Robinson’s definition) and 2.) A neocolonial framework that describes how foreign powers preserved their source of cheap labor and natural resources alongside Acemoglu and Robinson’s explanation for institutional persistence in the post-colonial period.

The Congolese independence effort began in 1885, and anti-colonial resistance existed in the forms of violent rebellion, politico-religious movements, and peasants’ and workers’ revolts at various points during the Congo’s colonial period from 1885 to 1960. Critical to understanding the anti-colonial movement is the pre-independence social stratification of the Congo.¹⁹ At the top were the *imperialist bourgeoisie*, the *middle bourgeoisie*, and the upper five levels of the *petty bourgeoisie* – of which none were African. Some African white-collar employees and artisans belonged to the lower strata of the petty bourgeoisie, and

¹⁸ These events eventually led to the installation of stage four’s focus – Joseph Mobutu (or Mobutu Sese Seko).

¹⁹ The following description of social stratification is that described by Nzongola-Ntalaja (2002).

below them was the *traditional ruling class* consisting of kings, nobles, religious authorities, etc. Next in the hierarchy were the *peasants* who produced food and cash crops (accounted for most of the African population), the *working class* which was divided by black and white workers (and within this distinction also divided by industrial and agricultural workers), and the *lumpenproletariat* who did not have stable employment and instead worked in the informal sector (Nzongola-Ntalaja 2002). The social stratification of the Congo was influential in the makeup of the independence movement. Most notably, an educated group of elites within the *petty bourgeoisie* known as *évolués* led the independence movement, yet the movement's success in achieving liberation was contingent upon collaboration between members from every stratum of Congolese society who were also uniting across geographic barriers (Nzongola-Ntalaja 2002; Van Reybrouck 2010). An alliance between members of different social strata was made possible because their grievances were all with the colonial system, despite some having comparatively more privilege within it. But more critical to the story is how rapidly Congolese independence happened.

A successful Congolese independence campaign finally began in 1955, and the Congo achieved official independence in 1960 (renamed the Republic of Congo). This movement was led by rivals Joseph Kasavubu and Patrice Lumumba. Lumumba had met Kwame Nkrumah, Frantz Fanon, and other leaders in 1958 who inspired his pan-African leanings and laid the groundwork for his nationalist platform vital to the independence movement. This platform created a general impatience during the decolonization process, and in 1960, Belgium abruptly granted Congo complete

independence (Van Reybrouck 2010). The first mistake of the Congolese independence movement was the inability of its leadership to secure the economic assets of the state. Belgium transferred the assets of the colonial companies to themselves and left the public debt to the Congo. The second mistake was not as much a mistake as it was an intentional effort of power-seeking by *évolués*. They sought to capture the benefits previously enjoyed by European officials before them, and some of those who ascended to leadership immediately raised their salaries by 400 percent (Nzongola-Ntalaja 2002). The replacement of the European colonial force with an African ruling class existing within the same system quickly generated unrest.

Lumumba was elected Prime Minister in June of 1960. Within weeks he saw a mutiny by the army and a secessionist movement emerge from the southeastern mining province of Katanga that accounted for 70 percent of the Congolese government's income (Kara 2023). The secessionist movement was led by Moïse Tshombe with troops and financing from Belgium, as the former colonial power sought to retain economic domination (Nzongola-Ntalaja 2002). Belgian support of the secessionist movement was likely further emboldened by Lumumba's speech given at Congo's independence ceremony. After a patronizing speech from King Baudouin of Belgium and a restrained speech by President elect Kasavubu, Lumumba gave a scathing critique of Leopoldian and Belgian colonial rule. He emphasized the horrors endured by the Congolese people and their struggle for liberation (Van

Reybrouck 2010).²⁰ Lumumba responded to the Katangan secessionist movement with calls for United Nations peacekeeping deployment to expel Belgian troops. When the forces deployed could not expel them, he appealed to the Soviet Union – making the Congo a battleground for the Cold War and ultimately leading to Lumumba’s assassination. On September 5th of 1960, Kasa-Vubu announced his dismissal of Lumumba. While this action was illegitimate and both houses of parliament rejected it, nine days later Joseph Mobutu – backed by the United States Central Intelligence Agency, the United Nations, and Belgium – conducted his first coup. Lumumba was placed under house arrest initially, and after escaping in an attempt to reach his stronghold in Kisangani, he was captured on December 1st, 1960. Lumumba was assassinated in January of 1961, an operation orchestrated and carried out by Belgium and the CIA (Nzongola-Ntalaja 2002). Political crisis and a struggle for power continued, and ironically, the U.S. and UN supported a unified Congo. This was achieved in 1963, but in 1965 Mobutu executed his second coup (Kara 2023). These five years of political instability following Congolese independence saw several parties seeking to influence the Congo’s future to their advantage.

The Congo Crisis saw a complicated intersection of political actors and interests lead to severe instability for the five years that immediately followed independence. Collectively, these events inhibited the success of any efforts to escape the extractive institution under independence. The first shortcoming of the independence movement is consistent with the institutional persistence framework put forward by Acemoglu et al. (2001). They

find that a limited elite taking power following independence has an incentive to simply replace the ruling European elites. The *évolués* took power following independence because they were some of the few capable of leading. At independence, there were only sixteen college graduates in the entirety of the Congo (Van Reybrouck 2010). This narrow elite that inherited leadership roles in the Congo then did exactly what Acemoglu et al. (2001) describe. While this system led to mutiny and was quickly dissolved, it is important to note that elites attempted to continue the extractive institution in this manner.

An argument can be made that the Congo failed to meet either condition of an inclusive institution following independence. First, and most obviously, the democratically elected Patrice Lumumba was removed from office in a coup and was later assassinated. Thus, it could be argued that those who voted for Lumumba were not having their political voices represented and the distribution of political power was limited by his removal. However, this fails to account for many who had grown upset with Lumumba when their conditions did not improve immediately following independence. More important, however, is that the secessionist movements and widespread unrest rendered the Congo insufficiently centralized. The conflicting political forces meant no one could instill order that permitted economic participation nor even basic security.

Last, in assessing the Congo Crisis, neo-colonialism was central. While the borders drawn by the colonizer did arbitrarily group Katanga with the rest of the Congo (which influenced secessionist sentiments),

²⁰ See Lumumba 1960 for full speech.

Belgian interference and support for Tshombe was a clear effort to retain economic dominance over the Congo. This presented itself in two ways. First, Belgium was trying to form a close relationship with the mineral-rich province which provided the Congolese government with most of its income. Second, the support for Katangan succession left the province dependent on Belgium for military aid and, had it been successful, would have left the hypothetical Katangan state deeply influenced by Belgium. These efforts are consistent with the economic and military mechanisms of neo-colonial control.

Together, a faulty independence movement conceived in a country ill-equipped with adequate leaders (or at least those with its people in mind) and foreign interference generated a country that was not effectively de-colonized. While the extractive institution is not vital to this chapter, the fact that the Congolese independence movement did not allow the public to free themselves from exploitation is a historical turning point. Five years of crisis followed independence and saw foreign intelligence agencies assassinate one of the few political leaders that appeared to have the nation's people in mind. Despite supposed de-colonization, the colonial structure was preserved.

iv. INSTITUTIONAL CONTINUATION 2

After his second coup in 1965, Mobutu ruled the Congo for thirty-two years (renaming the country the “Republic of Zaire” in 1971). Mobutu came to and remained in power largely from American support he had gained through his staunch anti-communist position. Some of the first actions taken by Mobutu appeared

promising for the people of the Congo. He used his U.S. support to dissolve the Belgian monopoly that had its hand in most sectors of the Congolese economy, and he nationalized the Union Minière du Haut-Katanga (UMHK), a capitalist corporation founded in 1906 (Nzongola-Ntalaja 2002).²¹ However, Mobutu was not interested in bringing prosperity to the people of the Congo. Instead, as Kara finds (2023, 112): “Mobutu ran the Congo for thirty-two years, just as Leopold did – a personal wealth machine.” With external support, the Congo became an autocratic kleptocracy with Mobutu as a dictator who, in true Leopoldian fashion, eventually saw himself become one of the ten richest people in the world (Kara 2023; Nzongola-Ntalaja 2002). Nzongola-Ntalaja (2002) further finds that Mobutu’s Congo (and eventual Zaire) created a state bourgeoisie that used governmental institutions as a means of self-enrichment accomplished through the maintenance of the colonial system. This was made possible in part by foreign support, but Mobutu also executed masterful plans to remain in absolute power for as long as he did while the people of the Congo continued to live in poverty.

Within months of achieving power, Mobutu began eliminating political opponents. He first had former members of Lumumba’s and Kasa-Vubu’s government tried and convicted for an attempted overthrow of Mobutu. Van Reybrouck (2010) calls this a trap that Mobutu used to eliminate men who never made efforts to overthrow his government. Among the multiple mechanisms Mobutu implemented to actualize absolute power was the official creation of the single-party state with himself at the head in 1970. Mobutu

²¹ UMHK had direct ties to Leopold at its creation.

retained popular support for many of the years he held power. Initially, his support was derived from fatigue caused by the Congo Crisis and continued during a period of economic growth from 1967 to 1973 – despite Mobutu eliminating several political opponents and cracking down on protests (Van Reybrouck 2010). However, support declined following 1973 when the effects of the Mobutu government’s corruption and crashing copper prices resulted in food insecurity and economic crisis. In 1975 a failed coup set in process the decay of the Congolese military and the strengthening of paramilitary forces who were at the command of Mobutu. Yet, Mobutu continued to garner support. To do so, he created a cult of personality that embraced an anti-colonial ideology. In this effort he ironically declared Patrice Lumumba a national hero despite having been influential in his assassination (Nzongola-Ntalaja 2002; Van Reybrouck 2010). However, most vital to Mobutu sustaining power for such a period was the American support he had. Throughout the Cold War, the U.S. felt that the strongman leader of Zaire would prevent the state from falling to communism, and diplomatic relations between Mobutu and the U.S. were friendly (Nzongola-Ntalaja 2002). But when the Cold War ended, so did U.S. support for Mobutu, and eventually, so did his rule. The conclusion of this stage is less neat than the others. Mobutu began to lose power in 1990 but retained control until 1997. During this seven-year period, Zaire was a multiparty democracy, but this was only in name. Nzongola-Ntalaja (2002) finds that no changes occurred within this period because opposition remained weak, the kleptocracy clung to their power, African democracy movements had been met with violent repression, the Rwandan genocide generated instability, and support for

human rights and democracy in Africa by world powers was weak. For the purposes of this analysis, this period is considered to still fall under the Mobutu kleptocracy. However, the fifth stage will detail the events of this period that led to Mobutu’s removal from power.

The rule of Mobutu can be understood through both the neocolonial lens and through Acemoglu and Robinson’s conditions of the inclusive institution. The U.S. support for Mobutu was purely a device of the Cold War. American fears of communism gave Mobutu the backing he needed to stay in power. Mobutu also used masterful (and ruthless) tactics to create a single-party state. Under this single-party state, the first condition of an inclusive institution is left unmet, as the distribution of political power in Mobutu’s Zaire was spread among himself and the other state bourgeoisie. This stage of Congolese history most closely replicates the extractive institutional framework of the CFS. In both cases, a single man acquired immense wealth from the exploitation of resources and labor from people who had no viable means to stand up to him.

v. INSTITUTIONAL CONTINUATION 3

Mobutu’s rule saw Zaire and its military weaken, which proved critical in 1994. When the Rwandan Genocide pushed refugees into Zaire, Hutu militant groups (Interahamwe) created a base in Zaire’s eastern Kivu provinces from where they continued to attack Tutsis. In response, Rwandan President and head of the army, Paul Kagame – with the help of Ugandan forces – invaded Zaire. They partnered with Laurent Kabila, a Katangan, who united rebel groups into the Alliance of Democratic Forces for the Liberation of Congo (AFDL) (Kara 2023; Nzongola-Ntalaja 2002). Kabila and his AFDL pushed

Mobutu to flee Zaire, and by May of 1997, Kabila was the President of the newly declared Democratic Republic of Congo (DRC). While the deterioration of Mobutu's regime happened over the course of seven years, it ended promptly after Kabila received the support of Rwanda and Uganda. However, Kabila entered power with no political vision or plan for the Congo (Nzongola-Ntalaja 2002), and those who helped him reach power had high hopes for their relationship with the Congo. Beginning in 1996, Rwanda and Uganda established control of several resources in the northeastern Kivus and Ituri provinces (Nzongola-Ntalaja 2002). This later served as a catalyst for further conflict.

When Kabila first took power, there was a sense of optimism. The Congolese people had suffered under Mobutu, and Kabila's early reforms were outwardly encouraging. Public sanitation services resumed, public employees began receiving regular pay, inflation decreased, a new currency was established, and Kabila promised to bring prosperity to the Congo (Van Reybrouck 2010). However, these early signs of hope quickly diminished. The multiparty democracy that had been established in the waning years of the Mobutu regime was abolished and the Congo was again authoritarian. Kabila eliminated potential political opponents and when a new constitution went into effect in May of 1997, it granted the president near absolute control. Kabila found himself with a weak army, but to suppress the democratic movement all he needed was control of the media – which he had (Van Reybrouck 2010). During this period Kabila brokered deals with foreign mining companies and

their payments were directed to Kabila's personal accounts (Kara 2023). However, Kabila's weakness began to show in 1998.

In 1998, Kabila took on the forces that helped him reach power, fighting Rwandan and Ugandan forces in efforts to expel them from the Congo (Lemarchand et al. 2023). The violence that ensued killed 5 million Congolese civilians. Kabila turned to Angola, Namibia, and Zimbabwe for military support, offering stakes in Katangan mineral resources in exchange (Kara 2023). This period also saw the U.S. and Canada invest in Congolese mining assets for which payment was made to Kabila's AFDL (Nzongola-Ntalaja 2002). In 1999, the Lusaka Peace Accord was signed and United Nations peace-keeping forces were deployed, but the conflict did not end (Lemarchand et al. 2023). In January of 2001, Kabila was assassinated.

The short rule of Kabila was similar to the period of 1960 to 1965 in that it began with optimism but ended in conflict that ravaged the Congo.²² Despite serving as another continuation of the Congolese extractive institution, this period is more complicated than others. Both conditions of an inclusive institution failed to be satisfied. Kabila's authoritarian regime abolished multi-party democracy and neutralized political threats. His rule saw the Congolese people remain without a political voice. Further, the country was ravaged with conflict during the First and Second Congo Wars and Kabila was unable to sufficiently centralize the state to ensure basic security for the Congolese people as was evident with the death of millions of Congolese people during the conflict. What is less cohesive in this section is the

²² And that it included a series of complex political events that this paper is not capable of describing comprehensively.

beneficiary of this stage. Kabila did benefit financially, but his mismanagement of every aspect of his rule meant that his reign was short and comparatively less personally profitable. Several other countries purchased mining assets in the Congo during this period, but no single country/corporation was able to establish a monopoly as had been done before. The difference between stage five and stage three (i.e., why Kabila's rule qualifies as a continuation and not preservation) is that while Kabila was less effective at using the extractive institution for his enrichment due to the ongoing conflict and his mishandling of political power, it still existed and was exploited to some extent.

vi. INSTITUTIONAL CONTINUATION 4

The final stage of the Congolese extractive institution is the most complicated. This stage ends in contemporary DRC, but its foundations were laid immediately following Laurent Kabila's assassination. In the wake of his assassination, his son, Joseph Kabila, came to power and moved the country towards peace with Uganda and Rwanda – formally achieving this in December of 2002 (Van Reybrouck 2010). International aid facilitated a transitional period seeking to usher the Congo to sustained stability. However, instability has continued despite UN peacekeeping efforts because the Congo was and has been unable to maintain a monopoly on force, thus allowing militant groups to capture resource rich regions and exacerbating violence (Van Reybrouck 2010). These problems persist today.

Early on, Kabila took steps to rebuild the country and was elected president in

2006. Despite peace treaties having been reached, conflict continued among rebel groups and was met with a joint military response by Congo and Rwanda in 2009, but this still did not put an end to the conflict. In 2011, Kabila was re-elected in a poorly organized election contested by the second leading vote-getter, Etienne Tshisekedi. Nothing ever came of these contentions, and Kabila remained president until 2018 after maneuvers extending the anticipated end of his term by two years (Lemarchand et al. 2023). An assessment of Kabila's presidency leads to a conclusion all too familiar in the Congo.

Kabila, like his father and his predecessors, used the Congo for personal enrichment. In November of 2021, an account of Kabila's corruption was published – titled "Congo Hold-Up." The report finds that Kabila and his inner circle had been siphoning money from the national bank and other state-owned and affiliated entities. Further reports claim Kabila was involved in the embezzlement of US\$138 million from 2013 to 2018. Most notable of the report is the bribery and fraud described in the 2008 SICOMINES deal that saw China Railway Group Limited and Sinohydro Corp provide the Congo with upgrades to infrastructure (valued at US\$3 billion) while gaining 68 percent ownership in the country's copper and cobalt extraction (estimated value between US\$40 billion and US\$84 billion) (Fessy 2021; Rapanyane 2023).²³ Not only is this deal important in that Kabila used it as a means of personal enrichment, but also in that it laid the foundations for the current Chinese monopoly on Congolese cobalt. China's Belt and Road Initiative in the Congo has seen it

²³ The remaining 32% of stakes are owned by Gecamines, Congo's state-owned mining company (Rapanyane 2023).

acquire ownership of 15 of the 17 cobalt mining operations in the country (Wells 2023). In return, hospitals and roads have been built, but Chinese investment has also been accompanied by dangerous and exploitative working conditions for artisanal miners (Amnesty International 2023; Rapanyane 2023).²⁴ The labor market for cobalt extraction is informal among Congolese, as Chinese companies employ few locals at industrial sites, so people engage in artisanal mining and sell the cobalt to intermediaries who later sell it to Chinese companies (Kara 2023). The unregulated informal sector of mining not only creates unsafe and exploitative working conditions, but the labor demand is met by those similar to the *lumpenproletariat* as defined by Nzongola-Ntalaja (2002). This is a system of forced labor rooted in poverty.

When Kabila was replaced by Félix Tshisekedi following the 2018 election, more questions of legitimacy arose. Because of the closure of polling stations and violence against political opposition, the legitimacy of this election should be questioned (Human Rights Watch 2019; Tshombe 2023). However, upon his election, Tshisekedi was critical of elements of Chinese involvement in the Congo's mining industry (Kara 2023). Recently, Tshisekedi called for a restructuring of the SICOMINES deal that would create more favorable terms for the DRC (Rolley 2023). Chinese investment has created infrastructure and benefitted some aspects of life in the Congo, but education remains poor, and conflict rages on in the eastern provinces of North and South Kivu and Ituri

(Council on Foreign Relations 2023; World Bank 2023).²⁵ Today, the DRC can be classified as a weak state due to its inability to enforce law and order in these provinces along with its inability to provide regular social and protective services to ensure the security of its people (Tshombe 2023). While much has changed in the Congo since 2001, certain elements have merely been reshaped.

Political and economic institutions have formed the contours of Congo's history, a process that continues today. The sixth and final stage of institutions in the Congo describes the continued persistence of the extractive institution and Chinese neo-colonialism. While elections did take place under Kabila, the conditions that surrounded them were not conducive to a democratic process and the country continues to be ranked low in measures of democracy – being ranked sixth lowest in the world in 2022 (Our World in Data 2023). Thus, the DRC does not meet the condition of plurality. Additionally, the DRC still fails to meet the second condition of an inclusive institution. Despite UN peacekeeping forces and multiple peace treaties, the Congo did not enjoy sustained peace during this period which inhibited sufficient centralization that could ensure basic security of the Congolese people. This is especially true in the eastern Kivu and Ituri provinces. Further, this period marked the entry of China as a neocolonial force. The SICOMINES deal was negotiated through the bribery of a political elite that allowed China to gain strong control of the mineral assets of the Congo. Investment by Chinese companies in the Congo is mostly self-

²⁴ Miners who extract cobalt with handheld tools at unsanctioned sites (Kara 2023).

²⁵ While education enrollment has increased, 97% of children aged 10 in the DRC experience learning poverty, or the inability to “read and understand simple text” (World Bank 2023).

servicing, as the creation of roads has much to do with the need to develop sufficient transportation networks to make resource extraction more efficient. Investment has not been allocated to education, and this is consistent with the notion that neo-colonial powers seek to retain a source of cheap labor. Tshisekedi's efforts to restructure this deal are promising, as this could redirect rents to benefit the people of the Congo. However, as long as corruption and conflict continue in the Congo, their institutions will remain extractive, their growth slow, and their people impoverished.

V. CONCLUSION

While resources have played a vital part of the history of the Congo, they are not at the center of this story. At the center of this story is power and control – first by Leopold, then Belgium, Mobutu, Laurent, and Joseph Kabila, and now Chinese mining companies. Necessary to retaining this control are the Congolese political and economic institutions which have been nothing but extractive since 1885. Colonialism, kleptocracy, and neo-colonialism imposed and preserved a system of extraction. Based on the idea constructed by Morrison (2013), if the presentation of the resource curse is contingent upon the strength of institutions, then the exclusively extractive institutions that have existed in the Congo since the colonial period offer a better explanation of the country's stunted economic growth and persistent poverty than the resource curse. Proponents of the resource curse may point to rent-seeking and allege that the pattern of elite capture in the Congo is an indication of the resource curse. However, the appropriation of resource rents is a process better explained by the extractive institution that

existed prior to modern resource discoveries. It is these institutions that enable corruption, not something inherent to resources. That is, with better institutions, natural resource abundance likely would have had a more positive effect.

In reflecting on the history of the Congo, Kara (2023) provides two notable takeaways:

- "Less has changed since colonial times than we care to admit" (3).

- "At no point in their history have the Congolese people benefited in any meaningful way from the monetization of their country's resources" (15).

These quotes, while intended to be jarring, hold serious truths. Chinese corporations' infrastructure investments have improved some aspects of life in the Congo, but they are also tied to child labor, unsafe working conditions, and they accompany persistent poverty. While cobalt extraction is not comparable to rubber extraction under Leopold's CFS, the system of extraction has never left the Congo. Throughout the history of the country, several different natural resources have been exploited, but extractive institutions have remained constant. The Congo holds mineral deposits valued in the trillions. If resources are truly a curse for states, then the Congo is doomed. However, should the Congolese government create more inclusive political and economic institutions by ending conflict in the East, better ensuring the security of its people, and establishing an effective democracy, the future of the Congo will be much more promising.

LIMITATIONS

A potential critique of this paper might find that it is merely a reading of Congolese history through an

institutional/neocolonial hybrid lens and that it does not dispel the impacts of resources. However, the implementation of this lens is rooted in research that found the appearance of the resource curse to be conditionally reliant on the strength of institutions. Thus, this critique is only applicable as far as it is a critique of the findings and frameworks put forward by Morrison (2013), Mehlum et al (2006a, 2006b), and Acemoglu and Robinson (2012) as well as neo-colonialism broadly. However, critics could also question how compatible the lenses used in this paper are.

This paper covers an extended period of history and the focus on the institutions of the Congo may have neglected other factors that contributed to poor development outcomes. The coverage of a broad historical period may also have resulted in the omission of historical events that, while important, were not vital to tracing institutional persistence. While this is not an explicit limitation of this paper's utility, it is important to acknowledge.

FUTURE RESEARCH

When considering the possibility of the resource curse, attention should be given to not only the strength of the country's institutions, but to the roots of these institutions. Any discussion of a country with abundant natural resources, stunted economic growth and poverty, and colonial roots without a proper consideration of the lasting effects of colonialism neglects a critical factor. In many cases that appear to be the resource curse, institutions derived from colonialism and preserved by domestic greed and neo-colonialism may be a more plausible explanation. This analysis should be applied to other countries that appear to suffer from the natural resource curse. Additionally, an in-depth analysis of

economic participation in the Congo throughout history would be beneficial in further legitimizing the claims of this paper, and further research should draw upon this data if it is more widely (in the Congo or elsewhere).

REFERENCES

- Acemoglu, Daron, Simon Johnson, and James A Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review* 91 (5): 1369–1401. <https://doi.org/10.1257/aer.91.5.1369>.
- Acemoglu, Daron, and James A. Robinson. 2012. *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. 1st ed. New York: Crown Publishers.
- Acemoglu, Daron and James A. Robinson. "The economic impact of colonialism." *In The Long Economic and Political Shadow of History*, edited by Stelios Michalopoulos and Elias Papaioannou, 81–87. VoxEU.org CEPR Press. 2017.
- Acemoglu, Daron, and James A. Robinson. 2019. "Rents and Economic Development: The Perspective of Why Nations Fail." *Public Choice* 181 (1–2): 13–28. <https://doi.org/10.1007/s11127-019-00645-z>.
- Afisi, O., 2017. The Internet Encyclopedia of Philosophy, Neocolonialism. [Online] Available at: <http://www.iep.utm.edu/neocolon/#H3>. Accessed 6 December 2023.
- Amnesty International. "Chinese Mining Industry Contributes to Abuses in Democratic Republic of the Congo," August 17, 2021.

- <https://www.amnesty.org/en/latest/news/2013/06/chinese-mining-industry-contributes-abuses-democratic-republic-congo/>.
- Auty, Richard M. 1993. "Industrial Policy Reform in Six Large Newly Industrializing Countries: The Resource Curse Thesis." *World Development* 22 (1): 11–26.
[https://doi.org/10.1016/0305-750X\(94\)90165-1](https://doi.org/10.1016/0305-750X(94)90165-1).
- Cabrales, Antonio, and Esther Hauk. "The Quality of Political Institutions and the Curse of Natural Resources." *The Economic Journal* 121, no. 551 (November 23, 2010): 58–88.
<https://doi.org/10.1111/j.1468-0297.2010.02390.x>.
- Cobalt Institute. "Distribution of mined cobalt supply worldwide in 2022, by country." Chart. May 18, 2023. Statista. Accessed December 02, 2023.
<https://www-statista-com.libproxy.temple.edu/statistics/1411585/global-mined-cobalt-supply-distribution-by-country/>
- Council on Foreign Relations. "Conflict in the Democratic Republic of Congo | Global Conflict Tracker," November 9, 2023. <https://www.cfr.org/global-conflict-tracker/conflict/violence-democratic-republic-congo>.
- Diamond, Jared (2012-06-07). "What makes countries rich or poor?". *The New York Review of Books*.
<https://www.nybooks.com/articles/2012/06/07/what-makes-countries-rich-or-poor/>. Accessed 6 November 2023.
- Fanon, Frantz. *Black Skin, White Masks*. Translated by Richard Philcox. New York: Grove Press, 2008. (Original work published 1952).
- Fanon, Frantz. *The Wretched of the Earth*. Translated by Constance Farrington. New York: Grove Press, 1963. (Original work published 1961).
- Fearon, James D., and David D. Laitin. 2003. "Ethnicity, Insurgency, and Civil War." *American Political Science Review* 97 (01): 75–90.
<https://doi.org/10.1017/S0003055403000534>.
- Fessy, Thomas. "Congo Investigation A Chance to Fight Corruption." *Human Rights Watch*, December 1, 2021.
<https://www.hrw.org/news/2021/12/02/congo-investigation-chance-fight-corruption>.
- Frankel, Jeffrey A. "The Natural Resource Curse: A Survey of Diagnoses and Some Prescriptions." *RePEC: Research Papers in Economics*, April 1, 2012.
http://dash.harvard.edu/bitstream/1/8694932/1/RWP12-014_Frankel.pdf.
- Fukuyama, Francis. (2012-03-26). "Acemoglu and Robinson on Why Nations Fail." *The American Interest*.
<https://www.the-american-interest.com/2012/03/26/acemoglu-and-robinson-on-why-nations-fail/>. Accessed 6 November 2023.
- Haber, Stephen, and Victor Menaldo. 2011. "Do Natural Resources Fuel Authoritarianism? A Reappraisal of the Resource Curse." *American Political Science Review* 105 (1): 1–26.

- <https://doi.org/10.1017/S0003055410000584>.
- Halperin, Sandra. "neocolonialism." Encyclopedia Britannica, December 2, 2023. <https://www.britannica.com/topic/neocolonialism>.
- Halperin, Sandra. "development theory." Encyclopedia Britannica, December 17, 2018. <https://www.britannica.com/money/topic/development-theory>.
- Human Rights Watch. "DR Congo: Voter Suppression, Violence," January 5, 2019. <https://www.hrw.org/news/2019/01/05/dr-congo-voter-suppression-violence>.
- International Trade Administration | Trade.gov. "Democratic Republic of the Congo - Mining and Minerals," 14 Dec. 2022. <https://www.trade.gov/country-commercial-guides/democratic-republic-congo-mining-and-minerals>.
- International Organization for Migration. "Record High Displacement in DRC at Nearly 7 Million," October 30, 2023. <https://www.iom.int/news/record-high-displacement-drc-nearly-7-million>.
- Iverson, Duncan. "postcolonialism." Encyclopedia Britannica, December 7, 2023. <https://www.britannica.com/topic/postcolonialism>.
- Kolstad, Ivar, and Arne Wiig. 2009. "It's the Rents, Stupid! The Political Economy of the Resource Curse." *Energy Policy* 37 (12): 5317–25. <https://doi.org/10.1016/j.enpol.2009.07.055>.
- Leite, Carlos and Jens Weidmann. 1999. *Does Mother Nature Corrupt; Natural Resources, Corruption, and Economic Growth*. St. Louis: Federal Reserve Bank of St Louis. <http://libproxy.temple.edu/login?url=https://www.proquest.com/working-papers/does-mother-nature-corrupt-natural-resources/docview/1698594281/se-2>.
- Lemarchand, René, Dennis D. Cordell, Ntsomo Payanzo, and Bernd Michael Wiese. "Democratic Republic of the Congo". Encyclopedia Britannica, 27 Nov. 2023, <https://www.britannica.com/place/Democratic-Republic-of-the-Congo>. Accessed 2 December 2023.
- Lumumba, Patrice E. 1960. "Speech at the Ceremony of the Proclamation of the Congo's Independence, June 30, 1960." Marxist.org. Accessed December 2, 2023. <https://www.marxists.org/subject/africa/lumumba/1960/06/independence.htm>.
- McKinsey & Company (McKinsey Basic Materials Institute). "Cobalt demand worldwide from 2010 to 2025 (in 1,000 tons)." Chart. June 26, 2018. Statista. Accessed December 02, 2023. <https://www-statista-com.libproxy.temple.edu/statistics/875808/cobalt-demand-worldwide/>.
- Mehlum, Halvor, Karl Ove Moene, and Ragnar Torvik. "Institutions and the Resource Curse." *The Economic Journal* 116, no. 508 (January 1, 2006a): 1–20. <https://doi.org/10.1111/j.1468-0297.2006.01045.x>.

- Mehlum, Halvor, Karl Ove Moene, and Ragnar Torvik. "Cursed by Resources or Institutions?" *The World Economy* 29, no. 8 (April 12, 2006b): 1117–31. <https://doi.org/10.1111/j.1467-9701.2006.00808.x>.
- Morrison, Kevin M. 2013. "Whither the Resource Curse?" *Perspectives on Politics* 11 (4): 1117–25. <https://doi.org/10.1017/S1537592713002855>.
- Mukoyama, Naosuke. "Colonial Origins of the Resource Curse: Endogenous Sovereignty and Authoritarianism in Brunei." *Democratization* 27, no. 2 (February 17, 2020): 224–42. <https://doi.org/10.1080/13510347.2019.1678591>
- Munro, André. "dependency theory." Encyclopedia Britannica, November 30, 2023. <https://www.britannica.com/topic/dependency-theory>.
- Nzongola-Ntalaja, Georges. 2002. *The Congo From Leopold to Kabila*. <https://doi.org/10.5040/9781350223004>.
- Our World in Data. "Democracy Index," 2023. <https://ourworldindata.org/grapher/dependency-theory>.
- Papyrakis, Elissaios, and Reyer Gerlagh. 2004. "The Resource Curse Hypothesis and Its Transmission Channels." *Journal of Comparative Economics* 32 (1): 181–93. <https://doi.org/10.1016/j.jce.2003.11.002>.
- Rapanyane, Makhura Benjamin. "China's Involvement in the Democratic Republic of Congo's Resource Curse Mineral Driven Conflict: An Afrocentric Review." *Contemporary Social Science* 17, no. 2 (May 3, 2021): 117–28. <https://doi.org/10.1080/21582041.2021.1919749>.
- Rapanyane, Makhura B. 2023. "China's International Relations with Africa: A Comparative Analysis of Neo-Colonial Practices in Angola and the DRC." *Journal of African Foreign Affairs* 10 (1) (04): 51-51–70. doi:<https://doi.org/10.31920/2056-5658/2023/v10n1a3>. <http://libproxy.temple.edu/login?url=https://www.proquest.com/scholarly-journals/china-s-international-relations-with-africa/docview/2808865013/se-2>.
- Rolley, Sonia. "Exclusive: Congo to hike stake in copper, cobalt venture with China," *Reuters*. May 24, 2023. <https://www.reuters.com/markets/commodities/congo-hike-stake-copper-cobalt-venture-with-china-2023-05-24/>
- Ross, Michael L. 2001. "Does Oil Hinder Democracy?" *World Politics* 53 (3): 325–61. <https://doi.org/10.1353/wp.2001.0011>.
- Ross, Michael L. 2015. "What Have We Learned about the Resource Curse?" *Annual Review of Political Science* 18 (1): 239–59. <https://doi.org/10.1146/annurev-polisci-052213-040359>.

- Sachs, Jeffery D., and Francisco Rodriguez. 1999. "Why Do Resource-Abundant Economies Grow More Slowly?" *Journal of Economic Growth*, 4, 277-303. <http://dx.doi.org/10.1023/A:1009876618968>
- Sachs, Jeffrey D., and Andrew M. Warner. "The Big Push, Natural Resource Booms and Growth." *Journal of Development Economics* 59, no. 1 (June 1, 1999): 43-76. [https://doi.org/10.1016/s0304-3878\(99\)00005-x](https://doi.org/10.1016/s0304-3878(99)00005-x).
- Sachs, Jeffery. 2012. "Reply to Acemoglu and Robinson's Response to My Book Review." Jeffery Sachs. <https://web.archive.org/web/20190301010604/https://www.jeffsachs.org/2012/12/reply-to-acemoglu-and-robinsons-response-to-my-book-review/>.
- Smith, Benjamin, and David Waldner. 2021. *Rethinking the Resource Curse*. Elements in the Politics of Development. Cambridge: Cambridge University Press. doi:10.1017/9781108776837.
- Smith, Brock. 2015. "The Resource Curse Exorcised: Evidence from a Panel of Countries." *Journal of Development Economics* 116 (September): 57-73. <https://doi.org/10.1016/j.jdeveco.2015.04.001>.
- Nkrumah, Kwame. 1965. *Neo-Colonialism: The Last Stage of Imperialism*. New York: International Publishers.
- Tshombe, Lukamba-Muhiya. 2023. "Failed States in the Central Africa Region: A Case of the Democratic Republic of Congo." *Journal of Nation-Building and Policy Studies* 7 (1) (04): 29-29-47. doi:<https://doi.org/10.31920/2516-3132/2023/v7n1a2>. <http://libproxy.temple.edu/login?url=https://www.proquest.com/scholarly-journals/failed-states-central-africa-region-case/docview/2832691452/se-2>.
- United Nations. "Country Insights." Human Development Reports, n.d. <https://hdr.undp.org/data-center/country-insights#/ranks>.
- US Geological Survey. "Mine production of cobalt in the Democratic Republic of Congo from 2010 to 2022 (in metric tons)." Chart. January 31, 2023. Statista. Accessed December 02, 2023. <https://www-statista-com.libproxy.temple.edu/statistics/339834/mine-production-of-cobalt-in-dr-congo/>.
- Venables, Anthony J. 2016. "Using Natural Resources for Development: Why Has It Proven So Difficult?" *Journal of Economic Perspectives* 30 (1): 161-84. <https://doi.org/10.1257/jep.30.1.161>.
- Wells, Katherine. "China's Monopoly over Critical Minerals." *Georgetown Security Studies Review*, May 31, 2023. <https://georgetownsecuritystudiesreview.org/2023/06/01/chinas-monopoly-over-critical-minerals/#:~:text=China%20has%20a%20significant%20presence,Haut%2DKatanga%20Province%2C%20Lubumbashi>.
- World Bank. "The World Bank in the DRC," 2023. <https://www.worldbank.org/en/country/drc/overview#:~:text=The%20quality%20of%20education%20is,read%20and%20understand%20simple%20text>.

World Data Lab. "African countries with the highest share of global population living below the extreme poverty line in 2023." Chart. August 1, 2022. Statista. Accessed December 05, 2023.
<https://www-statista-com.libproxy.temple.edu/statistics/1228553/extreme-poverty-as-share-of-global-population-in-africa-by-country/>.