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Research Articles

Cobalt and Corruption: The Influence of Multinational Firms and Foreign States on the Democratic Republic of the Congo

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The history of the Democratic Republic of the Congo is littered with foreign influence and corruption. While colonial forces sought for diamonds and rubber, the nation's abundance of cobalt, a key metal in cellphone and electric vehicle construction, has fueled a recent flurry of international interest. Now, key companies, individuals, and countries operating in the DRC's enormous mining sector will determine the country's economic future. From undisclosed billion-dollar agreements to human rights abuses, exploitation has defined the DRC. As civil war ravages the country and undermines its political structure, rebel groups profit off of the poverty of artisanal miners and Congolese citizens. The people of the DRC have tried to navigate through the rocks and rapids of their country's troubled past. It remains to be seen whether the DRC's new president, Felix Tshisekedi will steer them toward a calmer future or repeat the mistakes of those before him.

Introduction

The Democratic Republic of the Congo is incredibly diverse and resource-rich, with hundreds of ethnic groups, fantastic wildlife in places such as Virunga National Park, hydroelectric power potential in the Congo River, and a dearth of some of the most valuable metals and minerals. While all these elements make the DRC unique, centuries of exploitation, theft, and corruption have plagued the African nation and limited its potential as an economic power. War and unscrupulous leaders destroy parts of the country and hinder the domestic economy, increasing human rights abuses, unemployment, and the number of people working in the informal sector. With conflict raging and militias extorting small-scale miners, foreign companies in the West and the People's Republic of China, or PRC, look to invest time and money into the region to extract minerals like cobalt. Cobalt is crucial to the economies of the twenty-first century, acting as a conductor for cell phones and batteries, in addition to driving the electric vehicle revolution. To obtain cobalt, foreign companies rely on artisanal miners, who work independently of mining companies at great personal risk, to power their technologies and fuel economic competition. This foreign direct investment in the DRC has created significant corruption, from Joseph Kabila's "deal of the century" with Chinese companies to Dan Gertler and Glencore robbing the country of its mining concessions. These mining operations have siphoned revenue from the national government and hindered development for DRC citizens, including substantial environmental damage and abuse in the form of child labor and unsafe labor pracices. The complex interactions between domestic forces and powerful foreign multinationals have molded the current Democratic Republic of the Congo into a place with little infrastructure or industrialization beyond pure mineral extraction. Through research and analysis of the actions and influence of multinational companies from the West and China, we can attempt to understand the current landscape and near future of the DRC, allowing us to reflect upon the foundational steps needed to improve the country and its people's quality of life.

The Incentive for FDI: Cobalt and Its Importance

Typically a by-product of copper mining, cobalt was historically not as valuable as the abundant copper and other raw materials found in the Congo ("Cobalt," 2021; "Congo: A Journey to the Heart of Africa," 2019). For example, copper-cased bullets fired from the rifles of the allies in World War 1 came from the Congo. The uranium used to create the two nuclear bombs that were dropped on Hiroshima and Nagasaki was taken from the mines of the Congo (Keowen, 2020). However, the demand for cobalt surged as the element became a central component of Lithium-ion batteries. Numerous tech products, from cell phones to electric vehicles (EVs), utilize Lithium-ion batteries. EVs rely on Lithium-ion batteries to power their vehicles, and within those batteries, cobalt constitutes most of the central cathode. While cell phone Lithium-ion batteries require a small amount of cobalt, the growing popularity of EVs has put a new demand on the metal ("Reducing Reliance on cobalt for Lithium-Ion Batteries," 2021). The Democratic Republic of the Congo is the leader in cobalt resources, exporting seventy percent of the world's supply (Garside, 2022). For the DRC, a dissonant combination of the coveted metal and an unstable government structure exacerbates corruption, environmental destruction, and human rights abuses throughout the mining industry. Global events have created new strains on the world's energy supply. Rising gas prices and concerns over climate change contribute to consumer, manufacturer, and state interest in EV investment, increasing the need for more Lithium batteries, and thus, more cobalt. As a global powerhouse in the technological market, China is one such state with an invested interest in the demand for cobalt. According to an investigative series by *The New York Times*, private and state-owned Chinese companies control fifteen of nineteen cobalt producing mines in the Democratic Republic of the Congo (Lipton & Searcey, 2022).

Artisanal Mining: The Driver of the Cobalt and Metals Industries

Men in tattered clothing lower themselves into hand-carved tunnels, hoping to catch a silvery glint in whatever light remains of the day. A family digs into the packed, red earth beneath their home, and children caked in dust stand before the backdrop of a terraced quarry. They are all artisanal miners, and collectively they mine 15% of the world's cobalt, more than the output of the world's second-largest producer, Russia (The Economist, 2022). To understand Chinese mining operations and any other mining operation within the Congo, one must first understand the life and nature of the artisanal miner. An artisanal miner within the Congo is a person who works informally to mine precious materials, primarily cobalt, and then sells them to larger companies. These miners work mostly independently and thus are subject to hazardous work conditions with no safety materials, exacerbated by a lack of government standards or regulations. Child labor and labor abuse frequent the artisanal mining landscape, endangering especially vulnerable populations (Skidmore, 2021). Men and boys work, often without tools, in open mining pits digging for cobalt and copper veins. Women may sit nearby, washing materials and minerals. When handled without proper equipment, these toxic or radioactive substances can result in serious illness and an increased rate of birth defects and stillbirths in women (Niarchos, 2021). Artisanal miners and secondary workers are often not mining their own land either, and mining site owners purchase the raw materials at below market rates, use force to keep miners working, and do not supply equipment. Site owners utilize "mine police," private security forces hired by site owners to watch over miners and protect the site. These security forces have been known to abuse and beat illegal miners looking to sneak into the site (Amnesty International, 2013). Prone to bribery in the region, the hired forces frequently allow miners access to the mines at night, further exacerbating the growing informal sector within the Congo (McAllister & Taj, 2019). DRC police and army have been active in the mining industry as well, guarding mines, breaking up protests, and beating and tear-gassing workers and others present at mining sites, regardless of their association with protesters (Niarchos, 2021). Despite the unsafe conditions and lack of fair pay, "there are about 150,000-200,000 artisanal miners currently working cobalt deposits in Congo, with more than a million others directly economically dependent on their activity" (Skidmore, 2021). According to *The New Yorker*, artisanal miners may attempt to sneak into copper-cobalt mines at night out of necessity and to make a profit under the table. Despite being potentially more lucrative than working for a major multinational mining company, the risks are still present, if not multiplied, as seen in Glencore's Kamoto Mine. A mine shaft collapsed after people snuck in at night to secretly extract materials, killing 43. With a lack of training and equipment, miners face injury and death due to shaft collapses, cave-ins, subterranean pockets of flammable gas, extreme heat, and other risks associated with mining (Niarchos, 2021). The reward for these miners is minuscule, little more than the means to survive. Each day, they endure brutal conditions, gambling their lives on the hope that the next cobalt vein will provide just enough to support themselves and their families. However, powerful multinationals hold the chips and cash in on the profit regardless of who suffers. A glaring example of this phenomenon lies in Chinese investment in the DRC, as state-run and private corporations' control 70% of all copper and 50% of all cobalt mined in the country (Kavanagh & Clowes, 2021). Chinese mines and manufacturers do not produce most of the Congolese cobalt due to the country's instability and volatility. As a workaround, the Chinese government and companies import cobalt through artisanal miners (Amnesty International, 2013). The supply chain from artisanal miner to Chinese multinational is often difficult to track due to the lack of regulation and government oversight. Chinese traders established within the region purchase the mined cobalt either from illegal artisanal miners, or from site owners themselves, where those traders then sell the cobalt to larger Chinese refining companies (Desai & Reid, 2021).

The Inherent Flaws of The Informal Sector

According to WIEGO, the definition of an informal economy is "the diversified set of economic activities, enterprises, jobs, and workers that are not regulated or protected by the state." They clarify, "The concept originally applied to self-employment in small, unregistered enterprises," but, "it has been expanded to include wage employment in unprotected jobs" ("What is the Informal Economy", 2022). The World Bank estimates that eighty percent of all urban workers in the Congo are working in the informal economy, while the Congo Trade Union Confederation believes that "the informal economy represents an astronomical 97.5 percent of all workers, which is significantly higher than the International Labour Organization's African average of 85.8 percent" (Gausi, 2018). In the Congo, the majority of informal workers operate as small-scale traders and artisanal miners. There are roughly 400 markets in the capital of Kinshasa alone (Gausi, 2018). Still, the presence of what appears to be a vibrant market does not translate to economic development and prosperity, but rather creates a multitude of problems for the people of the Congo working both formally and informally.

The first issue specific to the DRC is the rise in bureaucratic corruption, most notably with civil servants operating in numerous markets across the country. These government employees are known to frequent the market stalls, demanding payment for fabricated taxes. Rather than deposit the revenue into government institutions, civil servants and actors operating under political entities or security forces pocket the money for themselves or report to a politically connected superior (Titeca & Nkuku, 2018). This practice is defined as "private revenue", and strains traders and consumers within that market. Private revenue leads traders to respond with "branchment," which is depending on connections based on ethnicity, family, politics, and other communities to reduce the amount of extortion that their business is placed under. For the beneficiaries of private revenue, branchement is the process of using one's connections to increase their share of the "tax" pie (Titeca & Nkuku, 2018). There are similarities to that of late 19th century America, with its abundance of political machines. In both instances, connections and larger entities often operating under the guise of civil servants utilized power to amass wealth. In 19th century America, the objective was to garner votes to increase power and distribute positions based on cronyism rather than merit. For Congolese markets, there is more of a focus on bringing in revenue for oneself and one's superiors, rather than on political power and voting base. Both scenarios increase corruption, distrust in government, and economic suppression of lower classes. The 2022 Economic Freedom Index published by the Heritage organization described the Congo as having an "arbitrary tax system" and "unevenly enforced and poorly planned regulations that negatively affect the business environment" (Heritage Foundation, 2022).

The informal economy expands beyond just the markets of Kinshasa, causing harm to DRC society at large. One major problem that burdens those of the informal economy is the lack of regulation and safety. As seen earlier with artisanal miners, who themselves are a part of the informal economy, by not working through a state recognized position, it becomes impossible for the state to impose safety standards and regulations. In the case of artisanal mining, this is seen by a lack of safety equipment, proper tools, and with the work environment in "poorly ventilated underground shafts where temperatures can be extremely high" (Amnesty International, 2013). With these jobs flying under the radar by the government, either by design of mining site owners or willful government ignorance, workers are routinely abused and placed in dangerous situations. The lack of infrastructure and healthcare within the country magnifies these dangerous situations, as treating individuals after an accident becomes difficult (GHS Index, 2021). There are concerns over poor labor conditions and lack of safety standards in any occupation within the informal economy. While the Congolese mining industry garners the most international attention, there are still labor abuses in other industries as well.

Immediate safety is a paramount problem within the informal economy, but poor financial well-being in the form of limited growth, lack of capital, and non-existent insurance can prove devastating in the long-term. Workers selling goods on the street or in a market must contend with a growth paradox: while business expansion and growth can bring in more revenue, it further increases the chances of government entities looking into their activities. With an increasing footprint, Congolese traders can become more prone to corrupt informal taxes as well as formal government taxes. With a history of corruption and extortion among political institutions and civil servants, these negative externalities often prove too great to convince people to expand their business outside of the informal economy. This paradox hinders domestic entrepreneurship and economies of scale, thus reducing government tax revenue and maintaining high consumer cost. When people are unwilling to register their businesses for fear of legal and illegal taxes, it becomes difficult for them to access credit, capital, and insurance. Moreover, there is a lack of a domestic financial marketplace in the DRC, with many Congolese companies having to apply and receive loans through international financial organizations. Yet, developing a homegrown financial marketplace is long and difficult, as the DRC government will have to solve problems that have hung like a shadow over the country for decades, such as a lack of rule of law and corruption (Project Financing Privacy Shield, 2022). In addition to inhibiting growth, disasters like the COVID-19 pandemic demonstrate the other obvious disadvantage to this system, as individuals lack safety nets to protect their livelihoods. In the United States, the federal government issued Payment Protection Program loans under the CARE act to small and medium sized enterprises in light of reduced revenues and increased volatility during government quarantine (U.S. Small Business Administration, 2022). While the Congolese economy and government are not comparable to the strength of the United States, the presence of an informal economy, and thus unregistered businesses, prevent enterprises and people from receiving economic assistance. For the COVID-19 pandemic, the enforcement of lockdowns on markets and trading hubs left many people without a stream of revenue, and since they worked informally, they lacked avenues to obtain support too (Juma et al., 2020).

From a macroeconomic perspective, the presence of such a significant unobserved economy reduces government tax revenue. Thus, the government has less money to invest in necessary social programs, quell violence in eastern Congo, and build infrastructure. However, Transparency International ranks the DRC 169 out of 180 countries in corruption. Additionally, 85% of Congolese people surveyed in the study believed that corruption has increased over the past year, and "80% of public service users paid a bribe in the previous 12 months" (*Democratic Republic of the Congo*, 2021). Even though these statistics on corruption indicate that the DRC is more likely than not to mishandle increased tax revenue, the loss in revenue still prevents any possibility of taxes being utilized effectively. In this current state, it may be more beneficial for a person in the Congo to try and avoid paying taxes to help themselves or the community survive rather than provide the money to a corrupt government official. Therefore, while the loss of tax revenue is a major hindrance to growth, the DRC must first improve its rule of law and crack down on corruption, which of course, is difficult with lack of tax revenue.

China and Africa

Before analyzing the direct relationship between Chinese companies and the DRC, one must take a step back and look at China's broader interests and historical policies toward the continent of Africa. In contrast to the West, which attaches political and economic requirements to their investment deals and aid donations (liberalization and privatization, protection for human rights), China champions state sovereignty. They reduce and ignore domestic and economic policies of partner countries in favor of prioritizing trade and construction deals that develop infrastructure (Ingram, 2020). The construction deals often include resource mining, as in the case of Zambia and the DRC (Kabemba, 2016). China channels infrastructure projects through their massive Belt Road Initiative. They pursue increased investment abroad, and especially in Africa, as a diplomatic goal (Fu, 2021). This neutrality is a major delineation line separating China from the West and the United States regarding international investment and foreign policy. For example, one major source of aid, investment, and diplomatic activity for the United States is the African Growth and Opportunity Act (AGOA). This bill has been at the forefront of U.S. Economic Foreign Policy in Africa since 2000 and provides all countries that have agreed with its terms duty-free access to the United States. The act embodies much of the Neoliberal thought within the U.S., namely that increasing trade, economic incentives, and foreign investment will continue to stabilize countries and build reliable allies. However, there are prerequisites and ongoing requirements for countries that agree to the AGOA. Per the Office of the United States Trade Representative, "To meet AGOA's rigorous eligibility requirements, countries must establish or make continual progress toward establishing a market-based economy, the rule of law, political pluralism, and the right to due process." The statement continues, adding, "...countries must eliminate barriers to U.S. trade and investment, enact policies to reduce poverty, combat corruption and protect human rights" (United States Trade Representative, 2022). While meeting these criteria may seem beneficial from a Western perspective, one must examine how African governments, especially those more authoritarian, view this improvement policy.

The most glaring disadvantage for states that join is that the U.S. has clear measures to remove any African country from the AGOA if their administration acts in a manner that U.S. officials condemn. Concepts like the rule of law and political pluralism do not have clear parameters like a quantitative contract or agreement, such as providing X amount of coal annually in exchange for continued funds to improve roads. The U.S. does not use light rhetoric either. The Biden Administration recently removed Ethiopia from the AGOA due to the civil war between Paul Kigame's administration and Tigrayan rebels. As the war progressed, the AGOA terminated the nation's status due to alleged human rights abuses attributed to the Ethiopian army in Tigray (Head Topics, 2022). Yet, Ethiopia is one of many countries that have been kicked out of the AGOA. President Barack Obama removed Swaziland, now Eswatini, from the AGOA over lack of protection for worker's rights (AGOA.info, 2014). Meanwhile the more conservative President Donald Trump elected to terminate Cameroon from the AGOA due to "continued human rights abuses" (United States Trade Representative, 2019). As demonstrated, the use of economic power to influence African countries and punish those who commit atrocities is bipartisan within the American political system.

This concept of American economic intervention to promote peace and guide African regimes in specific policies is a far cry from the Chinese approach. Buleini Jili, a Ph.D. candidate in African and African American Studies, illustrates the Chinese idea of neutrality with African countries well:

> Yes, it's about distinguishing themselves as a development partner from Western partners who did come with prescriptions for democratic and economic reform. It's about saying, 'Hey Africa, we're not like them.' It emphasizes political sovereignty and political equality among global South actors. And that's key because China's engagement can in some ways harken back to the asymmetry that was at the heart of colonialism. That's why China is trying to distinguish itself from the western actors of the past who spoke about democratic values while undermining the sovereignty of African countries (Massari, 2021).

China and African countries look at one another on an equal stage as partners, focusing on infrastructure-building rather than charity and aid. Despite this, China does not take a "no strings attached" approach to economic development (Massari, 2021). Failure to pay loans lent by China in the name of improvement has created fear of Chinese seizure, a fear not wholly unfounded but more complex than simple repossession. To many, that fear became a reality in Sri Lanka.

The port of Hambantota, opened in 2010 in the south of Sri Lanka, suddenly found itself at the center of international news when the Sri Lankan government gave the Chinese state-backed company, China Merchants, eighty-five percent equity of the port. The deal also included Sri Lanka handing over 15,000 acres of land for the next ninety-nine years starting in 2017. In return, Sri Lanka was given funds to pay back debt owed to China for initial construction of the port (Schultz, 2017). The Chinese state-owned bank EXIM enforced this ownership transfer after Sri Lanka defaulted on the port's loan, even though its construction was not economically viable. In addition, *The New York Times* reported that the Sri Lankan government diverted some of those funds provided by EXIM to help the reelection campaign of then-president Mahinda Rajapaksa (Abi-Habib, 2018). The contract required a Chinese company, China Harbor, to construct the port, and reports show that the Chinese government expected Sri Lanka to share intelligence with Beijing. China had a strong relationship with Sri Lanka prior to this, providing "economic support, military equipment and political cover at the United Nations to block potential sanctions" during Sri Lanka's civil war. The conflict lasted twenty-six years and resulted in numerous human rights abuse allegations (Abi-Habib, 2018). While the West turned its back on Sri Lanka for these abuses, China utilized the isolation to make diplomatic and economic inroads. The U.S. and other Western nations consider the situation in Sri Lanka part of a Chinese debt trap, or the practice of distributing loans that lead to default and thus, the repossession of assets. While the reality of Chinese debt traps is highly disputed, the idea of Chinese debt traps shape foreign policy in the West and developing countries. Therefore, it is critical in separating myth from fact. Western politicians and opposition parties have often employed the fear of debt traps to push back against Chinese influence, but the data that backs up those claims is not entirely clear.

An investigative report by *The Atlantic* found information on the Sri Lankan port that painted China in a different light. First, it found that a Canadian company, SNC-Lavalin, was the first to suggest that a port built in the area would be feasible (Brautigam & Rithmire, 2021). SNC-Lavalin conducted this study before any Chinese companies were involved. SNC-Lavalin then looked to make a deal with Sri Lanka, believing that their ideal scenario was "through a joint-venture agreement between the Sri Lanka Ports Authority (SLPA) and a 'private consortium.'" SNC-Lavalin hoped to work "on a build-own-operate-transfer basis, a type of project in which a single company receives a contract to undertake all the steps required to get such a port up and running, and then gets to operate it when it is" (Brautigam & Rithmire, 2021). This build-own-operate-transfer basis is unmistakably similar to China Merchants' current agreement with the Sri Lankan government, an agreement that the West decries. In 2006, a Danish company conducted a study on the possibility of a port after SNC-Lavalin walked away from the negotiating table. They too found that construction was feasible, yet eventually walked away. Only after the United States and India turned down Sri Lanka for a contract, did Sri Lanka award the construction to China Harbor (Brautigam & Rithmire, 2021). The eventual leasing to China Merchants was not through a default process but rather a leasing agreement to boost foreign reserves. While the profitability of a new port was still heavily scrutinized prior to construction, some Western companies thought it viable. The Sri Lankan debt problem results from international sovereign bonds, not Chinese construction loans, as the bonds have matured and astronomically increased Sri Lanka's external debt servicing cost (Moramudali, 2019). While Sri Lanka did increase its debt to China, with sixty percent of foreign borrowing coming from China from 2008-2012, Sri Lanka's economic woes run deeper than that, with a lack of foreign currency due to decreasing exports as well as debt servicing issues (Brautigam & Rithmire, 2021).

The argument over Chinese debt traps is not limited to Sri Lanka either, as reports of China seizing a Ugandan airport after debt default circulate widely. Media outlets began reporting that EXIM bank took possession of the Entebbe National Airport after the Ugandan government failed to make loan payments (Fall, 2022). An independent report by American AidData found that this was not the case. While the contract certainly gave EXIM bank priority rights to airport revenues to pay off the loan, there was no risk of airport seizure (Mureithi, 2022).

When looking at the complexity of the realities and myths of Chinese debt traps both in Africa and outside of it, one must first examine how misconceptions emerge. The Trump administration significantly contributed to the fear around debt traps, with government documents detailing "debt trap" diplomacy and high-ranking officials, including Vice-President Mike Pence and Attorney General William Barr, pushing back against Chinese loans to developing countries (Pence, 2018). The Trump campaign's platform included a tough-on-China approach, arguing against trade deals and Chinese influence abroad (Corasaniti et al., 2016). Political rhetoric led to action during the Trump presidency, most famously with the U.S.-Chinese trade war from 2018-2020 (Brown & Kolb, 2022). Economic disputes with China and arguments over trade deals garnered support for Donald Trump and the Republican Party. Debt trap accusations furthered the ongoing battle between the two countries. The Trump administration prioritized attacking China as it continued with its Belt Road Initiative and rivaled the U.S. as a global superpower.

Still, anti-Chinese government sentiment does not begin and end with Donald Trump. The Biden and Obama administrations have had a less than amicable relationship with the PRC. Thus, the diplomatic conflict between the United States and China is a struggle to obtain hegemonic power. Soft power and economic influence in developing regions are essential to both countries, and they have taken different approaches to foster diplomatic relations.

China has utilized African countries for two main reasons: supply and diplomacy. As Jili writes, "China needs a supply of natural resources to maintain its economic growth: coal, wood, and importantly oil. That was a key motivation for them in engaging with Africa—Angola in particular." In addition to these resources that are crucial to further growing and developing Chinese industry, China has historically had strong relations with various African countries, especially during the Cold War, as many of those countries were led by socialist regimes. These regimes in Africa found solidarity with China, another country historically subject to Western colonization and interference, wanting independence and freedom from both sides of the Cold War (Lin et al., 2019). China invested in infrastructure and projects within African countries during the 20th century, like building hospitals for the DRC. They also worked with Zambia and Tanzania by financing and constructing the TAZARA railway, creating a new trade route that did not depend on South Africa and Rhodesia. At the time, white minorities ruled Rhodesia and South Africa, and both governments implemented racially motivated laws that severely harmed and discriminated against non-whites (Tanzania-Zambia Railway Authority, 2022). Jili comments on this diplomatic aspect, noting the importance of keeping relations with African nations strong to increase power and allies within international organizations like the United Nations (Massari, 2021).

With Western Europe and the United States increasingly becoming more hostile to China, the Asian country looks for new avenues to create diplomatic power. By investing in many African countries with the hope of long-term development, China is creating a powerful bloc of allies for the future. There are risks in supporting certain countries and leaders in terms of human rights violations and conflict, but there are also socio-economic benefits. As conflicts in Taiwan and Hong Kong draw criticism and the possibility of sanctions, China must increase its exports and ties with those not based in the West or sharing Western interests. These diplomatic relations within Africa are a motivating factor, but China has to find a balance between economic, strategic, and diplomatic incentives. Events across Africa concerning debt default, stories of labor abuse by Chinese companies, and Chinese migration will strain the Communist Party of China's (CPC) image despite the economic benefits of further involvement. China has diplomatic policies and language promoting African autonomy and freedom from colonial ties. The country's main objective utilizes a "win-win" approach to international involvement in development and investment while placing importance on state sovereignty (Noor, 2021). This approach has, of course, been at odds with rumors of country debt default.

Additionally, China has recently struggled with its diplomatic image of ensuring global state sovereignty due to the Russian invasion of Ukraine. China has yet to invoke sanctions against President Vladimir Putin of Russia, let alone denounce the oligarchical state for its invasion and violation of Ukraine's independence (Buckley, 2022). The African Union has called for an end to the Russian conflict and countries such as Kenya are voicing concerns at the United Nations. Chinese silence on the attack of another country, especially one that had suffered at the hands of a large hegemonic state, will certainly impact Chinese soft power within and around the African continent (Mureithi, 2022).

It is important to note that Chinese state-owned enterprises are not always acting and investing for purely geostrategic goals but are influenced by market economics (Jansson, 2011). China has famously adopted the strategy of *Zou Chuqu* (Going Out), which encourages businesses to invest and expand globally to further develop and modernize the Chinese economy (Nash, 2012). Through a series of reforms to the state-owned enterprise (SOE) and partial SOE system within China, multinationals owned by the Chinese government, at least in part, can transition to a corporate model (Guluzade, 2020). This corporate model is a stark contrast from simply acting as an arm of the Chinese Ministry of Foreign Affairs (Jansson, 2011). Reforms enacting performance-based contracts for CEOs, non-government affiliated board members, and bringing in foreign investors from the West are all playing an increasing role in the decisions of some of these companies (Guluzade, 2020).

China and the Congo

Chinese investment in the Democratic Republic of the Congo is centered on the southernmost part of the country, in the region formerly known as Katanga. This region was split up into four smaller provinces: Tanganyika, Haut-Lomami, Lualaba, and Haut-Katanga. For clarity's sake, these four provinces will be referred to as Katanga, but the four areas are separate. The area that Katanga encompasses is rich in minerals and metals, with large deposits of copper, uranium, diamonds, cobalt, and silver, among countless other minerals (The DRC's Katanga Province..., 2014). The area has thus been filled with interest from foreign powers and businesses since pre-DRC independence.

Prior to the election of Joseph Kabila in 2006, China was less active economically in the Democratic Republic of the Congo, but they still had ideological interests. During the Congo Crisis of 1960 to 1965, Chinese and Soviet communists provided support to rebel insurgency groups fighting against the western-backed Joseph-Désiré Mobutu. Katanga attempted to secede immediately after the DRC was given independence in 1960. Western powers, who were afraid of leftist leader Patrice Lamumba allying the DRC with the Soviet Union, backed the Katanga secession. This three-year long event occurred despite Lamumba publicly declaring that he was not a communist. After Lumumba was assassinated and Joseph-Désiré Mobutu became leader, the Katanga province formally rejoined the DRC in 1963 (Jullien, 2013). The overarching conflict of the Congo Crisis embroiled the young nation into a fierce civil war that acted as a proxy to the larger Cold War between the Soviet Union and the United States. At the end of the conflict, Mobutu took control of the government in November of 1965, and "Mobutu nonetheless proved to be a staunch ally against Communist encroachment in Africa" (Office of the Historian, U.S. Department of State, 2017). Despite this opposition, in 1972, Mobuto and the DRC switched its recognition from that of Taiwan to mainland China (Jansson, 2011). This occurred after the People's Republic of China gained a permanent seat on the United Nations Security Council (Fabricius, 2018). Following this recognition, China and the DRC, renamed Zaire, enjoyed an amicable relationship, with China investing in construction projects across the African country. These projects included a new soccer stadium, hospitals, government buildings, and scholarships for Zairian students. China even went as far as supporting Zaire with "modest credit lines," yet not to the scale of credit and debt that China later utilized in Africa in the twenty-first century (Jansson, 2011). After the overthrow of the Mobutu regime by Laurent-Désiré Kabila, the new administration changed the country's name back to the Democratic Republic of the Congo and paved the way for Kabila's eventual successor, his son, Joseph Kabila. China maintained diplomatic relations throughout Laurent's short but tumultuous period of rule, as Laurent Kabila officially visited the PRC in 1997 (AP, 1997). During this time, Joseph Kabila, engaged in military training while in China ("China built Congo a toll road...", 2022b). The Sino-Congolese contract of 2007 marked a relationship change between the DRC and China, as the latter took a more hands-on diplomatic approach.

When Joseph Kabila was elected president in the 2006 DRC election, he emphasized the importance of rebuilding the country's domestic infrastructure. This was titled *les Cinq Chantiers*, or the Five Public Works (Jansson, 2013). These five projects intended to build and improve upon the DRC's education, healthcare, employment, water and electricity, and country infrastructure. This large-scale investment plan thus motivated the Kabila administration to begin talks and eventually agree to terms with the China Railway Engineering Corporation (CREC), a Chinese state-owned enterprise that specialized in construction and resource extraction (Landry, 2018). Interestingly, the CREC originally was not looking to invest in the DRC, but instead had probed for projects in Chile, Peru, Brazil, and Zambia with little success. After these failures they settled on the DRC due to the fact that, "[The] China Railway Group Limited (CRGL) already had substantial in-house experience of operating in the DRC's mining sector" (Jansson, 2011). CREC operates as the parent company to CRGL, with a forty-seven percent ownership (Fitch Ratings, 2021). CREC and the Kabila administration began talks on a *quid pro quo* deal that would provide minerals and metals, including cobalt, to CREC from Congolese mines in the Katanga region. In exchange, CREC would invest capital in DRC infrastructure, a major element of Kabila's *les Cinq Chantiers* (Jansson, 2011). The DRC looked to China for infrastructure financing because they lacked alternative funding sources. The DRC had a "Poverty Reduction and Growth Facility Programme" with the International Monetary Fund, IMF, that brought in capital, but that inflow dried up in 2006 due to false reporting and an unwillingness from the DRC to make structural alterations outlined in their agreement with the IMF. Other major institutions and countries such as South Korea and India, "had yet to come to the table" economically and could not provide financing for Kabila's plan (Jansson, 2011). However, the CREC and China were ready, and the relationship between the Kabila family and China developed further through the deal. *The New York Times* summarized the contract:

> In 2007, Kabila's government signed an enormous RFI agreement valued at a total of over nine billion USD with China Railway Engineering Corporation (CREC). As part of the deal Congolese exploitation licenses 9681 and 9682, both located in the Kolwezi District, would be allocated to a Chinese consortium led by CREC. In exchange the consortium would secure the financing of US $6.565 billion worth of infrastructure projects of a public goods nature, such as roads and hospitals and invest about three billion USD in the mining project itself. The mine's revenues would be used to reimburse the infrastructure financing. By 2009, after multiple rounds of negotiations, resulting in a number of interventions by third parties such as the Paris Club, a final agreement comprising an estimated three billion USD worth of infrastructure projects was reached (Landry, 2018).

The minerals-for-infrastructure deal, with the minerals being copper and cobalt, marked a new chapter in DRC-China relations. These relations revolved around economic development and increased revenue as the end goal. The DRC state-owned mining company, Gécamines, formed a joint venture with CREC and three other Chinese companies: Sinohydro, China Engineering Machinery Corporation, and Zhejiang Huayou Cobalt (ZHC). Gécamines would have a 32% stake and CREC, Sinohydro, and ZHC would control the other sixty-eight percent, thus forming the joint venture company, Sicomines (Jansson, 2011). EXIM bank would provide the three billion USD worth of loans to the DRC for the infrastructure improvement. The Sicomines company was tax exempt until these loans were paid off completely, thus pushing revenue needed by the DRC today into the far future (Larrarte & Claudio-Quiroga, 2019). International uproar emerged during negotiations due to the amount of debt that would fall on the DRC which, while massive, paled in comparison to the value of the mineral revenue they gave away (Jansson, 2011). This caused European countries and opposition parties in the DRC to step in and call for renegotiations. The deal eventually caught the eye of the IMF as well, with Managing Director Dominique Strauss-Kahn visiting President Kabila to discuss the agreement. Renegotiations took place in 2009, with the total debt being reduced from nine billion USD of EXIM capital to three billion USD. Less than a year later, the Kabila administration was able to reach an agreement with the IMF and World Bank to have 12.3 billion USD be forgiven, with most of it compensated by the Heavily Indebted Poor Countries Initiative (Jansson, 2011). At the time, it had appeared that Kabila and the DRC had been able to use China and the West against each other, utilizing the rivalry to secure tangible gains at the negotiating table and reducing their international debt.

More than a decade since the original agreement, the "deal of the century" has not produced the DRC's desired effect. Criticism arose from the West and from opposition forces in the DRC concerning the lack of transparency around the contract. With so much capital flowing in and out based on this agreement, especially regarding the credit loan EXIM bank supplied to improve infrastructure, many were concerned about the possibility of corruption. The project was put on hold in 2012 after EXIM bank decided to withdraw from the agreement due to concerns that the twenty-five-year repayment period was too long. Additionally, EXIM wanted to gain control over the thirty-two percent stake owned by DRC parastatals (Jansson, 2014). With pressure coming from other interested Chinese banks, EXIM returned as the financier after the DRC guaranteed them tax exempt status. EXIM's delay slowed investment and infrastructure building, but the problems did not end there.

As the years passed after the initial Sicomines agreement, citizens of the DRC found that the promise of infrastructure went largely unfulfilled. The agreement outlined infrastructure that encompassed, "More than 3,500km of roads, as many kilometers of railways, road infrastructure in Kinshasa, thirty-one hospitals with 150 beds and 145 health centers... No less than 2,000 social housing units in the capital and 3,000 in the provinces, as well as two modern universities..." (Tshiamala, 2021) The DRC has yet to witness the realization of these grand improvement plans. The Chinese have hardly completed 1,100 kilometers of roads and have not begun construction on any hospitals or universities (Tshiamala, 2021). Recently, President Felix Tshisekedi, who defeated Joseph Kabila in the latest election, has been critical of his predecessor's dealings with China, calling for a review of the Sicomines contract over concerns of unfair advantages given to Chinese companies, a move the United States supports (Ross & Strohecker, 2021).

An Agreement Shrouded in Secrecy

At the end of 2021, an international consortium of 19 different media groups published a report created from thousands of leaked financial documents that revealed President Kabila's gross corruption while in office. The documents showed that BGFI Bank, a private bank in the DRC, acted as an intermediary for Joseph Kabila and his family to embezzle over 125 million USD ("Document Leak Shows Kabila Family...", 2021). The corruption report did not stop with state embezzlement. The report included secret agreements between Chinese companies and the Kabila administration, notably in the handling of Sicomines. It found that in 2016, Sicomines made payments totalling twenty-five million USD to Congo Construction Company (CCC), a Congolese company linked to Joseph Kabila. This company acted as an intermediary, distributing the twenty-five million to Kabila, his allies, and other Chinese companies operating in the region (China Cash Flowed..., 2021). Additionally, the Chinese consortium had formed a new company with Gecamines to build and operate a soon to be constructed hydropower plant. The consortium subsequently gave fifteen percent of the "state's shares" to Coman, a business with close ties to Kabila's administration. The purpose of the plant was to power the mines for the Sicomines agreement, but the Congo Construction Company deposited the money meant for building the plant into Coman's bank accounts. CCC also owned a permit to a Phosphate mine located in the DRC, with payment for that permit undisclosed. After the acquisition of this permit, China Molybdenum Company, another Chinese company expanding in the DRC mining industry, bought Congo Construction Company in addition to its phosphate permit for forty million USD. After this purchase, money transfers continued to go in and out of CCC to companies intertwined with Kabila, his family, and his allies.

If the corruption scandals were not enough, the same report found that the Sicomines agreement, originally finalized in 2009, was secretly amended in 2017 by the Kabila administration and the Chinese consortium. The amendment nullified the previous clause stating that 100% of Sicomines revenues would be used in the financing and construction of DRC infrastructure until loans were paid off (China Cash Flowed..., 2021). Instead, 35% of the revenue gained from Sicomines would transfer to Chinese shareholders rather than DRC infrastructure. With the visible lack of construction of promised hospitals and roads, this revelation of a secret agreement has only served to increase pressure on Chinese and DRC relations, with President Tshisekedi vowing to revisit and review many mining deals struck between China and the DRC under the Kabila regime (Ross & Reid, 2021).

Where does the relationship between the DRC and China go from here? With corruption scandals, human rights abuses, and pressure from Tshisekedi, is a relationship even viable? The answer is that with a lack of significant presence from Western nations, China and the DRC will continue to operate with one another based on economic necessity and dependence. China already has major inroads and companies working in the DRC mining sector as well as other industries. As the demand for cobalt coincides with the increased popularity of electric vehicles and other electronics, China must have access to DRC mines to continue to manufacture Lithium-ion batteries. This economic incentive is important, but the future relationship between China and the DRC goes beyond that. From a geopolitical perspective, it is not beneficial for China to interact economically with the DRC as a developing country with little influence on international issues. Rather, the DRC, with its abundance of natural resources, has the ability to become something greater, a leader of Africa and in the world. Currently and historically, the DRC has had violence and corruption, but its potential has always remained. The country has the capability to have a high GDP and quality of life based on the proper utilization of cobalt alone. If China can help the DRC blossom, the PRC would have a strong ally and advocate in its corner on the global stage.

Specific Chinese Companies in the DRC

Many Chinese companies invested in the DRC for copper and cobalt extraction, but there are others that work outside of the mining sector, in communications, chemicals, and electrical components. The priority industry, however, is within the mining sector.

One significant Chinese company active in the DRC is China Molybdenum. Mentioned earlier for its involvement with Congo Construction Company, China Molybdenum is the "second largest cobalt producer and a leading copper producer in the world" according to its website (China Molybdenum, 2022). While the company has an international presence, its involvement in the DRC is through its control of the Tenke Fungurume Mine, a cobalt and copper mine that has produced "177,956 tonnes of copper and 16,098 tonnes of cobalt" (China Molybdenum, 2022). The Tenke Fungurume mine is itself the second largest copper mine in the DRC at 1,500 square kilometers (Ross, 2022).

China Molybdenum purchased the rights to Tenke Fungurume from the American company Freeport-McMoran in 2016, and then purchased an adjacent site known as Kisanfu in 2020 for 2.65 billion USD and 550 Million USD, respectively (Mining Technology, 2020). Media outlets cited Freeport-McMoran for abuses against the local people, from illegally removing residents without just compensation to not hiring locals to work in the mine (Land Portal, 2012). Workers alleged that they were only trained to perform non-promotable work. The relationship between Freeport and DRC citizens was anything but harmonious, as "in 2009 and 2010 hundreds of Congolese protested by blocking the highway and briefly shutting off mineral exports" (North, 2021). Now, Freeport-McMoran has withdrawn all of its operations from the DRC, selling its mineral rights, Tenke Fungurume and Kisanfu to China Molybdenum (Searcey et al., 2021).

China Molybdenum purchased these mining sites with the backing of state credit. State credit measures in the billions and has been extended to multiple Chinese mining operations in the DRC (Searcey et al., 2021). With control of one of the largest copper-cobalt mines in a country that produces more than two-thirds of the world's cobalt, China Molybdenum aims to capitalize and earn huge profits. The company has shown their commitment to the operations of the Tenke and Kisafu mine by investing over 2.5 billion USD to expand and reinforce operations. This expansion project was announced in 2021 and is expected to be completed in 2023. The project itself would build three ore production lines and is projected to increase copper production by "200,000 tonnes and increase cobalt output by 17,000 tonnes" (Daly, 2021).

China Molybdenum's management of the colossal mine has been subject to criticism despite its huge investments. Reports have stated that China Molybdenum has physically assaulted workers who were looking to report safety standard violations, attempted to bribe potential whistleblowers, and brought in the DRC army to stop artisanal miners from trespassing. The DRC army subsequently shot and killed a miner. Demonstrations quickly followed after the shooting, with the army firing and killing one of the protesters (Searcey et al., 2021).

These work abuses and lack of safety standards have resulted in the death of DRC citizens, but that is not why the Tshisekedi administration began its investigation and review of China Molybdenum's operations at the Tenke Fungurume mine. Rather, the administration is focused on unfair payment and violation of contracts for cobalt and copper. While China Molybdenum owns a majority stake in Tenke Fungurume, Gécamines, the DRC parastatal company, still holds a 20% stake. Along with payments based on copper production, Gécamines has certain royalties that the owner of Tenke Fungurume must pay based on the discovery of copper deposits (Searcey et al., 2021). The contract demands a 1.2 million USD payment to Gécamines for every 100,000 copper tonnes discovered, or 12 USD for every tonne of copper found (Addendum No.1, 2010). After preliminary review, the Tshisekedi administration determined that China Molybdenum had been delaying reports confirming the discovery of additional copper in the Tenke Fungurume mine, and thus had been avoiding payments to Gécamines and the DRC government (Searcey et al., 2021)

As infrastructure building was a priority of the Tshisekedi presidency, the DRC government opted to review China Molybdenum's contract in addition to a broad review of Chinese contracts due to their association with the corrupt "deal of the century." The review being conducted on the Tenke Fungurume mine has already brought projections that China Molybdenum has avoided "billions" of USD in payment to Gécamines (Lipton & Searcey, 2022). The DRC government has taken tangible action against China Molybdenum during the review period even though the judicial process has yet to be completed and an official ruling has not been established. Meanwhile, a court in Lubumbashi ordered to "strip the mine's leadership of decision-making powers and appoint a temporary administrator" (Ross, 2022). A Gécamines representative will act as temporary administrator for a period of at least six months while the allegations are further investigated and reviewed. During this time, China Molybdenum has denied any wrongdoing or avoidance of payments, and has utilized Azarias Ruberwa, a former Chinese government official, as legal counsel (Lipton & Searcey, 2022).

As President Tshisekedi puts pressure on these Chinese companies, mineral rights and mining will face more scrutiny than in years prior. There is the possibility that DRC actions against a company like China Molybdenum will tighten regulation and bring in much needed revenue to support the foundational building of institutions and infrastructure within the DRC, but with a history of corruption - from Mobuto's kleptocracy to Kabila's secret dealings - there is opportunity for Tshisekedi to use his power for personal profit. Tshisekedi could look at his neighbor in Tanzania, who famously taxed foreign owned Acacia Mining 190 billion USD based on "under-reported" export revenues. This tax was enacted despite Acacia not being able to mathematically accumulate 190 billion USD even if it operated for over "two centuries" with its current revenue stream (NTV Kenya, 2017). With Tshisekedi and then Tanzanian president John Magufuli both using rhetoric accusing outside investors of "stealing" from the DRC and Tanzania, there is a possible future path in which the DRC takes a hardline approach against multinationals (NTV Kenya, 2017). However, the Tshisekedi administration has yet to go to the extremes that Magufuli did, and the probability of the DRC nationalizing all of the Chinese and international mines, while not zero, is still relatively low. Despite this, there is still concern with Tshisekedi, especially regarding his recent election and agreements with corrupt businessmen.

Another Chinese company heavily involved in the DRC and the Katanga region is Zhejiang Huayou Cobalt Nickel Materials of Zhejiang, China. This company focuses on the manufacturing and production of Lithium-ion batteries, and thus, has had interest in copper-cobalt mines in the DRC since 2007 ("Zhejiang Huayou cobalt Co Ltd Profile", 2022). The company has cobalt refineries in the DRC and has been a major buyer of cobalt mined from the Kasulo and Kamilombe mines. However, these mines have been rife with child labor and other abuses, creating harsh criticism for the company. Huayou's subsidiary in the region, Congo Dongfang, operated in Katanga and was alleged to be illegally convicting Congolese residents and destroying their homes to build new mining sites (Niarchos, 2021). The protests made by the evicted residents fell on the deaf ears of government officials. The people living and working in Dongfang mines do not appear content with their Chinese managers or their elected officials, frequently protesting, lighting vehicles and tires on fire, or attacking police. This hostility has derived from the lack of "official" Congolese miners working for Dongfang and in the broader region, with the company instead utilizing the labor of informal artisanal miners. For Dongfang, the use of artisanal miners means cheaper costs, less taxes, and decreased safety precautions (Niarchos, 2021). All of this criticism received did not end with Huayou, as its major customers, Apple, Microsoft, and Dell came under fire for purchasing large amounts of cobalt from them. Huayou "temporarily suspended its cobalt purchases" from both the Kasulo and Kamilombe mines until "it is sure the material they produce is free of human rights abuses according to standards to be decided by the industry" ("Huayou Temporarily Suspends...", 2020). As of May 2021, Apple still purchases Huayou cobalt (Niarchos, 2021).

The United States created legislation to combat the exploitation of mineral workers through the Dodd-Frank Act, which included a conflict minerals provision that "requires U.S. publicly-listed companies to check their supply chains for tin, tungsten, tantalum and gold, if they might originate in Congo or its neighbors, take steps to address any risks they find, and to report on their efforts every year to the U.S. Securities and Exchange Commission (SEC)." Despite this, U.S. companies are still profiting off of the complex web of supply chains that are providing them cobalt ("Section 1502..." 2017). As Huayou retreated from its dealings, at least in an official capacity, the DRC government created Entreprise Generale du Cobalt, a state-owned buyer of cobalt. Enterprise Generale du Cobalt specializes in purchasing cobalt from artisanal miners in places such as Kasulo to promote safety and provide a source of revenue (Desai & Reid, 2021). Despite this government program appearing to be a strong step in the right direction for the mining sector, there is still skepticism on the effectiveness of the program as well as the stained history of government corruption.

Dan Gertler and Glencore

Multinational investment and corruption extends beyond Chinese involvement, as Western companies and individuals compete for the same resources. Examples include Glencore and Israeli businessman Dan Gertler, who have had unscrupulous ties to DRC mining and exploitation. Swiss mining company Glencore is the largest of its kind in the world, with an annual revenue of 178.6 billion USD (Johnston, 2020). The company operates in a multitude of countries but has two specific subsidiaries in the DRC: Kamoto Copper Company and Mutanda Mining. Despite the size and success of Glencore, human rights abuses, corruption, and criminal lawsuits have followed them, especially in the DRC. Prior to Glencore's entrance into the DRC in 2008, the company's founder, Marc Rich, had been accused of using Glencore, then called Marc Rich & Co., for racketeering, evading personal taxes, trading with the sanctioned Islamic Republic of Iran, supplying oil to the Apartheid South African government, and working with Fidel Castro in Cuba (The Guardian, 2011). Rich fled the United States and established residence in Switzerland, as he was on the FBI's top ten most wanted list. In 1993, Marc Rich was removed from the Marc Rich & Co. CEO position with a buyout, due to a "disastrous attempt to corner the world zinc market." Later, President Bill Clinton controversially pardoned him in 2001 (Lichtblau & Maharaj, 2001). In 2003, Marc Rich & Co. was renamed to Glencore (The Guardian, 2011). In 2007 and 2008, Glencore sought to enter the cobalt-copper market in the DRC through the purchase of Mutanda Mining and Katanga Mining, with the latter being a precursor to the Kamoto Copper Company. To facilitate the deals necessary to enter the market, Glencore looked to an outsider: Dan Gertler.

The grandson of Israel Diamond Exchange's founder, Dan Gertler had grown up around the mining industry (Guttman, 2017). In 1997, Gertler traveled to Kinshasa in the Democratic Republic of the Congo, where he befriended Joseph Kabila who would later ascend to the presidency after his father's death (Doherty, 2017). His relationship with the most powerful family in the DRC would lead Gertler to gain a stranglehold over the country's mining industry. A 2001 investigative report from the United Nations found that in 2000, Gertler's company, International Diamond Industries (IDI), reached an agreement with the Laurent Kabila administration that would provide IDI with a "monopoly on diamonds" in exchange for twenty million USD. The payment was intended to purchase arms for the ongoing war in the Congo. The agreement included "access to Israeli military equipment and intelligence given the special ties that the Director of International Diamond Industries, Dan Gertler, has with some generals in the Israeli army" (United Nations, 2011). Despite this agreement, the UN found that IDI never supplied Israeli military aid and paid the DRC government only three million USD out of the agreed upon twenty. The DRC suffered adverse secondary effects beyond the lopsided benefits given to IDI in this agreement. With a monopoly on diamonds, many local traders and miners left the DRC and began illegally smuggling diamonds in the neighboring Republic of Congo. The UN estimates that close to sixty million USD worth of diamonds left the DRC and were sold illegally within three months of the IDI agreement. As the United Nations report concludes, "This smuggling of diamonds deprived the already ailing economy of the Democratic Republic of the Congo of substantial sums of money and the treasury of substantial tax revenues" (United Nations, 2011).

Despite the huge consequences of working with Gertler and IDI, the Kabila family remained friends with Gertler. When Joseph Kabila became president, he utilized Gertler as a close advisor on potential mining deals in the country (Doherty, 2017). Gertler acted as a special envoy to the United States during the Second Congo War in 2002, winning support from the Bush administration on behalf of the DRC (Kabila, 2002). In 2006, Gertler began working in the copper industry in addition to diamonds, retaining ownership of KOV mine, located within the Katanga region ("Glencore and the Gatekeeper", 2014).

In 2007, Glencore sought to establish operations in the DRC and Katanga. They found an ally in Gertler. The Swiss company, along with a consortium of Gertler and his allies, purchased a forty-two percent stake in the Nikanor mining company, a company that Gertler was already heavily involved with ("Glencore and the Gatekeeper", 2014). Meanwhile, Glencore and Gertler were competing against Central African Mining and Exploration Company, CAMEC, to purchase Katanga Mining, a mine adjacent to Nikanor's KOV mine. CAMEC attempted to buy a majority of shares in Katanga Mining to beat out Glencore, using CAMEC shares instead of cash to pay for the acquisition. However, as CAMEC submitted its final offer, the Attorney General of the DRC suddenly decreed that all mining licenses owned by CAMEC in the DRC were no longer valid, plummeting CAMEC's share price. CAMEC argued that this announcement was timed to destroy their offer and that the government's actions were illegal. When questioned on whether or not there was foul play, Glencore and Gertler both say they had no role in the revocation and did not profit from it. Yet, Camec eventually got its permits back after it agreed to a settlement that handed 40 percent of its shares to Gertler's Nikanor, which Glencore still owned a large amount of shares in. Katanga Mining then merged with Nikanor ("Glencore and the Gatekeeper", 2014).

With commodity prices dropping due to the Great Recession, Glencore offered a series of loans to Katanga Mining worth 265 million USD, with Katanga paying the loan back through shares. This transaction gave Glencore seventy percent control of the company. Gertler had secretly used one of his other companies, Lora Enterprises, to provide forty-five million USD of the 265 million Glencore loan to keep a higher ownership percentage in Katanga Mining. It was later discovered that Glencore had provided Lora Enterprises with the forty-five million USD ("Glencore and the Gatekeeper", 2014).

In the following years, Glencore continued to offer Gertler free stock options on Katanga Mining as well as below market share price sale offers, profiting Gertler and his various businesses registered in the British Virgin Islands. As Glencore wrestled for control of Katanga Mining, they had to deal with renegotiating a joint venture agreement between Katanga Mining and the state-owned Gécamines ("Glencore and the Gatekeeper", 2014). When negotiations proved difficult, Glencore looked to Gertler to utilize his connection with Augustin Katumba Mwanke, a government official who oversaw all Gécamines decisions and had referred to Gertler as his "twin brother" (Doherty, 2017). By 2009, Glencore's Katanga Mining had reached an agreement with Gécamines that included a reduction of a 585 million USD signing bonus, originally demanded by Gécamines, to 140 million USD (Doherty, 2017). Years later in 2017, Glencore bought Gertler's shares of both Katanga Mining and Mutanda Mining for 534 million USD to disassociate from Gertler as he faced U.S. sanctions (Patterson, 2017).

Additionally, the publication of the Paradise Papers exposed the businessman for participating in years of bribery and corruption through his relationship with the Kabila administration. One such company was Och-Ziff Capital Management, a U.S. company that testified in a New York court that it was "participating in widespread and systematic bribery of government officials in DRC and other countries." Och-Ziff claimed to be utilizing Gertler as an intermediary to bribe officials such as Augustin Katumba Mwanke, who helped in the Katanga Mining-Gécamines joint venture renegotiations (Doherty, 2017). Furthermore, it was discovered that Gertler had been purchasing large mines throughout the DRC at well-below market value due to his connections within the corrupt Kabila administration. Joseph Kabila went so far as to force some companies to work through Gertler in order to acquire mining concessions (Doherty, 2017). The sale of these mines and rights to Gertler resulted in an estimated loss of 1.36 billion USD in revenue for the DRC government from 2010-2012 (Sky News, 2021). With Gertler's vast connections throughout the DRC government, Gertler earned the nickname "the gatekeeper" of the mining industry.

These illicit deals between mining companies and the Kabila administration eventually caught up to Gertler, with the United States placing severe sanctions on him in 2017. They cited years of corrupt mining deals with the DRC government and purchasing oil assets worth 150 million USD for 500,000 USD from the Kabila Administration. This oil purchase resulted in the loss of millions of dollars entitled to the people of the DRC ("United States Sanctions Human Rights Abusers...", 2017). These sanctions extended to Gertler's various international businesses, such as Lora Enterprises, and they froze Gertler's assets in the United States. The sanctions prohibited Gertler from doing business with U.S. citizens and effectively removed him from the international banking circuit (Treasury Sanctions Fourteen Entities..., 2018). Gertler responded by hiring former Donald Trump lawyer Alan Dershowitz and, in time, offering to "have outside monitors track his business and submit regular reports on his financial transactions if the United States would lift the sanctions" (Lipton, 2021). This strategy worked for Gertler, and in the waning days of the Trump presidency, Gertler was given a one-year sanction lift where he could utilize assets and money previously frozen (Ross, 2021). The sanction lift was published after Donald Trump left office, and the decision excluded many advisors within the U.S. Department of State and the National Security Council. The reason given by the U.S. Treasury for providing the sanction lift was for "national security reasons" (Lipton, 2021). Even before these sanctions had been lifted, an outside report from *Global Witness and Platform for the Protection Against Whistleblowers in Africa* found that Gertler was utilizing "an international money laundering network stretching from DRC to Europe and Israel to evade US sanctions" (Undermining Sanctions..., 2020). The report found that Gertler was operating through shell companies to continue doing business in the DRC mining sector, specifically with Sicomines, Glencore, and Gécamines (Undermining Sanctions..., 2020). Within the first two months of President Joe Biden being inaugurated, his administration revoked Gertler's sanction lift, thus reimposing the strict penalties (Biden Admin Reimposes Sanctions..., 2021).

Under President Tshisekedi, the DRC government has begun reviewing Gertler's companies in the DRC. In February of 2022, the government reached an agreement with Gertler that would have Gertler's companies give copper and cobalt concessions back to the DRC government worth "1.76 billion USD in potential royalty payments from copper and cobalt mining deals" (Prentice & Bujakera, 2022). Gertler may also have to return the large sums of royalty payments he received from Glencore during his Katanga Copper Concession involvement (Congo Seals Deal with Israeli Billionaire…, 2022a). The incentive for Gertler to agree is that his companies will have DRC government investigations and litigations dropped once the money is paid. Gertler has reportedly offered plea deals to the United States that would have him serve up to 2 years in Israeli prison in exchange for ending continued investigation and litigation against him (Megiddo, 2022). It is important to note that this agreement between the Tshisekedi government and Gertler still has elements of secrecy around it, and he will not be facing criminal charges that require prison sentencing (Gavin, 2022). Gertler has had decades to build powerful allies in the international world and in the DRC. One such ally is Joseph Kabila, who has remained influential despite his defeat in the controversial 2017 election that found delayed election results and discrepancy between outside organizations and the DRC itself.

Gertler is a prime example of analyzing the immorality and abuse that can be so present within the world of international business. He exploited the weakness and turmoil of a country embroiled in war initially and then used the continued corruption of a regime to build a multi-billion-dollar empire of wealth. From a business perspective, he increased shareholder value for those with stakes in the companies he was involved with, yet he robbed the citizens of the DRC of millions upon billions of dollars. This is all stolen money that could have been used to uplift the infrastructure, healthcare, and education system throughout the Congo. Some may argue that Gertler acted within the parameters set by the government of the DRC. Others argue that it was the job of the Kabila administration to enforce tighter restrictions and oversight on their mining industry as well as insist on contract transparency. While Kabila does have ample blame and is guilty, the lack of laws, systems, and institutions does not excuse Gertler's actions. Simply put, legality does not equate to morality. Joseph Kabila and his administration are certainly guilty of not building and improving vital institutions, but Gertler and Glencore, among other companies, worked in partnership with these government officials, exasperating and continuing a cycle of exploitation. This exploitation has wasted the assets and resources that officials could have used to drastically improve the lives of its people. The Democratic Republic of the Congo has often been viewed as a country with unbridled potential, from mining resources to hydroelectric power in the Congo River, but predatory businessmen such as Dan Gertler have contributed to the overarching problems that have plagued the country for decades.

Much like Dan Gertler, Glencore did not stop its exploitative mentality after it gained a foothold in the DRC. A joint study by RAID, Bread for All, and Fastenopfer in 2012 found that Glencore's Kamoto mine had been dispelling waste into the nearby river of Luilu, raising the acidity in addition to exponentially increasing concentrations of copper and cobalt in the water (Peyer et al., 2014). After the initial study was reported to Glencore, the company pledged to fix the problem. However, a follow-up survey one year later discovered that there was still waste and an above-normal level of acidification in the river, albeit improved from years prior (Peyer et al., 2014). Bread For All returned to Kamoto in 2018 and found that Glencore had followed its pledge on improving their impact on the Luilu river, cutting off all waste discharge and working to improve the water supply. Despite this, Bread for All reported that Glencore's operations created high incidences of air and soil pollution in the area and for the capital city of the Lualaba province, Kolwezi. The level of pollution in some areas around the mine and on roads exceeded the maximum acceptable pollution level 10 times over (Bradley, 2018). With soil pollution, farmers in the area have had problems with repeated crop failure and contaminated ground due to leaked substances by Glencore. Glencore has not compensated these farmers for the multi-year impact the contamination has had on crop growth either (Bradley, 2018).

Glencore's abuses go beyond the environment as well, with multiple claims of human rights violations and exploitation. The company has repeatedly had issues preventing unauthorized individuals, or artisanal miners, from entering their mines. With such a high informal sector and unemployment rate, thousands of people look to artisanal mining to survive. Glencore's Kamoto mine spans multiple miles, and much of the mine is not fenced in. Therefore, many locals move in and out of the mine, working and selling minerals to Chinese traders (McAllister & Taj, 2019). Glencore employs private security forces to protect areas of the mine not fenced in, but corruption is as rife on the ground as it is within the government structure, and many security personnel are routinely bribed to gain access to Kamoto (McAllister & Taj, 2019). Glencore's lack of training and hiring contributes to the problem of underdevelopment and desperation in the local people. Adding on to the transgressions against locals, Glencore has acquired mined materials from Chinese traders and other resellers who purchase from the artisanal miners (Soguel-dit-Picard, 2019). A fiscal benefit for the company, despite the reprehensible method, is that the company does not have to pay salaries or comply with safety regulations for these miners. They still benefit from the workers' labor without compensating them. Moreover, Glencore has brought in the Congolese military to augment private security forces, creating instances in which security personnel have shot and killed artisanal miners entering either the Mutanda or Kamoto mines (United Nations, 2011).

Glencore and the Chinese company Huayou have been named in a massive lawsuit brought against U.S. tech companies, Apple, Dell, Tesla, Alphabet, and Microsoft for profiting off of forced child labor in the DRC. While Glencore has not been directly sued, their operations are the source of the cobalt purchased by large tech companies. The lawsuit states that "thousands of children mining cobalt – including in concessions owned by Glencore – are forced to work under hazardous conditions at risk of losing life and limb and at the expense of education" (Soguel-dit-Picard, 2019). This exploitation puts children in severe danger, as exhibited by three children aged sixteen, fourteen, and twelve, who were killed while mining in Glencore's Katanga mine. These practices contribute to the cycle of underdevelopment, lack of community resources, and an uneducated youth population (Soguel-dit-Picard, 2019).

Glencore appeared to be declining at the turn of 2020, with the company suspending operations in the Mutanda Mine due to "falling cobalt prices, increased costs, and higher taxes" ("Update 1-Glencore's Mutanda Mine…", 2019). They halted production for two years, a drastic move considering Mutanda produced 1/5th of the total cobalt mined in the world in 2018 (Kavanagh, 2021). Another factor affecting Glencore was the change in political administration, with new Deputy Prime Minister of the DRC, Eve Bazaiba, announcing that Glencore will be prohibited from exporting raw materials directly out of the country (Langrand, 2021). When Glencore exports the minerals internationally for development, the DRC loses out on thousands of jobs, economic development, and additional tax revenue that they would receive through the presence of a mineral processing industry. Processing the minerals will help the country industrialize, increasing wages and reducing the percentage of people either unemployed or working in the informal sector.

Despite the temporary suspension of the Mutanda Mine in 2019, Glencore has gradually restarted its operations, hoping to produce "10,000 tonnes of cobalt in 2022" (Erickson, 2022). With the demand for cobalt and electric vehicles increasing around the world, Glencore and other Chinese companies, such as China Molybdenum are prepared to expand and continue to dominate the cobalt market in the DRC (Erickson, 2022). The rhetoric of Deputy Prime Minister Bazaiba is influential, but there has not been a formal law or decree enacted forcing Glencore to build processing plants. Glencore has faced international backlash and reports from international human rights groups on their exploitation, yet there has not been serious repercussions forcing them to drastically change their practices. Despite the company making slow changes and public statements condemning practices like forced child labor, a strategy RAID defines as Glencore's "Charm Offensive", the mining giant continues to abuse the people of the DRC and reap substantial profits (Peyer et al., 2014).

When analyzing the human rights abuses in the mining sector, some may argue that cutting costs is the sole way a business can compete in the region. However, competition does not justify criminal actions. Western media may not often report on the activities within the DRC, but this does not mean a blind eye will forever be turned to these mining firms. Competition for mining concessions is fierce, and while companies like Apple and Microsoft are still successful despite child labor allegations in the DRC, the long-term sustainability of such exploitative practices is risky. Consumer outrage over abuses and stricter DRC government regulations could shake up the current state of business in the DRC. The inherent risk of severe legal action increases the cost of doing business in its current format.

Due to preexisting government corruption, more state-owned enterprises and nationalization of mines may not be the most fruitful path forward. One of the largest mining companies in the DRC is Gécamines, a state-owned firm. It too has been accused of colluding and operating under corrupt agreements with Chinese firms and western companies, including Glencore. Gécamines has been a contributor to the systematic theft and corruption of the country's resources. Therefore, to expel the multinational companies and nationalize all mines is clearly not the best path forward. Other governments have tried before, most famously Zambia in the copper industry, and have found disastrous results (Sikamo, 2016). The DRC and Zambia are two different countries with separate histories, but there are still commonalities. Mobutu Sese-Seko tried to expropriate copper mining companies through his Authenticité policies, and that too failed as a long-term developmental solution. Instead, the DRC needs to first look to improve its own governance and rule of law while also cracking down on multinational companies. Mandating Glencore to process its mined minerals within the DRC is one such step that can keep the company in the region while development and industrialization takes place. Improving the rule of law in order to keep individuals such as Dan Gertler out of the pocket of the president will prove difficult given the history of the DRC since independence. Yet, for the country to develop beyond its current state, it must enact new legislation and safety valves that make government transactions and relationships more transparent. This process requires patience, as improving the situation in the DRC will take years to decades to accomplish.

Rebel Groups

Rebel groups in the DRC, specifically within the provinces of Ituri, Kivu and Kasai have their own role in the destabilization of the country, and the international mining supply chain. Currently, the Council on Foreign Relations estimates that there are "More than one hundred armed groups, such as the Ugandan Allied Democratic Forces," that are present and active in the DRC ("Violence in the Democratic Republic of Congo", 2022). These groups arose after violence from the Rwandan genocide of 1994 spilled over the border into northeastern DRC, causing multiple militias to form and the governments of Rwanda, Uganda, Namibia, Angola, and Zimbabwe to support individual rebel forces who were fighting one another. With Rwanda and Uganda allying to support rebel groups battling militias receiving aid from Namibia, Angola, and Zimbabwe, the conflict became known as the Second Congo War and lasted from 1998 to 2003 ("Violence in the Democratic Republic of Congo", 2022). Regardless of formal peace agreements in 2002 and 2003, militia groups, some independent, some connected to larger terrorist organizations like the Islamic State, remained, grew, and changed as time passed. These changes have included finding new funding sources, with multiple reports from the United Nations and NGOs that multinational companies, like THAISARCO, continue to fund militias. MNCs purchase cobalt and tin, among other metals, from intermediaries who directly buy from the militia organizations ("Global Witness Uncovers Foreign Companies…", 2009). Other companies, such as Soco, used bribery and threats of violence to gain wealth in other industries outside of mining.

Soco attempted to capitalize on instability in the Virunga region to gain access to oil reserves (Smallteacher, 2015). The presence of these rebel groups has its own impact on the mining industry in the DRC and the international supply chain. Rebel groups within the DRC capitalize on illegal smuggling, artisanal mining, and cross-border travel to neighboring countries like Uganda. With artisanal mining and rebel groups, the image of a man forced to mine cobalt at gunpoint comes to mind. However, in reality, one study published in the Journal of Conflict Resolution found that these rebel groups act more similar to organized crime in the United States, taking a cut of revenues from artisanal mining via protection payments (Krauser, 2020). A 2015 study found that "56 percent of the 239,700 recorded artisanal miners are affected by the presence of armed groups, but only 5 percent are subjected to forced labor" (Matthysen et al., 2020). The study looking at rebel groups operating as organized criminal groups went a step further in describing the environment in which these groups operate. The study described that areas in Eastern DRC controlled by rebel groups are relatively peaceful, as the rebels want to ensure continuous production of mining minerals for illegal distribution to international traders and countries. The study argues that these rebel groups consistently battle other groups and manufacture violence in areas that they do not have full control over, thus proving to local miners that protection through taxes is necessary (Krauser, 2020). The U.S Government Accountability Office has issued statements and findings concerning the continued abuse of rebel groups and how they profit from the production and selling of metals to the international market (U.S. GAO, 2020). Of course, with groups killing each other, war and fighting continues within the region, harming locals caught in between. Many of these groups have ideological and political goals they wish to achieve, but mining revenues are a significant driver in the continued conflict.

For the DRC to begin developing and improving the lives of its people, it must look to resolve the continued conflict in eastern DRC, specifically in North Kivu and Ituri. This includes dispelling large militia groups, including the FDLR and ADF, that intend to establish legitimate political organizations and control within the DRC and in the neighboring countries of Rwanda and Uganda. Military action is necessary to protect people and land, but the DRC must also look at alternative tactics that can supplement their crackdown on the groups. These strategies need to center around social support for the communities and towns being devastated by conflict. Systematic sexual abuse, killings, and starvation is used as a tool by these rebel groups to create outcasts within DRC society, thus leading to radicalization and a continued cycle of violence. Work programs, health clinics, infrastructure building, increased education spending, and protection are all steps that the government can take. The government can fund these programs with money generated from creating fair deals with international mining companies. Many of these rebel groups arose from the need for protection against the conflict spillover of the Rwandan genocide and subsequent invasions. Thus, the DRC can look at further economic and safety incentives to calm the region, such as lowering unemployment through the development of semi-processing and finishing mineral manufacturing plants. Multinational companies can be mandated to build these plants if they want to operate in the DRC. Anti-corruption and control of government soldiers are integral to bringing stability, as soldiers fighting for the DRC have committed robbery and other crimes (Vice, 2021). In these instances, the Congolese people have nowhere to turn. The foundation and baseline of the military and government must be reforged as a strong, united front, acting in the interest of the people. This solution is easier said than done and will take years to decades to fully implement, as the DRC's history of corruption, instability in provinces, and rebel groups persist. Nevertheless, the DRC has the resources to gather massive amounts of wealth that can be rapidly reinvested into the country, creating a new chapter of hope.

Conclusion

The story of the Democratic Republic of the Congo is that of heartbreaking wasted potential. With the most valuable natural resources, from thousands of tonnes of rare and in-demand minerals to the vast and mighty Congo River, the DRC could indeed become an economic and political leader in Africa and in the world. Yet, corruption and exploitation from domestic and foreign actors have plagued the country for centuries, making a few wealthy, but ignoring the rest, especially the Congolese people. While this historically occurred through the activities of Belgium, colonialism, and leaders such as Mobutu Sese Seko, the cycle of theft has continued into the present day. Now, the DRC suffers from a government that cuts deals with men like Dan Gertler and ignores the plight of the artisanal miners as they work without tools for the benefit of Western and Chinese multinational companies. These miners live hazardous lives with no safety nets, trapped in the economy of the informal sector. Not all multinationals have the same goals, with some, like Glencore, focused on extracting profits through their concessions. Meanwhile, others, like the Chinese consortium of Sicomines, operate to bring metals to the Chinese market while pledging infrastructure investment that coincides with broader international foreign policy goals of the People's Republic of China. No matter the stated end goal, the Congolese people have not truly benefitted, and the country has not been developed into what it could be. Still, there is hope. President Tshisekedi has pledged to review contracts made with Chinese companies. Glencore has come under fire for its environmental and human rights abuses. Members of Tshisekedi's cabinet have discussed forcing multinationals to process minerals in the DRC.

Nonetheless, Tshisekedi has not created long-lasting change and has in the past exhibited concerning autocratic tendencies, such as winning a contested election with outside polls finding sharp discrepancies in the tallies. To improve the DRC and help its people, government leadership must reduce corruption and embezzlement while laying the foundation to build the country through infrastructure and institutions. The government is only part of the solution, as multinational companies must also play a key role in building the country, refusing to violate international laws regarding child labor and the employment of thousands of artisanal miners. These companies must be held accountable for destroying environments and illegally forcing people from their homes. More substantial consumer backlash against them and their buyers can serve to rein in the unbridled exploitation. Finally, governments like China, the United States, and Switzerland must punish the multinationals that are destroying the DRC. Prosecuting Dan Gertler and fairly overseeing lawsuits against Apple and Microsoft are pivotal steps to creating a more stable future. Regardless, there must be more penalties and punishments to the companies who continue to rob the DRC of its natural wealth. The Democratic Republic of the Congo could have a future in which destruction defines it, as it has in the past, but it could also have a future, albeit one that will form through a long and arduous process, where the country sees itself becoming a pillar of redemption and economic leadership.

The corruption in the DRC personifies an infamous debate within the business world. Essentially, do businesses have a social responsibility to enact ethical practices, or should they work within the laws of a given nation, ethical or not? In Milton Friedman's *The Social Responsibility of Business is to Increase its Profits*, Friedman argues that for a company or manager, such as Glencore, to fill the role of the government and act as a civil servant denies the tenants of democracy and unfairly uses the money and power of shareholders to pursue personal agendas (Friedman, 1970). Simply, if the government will not put in safety measures and regulations, or pursue policies for the good of its people, then it is not the job of a company like China Molybdenum to do it for them.

Multinational investment in DRC represents this philosophy in its extreme. Glencore and other mining companies are systematically abusing, stealing from, and killing the land and people of the DRC. With a government rife with corruption and officials paid off by companies, Glencore is violating international law and perpetuating the continued impoverishment of a country and a people. Given the human rights abuses that occurred with government approval and followed historical practices in the mining industry of the DRC, we must reexamine the standards to which corporations are held, remember whose lives are at stake, and operate within clearly defined moral boundaries rather than purely financial ones.

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