

BTI 2008 | Democratic Republic of the Congo Country Report

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Market Economy	1-10	2.61	# 121 of 125	→
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scale: 1 (lowest) to 10 (highest) score rank trend

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Please cite as follows: Bertelsmann Stiftung, *BTI 2008 – DR Congo Country Report*. Gütersloh: Bertelsmann Stiftung, 2007.

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Key Indicators

Population	mn.	57.5	HDI	0.39	GDP p.c.	\$	635
Pop. growth ¹	% p.a.	3.0	HDI rank of 177	167	Gini Index		-
Life expectancy	years	44	UN Education Index	0.54	Poverty ³	%	-
Urban population	%	32.1	Gender equality ²	-	Aid per capita	\$	31.7

Sources: UNDP, Human Development Report 2006 | The World Bank, World Development Indicators 2007 | OECD Development Assistance Committee 2006. Footnotes: (1) Average annual growth rate 1990-2005. (2) Gender Empowerment Measure (GEM). (3) Percentage of population living on less than \$2 a day.

Executive Summary

The Democratic Republic of the Congo (DRC) underwent extremely uneven change over the past two years while it struggled to make the transition from a failed war-torn state to a post-conflict country. Goals of democratic and economic transformation were relegated to the primary objective of preserving and consolidating the fragile peace process that was set into motion with the formation of the transitional government in 2003. The key development of the reporting period – organizing and carrying out postwar elections – was not so much a step within democratic transformation as it was a necessary, if ambiguous, attempt to overcome the severe legitimacy crisis that the transitional arrangements of the all-inclusive accord of Pretoria of December 2002 had not been able to mend. While the former warring factions in the government of national unity preserved an uneasy coexistence, procrastination and the enormous logistical and technical challenges of organizing elections in a country without infrastructure, resulted in the postponement of presidential, parliamentary and provincial elections that were originally scheduled for 2005. Political and economic reforms were by and large neglected, since the attention of all domestic and international actors was focused on the elections. These finally took place in a fairly orderly and peaceful manner in mid- and late 2006, thanks to the massive support of the international community, notably the UN peacekeeping mission in the DRC (MONUC). In the context of the DRC's largely collapsed state institutions and infrastructures, the successful management of the elections has to be regarded as a major achievement. The country has taken a decisive step toward leaving the violent conflict behind in order to build a viable peace and restore effective state institutions. However, the country continues to face daunting political, economic and social challenges that date back not only to the violent conflict but also to the rule of President Mobutu. The elections did not mark the birth of democracy, but they were a first necessary step in building a new political order.

History and Characteristics of Transformation

The Democratic Republic of Congo has been ripe for transformation since the end of the 1980s. Both exogenous and endogenous factors contributed to the demise of Mobutu's authoritarian and illegitimate rule in 1997. Western economic and political support for (then) Zaire waned, as its stabilization was no longer of strategic importance. Installing democracy, the rule of law and market-oriented economic systems, as well as respect for human rights, became conditions for Mobutu's government to gain acceptance as an international partner. The ramifications of the new international constellation corresponded with the impact of domestic movements within Zaire, where groups advocating reform had begun in 1989 to debate and demonstrate against the excesses of Mobutu's leadership. A new alliance of church leaders, human rights activists and prominent individuals emerged, pushing to halt economic decline and create a sound, transparent economic order. Joining in support of this movement was the great majority of urban Zairians who suffered from Mobutu's misrule and the consequences of a structural adjustment program implemented in 1986. Following political and cultural liberalization in April 1990, a Sovereign National Conference was organized in 1992, where the country's political elites and civil society groups were to debate a blueprint for a new political dispensation in the country. However important the conference may have been, Mobutu outmaneuvered it and was able to remain in power. Economic crisis eventually brought about Mobutu's demise, since he was no longer able to reward his supporters and thus protect himself. An eroding power structure, facilitated by the increasing desire for stability and interest in Zaire's immense natural resources among neighboring countries, rendered the national army defenseless when attacked by rebel forces. Triggered by the Rwandan genocide and its consequences between 1994 and 1996, Laurent Désiré Kabila's rebel forces, with the decisive support of the governments of Uganda and Rwanda, overthrew Mobutu in May 1997.

Kabila's leadership was as kleptocratic as that of Mobutu. Assassinated in January 2001, Laurent Désiré Kabila left behind a disastrous state of affairs. Kabila's leadership destroyed any remaining transformation dynamics and potential public support for a new democratic leadership. In August 1998, there was a split between Kabila and Rwanda's Paul Kagame over copper and coltan (columbite-tantalite) licenses in the eastern Congo. As a result, Rwanda began supporting the Tutsi-backed rebel movement Rally for Democracy (RCD), which occupied almost the entire eastern part of the DRC at the end of 1998. Simultaneously, the Ugandan-backed rebel movement Movement for the Liberation of the Congo (MLC) established itself firmly in the Equator province of northern Congo. There were at least 2.5 million casualties between 1998 and 2003, making the conflict one of the most bloody African wars in recent

history. Amid the chaos, warlords and various foreign groups plundered the country's natural resources, destroying any remaining infrastructure. A cease-fire agreement signed in 1999 in Lusaka, Zambia remained a dead letter until the murder of President Laurent Kabila in January 2001. His successor, his son Joseph, resumed peace negotiations with rebels and foreign countries alike, eventually resulting in the withdrawal of foreign forces and the organization of the Inter-Congolese Dialogue in 2002 in Sun City, South Africa, between the government, rebels, political parties and civil society groups. The dialogue culminated in a government of national unity that was to rule the DRC for a transition period lasting two to three years. The government was formed in February 2003 and was to prepare elections by June 2005. After several postponements, relatively free and fair elections took place in July and October 2006 with considerable support from the MONUC, the world's largest UN peacekeeping mission (18,500 military personnel). Incumbent President Kabila won the presidential elections with 58.2% against former rebel movement leader Jean Pierre Bemba, and was sworn into office in December 2006. The elections were a major success and sparked new hope for the country's transformation from a war-torn failed state to a peaceful and more democratic country. The international community has pledged to assist the DRC in the difficult and long-term tasks of peace building and state building.

Transformation Status

I. Democracy

In spite of its name, the Democratic Republic of Congo has virtually no experience with democratic procedures, institutions and principles. The parliamentary, presidential and provincial elections of 2006 were the first free and fair elections in more than four decades. Given four decades of authoritarian rule under Mobutu (1965 – 1997) and almost a decade of warfare (1996 – 2003), the 2006 elections have provided only a very shaky foundation for the democratization of the country. However, the country has a strong and somewhat well-organized civil society.

1 | Stateness

The DRC was widely considered to be a failed state. Even under the strongman Mobutu, the state's monopoly on the use of force was not complete. Ever since the failed democratization efforts of the early 1990s, the state has slowly been able to assert its monopoly on the use of force and the means of coercion. Despite the formal end of the war in 2002, the formation of a government of national unity, and the support provided by 19,500 UN peacekeepers, it took almost four years for the government to solidify relative control over large parts of the country. At the moment, four integrated brigades of the national army (FARDC) are stationed in the troubled eastern part of the country; they represent, together with the national police (PNC), a certain degree of state authority. However, there are still pockets of insecurity and instability where the state has only limited control on the use of force. This is the case in parts of the Ituri district and in certain areas of North and South Kivu and northern Katanga. At the same time, however, members of the Congolese army and the police commit serious human rights abuses "wherever they are deployed," according to the UN.

Monopoly on the use of force

Contrary to what one might expect from sustained violent conflict and the fragmentation of the country during the war, there have been no serious secessionist attempts in recent years. Even the various rebel movements did not seek to carve out pieces of the territory for self-rule or independence. The "idea of the state" in the DRC is arguably one of the most remarkable characteristics of the country. Major groups in society accept and support the idea of a unified

State identity

Congolese nation-state. Yet, and perhaps as a consequence thereof, not all groups in society agree on the concept of citizenship. The constitution and the new law on nationality of 2005 have opted for a rather inclusive approach. However, various groups and minorities, in particular the Rwandophone groups in North Kivu and South Kivu in the east of the Congo (known as Banyarwanda), continue to see their claims to citizenship contested. Political exclusion is a regular feature of Congo's political life and ideas of "autochthony" remain strong.

The various churches in the DRC are powerful social, and at times political, actors, but religious dogmas and extremism are absent. However, churches continue to exert a certain pressure on political actors to prevent political action against their interests. Christianity remains the most common denominator of Congolese society, and politicians regularly display their belief to gain popular support.

No interference of religious dogmas

As President Kabila himself admitted in a speech following his inauguration, the DRC has only rudimentary administrative structures. All branches of government are weak or operate without coordination. Very few government agencies receive sufficient resources from the state to fulfill their tasks effectively. However, in almost every little village, there is some formal administrative body, even if it is not supported financially by the central state. According to the International Crisis Group, the transition government spent less than 2% of its budget outside Kinshasa. Corruption, clientelism and patronage are basic features of almost all administrative action. Despite their attachment to the idea of the state, the Congolese population deeply mistrusts the state and its agents. The new government has to build a state from scratch.

Basic administration

2 | Political Participation

The 2006 elections offered most Congolese citizens the first opportunity in their lifetime to participate formally in the political life of the country. The new constitution, which was adopted through a popular referendum in December 2005, provides universal suffrage. Domestic and international observers described the elections as largely free and fair, given the challenging context in which they took place. However, there were considerable irregularities. After the first round of the presidential elections, government forces attacked Bemba's headquarters while he was holding meeting with several Western ambassadors. Moreover, de facto opposition parties had limited access to funding and were not able to embark on a nationwide electoral campaign. Kabila's majority platform, Alliance for the Presidential Majority (AMP), reportedly used state funds for their successful electoral campaign.

Free and fair elections

At the time of writing, the newly elected government has been in office for barely one month, making it difficult to assess it properly. Its effective power to govern will be extremely difficult in view of the decrepit state of the administrative apparatus and the lack of sufficient financial means. However, the presidential majority platform AMP represents about 70% of the seats in parliament and gives rise to hopes that the strong fragmentation of political parties will come to an end. The AMP in itself does not represent a homogenous bloc, but is made up of a heterogeneous group of actors reflecting different interests, mostly those of their respective regions. Politics in the Congo are characterized by a strong sense of pragmatism, and future decisions will therefore necessarily reflect political compromise. Accordingly, these decisions will be less streamlined and effective. However, most of the powerful veto players of the past have either been members of the government (Prime Minister Antonine Gizenga) and the army (Laurent Nkunda), or have lost their significance (Etienne Tshisekedi).

Effective power
to govern

The right of independent political and/or civic groups to associate and assemble freely has been guaranteed in the new constitution and is protected by a relatively progressive law on assemblies (2005). However, the Kabila-friendly administration frequently denies permission for rallies of the political opposition, often giving the police an excuse to violently disperse the assemblies. The security forces are notorious for their brutality in suppressing unauthorized gatherings. During the electoral period, permission for political campaigns of all movements was only granted after significant international pressure.

Association /
assembly rights

Freedoms of opinion and the press are protected by the new constitution and by the media code. There are a multitude of different political opinions that are freely expressed via newspapers, TV and radio stations. Almost every significant political movement has its own radio and/or TV station. The majority of newspapers in Kinshasa are critical of the government. They have, however, only a very limited influence on public opinion, since a large number of Congolese are illiterate or do not have the means to buy newspapers. The most important medium is radio, and the most popular station is MONUC's Radio Okapi; it can be heard nationwide and has the reputation of being the only credible source of information. The public television and radio network RTNC is generally biased in favor of the government, and strongly influenced by the Ministry of Information. However, as a counterweight, there are 30 TV stations in Kinshasa alone representing the entire political spectrum. The degree of professionalism among journalists is extremely low, and reports are regularly "bought" by politicians. During the 2006 election campaign, the High Authority for the Media, a temporary transitional body, suspended a number of state and non-state media for broadcasting extremist views. In 2006, the DRC was rated "not free" by Freedom House and was ranked 81st out of 194 countries.

Freedom of
expression

3 | Rule of Law

There is no rule of law in the DRC in terms of a strict and effective system of separation of powers (checks and balances). The only branch with considerable power in the past was the executive, which was subject to very limited control by parliament and the judiciary. However, all important laws and codes that were necessary for the elections, including the constitution and the highly controversial electoral law, had to be passed by the transitional parliament and reflect a certain power shift in favor of the legislature during the transition. Under the final constitution, the power of parliament has, in theory been extended, with the most important feature being budgetary control. It remains to be seen whether the newly elected parliamentarians have a clear understanding of their role, or if they regard themselves primarily as a supplement to the implementation of government policies. The biggest problem preventing the judiciary from functioning effectively remains the lack of funding. The Supreme Court used to be the only court with the competence to review legislation. However, most of the judges had been appointed by Kabila himself. They therefore reflect a certain political tendency in their judgments. According to the new constitution, a Constitutional Court, with the competence of complete legislative review, will have to be installed after the elections.

Separation of powers

The judiciary is technically independent in cases that do not necessarily have political implications, as in case involving private matters. However, according to some estimates, a mere 20% of the population has access to formal judicial institutions. In many parts of the country, traditional or other informal authorities render justice or provide some sort of local conflict resolution.

Independent judiciary

Legal or political penalties for officeholders who abuse their positions are usually not levied. While laws governing such abuses do exist, they are almost never implemented.

Prosecution of office abuse

Civil rights are frequently violated by the state and its agents. For all practical purposes, there is no possibility of redress for the vast majority of the population, given the state of the judiciary.

Civil rights

4 | Stability of Democratic Institutions

As stated earlier, democratic institutions were only established after the elections at the beginning of 2007; therefore, it is too early at the time of writing to evaluate their stability.

Performance of democratic institutions

While there is little doubt that the bulk of the population supports the introduction of electoral democracy, the democratic virtues of the main political actors remain to be tested. It was widely seen as a surprise that presidential contender Jean-Pierre Bemba accepted his defeat against Kabila in December 2006, though the reason for this may have been less to do with democratic convictions and more with significant domestic and international pressure, as well as the limited violent options at his disposal. However, major political spoilers of the past have successfully been included in the government, or have gained political influence in parliament or in the Senate. They are therefore more likely to use those democratic institutions to pursue their political interests.

Commitment to democratic institutions

5 | Political and Social Integration

Given the lack of political freedom in the country, with the exception of a short period of time in the early 1990s, to speak of a party system would be a gross exaggeration. Historically, there is only one party with structures extending over the entire territory, the Union for Democracy and Social Progress (UDPS). The most successful parties in the 2006 election were offshoots of the war factions, that is, Kabila's People's Party for Reconstruction and Democracy (PPRD) and Bemba's Movement for the Liberation of the Congo (MLC). Another party, the Unified Lulumbist Party (PALU), is primarily rooted in two provinces of the country. There were 218 parties presenting themselves for the legislative elections; only a few of these parties have more than a regional significance. Party allegiance cannot be said to be stable, since political agendas do not really exist, and political power is linked to specific interests, such as regional or ethnic representation or personal gain. Political figures create parties primarily as vehicles to be co-opted by those in power, and shifting alliances are a function of this. Moreover, most of the political parties that exist are closely linked to certain ethnic and regional constituencies. As a result, a stable, moderate, socially rooted party system that could articulate and aggregate societal interests does not exist. This bodes ill for parliament's effective control of the executive.

Party system

The country has a lively associational life. There are about 50,000 registered NGOs. However, like the political parties, many of these groupings are closely linked to narrow local and often ethnically defined constituencies. Extremist discourses of political exclusion have luckily become the exception, besides in certain geographically limited areas in the east of the country, including Katanga. Interest representation as it exists is a function of narrow segments of society and political elites. Over the course of the past two years, many influential civil society leaders have been co-opted by political elites, and the mediation of societal interests beyond very narrow social boundaries hardly exists.

Interest groups

Given the absence of representative survey polls, the citizenry's consent to democracy cannot be adequately evaluated. On the face of it, one can assume that the commitment of the citizenry to democracy is fairly strong; this commitment extends to the point that the "return" of civilian politics after many years of war has raised unrealistic hopes. The only indicator available so far is the impressive level of participation in the various elections of 2006, which for most of the Congolese was their first time to cast a ballot.

Consent to democratic norms

Given the absence of social or other services by the state over at least two decades, social self-organization and social capital have been steadily built up by default. Yet, sustained warfare, along with frequent ethnic polarization, have severely damaged the social fabric, facilitating social fragmentation and extremist politics. This is particularly true in the eastern regions of the country, where trust among the various social groups has severely eroded.

Associational activities

II. Market Economy

6 | Level of Socioeconomic Development

Even before the onset of the last war, the vast majority of the population lived in abject poverty. The war has made matters significantly worse, and the official end of the conflict in 2002 has failed to have any positive effect on the socioeconomic crisis. It is estimated that most Congolese live on the equivalent of \$0.30 per day. The state provides only limited services to the population; those that do exist are offered by churches and other social groups. For many Congolese, survival is only ensured by subsistence farming and informal small-scale trade. Poverty is widespread and has little systematic relation to ethnic or other identities. However, the plight of women has been considerably worse, as they continue to be victims of discrimination and sexual violence.

Socioeconomic barriers

Economic indicators		2002	2003	2004	2005
GDP	\$ mn.	3,017	3,564	4,343	5,091
Growth of GDP	%	4.6	0.8	3.6	9.2
Inflation (CPI)	%	38.1	12.9	4	21.3

		2002	2003	2004	2005
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	2.5	5.7	10.2	5.7
Export growth	%	8	0.3	20.1	8.8
Import growth	%	37	27.4	26.4	17.6
Current account balance	\$ mn.	-	-	-	-
Public debt	\$ mn.	8,845.4	10,161.3	10,125.0	9,411.8
External debt	\$ mn.	10,059.5	11,254.4	11,433.9	10,600.0
External debt service	% of GNI	17.7	2.7	2.2	3.1
Cash surplus or deficit	% of GDP	-	-	-	-
Tax Revenue	% of GDP	6.3	-	-	-
Government consumption	% of GDP	5.5	6.3	8.2	8.3
Public expnd. on edu.	% of GDP	-	-	-	-
Public expnd. on health	% of GDP	0.3	1.1	1.1	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	-	2.1	3.0	2.4

Sources: The World Bank, World Development Indicators 2007 | UNESCO Institute for Statistics | Stockholm International Peace Research Institute (SIPRI), Yearbook: Armaments, Disarmament and International Security

7 | Organization of the Market and Competition

In theory, the DRC has a market economy. In practice, the economy is dominated by informal and non-transparent networks connected to various political elites and their foreign allies. This has not changed significantly since the end of the war.

Market-based competition

Given that effective state structures do not exist and law enforcement is the exception rather than the rule, there are no safeguards against monopolies and cartels.

Anti-monopoly policy

In theory, foreign trade is deregulated. Significant steps have been taken toward this end, including a new investment law passed in 2005, and the founding of the national investment promotion agency (ANAPI). In practice, however, the lack of state control over the implementation of legal regulations remains problematic.

Liberalization of foreign trade

There is no reliable banking system to speak of. However, a number of foreign commercial banks have set up shop in the DRC over the last two years and allow for commercial bank transactions in Kinshasa. It remains to be seen whether they can operate in the country's extremely challenging environment over the long term. On the macroeconomic level, the government has won some praise from the IMF for having undertaken reforms prescribed by this institution.

Banking system

8 | Currency and Price Stability

The average inflation rate was estimated at 21.7% in 2005 and 16% in 2006. Money supply increased in 2006 in connection with the elections. In addition, the presidential election campaign was largely funded with state resources, giving rise to significant off-budget spending. The central bank, susceptible to political interference, had little leverage to counter this development.

Anti-inflation /
forex policy

Depending on donor support for over 50% of its budget, the government has made some efforts in recent years to pursue fiscal and debt policies in support of macroeconomic stability. Government performance under the IMF'S Poverty Reduction and Growth Facility was broadly satisfactory until the beginning of 2006, when political considerations related to the forthcoming elections triggered monetary and fiscal laxity. Yet, in March 2006, the IMF suspended its Poverty Reduction and Growth Facility, and the government had to accept a six-month-long Staff Monitored Program until the IMF would be able to re-establish the government's commitment to previously signed agreements with lenders. In October, an IMF delegation visited Kinshasa to assess the macroeconomic situation. Although the delegation put on a brave face, a leaked banker's report condemned the performance of the government in no uncertain terms, citing overspending, printing of money, and increasingly lax revenue collection.

Macrostability

9 | Private Property

Private property is protected explicitly by the new constitution. Property rights and the acquisition of property are well defined by law. However, in practice these rules are not always respected or adhered to, given the lack of administrative structures. Unregulated state expropriation of private property has not been a regular phenomenon since the war's end.

Property rights

Private companies are permitted. However, they face tough challenges. According to Doing Business in 2006, a publication of the World Bank, the DRC ranked last among 155 surveyed countries in terms of its business environment. In respect to "contract enforcement," the DRC scored particularly poorly. According to the report, it took 51 steps and 909 days to enforce contracts in the country.

Private
enterprise

10 | Welfare Regime

There are almost no state-sponsored safety nets. Those that exist are in the private sector, provided by small self-help organizations and the churches. However admirable, these organizations are not in a position to cope with the continuing humanitarian crisis in the DRC.

Social safety nets

Equality of opportunity, in the sense of having access to societal participation, hardly exists. Generally speaking, opportunities for social success are directly linked to the societal origin of the individual's family. Societal participation in the DRC is determined by personal and political connections and patronage networks. A merit-based system of opportunities does not exist, at least not in the public sector.

Equal opportunity

11 | Economic Performance

The DRC's economy is dominated by agriculture. At the same time, the country has considerable economic potential, due in large part to its mineral resources. Yet the country still suffers from decades of misrule under Mobutu and the devastating consequences of warfare since 1996. Real GDP shrank by an average of 5.2% between 1996 and 2001. The Kabila government has resumed relations with international donors since 2001 and demonstrates commitment to macroeconomic stability. To the applause of the IMF and World Bank, the government met its economic targets until mid-2004, but has since indulged in fiscal and monetary laxity, prompting a three-year IMF Poverty Reduction and Growth Facility worth \$861 million in March 2005. Despite the very challenging political environment, real GDP grew by an estimated 7.1% in 2005 and is expected to grow by 7.5% in 2006/2007, thanks to inflows of external foreign assistance, higher mining output, and higher prices for mineral products. Nonetheless, economic growth, as measured by quantitative indicators, is starting from a very low level. In addition, much of the economy is informal, and available statistics are only estimates.

Output strength

12 | Sustainability

More than 70% of the DRC's territory consists of forests, but high rates of deforestation across the country could soon pose a threat to local livelihoods and biodiversity. During the war, forests and animal populations were subjected to massive destruction. To survive, local miners and poachers, often in collusion with government officials or armed militias, have little choice but to ignore environmental concerns. This is especially the case in Katanga, where large

Environmental policy

mining areas have caused significant environmental damage. The government, often a key actor in these activities, neither wants to nor has the resources to address the issue of sustainability. The World Bank has started to support the government in order to achieve sustainable management of commercial logging, which is showing promising results.

The vast bulk of institutions offering education and health services in the country are run by Catholic and Protestant churches. Often supported by Western NGOs and churches, most of these services are run on the basis of client fees. Given the abject poverty of the population, many Congolese cannot afford these. Surveys by NGOs in 2005 have shown that between 45% and 67% of the people interviewed said they had no access to basic medical care. The absence of reliable statistics does not allow for a precise assessment, but it is safe to say that health and education systems are in disarray. There is, however a network of primary schools that covers almost the entire country. Even though they do not receive sufficient funding from the state, they function more or less due to the support of parents, who directly finance the schools or teachers. Secondary schools function according to the same system, and are present in the larger cities. There is a fairly large number of private or public universities that managed to survive, even in conflict areas in eastern Congo under extremely difficult conditions. Their academic standards are accordingly rather low. However, in Kinshasa, the two church-run universities, FCK and UPC, offer a solid tertiary education program according to West African standards. None of the universities receive sufficient government support. The biggest problem remains the complete lack of practical and technical professional education programs and facilities.

Education policy
/ R&D

Transformation Management

I. Level of Difficulty

Structural difficulties that constrain the political leadership's governance capacity are extremely high. They relate both to political and economic factors. Effective state structures (bureaucracies, territorial administration, revenue collection) hardly exist, and political as well as economic life is structured by informal decision-making and patronage networks, which are widespread.

Structural constraints

After years of civil war and dictatorship, trust in institutions and social trust are low. However, there is some tradition of a civil society in a sphere where non-state actors have played a significant role. Before the 1990s, these non-state actors were mainly the churches, in particular the powerful Catholic Church, which is still one of the strongest national institutions in the country. In 1992, the church and major civil society groups were mainly responsible for organizing the "Conference National Souveraine," which marked the first serious attempt to weaken Mobutu's grip on power. With the advent of liberalization – which ultimately failed – numerous civil society groups (farmers', women's and students' associations, human rights groups, professionals, etc.) were created or emerged. Given the sheer scale of the war, however, these groups have not been able to play a significant political role in the face of the militarization of every aspect of life in the country. In addition, civil society groups usually reflect the problems that haunt society at large, such as ethnic polarity, exclusionary strategies, reliance on external support and the politics of hunger, etc.

Civil society traditions

The DRC's population is extremely diverse in terms of ethnic and other social identities. The political and economic crises of the 1990s have sometimes led to the eruption of violent conflict along these lines (often stoked by the manipulations of politicians). Division between indigenous peoples and migrants, for example, is a serious cleavage in much of eastern Congo, the acuteness of which has not diminished in recent years.

Conflict intensity

II. Management Performance

14 | Steering Capability

Over the last two years, the various parties to the transitional government of national unity may have paid lip-service to a number of priorities (peace, elections). One has to keep in mind that the transitional government represents the compromise of the Pretoria Peace Agreement and was made up of groups that have been fighting a civil war against each other. Therefore, mutual distrust among government factions and interest groups made it difficult to develop and pursue common priorities. However, a number of very important laws were passed, the most important being the new constitution, the electoral law, and the controversial nationality law. Some members of government were preoccupied with filling their pockets or jockeying for position in the elections in 2006. A long-term policy formulation was almost impossible to develop, given this difficult constellation. Even so, the organization of elections was no small achievement in the present political and economic context of the DRC. However, elections had to be postponed twice because of foot-dragging by the government; only sustained pressure and support by the international community led to the conclusion of the electoral process. At the time of writing, it is too early to assess the steering capability of the newly elected government, since it just has been formed.

Prioritization

The performance of government and the administrative system over the last two years (under the rule of the transitional government) was extremely poor. On the one hand, this was the result of the structural weakness of state institutions and the devastation brought about by the war. On the other hand, it was rooted in the political process that led to the end of the war. The peace accord of 2002 was in fact a power-sharing agreement that presaged the formation of a government of national unity composed of the former warring factions. Deep-seated mutual distrust among these factions, divided loyalties, and competing centers of authority within the state apparatus almost inevitably meant that government function would be handicapped. The preoccupation of some members of government was not the implementation of reforms, but rather access to the spoils that the power-sharing formula had granted them.

Implementation

The government has frequently pledged to implement political and economic reforms in order to overcome the legacy of the war and to jump-start the country's reconstruction. As pointed out earlier, the national government's

Policy learning

operations were handicapped by the complicated power sharing formula. Countless reform policies, including the formulation of essential legislation, were postponed, thus delaying the start of the electoral process. The passing of reform policy and essential legislation were also completed under massive pressure from the population and the increasingly impatient international community. The dysfunctional nature of the government was not a surprise, however. The power-sharing accords were essentially a means of ending the war. A meaningful assessment of the flexibility and innovativeness of the leadership will only be possible once the newly elected government is in place.

15 | Resource Efficiency

Due to the political nature of the transitional (power-sharing) arrangement in the wake of the war, the efficient use of economic and human resources was impossible. Inefficiency and corruption is probably rampant at all levels. A 2005 audit has shown that 41% of government spending in 2003, the year the transition began, had taken place outside proper budgetary processes. In the 2005 budget, according to a Congolese NGO, no less than \$22 million were “obscure allocations” to the president and the other leaders of transition institutions, which dwarfed the amounts allocated to public health, national education, rural development, and the independent electoral commission combined. It is estimated that, altogether, the government spent less than 2% of its budget outside of the capital of Kinshasa.

Efficient use of assets

As previously outlined, the government, composed of former warring factions, lacked basic coherence in some important fields. Different ministries and administrative branches were distributed evenly among these factions and these amounted to privately run fiefdoms that were run with little regard for the public good. As a result, coherent policy development and implementation was difficult to accomplish. This is especially true in the security sector (i.e., the demobilization of combatants and the formation of integrated army and police units).

Policy coordination

The government does not contain corruption in a proactive way. All branches of government are more or less involved in corrupt practices, and little legal action has been taken to counter this state of affairs. Over the last two years, only a few officials have been taken to the courts for the embezzlement of public funds and related acts. According to various sources (International Crisis Group, European Union), some \$8 million earmarked for military pay in 2005 disappeared each month before reaching their intended recipients, due to the lack of accountability among the public agents involved at any level with the disbursement and distribution of these monies.

Anti-corruption policy

16 | Consensus-Building

In theory, all major political parties and member factions of government are committed to democracy and a market economy. However, dedicated advocates of these objectives lack the leverage to rein in powerful actors and structures that work against democracy and a free market. Again, a meaningful assessment will only be possible after the newly elected government starts its work in 2007.

Consensus on goals

The relative strength of reformers and anti-reformers is difficult to assess only a few months after the elections. To date, there is limited evidence to support the presumption that reformers within government have gained control over anti-democratic veto actors, which are part of the administration itself.

Anti-democratic veto actors

In the past, the political leadership has shown a certain ability to manage political cleavages so that they do not escalate into irreconcilable conflicts. Congolese politics is dominated by pragmatism and seldom by ideologies. The fact that the transitional government has not broken down is an achievement in its own right. However, this may have less to do with consensus-building than with pragmatism and the defense of power interests that can only be maintained through compromise. It may also be related to the fact that the former warring factions found their interests to be better served within the government, inasmuch as this gave them access to power and spoils. The pressure of the international community has also played a major role.

Cleavage / conflict management

The 2002 peace accords provided for the inclusion of civil society representatives in the institutions of the transitional period. Again, this was the result of pressure from the international community. Some of these, backed by international actors, have played a crucial and often important role during the transition (for example, the heads of the Independent Electoral Commission or the High Authority for the Media). By and large, however, civil society has been marginalized by former warring factions, or else has been co-opted by power elites. Some civil society organizations are little more than political parties aligned with one of the government factions.

Civil society participation

The government has done virtually nothing to promote reconciliation between the victims and perpetrators of past injustices. This is largely because all the former warring factions have committed large-scale human rights abuses and have little interest in making these crimes public. A national reconciliation commission has been created but is not functional due to a lack of political support. Well-known perpetrators of injustices have even been promoted to high ranks within the state. The rampant impunity in the country constitutes a legacy that will likely pose serious obstacles to the country's stabilization and reconstruction, as is evidenced by the local conflicts in some parts of the

Reconciliation

country. The international community, anxious about the stability of the precarious transitional government and eager to move to elections, has shied away from pushing the issues of reconciliation and impunity.

17 | International Cooperation

The political leadership does not use the support of international partners to improve its domestic reform policies. In early 2007, the DRC held elections that allowed for the termination of the transitional period. Although the country received generous international assistance, this was focused on specific issues and objectives (such as elections). In a limited number of instances, international know-how was basically imposed on the reluctant government in order to move things forward (for example, the drawing up of legal codes, army reform, etc.). However, conventional assistance, in the form of development cooperation to tackle institutional problems, will begin once the new government has been established.

Effective use of support

So far, the government has not always acted as a credible and reliable partner of the international community. Given the heterogeneity of the government and the conflicts of interests among its member factions, it could hardly be expected to speak with one voice. Competing centers of authority mean that the declarations of one government member were often little more than private opinions, which were in turn countered in words and deeds by rival government members with an altogether different agenda. It remains to be seen whether this will change with the newly elected government.

Credibility

The war in the DRC was a regional as well as a national conflict. Almost all of Congo's neighbors intervened in the conflict at one point or the other to support the various Congolese parties to the war. During the period under review, President Kabila and the heads of state of the region have pledged to improve regional cooperation, particularly within the framework of the International Conference for the Great Lakes Region. A number of accords were signed in late 2006 at a summit in Tanzania, but it is unclear whether the governments of the region will be able to overcome their differences. Nonetheless, it is noteworthy that the relations between Kabila and Rwanda's President Kagame have significantly improved in the course of 2006, an encouraging sign in view of the hostile relations that have prevailed between both countries since the mid-1990s.

Regional cooperation

Strategic Outlook

Although the Democratic Republic of Congo (DRC) is by now a post-conflict country, peace in the DRC remains extremely fragile, as is evidenced by the fact that the state does not have a monopoly on the use of force and ongoing clashes between rebel movements and the national army in the east of the country. The peaceful elections of 2006 mark a milestone in the history of the DRC, but they are only the beginning of a long and difficult process to build a sustainable peace and to establish even modestly efficient state institutions. Domestic and external actors will need to focus on at least three key priorities to build on the success and momentum of the elections:

First, security sector reforms must be accelerated and improved. So far, efforts in this field have been rather meager. The police and army units formed so far lack basic skills, resources and efficiency, and are not able to take on even modestly organized insurgents. In addition, the formation of integrated army brigades (composed of all the former armed factions) is far behind schedule. While the needs of the country are overwhelming, the establishment of basic state-sponsored security is a key precondition for progress in other fields, including development. Furthermore, there is a risk that the UN mission, MONUC, will be reduced in size in the near future because of peacekeeping requirements elsewhere. Therefore, the construction of a national army worth its name is the paramount challenge.

A second priority will be to get the newly established political institutions running, notably the national parliament and the provincial assemblies. In theory, these institutions will have an important part to play in controlling the executive and bringing government closer to the electorate. As such, the issue of horizontal and vertical accountability and divisions of power (also including the moribund judiciary) will be crucial if the demilitarization of politics and the construction of a viable and peaceful order is to succeed. The risk that the country might slip back into war is extremely high, and some measure of good governance, rule of law and accountability will be essential (and arguably more important than formal democratic procedures) to prevent this from happening.

Third, there is a deep need for peace dividends for the population at large. If these are not forthcoming, a huge number of marginalized Congolese will have little choice but to resort to violence by joining militias and warlords to fend for themselves. However, the social and economic benefits of a peaceful order will not kick in immediately. While the government will be under pressure from donors to increase social spending, it will also be pressured to adhere to

principles of the lean, Washington consensus-style state. How these conflicting objectives can be squared is difficult to fathom. It will also be difficult because those groups and actors that helped President Kabila to win the elections expect economic spoils in return. From this perspective, and with a view to peace-building in the DRC, it may not be advisable for international donors to press the government to follow standard economic prescriptions that will further weaken a government presiding over a shell state.