



Aid in the Democratic Republic of the Congo: Conflict, Corruption and Economy

Why aid efforts seem ineffective in the DRC

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When the United Kingdom released a statement concerning possible cuts of aid to the Democratic Republic of the Congo (DRC) in 2021, aid agencies voiced serious concerns about potential consequences such as hunger due to an acute food crisis in the country (Wintour 2021). This drew attention to the DRC as one of the biggest aid recipients. Despite this aid, a humanitarian crisis is still striking the country with issues such as hunger, poverty, health care and conflict. Additionally, the Gross Domestic Product (GDP) and the per capita income are low despite natural resource reserves (Reardon et al. 2012, 60). This raises the question of why these issues are still prevalent if Official Development Assistance (ODA) is as high as over \$3.38 billion in 2020 (World Bank 2020). Furthermore, aid has been ongoing for multiple decades since the country's independence (World Bank 2020). Scholars have thus stated that aid in the DRC is ineffective, meaning that aid is not leading to the desired outcome of improving the DRC's economic position and living conditions (Reardon et al. 2012, 59). While some academics argue that aid generally is ineffective for the development of nations, others find financial aid to be a central component in the economic transformation of the global South (Engel 2014).

This essay will examine why aid in the case of the Democratic Republic of the Congo is ineffective. It will argue that this is mainly due to the three factors of long-term conflict, bad governance and the economic conditionalities of aid.

This paper will first provide an overview of the necessary information about the DRC. It will then provide explanations for the ineffectiveness of aid in the country.

The territory of the Democratic Republic of the Congo was colonized by Belgium in 1885 and gained independence in 1960 after nationalist upheavals (Larmer, Laudati and Clark 2013, 2). During the rule of the military dictator Mobutu between 1971 and 1997, the country was known as "Zaire." This period was characterized by corruption, oppression, and a close relationship with the United States of America during the Cold War (Larmer, Laudati and Clark 2013, 2-3). The corruption and poor governance eventually led to an ineffective bureaucracy and a weak economy utilizing little of its mineral resources, such as diamond, gold and copper. Significant shares of the aid the country received during the time are believed to have been corrupted (Wedeman 1997, 464-65).

Today, the DRC holds multiparty elections but is still considered a weak and corrupt state with ongoing investigations on their president Kabila (Rédaction Africanews 2021). Between 2010 and 2020, the country received aid equivalent to approximately \$49.42 billion (World Bank 2020). These have been mainly in the form of debt relief and grants, intended to flow into various sectors such as infrastructure, health care and governance and security (Development Initiatives 2013, 259). Still, particularly the DRC's Eastern provinces, such as South Kivu, are experiencing severe problems with food security with over half of children

being classified as 'stunted' (Doocy et al. 2018, 650). About two-thirds of the country lives below the line of absolute poverty, ranking 176th place out of 189 countries in the Human Development Index in 2019 (World Bank 2018).

Firstly, long-term conflicts impact the efficiency of aid severely. The DRC has been the battleground of many conflicts since its colonial times. This started with the gruesome exploitation of the Congo Free State during the Belgian legacy, following upheavals and wars during the 1960s to the First and the Second Congo War, the latter only ending in 2003 (Reardon et al. 2012, 61). It caused approximately 5.4 million deaths until 2008, mainly due to disease and malnutrition as results of the war, issues that are still prevalent today (Bavier 2008). Additionally, ongoing conflicts are mainly caused by rebels and other armed groups in the East of the country. Their long duration and low intensity characterize these conflicts. As a result, the DRC has been unsuccessful in building a sustainable economic infrastructure, including secure mechanisms of food supply and health care (Donaubauer, Herzer and Nunnenkamp, 721). According to Paul Collier's 'conflict trap' theory, poverty leads to conflict, which then results in increased poverty, trapping a country, such as the DRC, in a continuous cycle (Reardon et al. 2012, 61-62). As a consequence, the country's development falls behind. Infrastructure cannot be formed or continues to get destroyed, while state mechanisms are not as established, leading to inefficient aid allocation and economic problems, resulting in the conflict-poverty trap. Consequently, aid is not as efficient as in peaceful countries. This especially applies to aid focusing on either poverty or conflict. Thus, for aid to become more efficient in the DRC, it is necessary to escape the conflict trap.

The second factor is poor governance. As mentioned above, the DRC has a history of problems such as corruption, oppression and a weak bureaucracy. These problems are still prevalent today, with the above-mentioned investigations on president Kabila concerning embezzlement and suspicion of questionable mining deals. Clientelism and patronage appear to be common tools to gain and sustain power in the country, in part explaining the disappearance of money handled by government officials (Matti 2010, 44). Loopholes in the policing of aid have also allowed private individuals to commit fraud in connection to aid. In 2018, investigators discovered a fraud scheme in the DRC that explains an estimated \$6 million of aid being lost over the span of two years, drawing attention to the issue of aid corruption, fraud and the resulting inefficiency of aid in the country (Kleinfeld 2020). Additionally, poor governance makes the state fragile, with some scholars even classifying the DRC as a 'failed state,' unable to provide public services or an independent judiciary that could monitor corruption and assets, as well as enforce potential consequences (Matti

2010, 47). Thus, the state is struggling to implement and enforce policies, as well as allocate resources like ODA, and therefore crucially limits its efficiency.

The third factor is the conditionalities of ODA. Connected to the Washington Consensus, a strategy of structural adjustment programs (SAPs) was developed. These focused on privatization, liberalization and deregulation of the market (Moss and Resnick 2018, 118-19). Official Development Assistance is often bound to structural adjustment programs, meaning that certain policies need to be implemented by the recipient state to obtain ODA (Amin 2009, 61). This not only creates a power imbalance, with the recipient country being inhibited from negotiating its position but also is perceived as controversial since the donor country applies a one-fit-for-all solution on various countries with different preconditions (Amin 2009, 62).

In the DRC, the implementation of donor-proposed SAPs has been proven to be ineffective. Today, the country is still heavily relying on the export of its raw natural resources, such as copper, providing low-added value since much less labor is needed than in the labor-intensive manufacturing sector (Reardon et al. 2012, 63). This export reliance of approximately 87.2% shows that SAPs have, due to their focus on liberalization and deregulation, not led to a shift away from the export-oriented colonial times of the country (Ilunga 2015). Amongst other reasons, this is problematic because reliance on export in a non-diversified economy makes the country vulnerable to economic shocks. This has been a central problem in the DRC, for example in 2015 when the market experienced a significant drop in the price of copper (Bariyo and Patterson 2015). Additionally, most SAPs have largely failed to address the informal economy, which accounts for 80% of jobs created between 2008 and 2018, showing that the program is not adjusted to the preconditions of the country (Erero and Bonga-Bonga 2018, 57). This failure to adjust to Congolese preconditions has contributed to the DRC's cycle of underdevelopment without a significant process of industrialization that would be needed for the economy to shift towards a labor-intensive manufacturing sector with significant comparative advantage in the global economy (Reardon et al. 2012, 63). Thus ODA is working against the symptoms of these developments, such as poverty, while the conditionalities attached to aid appear to enforce these problems. Therefore, the economic conditionalities of aid counteract the aid itself, making it less efficient in the DRC.

In conclusion, multiple factors inhibit aid from unfolding its effectiveness to its full extent in the DRC. As examined above, both donor and recipient countries of aid contribute to this problem through unadjusted conditionalities of aid and bad governance, leading to issues such as the ineffective allocation of resources. Further complex problems, such as long-term

conflict, trapping the country in poverty and underdeveloped infrastructure, involve multiple interest groups. Since a humanitarian crisis is still striking the country and affecting the lives of many, especially young Congolese people, the global community should be encouraged to make aid as efficient as possible to fight this crisis in the Democratic Republic of the Congo promptly. Thereby, the underlying goal of ODA, development and welfare, can be achieved.

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