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China's investment in the Democratic Republic of Congo: The impact of the 2007 Sino-Congolese agreement in a postwar period

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CHAPTER I: CHINA'S FOREIGN POLICY TOWARDS AFRICA: A THEORETICAL FRAMEWORK

1. Introduction

The enduring poverty and underdevelopment of Africa have recently triggered China's presence on the African continent. This has resulted in important 'resource for infrastructure' deals in countries like the Democratic Republic of Congo. To help the continent after long decades of civil wars and political instability, China has become an important partner in the development process and poverty alleviation. In the DRC, for more than four decades different programs from Western developed countries have failed to improve the living conditions and to yield development in the country. Despite all its natural resources, the country has remained relatively poor. In this context, Chinese companies, under the "Go out" policy initiated by the Chinese government and after the first democratic elections in 2006 in the Congo, have started to invest in the country, helping with infrastructure projects while exploiting natural resources as part of the deal. Today, this policy is shaped by the increased demand for mineral resources and the expansion of the global market. Its economic boom has generated greater demand for metals and minerals resources (Kennes, 2005: 13) and Africa has become its major destination.

Relations between China and the DRC have evolved considerably. From a strategic alliance that favors China's greater position in Africa and the international scene to symbolic development assistance in support of the Mobutu regime, these relations have evolved into a trade partnership promoting bilateral trade and the increase in private investment by Chinese multinationals. Over the last fifteen years, the DRC has started benefiting from Chinese aid and become the focus of several major investments, particularly in the mining sector.[1] Through its economic and trade

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[1] Between 2010 and 2014, China has invested some $5 billion per year, mainly in the mining industry. Read Mining Business. 2017. *Chinese Investments in the DRC*. Available at http://www.miningandbusiness.com/en/chinese-investments-in-the-drc/

activism, China proposes a development formula based on infrastructure with long-term commercial aims and from a regional perspective. This strategy is very attractive for Congolese authorities, as it responds to the urgent need for infrastructure to revive the economy of a country emerging from a long period of conflicts and political disorder. Unlike western developed countries and international financial institutions (Kreps and Flores-Marcias, 2013), China invests in the Congo and provides aid without attaching either political or human right conditions, with the aim of promoting its foreign policy of "no strings attached" (Marysse and Geenen, 2008: 288). This politic refers to the fact that, in dealing with African countries, China does not impose any condition on its aid in terms of policies and economic guidelines. Nor does it have any demands on its partners in terms of democracy, transparency in the use of funds, the fight against corruption or terrorism, and so on. It bases its policy of cooperation on non-interference in domestic affairs of partner countries. This leads China to invest even in countries where corruption and human rights violations have reached endemic proportions, like in the Congo. China has been significantly investing in the Congo's reconstruction and exchanged in a long-term exploitation of the country's mineral resources. Over the last decade, China and Africa in general and the DRC, in particular, have thus strengthened their relations, which has made China a new power within the global system and the closest country to the African continent – more particularly to countries rich in mineral resources – than any other powerful country.

In engaging in the Congo, China's rationale is that its investment will yield development and alleviate poverty by creating job opportunities and improving living conditions. It is thus important to look at this aspect of Sino-Congolese relations to see in which ways socioeconomic conditions of the Congo are being improved through. In order to do so, I am looking at one of the biggest deals China has ever made in Africa, known as the 2007 Sino-Congolese agreement known as the “Sicomines agreement”, through which China has invested over US $6 billion in a ‘resources for infrastructure’ project.

2. Research question

To what extent does Chinese FDI and the mineral resource exploitation in the Democratic Republic of Congo benefit the country? It is true that unused natural resources are worthless. A country rich in minerals that are not exploited cannot claim to be successfully developed, at least economically speaking. It is a good thing that the Congo has, since its inception, opened its doors to foreign investors in the mining sector. However, the exploitation of those resources continues to be done in ways that barely benefit Congolese themselves. I argue that China’s interest, like any other developed country, remains the exploitation of Congolese resources, just like everyone who came before and is in the country to take the place of the West as the new colonizer. It is globally driven by economic interests. For decades, the DRC has not been able to mobilize revenues expected from the intensive mining operation and take advantage of expected economic fallout. China is one of many investors that the DRC attracts because of the low cost of mining high-grade ore deposits such as cobalt and copper. It should be noted that the mining sector has been the main driver of sustained growth since 2010. However, growth in the extractive sector has not generated significant revenues for the government, nor a sharp increase in foreign exchange reserves.

China’s presence in the Democratic Republic of Congo is not for philanthropic reasons, nor is it for a win-win situation as it claims; it is just another imperial power pursuing its national interest, and it can be an unreliable partner despite its claim to build a truly equal partnership with the Congo and to improve living conditions. Its strategy for exploiting mineral resources in the DRC is part of a political and state logic. The acquisition of mining and mineral exploration licenses is a response to the imperative of China to find new sources of raw material supply in order to meet the growing needs of its economy. The ultimate goal of every power is the maximize its share of world power and eventually dominate the system. As global demand for energy continues to increase, China will continue to engage in significant competition with western interests in the Congo and the Congo will continue to an important geography for resource extraction. Insofar as Western investment comes with conditionalities that African countries are no longer willing to accept, the region will increasingly capitalize on the eastern promise. (Edoho, 2011: 117)

3. Methodology

Despite political instability and an uncertain investment climate, the abundance of natural resources makes the Congo a strategic country on the global market. As a matter of fact, the Democratic Republic of Congo is considered one of the wealthiest countries in the world in terms of natural resources. It contains in its subsoil large deposits of minerals and metals, such as copper, cobalt, titanium, coltan, etc. Additionally, resources like cobalt and copper, which the Congo possesses a significant amount of the world's reserve,[2] have created opportunities for China to invest in the Congo. In fact, China is in need of these minerals as today we are talking about sustainable development, greenhouse gas emission reduction, and the advancement of technology. Cobalt is an important mineral needed for electric cars and smartphones batteries. This is why China – through a consortium of enterprises and the Exim Bank – has signed a partnership deal with the Congo.

This is not an ordinary deal between the DRC and Chinese companies as many think. I argue this because, under the terms of the contract, Chinese companies have invested over US $3

[2] The Democratic Republic of Congo is the world's largest cobalt producer, accounting for 60 percent of global production. It contains 3.5 million tons, out of a global total of 7.1 million tons, according to the United States Geological Survey (USGS). The DRC is also boats abundant reserves. It is the sixth biggest source of copper in the world behind the United States, Mexico, Peru, Australia, and Chile, according to Bloomberg.

billion in the construction of infrastructure such as roads, hospitals, schools, etc. and promised to work in reducing unemployment in the capital and across the country. This system is recent in Chinese politics. It combines development assistance and access to mineral resources in one package. It is, therefore a very important business model that China is now spreading across Africa and needs particular attention as of its impact on local communities. The Sicomines agreement is a recent and important example of that model since that China has never concluded a contract of such great financial value with another African country, especially knowing that the DRC is a politically unstable country and where democratic values are almost inexistent. It is, therefore, useful to look to what extent this mediatized partnership brings a change in the daily life of Congolese. In other words, it is not only a question of examining the terms and conditions of the contract but also of seeing reality face to face, i.e. evaluating its advantages in improving the socioeconomic conditions of the Congolese. It is thus a question of seeing first how this new partnership contributes to the average growth of the Congolese economy (GDP) and, secondly, of assessing how Congolese – other than political actors – have welcomed China in DRC, how factors such as unemployment, food security, equitable redistribution of wealth enter the battlefield of this new policy.

The Sicomines agreement offers an important case study to start investigating China's presence in the Congo. There is not enough literature that focuses on a specific country in which China has invested over the last decades. Attention given to Chinese presence in Africa has been characterized by a generalization, a study of Africa as a whole continent, a single entity. As Malancha Chakrabarty has put it, "it is important to bear in mind that Africa is a diverse continent and the impact of China on African economies is diverse and is dependent on the social composition of each country's production." (Chakrabarty, 2016: 116) This is why in the context of the DRC, this agreement needs to be put to the fore in order to understand and assess the contribution of China's foreign policy in Congo's reconstruction. Additionally, studying the Sicomines agreement will be a direct contribution to the literature by providing additional and updated information for further discussions on the topic.

For this thesis, I use both qualitative and quantitative methods. I analyzed primary and secondary sources, legal documents – essentially the 2002 and 2018 Congolese mining code and the 2007 Sicomines agreement with its amendments –, data for the case study and the chapter on Chinese activities and FDI in the Congo. Additionally, for the last chapter on Chinese activities in Katanga, I will be using different reports from different activist groups and some NGOs – both national and international – in charge of following up on the impacts of mining activities in the DRC. I also looked at different articles written, mostly online, in the context of the Sicomines by the local press and some international newspapers. Finally, I also looked at different scholarly published articles – both by Congolese and foreign researchers interested in the same matter – and data from different organizations and institutions, such as the World Bank, the Congolese Ministry of Mines, The Extractive Industry Transparency Initiative (EITI), etc.

However, as Maiza-Larrarte and Claudio-Quiroga (2019: 426) put it, African countries remain behind the rest of the world in terms of transparency, and Chinese companies do not provide much detail about their own activities. I took this argument as a reference because it is hard to rely on statistics I find regarding developing countries, especially the Congo where data are not always divulged to the public. Statistics I collected with my methods may thus be subject to further discussion. Additionally, a civil society[3] report mentions that information on the social impacts of Sicomines is available but difficult to access because only available to the authorities

[3] ASIBOG and IBGDH. 2014. Défis de la protection des droits humains dans le volet minier de la collaboration entre la R.D. Congo et le Groupement d'entreprises chinoises.

of the city of Kapata. There is no dialogue mechanism in place, but the company does dialogue with the communities at the time of complaints. Consultation dates are available but not very accessible.

4. China's in Africa and the increase of investment

In the current configuration of the global market, China has become a major actor, playing an important role in African politics of development. The end of the Cold War has made China a power in global capitalism and shaped its foreign policy. The search for resource security and the need to find markets for its commodities are at the center of China's strategy and the formation of its global cooperation. In order to sustain its rapid economic growth, energy security has become more important. In 2008, for example, trade flows between Africa and China amounted US $ 100 billion, and China made US $ 5.4 billion of FDI in Africa. In addition, it has extended preferential loans and assistance to the continent to finance a wide range of development projects. (Schiere, Ndikumana & Walkenhorst, 2011: 1) Additionally, between 2000 and 2014, Chinese banks, contractors, and the government loaned more than US $86 billion to Africa and Angola, the Democratic Republic of Congo, Ethiopia, Kenya, and Sudan were the top recipients. According to the World Bank, China has been among the world's fastest-growing economies, with a real annual gross domestic product (GDP) growth averaging 9.5% through 2017. China's economy produced, in 2017, US $23.12 trillion, based on purchasing power parity, which made it the world's largest economy. The European Union was second with US $ 19.9 trillion and the United State fell to the third place, producing US $19.3 trillion.

China has thus been willing to look beyond its borders for sources of energy and other natural resources. Since resource security has become a major focus of its foreign policy, Africa plays a significant role in achieving that objective (Aldens, 2009: 3). This resulted in China's

'Going Out' strategy whereby China sought to achieve its energy needs by encouraging outward investment and subsidizing investment by Chinese companies in extracting natural resources overseas. (Mohan, 2013: 1260) Strategic interests related to China's development have pushed the Chinese government to enact policies that have led to increased investment and strengthened Chinese cooperation in Africa. The term 'colonization'[4] (Malik, 2018) sometimes used in the media is a good reflection of the idea that Chinese presence is not only organized but also the result of economic rationality. This explains the reason why Africa has become an important economic partner for China. Africa is rich in natural resources, market potential, and also represents a continent in need for major infrastructures and financing necessary to boost its economic growth. Chinse development finance, combined with aid, aims at not only benefiting the local recipient countries but also China itself.[5] By repeating and simplifying the argument of neo-Marxist theoreticians of imperialism, Giles Mohan (2013: 1258-61) shows that the need for the necessary raw materials to secure its economic development has pushed China into its African adventure. Thus, Chinese offensive in Africa was launched between the moment China became a major importer of African oil and the beginning of massive investments in the continent by Chinese multinational corporations. Since then, trade between China and Africa has significantly increased, making China the first trade partner of the continent. As Malik (2018) shows, by 2005, the total Sino-African trade has reached US $39.7 billion before it jumped to US $55 billion in 2006. In 2010, trade between China and Africa was worth US $114 billion; in 2011, US $ 166.3 billion; in the first 10 months of 2012 it was US $ 163.9 billion, and since 2017, trade between China and

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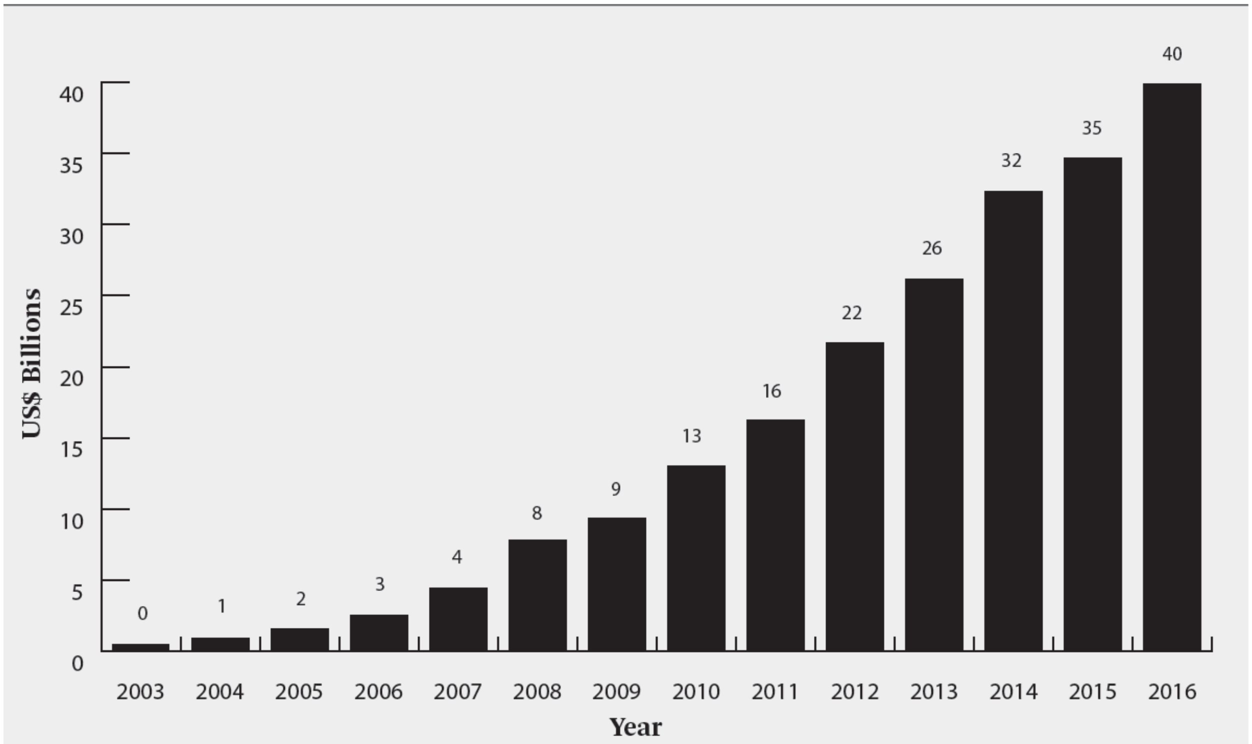
[4] This term refers today to the fact that China has come to dominate the African market. it has become the largest trading partner in Africa – a surprising turn of events considering how in the 1960s trade between China and Africa was almost inexistent.
[5] Yun Sun. 2014. China's Aid to Africa: Monster or Messiah? Available on https://www.brookings.edu/opinions/chinas-aid-to-africa-monster-or-messiah/

Africa has shot up by 19 percent every year. Chinese imports from Africa almost doubled by an estimated 46 percent.

Figure 1: Chinese trade with Africa, 2000-2016



Source: Johns Hopkins, SAIS-Cari Database : China-Africa Trade
http://www.sais-cari.org/data-china-africa-trade

It should be noted that China has succeeded in establishing itself as a big player in Africa since the 1990s and is now being viewed as an attractive alternative to Western powers[6] by many (Chakrabarty, 2016: 116). Western countries have been helping Africa on the condition that political actors embark on the path of democracy and good governance and that they collaborate in the fight against terrorism and uncontrolled immigration. In the absence of progress in this area,

[6] Western development programs are sometimes advanced alongside false economic preconditions, as a justification to lost decades in Africa (Asongu, 2016a: 2), during which all European development policies have failed to put the Africa on the right development track. This frustration on the African continent has given way to China's foreign policy and new alliances.

the West theoretically reserves to itself the right to cut off their funding. In engaging Africa, the official Chinese argument was that its intervention in Africa could only yield 'win-win' outcomes involving mutually beneficial business partnerships (Mohan, 2013: 1256). Moreover, the emphasis on political independence, respect of national sovereignty, and non-interference in domestic affairs gave China an advantage in Africa (Marysse & Geenen, 2008: 293-4). China's rationale is that the old institutional economic order was irrational and provided low profits for producers of most primary products and raw materials, and promoted interference in African affairs by a sort of "hegemonism and power politics."[7] (Sutter, 2016: 302) Thus, China's foreign policy towards Africa has to rest upon stability and anti-western hegemony.

As days pass, China's economic tentacles extend into Africa. It adapts very quickly and shows more flexibility and reflection (Struye de Swielande, 2010: 57). The 2006 Sino-African Forum confirmed the important place Africa now occupies in the Chinese government's external strategies. Additionally, if announcements made during this summit were related first and foremost to development cooperation, Sino-African cooperation is also taking place on the economic and commercial front, with a considerable increase in trade between China and Africa. This is how China has settled and won the trust of most African leaders. The reason is that Africa needs results and reconstruction and China – although with capitalist motivations – is willing to help.

By this strategy, China has acquired easy access to natural resources and a positive image on the continent. According to Edoho (2011: 112), China now represents hope that another world is possible for Africans, physically and intellectually exhausted by decades of Western economic reforms – presenting Africa as a burden while, for China, Africa is a region with enormous

[7] Speech given by the Deputy Chief of the People's Liberation Army's General Staff, Xiong Guangkai, at the Zimbabwe Defense Staff College in 1997, in Sutter, Robert G. 2016. *Chinese Foreign Policy: Power and Policy since the Cold War*.

potential economic opportunities. Moreover, there is an important feature in China's logic of intervention and programs in Africa that makes it more attractive than any other country. However, according to Brautigam (2009), while these agreements do not seem to fit in with the way Western countries view development aid in Africa, they are part of a complex pattern of Chinese engagement combining the search for profit through investment and the acquisition of resources.

To explain China's engagement in Africa, the first academic works underlined the role of new policies implemented by the Chinese government. The first policy was to strengthen cooperation with Africa and a package of measures to support foreign investment and exports. For most analysts, the Chinese government has implemented these new policies since the 1990s to meet the country's growing energy and raw materials needs (Carmody & Owusu, 2007; Vircoulon, 2008). In 1996, Chinese president Jiang Zeming paid a visit to six African countries – Kenya, Egypt, Ethiopia, Mali, Namibia, and Zimbabwe. During his visit, he focused on the significance of a potential partnership between China and Africa. More specifically, the exchange was around the African and international situation, bilateral relations, economic cooperation, trade, and other issues. He advocated for the beginning of new cooperation between China and Africa, put forward some principles upon which the relationship has to be built in order to achieve a mutual benefit, namely, equality, honest friendship, solidarity and cooperation, common development and orientation to the future. By doing so, president Jiang was initiating Africa to China's soft power.

Cooperation between China and Africa was materialized by a forum in October 2000, bringing together nearly eighty foreign ministers from forty-five African countries. The second took place in November 2003 in Ethiopia and was concluded with the adoption of the Addis Ababa Action Plan, which outlines the cooperation in the political, economic, commercial and social spheres. China needs, for its economic growth, energy resources that abound on the African continent while the latter needs Chinese aid to develop. A win-win principle was then necessary. The culmination of China's presence in Africa was the November 2006 organization of the Forum on China-Africa Cooperation (FOCAC) in Beijing, which saw the participation of more African heads of states than has any other summit. It resulted in a plan[8] pledging that China will double its aid to Africa and set up a China-Africa Development Fund to encourage Chinese companies to invest in Africa (Peter van Dijk, 2009: 20). Through the FOCAC, Beijing wanted to give an image of a global commitment, which, in fact, is limited to a few economically and politically important states, and to secure political support in international fora (Struye de Swielande, 2010: 61).

In this context, China's soft power refers to the fact that China does not tend to dominate or impose its standards on Africa. On the contrary, it seeks to engage as peacefully as possible in order to ensure mutual cooperation. China claims to be leaning towards multipolarity, which, according to Beijing, could constitute a fair return to the equilibrium between civilizations, while refusing the principle of hegemony on an international scale (Courmont, 2012: 3012). Soft power strategy in Africa was formalized during the 17th Congress of the Chinese Communist Party in 2007, and built not only on an on an intense promotion of Chinese cultural and diplomatic aspects but also a more uninhibited assertion of power. This cultural reform system was initially launched during the 16th Congress of the Chinese Communist Party in December 2002, highlighting Chinese culture with the strategic aim of serving the interests of the nation (Courmont, 2012: 291). The soft power strategy has then slowly been put in place and became paramount after President Hu Jintao came to power. In January 2006, he declared that "the rise of China's international status and

[8] The FOCAC-Addis Ababa Action Plan sets out and explains in details principles and objectives on which the Sino-African relations rest (political affairs, peace and security; multilateral cooperation; economic development; social development; follow-up mechanism). The full text is available on https://www.focac.org/eng/zywx_1/zywj/t606801.htm

influence must be reflected in hard power, including the economy, science and technology, and military force, as well as in soft power such as culture" (Struye de Swielande, 2010: 58). In 2007, at the 17th Congress, the strategy was officially adopted as a political principle. In promoting Chinese culture, the idea was to prove that China is not seeking economic or military gains, but rather seeks to play a major role in maintaining peace.

Beijing now uses the concept of Joseph Nye as a tool in the service of its international ambitions. In fact, talking about soft power, according to Nye,[9] is to refer to the ability to change what others want because of its appeal, in opposition to hard power, which is the ability to change what others do through coercion (Courmont, 2012: 288). It is "the ability to get what you want by attracting and persuading others to adopt your goals (Nye, 2004). Nye points out the fact that a number of elements must be gathered in order to speak about soft power, such as a country's culture, foreign policies, political values, and economic attraction. Those elements provide the capacity to persuade other nations to willingly adopt the same goals (Drew Thompson, 2005). To be considered real sources of soft power, these elements must be legitimate, credible and attractive to other political actors – leading thus to the desire of imitation (Courmont, 2012: 289).

Today, for several African countries, including the DRC, China's presence constitutes a break with Western colonialism. China plays the card of being a successful developing country itself, but following a very different development model than that of Western donors (Peter van Dijk, 2009: 12) and motivated by the need for more equity (Asongu, 2016b: 352). Additionally,

[9] Joseph Nye is an American political scientist who advanced the idea at the end of the 1980s that the transformations of the international system generated by bipolarity accelerated and amplified the emergence of a new form of power, which he described as soft power. He was the first to consider that the traditional attributes of power (military force, demographic weight, geography, strategic resources), defined as components of what he categorizes as 'hard power', have been seen during the Cold War their importance decreased in favor of immaterial attributes, such as institutions, the level of education of the population, technology or culture.
Read in Courmont, Barthélémy. 2012. "Chinese soft power: between strategy of influence and assertion of power." Review of East-West Comparative Studies, Vol. 43 no. 1, pp. 287-309

China sees its recent history with Africa, whose foundations were established at the Bandung Conference in 1955, as the basis of a strong strategic partnership. By playing the non-aligned card on the African continent, China is not today confronted with the disturbing past of Western powers or Russia. Thus, it plays on this common humiliation to advance its pawns, while wanting to erase this affront (Struye de Swielande, 2010: 63). It continues to insist on its status as a developing country, believing that, for these reasons, it has a strong foundation for its policy towards the continent. Along the same line, Peter van Dijk (2009: 10) argues that the Chinese government often emphasizes on this earlier presence in Africa to explain their current presence and that this common history often facilitated the negotiations to get a foot in the door in the 1990s.

5. Review of literature

China's new presence in Africa has not arrived without consequences, becoming a subject of multiple concerns and debates. Some scholars see China's presence in Africa as a form of supreme imperialism, even though China does not invade through war and conquest. (Marysse, 2008: 19) Other scholars, along with African politicians, have welcomed China's engagement in Africa and see it as an efficient break up with western powers and an effective solution to build the continent after years of political and economic instability. Scholars such as Dambisa Moyo, for example, believe that China is a longtime friend of the continent, its investments are helping get what Western powers could not provide through aid policy (Moyo, 2010). Additionally, according to Friedman, Chinese economic dynamism is an effective way to catalyze new growth to fundamentally transform the African economy (Friedman, 2009: 2). Many African leaders have also lauded the benefits of Chinese investments to support growth in African countries. For example, former Senegalese President Abdoulaye Wade has argued that "China, which has fought its own battle to modernize, has a much greater sense of the personal urgency of development in Africa than many Western nations."

Furthermore, Western attention on China's presence in the Third World has significantly risen, looking at it with condemnation rather than favor. In October of 2018, the U.S. Secretary of State, Mike Pompeo, while on a tour in Latin America, criticized a lack of transparency in China's activities in both Latin America and Africa, calling them "predatory economic activity." The U.S. Secretary of State invited recipient countries to have their eyes wide open when it comes to Chinese investment. According to him, "when they [Chinese] show up with deals that seem to be too good to be true it's often the case that they, in fact, are." (Jourdan, 2018) Thus, a reason for concern for some, an opportunity for others, the reality of this presence in Africa in general and the DRC, in particular, deserves to be looked at with particular attention.

Proponents of the view that China is a voracious competitor such as Edoho, assert that its overreaching interest in Africa centers critically on resource exploitation (Edoho, 2011: 107). The same factors that motivated Western interests in Africa are motivating China's interests as well. These factors include vast cheap raw materials and abundant natural resource reserves. Thus, China is mainly profiting from the African continent resources and weak political institutions (Liang, 2007; Power, Giles Mohan & May Tan-Mullins, 2012). Other scholars have even shown a particular interest in the way China's presence in Africa is approached by going beyond the simplistic admiration tending to attach an optimistic image to China's intervention in Africa. Along the same line, Mohan (2013; 1257) argues that alongside Western 'stereotypes', the Chinese literature on China's international development interventions, for example, is largely ideological in portraying China's relations with other countries in uncritical 'win-win' terms, with limited empirical research. Furthermore, while scholars like Moyo believe that Chinese are friends of the

African continent and that “in nearly all African countries surveyed, more people view China’s influence positively than make the same assessment of the U.S. influence,” (Moyo, 2010: 103-9) Brautigam, during her fieldwork in Africa, points out that people complain that Chinese working in their countries contribute nothing else outside their commercial interests (Brautigam, 2011: 38).

Even though there are still controversies around China’s presence in Africa and critiques that see colonialism[10] in China’s activities, Mohan (2008) thinks that it is an exaggeration that needs to be critically approached. According to him, China’s memory of being colonized by Western powers and long history of support to anti-colonial movements in Africa is an important asset to invoke to prove that China does not want to control Africa’s economic and political system (Mohan, 2008; 24). But Deborah Brautigam sees in Chinese investments and activities just a mere continuation of the capitalist industry led by the need for profit maximization and selfish interests (Brautigam, 2011).

In the context of the Democratic Republic of Congo, critics and concerns have emerged immediately after the signature in 2007 of what has come to be known as the ‘deal of the century’ or the Sicomines agreement. The mutual benefit idea of the agreement remains contested and criticized (Landry, 2018: 170). For some, it is an unfortunate unbalanced contract benefiting China and not really a promotion of the win-win situation. For others, it is the least bad formula, since it is based on the principle of bartering natural resources against infrastructure and not subject to conditions. Furthermore, in a short period of time, part of the Congolese population, for example, has seen a significant number of infrastructures that were lacking and that the western conditions to release the promised sums have made unlikely to be built in the near future. (Moyo, 2010;

[10] Felix Edoho (2011: 119), for example, argues that as China searches for sources of cheap energy and raw materials to fuel its industrial development, the unhealthy history of colonialism may be replayed again – carrying away cheap raw materials and exporting finished goods at exorbitant costs to Africa.

Friedman, 2009) Michel Luntumbue (2011) sees in the Sino-Congolese cooperation an opportunity for the country to revive the path of modernization and thinks that Congolese should focus on specific projects because China is ready to finance given that it is a project that enters into the framework of cooperation. China, thus, must be considered a real opportunity for the DRC to engage a sustainable modernization process. And through this process, the Congo can then be sure to be accepted on the international scene as it will possess a decision power on the commodities of which it is the holder, an overly optimistic argument that gets the DRC out of its framework of a country in need and place it at the level of countries with decision-making power.

If Luntumbwe has this optimistic view on the Sicomines agreement, Kabemba (2012), on the other hand, thinks a bit differently when he sees in the Sicomines a rescue plan that the Congolese government had only turned to after it perceived that it has failed to secure the infrastructure financing it was expecting from Western donors[11]. Therefore, it is hardly surprising that the Congolese government might have negotiated the Sicomines agreement from a position of weakness, given the fact that it did not have access to the necessary funds to carry out the infrastructure investments it was planned when the deal first emerged (Landry, 2018: 171). The IMF and the WB also express their concerns about Chinese policy and investments in the Congo. One of their biggest concerns was the fact that China undermines the effects of the international community's pressure on Congolese officials, which have resulted from the lack of observation of democratic and humanitarian values. The generosity of Chinese aid programs, its low-interest loans, debt relief, and other gifts, undermine efforts to foster good governance (Van Dijk, 2009:

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[11] Kabemba, C., 2012. A friend in need? The relationship as a development partnership. Open Society Initiative for Southern Africa. Retrieved from http://www.osisa.org/books/regional/friend-need-relationship-development-partnership

16). However, let's not forget that Western governments do not have the monopoly of virtue in their relations with Africa in general and the DRC in particular. Their advanced democratic conditions sometimes hold a hipocricy when we know the very complicit relations they maintained with Congolese leaders since the appointment of Mobutu in 1965. In other words, there is a contradiction in the African policies of the West and international organizations like the WB and IMF. How is it that these institutions have supported dictators in power by funding their governments, at a time when they knew the lack of economic transparency, the kleptomania to shamelessly draw in the coffers of the Treasury for personal interests, against all sense of the common good? Also, as part of their operations in the DRC with local leaders, for example, they have created situations of crisis and taken part in repeated wars that kept the country in a position of clientage and dependency, unable to control its resources. (Braeckman, 2003; Deneault, Abadie & Sacher, 2008)

Another critique of China's cooperation is the character of its assistance to the Congo. In fact, Chinese aid is doubly linked. On the one hand, the projects financed by China mainly rely on Chinese companies and labor, to the detriment of the local workforce – the latter expresses its dissatisfaction with more and more force. In the Congo, for example, people expressed resentment towards Chinese who are violating Congolese law by engaging in small businesses, reserved for locals (Kabemba, 2016: 78). Congolese also complain that Chinese companies employ workers to do jobs that could be done by locals. Even those who find jobs earn minimum wage and complain that they disrespected and sometimes even cheated by their Chinese employers. On the other hand, the financing of infrastructure projects – roads, bridges, dams, hospitals, schools, etc. – or prestigious projects – stadiums, presidential palaces – are systematically linked to the granting of mining concessions. Apart from the question of the Chinese businesses and labor force, which is the subject of a strong tension between the Congolese population and Chinese investors, the problem of aid has a serious impact on the rules of transparency in the allocation of public contracts and perpetuates dependency and corruption.

Most of the criticism around China's investment in the Congo or in Africa focuses only on China by looking at their way of doing business in Africa and the capitalist motivation behind it. However, Kabemba (2016: 78-9) shows how China's win-win idea cannot easily work in the Congo because of the climate of political instability and corruption in the Congo and that China might be benefiting from. This could have been avoided on the Congolese side, if the government worked to prevent corruption and the lack of democracy first, and second, to promote inclusive development by favoring the population, not only the elite. Therefore, the China-DRC relationship cannot really be seen as a win-win one as long as the powerful country in the argument is using the weaknesses of the other instead of helping. Here is how Claude Kabemba (2016: 78) puts it:

> It is a contradiction for China to suggest that it is helping the DRC through commercial ties and not paying attention to the importance of building vital democratic, functional, transparent, and accountable institutions that are supposed to manage the benefits of the same commercial ties. China cannot simply pretend that these problems do not exist or if they exist they do not undermine the win-win relationship. The weakness of the Congolese state requires that international partners pay attention to these soft issues. This is the biggest failing of China's "minerals for infrastructure policy" in the DRC. The only time a relationship of unequal partners' turns into a win-win relationship is when the dominant partner deliberately takes steps to empower the weaker partner to participate meaningfully in building ties that are mutually beneficial.

In the next chapter, I explore China's presence in the Democratic Republic of Congo. I look at China's increased presence and activities in the Katanga region. I show through empirical material how the this presence, despite all the praises from both the Congolese and Chinese government, as well as some researchers, illustrates the failure of Chinese investment to promote endogenous development. I argue that China is in the Congo for its own advantages and wants just to exploit as many natural resources as possible. In the last chapter, I look at the 2007 Sino-Congolese agreement known as the ‘deal of the century’ and which is one of the most important deals between China and an African country. I also use this chapter as a case study to assess mining activities done by the joint venture in Katanga, specifically in the Kolwezi region, since the signature of the agreement. The joint venture was created to exploit copper and cobalt in order to reimburse the loan on infrastructure projects. Its mines are located in the Kolwezi region. I will show how the Sicomines agreement– which is already non-transparent and unbalanced – and the joint venture have failed to improve living conditions in surrounding communities and how local communities have negatively been affected by mining operations. I will conclude this thesis by giving my overall argument and assessment of the agreement since its signature.

CHAPTER II: CHINA'S PRESENCE IN THE DEMOCRATIC REPUBLIC OF CONGO AND RESOURCE EXPLOITATION IN KATANGA

1. Introduction

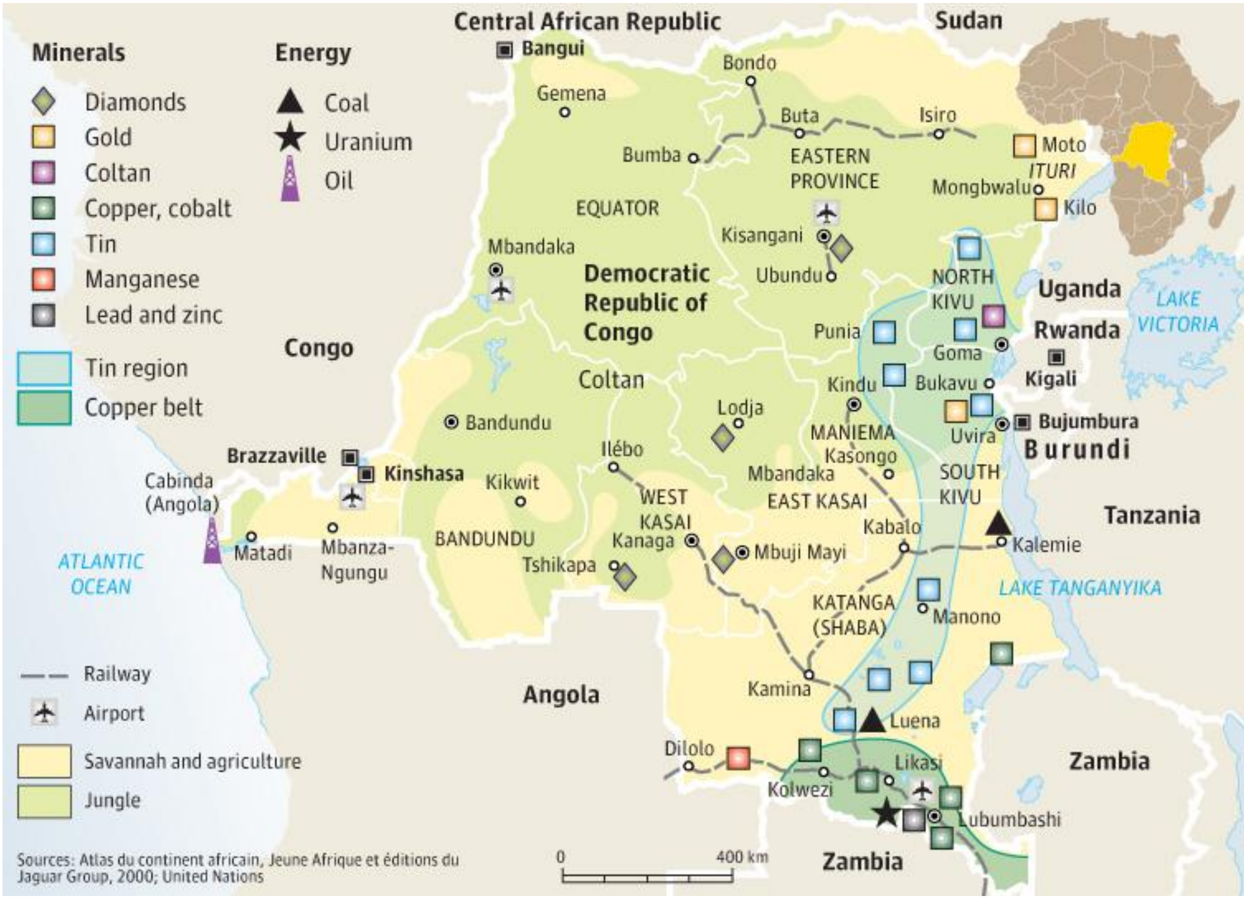
The story of natural resources in the Congo is a turbulent one, entangled in conflicts and political patronage (Guenther, 2008: 348). Since the accession of the DRC to international sovereignty in 1960, despite achievements made in the mining sector, its impact on improving the living conditions of Congolese remains quite negligible. And yet, the Congolese mining sector is considered the most profitable sector upon which the state budget rests. The commercialization of raw materials in the postcolonial Congo has neither served to create the synergy of development nor to improve any infrastructure whatsoever. Living conditions have significantly deteriorated. The 2015 UN report ranked the DRC the 8th poorest country in the world with an average GDP of US $478.2 per year and 176th out of 178 countries, in 2017, in terms of human development index. Over the last decade, the DRC has become the center of major investments from China, specifically in the mining sector, where a USD 6 billion "resources for infrastructures" agreement has given rise to a great deal of controversy among financial institutions and some advocacy groups. Infrastructure projects to help the country have also been put forward in the context of the new cooperation.

Despite all the negative numbers and the uncertain investment and political climate, China's cooperation and economic presence have steadily increased. Chinese companies are not afraid to take the risk of investing in the mining sector of a country characterized by corruption and an uncertain investment climate. As of today, Chinese mining companies are very present in the DRC and particularly in the Katanga province. In 2008, out of 75 processing companies present in that province, 60 were majority owned by Chinese investors or companies; 90% of the minerals – copper and cobalt specifically – extracted from the region are exported to China. Since then, the copper and cobalt mining and processing sector has been in the process of consolidation, resulting in the departure of many small Chinese operators, which made China, in 2012, the world's largest producer of refined cobalt, thanks in particular to semi-refined ore and cobalt from the DRC (Amnesty International, 2013: 10).

China's motivation to invest in the Congo is purely economic and strategic. Motivation behind their investments is to get enough resources, at any cost, in the Congo in order to secure their position, which is driven by the needs of capitalism rather than that of mutual benefit. In this chapter, I argue that China's presence in Africa in general and the DRC in particular is more for resource exploitation than for a mutual benefit, even though it help build some major infrastructure. China is in Africa because Africa has more to offer for its energy security. Africa is thus helping China to secure its position on the global market. Today, China is presented as a better option for African countries to break up with years of western colonial exploitation. However, it is important to recognize that China's geopolitical logic is to maintain or increase influence in Africa. additionally, it is obvious that China has contributed to the rehabilitation of some infrastructure. However, problems related Chinese mining activities, to lack of information and consultation as well as the impacts on the environment, food security – the land that has been given to Chinese companies for mining operations in the context of the agreement was for many years exploited by local communities for farming and livestock activities and now it has been either destroyed or covered by road filling and tracing operations – and housing have a negative impact on the living environment of these surrounding communities.

2. Presentation of the Katanga province

Katanga is the southeastern region of the DRC. It borders northern Kivu province, Kasai province in the north-west, and borders with Angola in the west, Zambia in the south and Tanzania in the east. Katanga includes various railway, road and lacustrine lines for access to the Ocean.



Sources: Atlas du continent africain, Jeune Afrique et éditions du Jaguar Group, 2000; United Nations

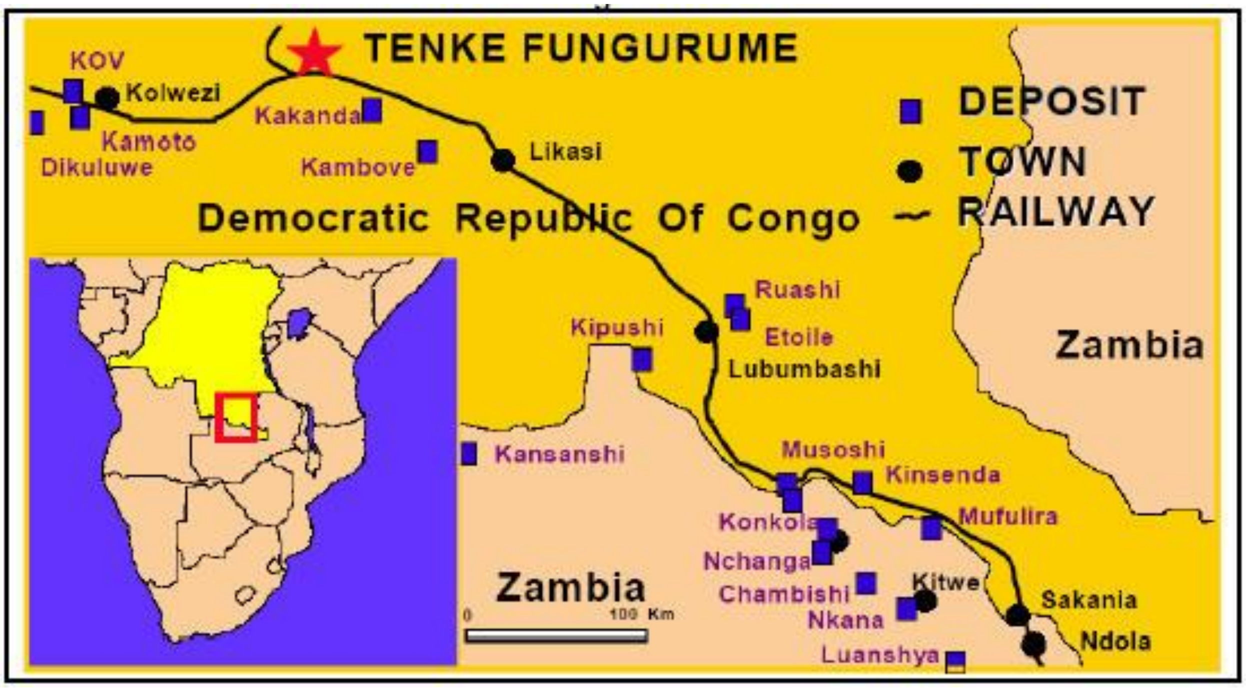
The development of the Katanga province was formerly based on a flourishing mining activity with a land rich in minerals, highly demanded on the global market, such as copper, cobalt, uranium, manganese, etc. Additionally, because of its articulation around an efficient hydroelectric power generation and distribution network, the historic mining activity in this province has been a real development pole while at the root of the creation of important industries and activities, such as civil engineering, small processing industries, forestry, agriculture, and so on.

Thus, for a long time, Katanga has been the provider of funds for the national budget. However, the revenue of the province has been affected by political and economic issues that have disrupted the development of the DRC since its independence and gradually undermined its socio-economic conditions. This situation has notably caused the collapse of the copper-cobalt production of the main Congolese producer, Gécamines. Today, it is obvious to think that perseverance of some local economic operators, as well as efforts of stabilization of the country make it possible to consider the revival of this national economic machine and to be able to attract new international investors ready to take the risk where others have seen an imminent danger. This is the case today for Chinese investors.

The Katanga province covers an area of about 464,000 km^2, nearly 16 times that of Belgium, and almost as big as France. Comprising five districts (Upper Katanga, Upper Lomami, Lualaba, Tanganyika and the Kolwezi Urban-Rural District) and 22 territories, there are some 92 communities, 80 groups, and about 7350 villages. The three big cities located on the Congolese Copperbelt – Kolwezi, Likasi, and Lubumbashi (the second city of the country by the number of its population) –, constitute independent entities each administered by a town hall and the majority of public services and regional offices of the ministries are located there.

The African Copperbelt is one of the richest metallurgic areas of the planet. Katanga has the largest cobalt reserve in the world and ranks tenth for copper. Some sources estimate Katanga's copper reserves at 55,512,000 tons. The main copper deposits are in Kamoto, Musonoi, Kambove, and Kakanda. Cobalt reserves are estimated at 3,665,000 tons and represent half or even three-quarters of the world reserve. Mining activities operated by Sicomines are located in this region of the country. More specifically, Sicomines exploits copper and cobalt from the Mashamba and Dikuluwe deposits, located in the vicinity of Kolwezi, in the Kapata region, which is about 350 km from Lubumbashi, the capital of the province.

The city of Kapata is located 18km southwest of downtown Kolwezi. Kapata is an old mining town created in 1956 by Gécamines to house its workers. The Dikuluwe and Mashamba mines are situated to the west of this city at less than 20 meters from houses. North of the city is the concentrator of Kamoto Copper Company (KCC), which operates the Kamoto mine; and to the south are the Mapendo, Kapepa, Ndjoni cities and the village of Mutaka.



The vast majority of inhabitants of this city is composed of former agents of Gécamines that have lost their jobs in the context of the voluntary departure operation initiated by Gécamines with the assistance of the WB between 2003 and 2004. Through this operation, nearly 300 adults living in this city found themselves unemployed. Most of the houses at first belonged to Gécamines, who sold them a few years ago to its workers. Some houses of the city were not sold and remained the property of Gécamines. These are about 240 houses located in blocks A1 and A4 of the city near the mines Dikuluwe and Mashamba. Before the fall of Gécamines, the inhabitants had as their main source of income their employment at Gécamines. So, the surrounding towns and villages seized the opportunity presented by the prosperity of the city of Kapata to develop activities such as agriculture and livestock to supply the inhabitants of the city with food. However, the fall of Gécamines, which used to produce in 1986 nearly 476,000 tons of copper and dropped to 19,000 in 2002, has made most of the inhabitants from the city of Kapata to embrace agriculture and mining crafts.

3. Why cobalt and copper in Katanga?

Copper and cobalt production in Haut-Katanga is the bedrock of the DRC's formal economy. The country is the largest copper producer in Africa and holds half of the world's reserves. Alone, the DRC accounts for more than half of world cobalt production or about 66,000 tons in 2016 out of a total production estimated at 123,000 tons the same year. (Duval, 2018) In the DRC, profits from this production are mainly concentrated in the hands of Swiss giant Glencore – Kamoto Copper Company and Mutanda Mining –, and Chinese firms – China Molybdenum (TFM) and now Sicomines.

In 2014, Katanga accounted for 71 percent of revenue generated by the extractive sector, which is responsible for 95 percent of total exports and a very large portion of central government revenues. Copper production grew from 30,000 tons in 2006 to a record one million tons in 2014. Katanga, which exported 68,069 tons in 2014, also accounts for approximately 55 percent of the world's cobalt production.[12] The DRC is the world's largest producer of cobalt. It has more than 3,665,000 tons of cobalt and provides almost two-thirds of the world's population. The mining industry accounts for 4.4% of the country's jobs even though reports and concerns (Bos, 2018) show that 20% ofcobalt mining workers are children and most of the workers are reduced to slavery (Amnesty International, 2013).

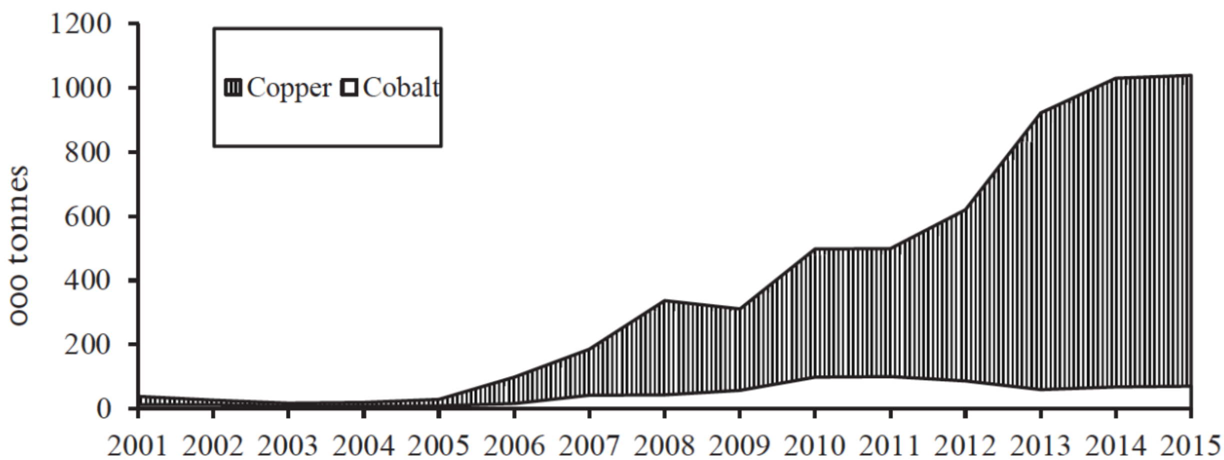
Cobalt, which is a derivative of copper, enters into the composition of lithium-ion batteries for smartphones. About a quarter of the world's cobalt production is used in these phones. These

[12] Report n^0 239 from the International Crisis Group, "Katanga: Tensions in DRC's Mineral Heartland," August 3rd, 2016. Available on https://www.crisisgroup.org/africa/central-africa/democratic-republic-congo/katanga-tensions-drcs-mineral-heartland

batteries also equip electric cars, cars called “clean” in the context of sustainable development since they are supposed to free humanity from hydrocarbons and reduce our greenhouse gas emissions. The cobalt market is increasing and the trend is up at the London Metal Exchange, the London Stock Exchange where non-ferrous metals are quoted. The price of a ton of cobalt has almost quadrupled in two years, from around US$ 25,000 a ton in 2016 to US$ 95,000 at the end of March 2018 (Jegourel Yves, 2018), its highest level since the London Metal Exchange began tracking the blue metal in 2010.

Despite a growing demand for Congolese cobalt and the fact that this resource represents 80% of its exports, this African country remains one of the poorest in the world, affected by an extremely fragile economy. This fragility is not only caused by the incessant political instability, but also by the fact that the country gains very little from the sale of its cobalt. In fact, of the US$ 2.6 billion of revenue generated by this market in 2016, only US$ 88 million went to the DRC (Jegourel, 2018). These low royalties can be attributable to the mining code of 2002 which provided only 2% of them, favoring thus significantly foreign capital. In the cobalt war, China, the world’s largest electric car market, has a head start. Its eyes are on the DRC, after registering in 2011, the manufacture of electric vehicles on its list of “seven emerging industries priority.” Beijing has secured supplies by gaining a foothold in the province of Katanga where the copper and cobalt mines of the Democratic Republic of Congo are concentrated. Congolese production, which originates mainly from Lualaba and Upper Katanga, two of the four provinces from the former province of Katanga, is mainly exported in the form of mineral concentrates and, to a lesser extent, white alloy, hydroxide, carbonate or metal obtained by electrolysis, after a first treatment on Congolese soil. Mine discharged from former copper operations also contain significant amounts of cobalt. Sicomines, as a new actor in the exploitation of these two minerals, is also playing an important role in the Congo and has succeeded to secure an important amount of copper and cobalt production in some of the strategic mines in the Katanga province.

Figure 2: The DRC's production of copper and cobalt in general (2001-2015)



Source: Banque Centrale du Congo, 2015 annual report (Kinshasa, 2016)

The copper production in the Congo increased from 200,000 tons in 2007 to 1.0 million in 2014 and 2015.

4. Genesis of the new Sino-Congolese cooperation

Efforts for economic development in the DRC have been retarded by the lack of infrastructure. This lack can mostly be attributed to decades of civil wars and political crisis. As a result, industrial infrastructure had been dilapidated and crumbling, most of it being relics of the colonial age. The first democratic elections held in the Congo in 2006 helped China become a major actor in the reconstruction process of the country and built strong diplomatic relations. President Joseph Kabila met China's President Hu Jintao in March of 2005 in Beijing to discuss political and economic cooperation between their respective countries. For China's president, the imperative of peace and economic need within the DRC would allow for new trade and investment opportunities with China (Guenther, 2008: 348). In fact, the Kabila administration, with its Cinq Chantiers[13] project, approached China for help, following the government's difficulties for support (Landry, 2018: 167).

The government was in need of concrete actions to present to the population as evidence of what it promised during the electoral campaign. In order to achieve those promises, it had to go through significant deals, the ones that Western countries were not ready to grant. The government showed how ready it was to get what it needed. Athanase Matenda, the Congolese Minister in charge of Finances at the time, argued that the country, because of its need for external funding, was ready to accept any sort of interest rate as long as the loans were made available (Budimbwa, 2008). This need for available funds and evidence to help Kabila get elected for a second term opened the door to China in the Congo in a significant way. China saw in this partnership an opportunity to secure its quest for natural resources. Evolving from ideologically-driven interactions during the Cold War, China's relations today combine pragmatic economic and political means to achieve its objective of establishing a world order that is peaceful and conducive to continued economic growth and stability at home (Thompson, 2005).

Since then, China has reoriented its relations with the DRC by giving priority not only to aid but also to economic and commercial exchanges. A large proportion of Chinese investments, loans, assistance, and aid have been channeled into industrial infrastructure as a way of providing a new architecture for sustainable development (Edoho, 2011: 118). The key feature of China's engagement in the Congo, as elsewhere in Africa, is that its contracts links in a single agreement trade, investment, borrowing conditions, and aid (Marysse, Geenen, 2008: 295). It is, in fact, loans

[13] During the 2006 election presidential elections' campaign, President Kabila announced his 'Cinq Chantiers' program, which can be translated in English by Five Public Works. The concept summarizes Kabila's efforts to modernize education, health care, road infrastructure, access to clean water and electricity, and housing accommodation.

granted by the EXIM bank on favorable terms for Chinese companies to carry out infrastructure works in the Congo. These loans are then repaid by the government through the delivery of raw materials that are exploited and produced by other Chinese companies. Marysse and Geenen already pointed out in 2008 that, in less than a decade, Sino-Congolese trade had grown considerably, making China the largest trading partner of the Congo and the largest recipient of Congolese exports with 98.6% of copper and cobalt exports.

The number of its loans now compete with those granted by the Western donors. The value of trade between Kinshasa and Beijing, for example, passed from US$19.41 million in 2000 to US$1.458 billion in 2009, with a peak of US$1.811 billion in 2008. The bulk of this growth lies in China's imports from the DRC, 99% of which being minerals – mainly cobalt and copper –, whose prices remain highly volatile (Hellendorf, 2011: 19-20). Copper is DRC's principal export commodity to China and forms the central element in the Congo-China Sicomines agreement (Chakrabarty, 2016: 121). Since 2009, 80 percent of the DRC's copper production is destined for China. A total of 47 enterprises backed by Chinese capital in the provinces of Upper Katanga and Lualaba has been identified as of now (Njumboket and Nkanda, 2019: 5). In 2012, copper and ores and concentrates of copper accounted for about 56% of the total exports to China in value terms. DRC's exports of ores and concentrates of copper increased significantly in a short span of time from US$0.17 million in 2002 to a peak of US$134.1 million in 2008. China is not only the largest copper importer but it has made huge investments in the copper mining sector too. Trade between China and the DRC has been defined by mineral exports from the Congo to China. Another mineral important to China is cobalt; and in 2016, 67.5% of China's cobalt production relies on concentrates imported from the DRC (Kabemba, 2016: 74). Table 1 below shows the changing nature of China-DRC trade relations in terms of export between the two countries.

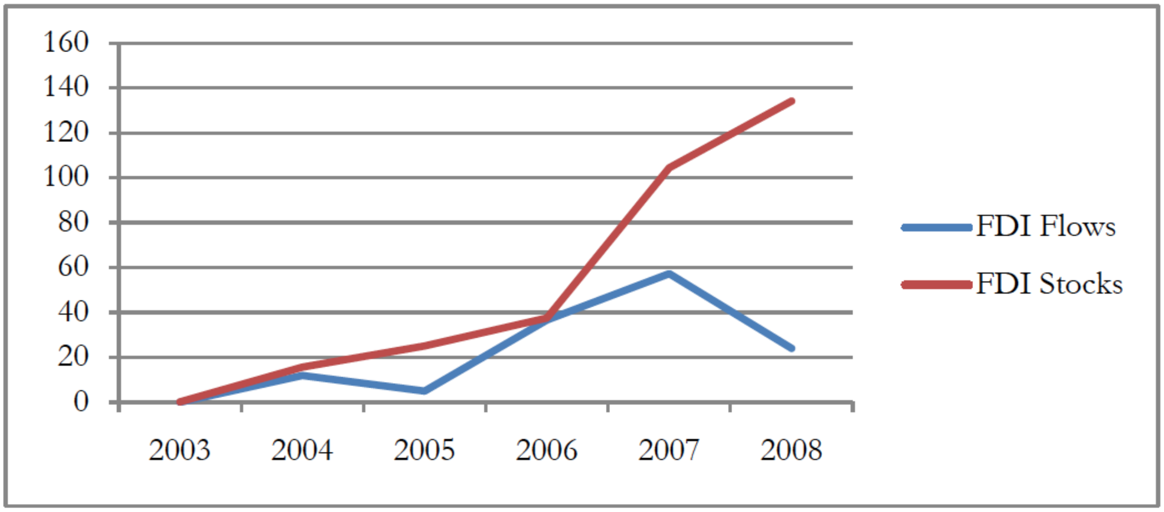
Table 1: CHINA-DRC Dollar Export Figures

	1991(million)	2003 (million)	2014 (billion)
China	63,24	25,420	1,362
DRC	5,08	26,300	2,823
Total	68,34	51,710	4,185

Source: Kabemba, 2016

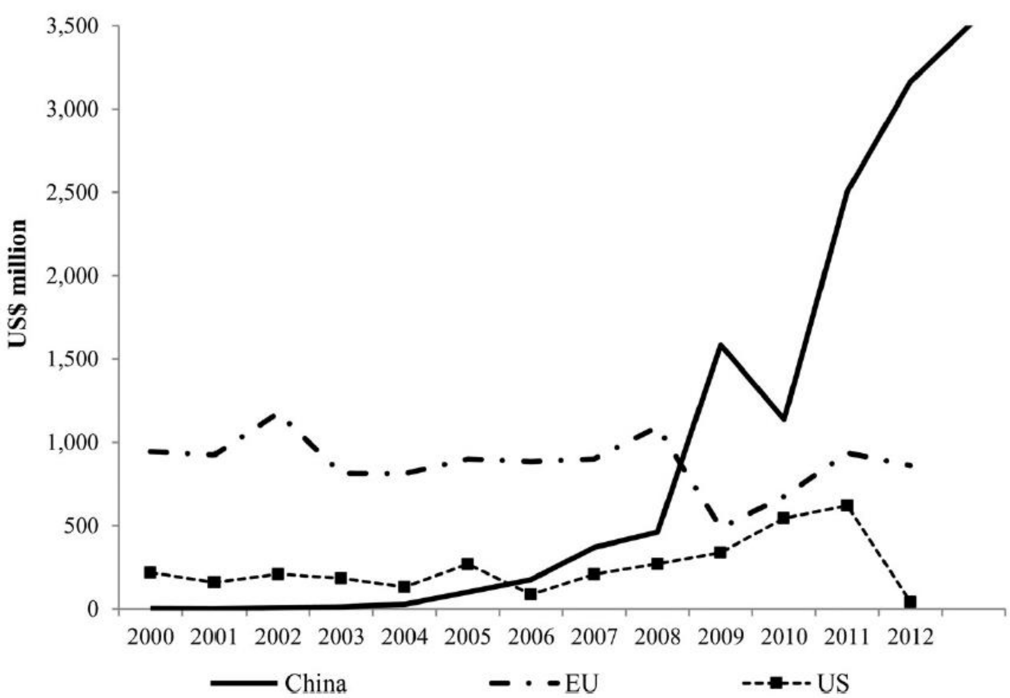
Since 2006, the number of Chinese high-level official visits increased, work began on the extension of the Chinese consular services in the DRC, an experienced ambassador – Mr. Wu Zexian – has been appointed in Kinshasa, and different agreements have been signed on a bilateral basis. The stream of such bilateral cooperation agreements led the Congolese President to hail, in his 2007 state of the nation address, the cooperation with China as "key to the reconstruction of the DRC." (Hellendorf, 2011: 17). According to Peter van Dijk (2009: 17), since the Chinese government initiated the "go global" strategy for Chinese enterprises in 1998 and the strengthening of the cooperation between China and the Congo, Chinese FDI in the Congo alongside with imports and exports has been increasing. The three figures below show this increase.

Figure 3: Chinese FDI in the DRC 2003-2008 in millions of dollars



Source: 2008 Statistical Bulletin of China's Outward Foreign Direct Investmen
Ministry of Commerce of the People's Republic of China.

Figure 4: Growth of Chinese imports from the DRC compared to the EU and the US



Source: UNCOMTRADE Database by United Nations Statistics Division (UNSD); available on http://wits.worldbank.org/WITS/WITS/AdvanceQuery/RawTradeData/QueryDefinition.aspx?Page=RawTradeData

CHAPTER III: THE 2007 SINO-CONGOLESE AGREEMENT

The economic analysis of cooperation between the DRC and China shows that the DRC is heavily dependent on Chinese investments. Funds come mainly from concessional loans targeting very specific development sectors. The mining and infrastructure sectors are most prominently linked to these concessional loans (Njumboket and Nkanda, 2019: 5). It is in that context that China has acquired from the Congolese government mining titles to exploit minerals like cobalt and copper in the province of Katanga. A joint-venture between the consortium of Chinese companies and the Congolese State-owned enterprise was created for that circumstance. In exchange, China agreed to build infrastructure in the Congo, financed by loans from the Exim Bank and the loans were to be reimbursed by profits generated by the joint-venture company. The Chinese strategy to penetrate the Congolese mining sector follows the traditional model of "resources for infrastructure." The Sino-Congolese agreement of 2007 and the establishment of the Sino-Congolese joint-venture, Sicomines, is an important illustration of the Chinese influence strategy.

Throughout this chapter, I will look at Sicomines agreement and the few years of operation since the creation of the joint-venture. I will review reports that were elaborated on the conditions of the surrounding communities and look at the profitability of the project as well as its contribution to socioeconomic conditions of the region as well as its profitability in terms of profits generated for the repayment of the country's debt. I argue that since its creation and the beginning of operations, the Sicomines joint-venture has not been able to meet expectations and to improve living conditions in the region. The Sicomines have failed to create jobs, for example, for local workers and instead, has negatively affected the surrounding communities by destroying their lands. Multiple reasons are advanced on the China side while it continues to export enough minerals.

1. Historical background

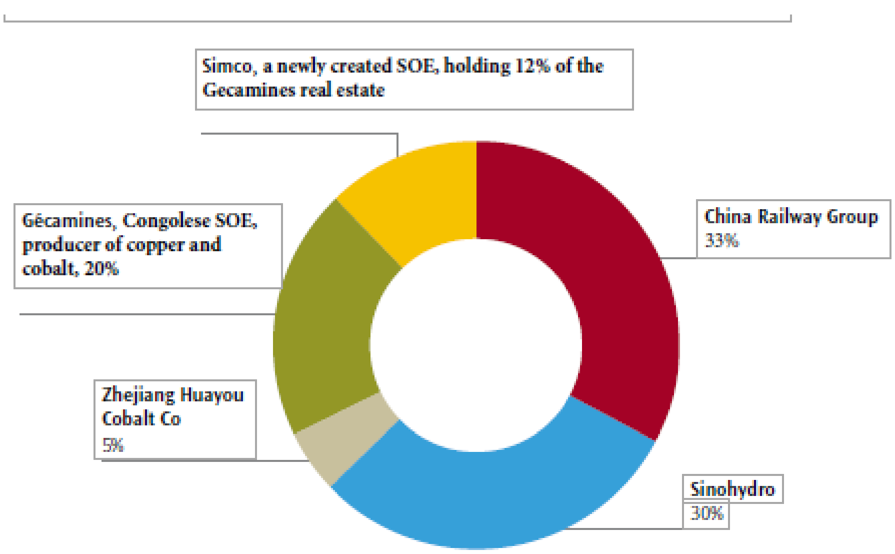
On September 17th, 2007, a Memorandum of Understanding was signed between the Congolese government and a consortium of Chinese enterprises, granting a 68% stake to the consortium in a joint venture named Sino-Congolais des Mines (Sicomines) versus 32% left for the Congolese SOE, Gécamines[14]. The deal was based on the logic of barter, which, as mentioned earlier, constitutes the center of the Chinese strategy of penetration in Africa. The deal was that Chinese would provide infrastructure projects to the Congo financed by the Chinese Exim Bank – with an estimate of US$ 8 billion – and in exchange, they would exploit some of the main mineral resources, such as copper and cobalt (Marysse, 2008, 2009a, 2009b). As part of the agreement, a US$ 2 billion loan was intended for the modernization of the mining production facility. Two Chinese companies – Sinohydro and CREC (China Railway Engineering) – were expected to carry out infrastructure work valued at $ 6 billion – 3500 km of paved roads, including a highway and bridges connecting the main cities of the country (Lubumbashi, Bukavu, Goma, Kisangani), construction and repair of 450 km of roads within the capital city; 3213 km of railway construction or rehabilitation; 31 hospitals of 150 beds and 145 health centers; 5000 units of low-cost housing and two universities. These investments would be reimbursed through the exploitation of copper and cobalt – carried out by the joint-venture company, Sicomines – in the Kolwezi area in Katanga.

On April 22nd, 2008, after several months of negotiations, a subsequent document, the Convention of Collaboration, was signed by the Congolese government – represented by Pierre

[14] Articles 2 and 4 of the Memorandum of Understanding.

Lumbi Okongo, Minister of State in charge of Infrastructure, Public Works and Reconstruction – and the Chinese business consortium – consisting of CREC, Zhejiang Huayou, and Sinohydro Corporation. The document specified that two tranches of infrastructure financing – reportedly worth US$ 3 billion each – would be disbursed, in addition to the loan for the development of the mine. The Congolese government agreed that the project's feasibility studies should ensure Sinohydro an internal rate of return (IRR) of 19% (Landry, 2018: 167). Together, these loans were access for China to US$ 14 billion of copper and cobalt reserves. According to Marysse and Geenen (2009b: 137), it became clear that this second document had to be considered more than a barter, but rather a financial package in which the Congo was indebting itself through some guarantees that would eventually be detrimental on the Congolese side. This document outlined the deal's tax parameters and stipulated that the Congolese parliament would need to pass a law safeguarding the provisions in the 12 months following the Chinese government's approval of the deal.

Figure 5: Shares in the Sino-Congolese agreement as of September 2008



Source : Global Witness 2011 report (Friends in need)

As part of the agreement, both sides agreed that Gécamines would yield mineral deposits containing up to 10.6 million tons of copper. Additionally, the agreement stresses that 425,000 to 625,000 tons as shown in table 2 of cobalt and all other mineral substances capable of development will also be yielded. Finally, the 2008 agreement included a state guarantee that "if the mining joint-venture did not reimburse the investments and interests of the mining and infrastructure projects in the 25 years following its creation, the DRC would agree to repay the remaining balance to be paid by all channels." (Maiza-Lazarte and Claudio-Quiroga, 2019: 428) The Sicomines agreement became a subject of concern for Western international financial institutions and some international human rights organization, such as Global Witness and Amnesty International. While Western countries and institutions like the World Bank and the IMF were worried about the possible consequences on the DRC's external debt, Global Witness (2011: 5) was denouncing the opacity of the agreement, stating that the exact terms were very poorly known, including the pricing of commercial mineral substances. The known information relating to this agreement comes mainly from several documents which were not intended to be published, but which have been made public and disseminated widely.

At the beginning of 2009, the IMF tried to block this investment, arguing that the DRC was not capable of entering into a new arrangement with a preferential creditor while it still owes Western creditors more than US$ 11 billion. Their concern was about the debt's sustainability, sovereign guarantee for the entire loan and non-concessional lending terms. For the IMF and the Club of Paris, the level of debt was significantly increased with that new agreement and the credit line was not extended on concessional terms (Chakrabarty, 2016: 122; Marysse, 2009b: 142). In March of the same year, the Congolese government and Chinese investors reaffirmed their determination to pursue the deal while reevaluating the contract. Pressure from the IMF led to the renegotiation of the deal. The sovereign guarantee was removed from the debt and the government committed to taking all necessary measures to achieve the 19% return on investment rate. The second tranche of the infrastructure credits worth US$ 3 billion was canceled, leaving the total value of the agreement at US$ 6.2 billion, making it (allocating US$ 3.2 billion to mining projects and US$ 3 billion to infrastructure), for China, the largest bilateral cooperation and economic partnership contract in Africa. The Chinese consortium also agreed that if the bank interest rate on the loan (LIBOR plus 100 basis points) rose higher than 4.4%, the Chinese consortium would cover the difference (Brautigam, 2011). Recommendations made by the international financial institutions to amend the Sino-Congolese deal also were intended to enable the DRC to achieve the twofold objective of accelerating the development of infrastructures and obtaining relief of its external debt (Marysse, 2009b: 142).

Table 2: Sicomines' estimated reserves and initial production objectives (000 tons) - 2008

	Reserves			*Production objective*	
	Guaranteed	*Probable*	*Total*	*First phase (two years)*	*Second phase (third year onwards)*
Copper	6,813	3,803	10,616	200	400
Cobalt	427	200	627	–	–
Gold and others	–	–	Unknown	–	–

Source: Andoni Maiza-Larrarte and Gloria Claudio-Quiroga. 2019. The Impact of The Sicomines on Development in the DRC, p. 429

2. Legal framework of mining activities in the Congo

The mining sector as much as any other sector is governed by national standards constituted in a hierarchical order of constitutional dispositions, laws, regulations, as well as any administrative action taken in the sector. In 2002, international financial institutions demanded to the DRC, in order to attract more foreign direct investments – which was also the requirement in order to benefit from foreign aid – to reform some of its major national legislation, such as the mining and investment code. While the underlying idea was to perpetuate the neoliberal agenda – resource exploitation, trade liberalization, deregulation, etc. – in the Congo, the rhetoric used was that the reform would put the country on the right development track and attract more investments to boost the country's economic growth. As part of my research, I focus on the 2002 Congolese Mining Code as reformed in 2018 and its regulations. This allows us to look at the current situation and understand the role this legislation played in the 2007 Sino-Congolese agreement. It is also a matter of seeing if this legislation constitutes an effective instrument that could allow the DRC to profit from the exploitation of its minerals under this same convention.

It is important to remember that copper and cobalt – produced in the Katanga province – account for more than 80% of commodity exports. The mining sector employs between 2 and 5% of the Congolese workforce, according to the criteria for defining jobs in this sector. The many high-grade ore deposits and their low operating costs are attracting mining companies around the world, as has also been the case for China. Additionally, the cost of mining in the DRC has the advantage of being lower than in other mineral-rich countries such as South Africa. The political instability and the uncertain business climate in the DRC, however, hold this picture, and while it is very profitable, investment in the mining sector is high risk. Also, falling metal prices and lack of electricity do not help things in the region.

While the potential for natural resource rent in the DRC is one of the highest in the world and in sub-Saharan Africa, the country has one of the lowest levels of revenue mobilization. In 2012, for example, the DRC ranked 16th out of 186 countries in the world and 6th out of 47 countries in sub-Saharan Africa in terms of the potential for natural resource rents relative to GDP. Yet, it ranked only 104th out of the 117 countries in the world and 17th out of 22 sub-Saharan countries in terms of domestic revenue in GDP. These two findings are a blatant reflection of the extent to which the DRC is moving away from the trend linking domestic revenues to the potential of resource rent. With the introduction of the mining code in 2002, there was an increase in foreign investment in DRC's mining sector (Chakrabarty, 2016: 120). In other words, the adoption of 2002 the mining code has led to the liberalization of the mining sector and marked the opening up to foreign private capital, with the aim of boosting the economic growth of the DRC. Despite the promulgation of that mining code and its enforcement measures, most of the mining investment projects have remained in the exploration or preparation stage to the extent that the revenues collected by the state did not allow it to finance the country's development projects in the aftermath of the 2006 elections. This legislation did not allow the DRC to benefit sufficiently from foreign investments. Today, this weakness – because of its low-interest rate on mining companies operating in the country – is advanced as one of the major reasons for the low profitability of the Congolese mining sector.

Thus, a new reform was absolutely necessary. The aim was to allow the DRC to reposition itself in a position of power in relation to the exploitation of some of its minerals which for a long time did not benefit the public treasury. According to local authorities, the need for reform was to benefit the local population more, ensure a better distribution of the mineral rent between the State and foreign investors, and also increase the public revenue from resources of the country. While the old mining code has been much more generous to foreign investors, the new code seems to be a testimony of the government's awareness to maximize profits from all mining companies involved in the Congo no matter their origin. By signing the 2007 agreement, China has decided unilaterally to go beyond the provisions of the 2002 mining code by taking all profits necessary for the maximization of its profits and all possible tax exemptions for its taxation. The new code, whose reform had started in 2012, was thus promulgated in March 2018, modifying and completing the former. With this reform, taxes and royalties paid by the mining companies that were 2% went to 3.5% for conventional ores like copper and 10% for strategic ores like cobalt.[15] While the profits tax remains at a reduced rate of 30% for mining companies, a new tax on excess profits of 50% was introduced on the profits exceeding 25% of the reserves of the company. In addition, mining companies will now have to allocate a minimum of 0.3% of their turnover to the development of community projects – this micro-tax is intended for the communities living near the mines.

The export of raw minerals is forbidden and holders of mining licenses will now have to submit to the mining authorities a plan for the refining of their minerals. A one-year derogation may be obtained if a company demonstrates that it is impossible to process the minerals locally. From these observations, we can say that the new code introduces positive elements in terms of community development and transparency, which largely follow the recommendations of the civil society in the Congo. It should be emphasized, however, that the excess profits tax, for example, is still difficult to apply in a country where corruption is commonplace. Companies can always adjust the figures of their feasibility studies to prevent the application of this new tax.

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[15] According to the new code, the strategic substances are defined as minerals which, on the basis of the position of the Government and the current economic situation, represent a particular interest in view of the critical nature of these minerals and the geo-strategic context (Article 1, 48quater)

3. Controversies around the agreement

The Sicomines agreement marks the culmination of China-DRC relations since the 1970s, with China becoming a major development partner in the country (Landry, 2018: 167). However, it had sparked questions and concerns from other donors in the Congo, including the IMF, the World Bank and the Club of Paris. They pressured the Congolese government for a possible renegotiation of the agreement as the country was already negotiating to alleviate its external debt. For Western donors, the Congo has to choose between Chinese loans and the alleviation of its debt (Hellendorf, 2011; Chakrabarty, 2016; Luntumbue, 2011). Concerns were also expressed about guarantees offered by the DRC to the Chinese consortium. It was agreed that the Congolese government would reimburse Chinese investments in case the joint venture's profits were not sufficient for this repayment within 25 years. For the IMF, Congo's debt to China was unsustainable. As a result, the alleviation of the Congolese debt could not be considered if the Congo contracted that additional debt. And for China, the IMF intervention was an act of 'bad faith' in that sense that the IMF itself was trying to solicit funds from China as part of its refinancing. (Kabasele, 2012)

Even after the renegotiation of the agreement, concerns never stopped. This led, in 2013, the Exim Bank to threaten the Congolese government to withdraw from the project. Its justification was that the risk of non-repayment became too high due to the removal of guarantees imposed. However, the justification for this withdrawal by the government was quite different. According to Moise Ekanga – head of the Coordinating and Monitoring Office of the Sino-Congolese Program – the refusal to sell the 32% shares of Gécamines in the Sicomines by the Congolese government was the reason why the Chinese Bank expressed dissatisfaction. China was trying to demand, as compensation, to own all the shares in Sicomines. Finally, on November 29, 2014, the Congolese media announced the continuation of the project and the agreement of Exim Bank to finance mining and infrastructure projects again.

Despite increases in FDI and trade with China, the Sicomines agreement was tailored in a way to favor China. The agreement turns out to be more beneficial for China than for both parties involved and the terms non-transparent. There is no mutual benefit. The agreement has brought an unequal exchange that exempt, for example, the joint-venture from all possible taxes during the first and second stage of operations, and the DRC has to ensure that the internal rate of return remains above 19% or above. Additionally, it gives to Chinese companies two-thirds of shares in the joint venture while the Congo possesses one-third. Furthermore, the nature of this contract as of today remains mainly unknown to the public. The deal was negotiated in secret and without competition, despite the potential to generate as much as eleven times the country's GDP in revenues. The Congolese negotiating team included figures close to the president who held no government positions but excluded several relevant government ministries. (Larry Hanauer and Lyle J. Morris, 2014: 51) Beyond pressures and official game of influence around this contract and also the increasing presence of China in the DRC, awareness campaigns and some reports were published on the subject.[16] The aim was to denounce potential risks for the population related to the progressive establishment of Chinese companies. In the next chapter, we will try to take a look at how Chinese companies, especially the Sicomines, have been operating in the Katanga region and to reflect on the effectiveness of their operations. Mobilization of the civil society in the Congo is part of the strategies implemented to counter the Chinese penetration of the Congolese market.

[16] Amnesty International. 2013. Pertes et profits : exploitation minière et droits humains dans le Katanga, en République Démocratique du Congo ; Global Witness. 2011. La Chine et le Congo : des amis dans le besoin ; Njumboket I and Nkanda J. 2019. Chinese investments and forest land use. Situations and trends in the Democratic Republic of Congo. Project report. IIED, London.

4. What is the current situation with Sicomines activities?

4.1. Brief introduction

As agreed at the signature of the agreement between China and the DRC, a total amount of US$ 3.2 billion was disbursed for the development of the joint venture that will repay the loan. This company is one of the key elements of the agreement. Its purpose is to export unrefined copper concentrate, cobalt hydroxide, treated copper cathodes or metallic cobalt. It holds Exploitation Permits 9681 (7 mining squares) and Exploitation Permit 9682 (6 mining squares) for the exploitation of the Mashamba West and Dikuluwe Mashamba deposits, located in the vicinity of the town of Kolwezi, specifically in Kapata, about 350 km from Lubumbashi, capital of the Katanga province.

The agreement required that the construction and equipment of the mining facilities be able to reach, in the first year of commercial production, an annual production of 200,000 tons of copper in the form of noble metal and a corresponding tonnage of cathodic cobalt; 400,000 tons of annual production at the third year of commercial production. To achieve these levels of production, the DRC has promised approximately 10.6 million tons of copper reserves and approximately 0.62 million tons of cobalt.[17] Additionally, given the volume of the concession and the annual production objectives, the joint venture could be expected to continue producing and selling copper for approximately 25 years (Maiza-Larrarte and Claudio-Quiroga, 2019: 430). The mine was inaugurated on November 6th, 2015, after five years of preparatory works. Also, it should be noted that the copper and cobalt Mashamba deposits granted under the Sicomines agreements worth US$ 800 million and was taken from George Forrest, an influent Belgian businessman in the Congolese mining sector who continues to claim it.

[17] This can be found on the 4th article of the agreement as amended in 2008

The purpose of the Sino-Congolese agreement is to ensure the well-being of the Congolese people through the development of infrastructure across the country, alleviation of poverty, and improvement of social life through employment, food security, etc. The project has developed some infrastructures throughout the country, particularly in Kinshasa, Lubumbashi and elsewhere and contributed to the development of the country as a whole. The creation of the joint venture in Kolwezi, more specifically near the Kapata city and surrounding areas, was perceived by local communities as an opportunity for new jobs and the improvement of living conditions by building basic infrastructure, such as roads, hospitals, schools, etc. However, local communities continue to express concerns as most of their expectations have not yet turned into realities. On the contrary, some have seen, for example, their living environment deteriorates following the activities of the Sicomines.

4.2. The impact of the Sicomines on the region

More than a decade on, the Sicomines deal has not lived up to expectation. There has been infrastructure project as well as unexpected costs. There have also been problems associated with poor quality roads and infrastructure and inadequate environment and social impact studies. There is an uncertainty about the time the joint venture officially started its production. According to the Congolese Press Agency, Digital Congo,[18] Sicomines' first phase projects were officially launched on April 2016. The company then signed 38 infrastructures projects during that same period with an estimated amount of US$ 885 million, creating thus 4494 jobs and promising to train 50,000 people. For Maiza-Larrarte and Claudio-Quiroga (2019: 430), the joint venture started its production in November 2015. They also point out that at the inauguration event, copper objectives were reduced to 125,000 tons during each of the first two years and 250,000 tons from the third

[18] Article available at https://www.digitalcongo.net/article/5b7ff4c9d691800004ec8b6a/

year onward. And that in 2016, the first full year of activity, the venture's copper production reached 110,000 tons, making the Sicomines one of the country's three main copper producers, along with Mutanda Mining and Tenke Fungurume Mining. In one year, it produced 44,000 tons of copper cathodes instead of 200,000 tons as agreed in the convention, according to the Congolese Minister of Mines, and no cobalt, instead of the agreed tonnage. In the first quarter of 2017, it exported some 115,000 metric tons of copper concentrate and 20,000 tons of copper cathodes, according to data from the provincial Katanga mining division. (Ater, 2017) For China, the reason was that the country continues to experience a serious problem of electricity and in order to produce as expected, the company needs at least 170 megawatts (MW). However, in 2017, Cros (2017) mentioned that the company wanted instead to export minerals from the Congo and refine them elsewhere. In 2017, Congolese authorities stopped 68 Sicomines' trucks out of 112 moving minerals towards Zambia. The Inga Dam and the huge Congo River would not be enough for hydro-electric use. Also, that electricity was one of the works on which President Kabila and Chinese agreed to work on as part of the deal. China should have known better about this problem before while conducting studies of feasibility. Also, this problem of electricity is not relevant enough because in June 2016, the Congolese authorities signed a $ 660 million construction agreement with another consortium of Chinese investors, a 240 megawatt (MW) hydroelectric plant, to fill a part of the energy deficit slowing the DRC's mineral production and the electricity produced should be affected to the Sicomines.

The DRC sells its cobalt without refining it. The transformation of the ore is carried out by large groups of foreign companies that buy it at a low price. In 2017, the DRC ordered Sinohydro and CREC (which own 68% of Sicomines) to stop all exports of unprocessed copper and cobalt and to start processing or refining their production in the DRC before moving it to the world or to send it to the Chinese market. For the Congolese government, this company will have to export only high value-added products, in order to support the government's efforts for the rapid repayment of the Chinese loan. The ban was intended to strengthen profits by exporting refined and processed products in order to accelerate the repayment of US$ 6 billion loans.

Furthermore, according to Congolese officials, the publication of the new mining code was intended to help the country get more profit on the export of its important minerals such as copper and cobalt. This explains the increase in taxes and royalties. However, the question related to the taxation of the Sicomines joint venture remains crucial. It is true that the big mining companies have been hit by this measure and which, in fact, continue to express their discontent and to fight for the abolishment of this measure. Nevertheless, Sicomines has benefited from all possible exemptions when it was created.[19] And the 6th article of the Memorandum of Understanding is clear about this exemption. It is not because of the export processing zones (EPZs) policy that the Sicomines has obtained the exemption but rather it is a particular condition of the convention to make sure to maximize as many profits as possible from activities in the joint venture and reimburse the loan. Despite the efficiency of the new mining code, Sicomines continues to benefit more than it gives to the country, and the DRC continue to lose where it should normally be benefiting. Thus, for analysts like Marie-France Cros, the first decade of the deal shows that Chinese companies have focused their efforts on benefiting from access to valuable natural resources and neglected the interests of local communities.

However, EITI-DRC reports[20] indicate that despite this unfortunate inconvenience, at the beginning the company contributed to the country's economic dynamism through the construction

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[19] This is stipulated at the 14th article 14 of the 2008 joint venture convention

[20] EITI-DRC, Rapport ITIE-RDC 2013 (Kinshasa: ITIE-RDC, 2015): 106-7; EITI-DRC, Rapport ITIE-RDC 2014 (Kinshasa: ITIE-RDC, 2015): 98-9

of infrastructure for mining activities, with a total investment of US$ 1,200 million between 2010 and 2012. Most of that money was allocated to building the site and acquiring industrial equipment. In addition to new infrastructure, the Sicomines deal was expected to provide a significant boost to the DRC's economic growth. The view was that the agreed volumes of mineral production would contribute to a higher level of exports, tax revenue, and inflow of US dollars. For some analysts (Friedman, 2009), although the Sicomines agreement has been widely criticized (Marysse and Geenen 2009; Brautigam 2011), this deal – through the Sicomines company – should be viewed from the particular context of DRC and China's role as an infrastructure builder in Africa. This is a simplistic view and analysis of the deal that doesn't take into consideration all the aspects of the agreement. It brings to the fore the political and theoretical aspect of the agreement without looking at its social, environmental, and economic impacts since the company has started operating. In fact, building infrastructure is one thing – which is even normal because infrastructures it built are necessary for its exploration of the sites – but also promoting sustainable development, by creating jobs or protecting the environment, is another thing.

A civil society report[21] claims, for example, that there is no official and detailed information about social accomplishments from the Sicomines. The few social actions are not viable. On this day, local communities are almost disappointed since most of their expectations have not yet turned into realities. On the contrary, instead of meeting these expectations, local communities have seen their living environment deteriorate as a result of Sicomines activities. Additionally, no study or analysis has been carried out on the impacts of this mining project on the living environment of local communities living in the vicinity of mines. Some members of the community and villages surrounding the Sicomines, Mashamba West and Dikuluwe sites complain

[21]ASIBOG and IBGDH. 2014. Défis de la protection des droits humains dans le volet minier de la collaboration entre la R.D. Congo et le Groupement d'entreprises chinoises.

of negative impacts of the project. These communities, mainly residents of the Kapata City and surrounding villages in the Kolwezi region, express their deep concern over the impacts of preparatory activities on their agricultural crops following the expropriation of their fields. Impacts documented by some research teams[22], testimonies collected by these teams as well as the local community claims to the local authorities and Sicomines demonstrate that the agricultural activities that are the main sources of income and livelihood for local communities are already negatively affected by the activities of the Sicomines project. To this is added the insecurity of housing residents of the city of Kapata following its proximity to the activities of this mining project.

These fields and farms have been destroyed without any compensation. The negative impacts of the practice of expropriation and destruction of these properties as well as the indifference of the state authorities to this situation have contributed to plunge these communities into serious food insecurity and to deteriorate their standard of living because crops from their activities provided food, medical care and schooling for children. The housing problem has also a potentially negative impact in that the threat of continued relocation to the Kapata city, whose residential homes are located a short distance away from Sicomines' operating sites, is significant. The inhabitants of the city of Kapata have as yet no information on the actuality of the delocalization of this city even though Sicomines' exploration activities have taken place inside the city. These residents, therefore, fear a forced eviction of their homes without the universal standards of involuntary displacement of population, requiring, in particular, the process of

[22] ASIBOG and IBGDH. 2014. Défis de la protection des droits humains dans le volet minier de la collaboration entre la R.D. Congo et le Groupement d'entreprises chinoises ; Njumboket I and Nkanda J. 2019. Chinese investments and forest land use. Situations and trends in the Democratic Republic of Congo. Project report. IIED, London.

consultation, prior compensation, identification, and development of the relocation site as well as planning and implementation of socioeconomic rehabilitation.

Chinese activities in the DRC provide an interesting example of local community disruption and land grabbing. In order for exploration and exploitation to occur, mining companies need land and enough space for operations. In the context of the Sicomines, it is being said that China has acquired enough concessions that led to the displacement of several families and the destruction of the environment, for which indeed Chinese seem to care less. Referring to the theory of "accumulation by dispossession" by David Harvey, along this same line Giles Mohan, quoting Glassman (2013: 1259), thinks that this is a "recurring phenomenon, given the legitimacy under neoliberalism in which displacement of people and a violent proletarianization are the norms for many in the developing world." Again, in the terms of Giles Mohan (2013: 1262), the Sicomines can be represented as a Special Economic Zone (SEZ) and likely to operate like other Chinese SEZs where there is a re-territorialization of the nation-state in order to accommodate and attract capital, trade in good and labor; also likely to operate as a space of neoliberal 'exception' which actually function to normalize a specific model of capital accumulation, underwritten in particular ways by state authority.

CONCLUSION

China has become DRC's top destination for Congolese exports, accounting for 98.5% of raw materials. From this observation, I ask the question: to what extent Chinese FDI and the mineral exploitation in the DRC benefit the country. In order words, it is the matter of knowing how much China's investment in the DRC can revitalize and help the country in its reconstruction process, because for the majority of Congolese, what matters is a better life. To learn more, I analyzed the 2007 Sino-Congolese agreement. This contract seems to be a very good opportunity for a country in post-conflict period. The political instability and uncertain business climate in the DRC has created distrust in Western investors after the first democratic elections. And China saw an opportunity there. It took it to present to the Congolese Government a package of aid for the financing and execution of infrastructure and, in return, benefit from Congolese cobalt and copper in the Katanga province.

However, this contract is characterized by an important level of opacity in the obligations of the parties. China has given itself all the possible benefits to begin with. At the signing of the contract, China reassured the Congolese party that it was a win-win situation and that it would do everything possible to help the country in its reconstruction process and improve lives of millions of Congolese. To know if this exchange is fair, we must be able to compare what some give and what others receive. To begin with, the Congo has lost the majority in the board of directors of the joint venture. Then, China made sure to obtain tax and customs exemptions never attributed to a foreign company. This is a crucial issue as the Congolese state can barely finance public spending knowing that Gécamines has for a long time been responsible for half of the revenues of the state. China's investment in infrastructure in the Congo is not a benevolent act, an act of respect in the contract to promote mutual benefit as it claims, but rather a mere economic calculation from a capitalist power. Here again, the idea of profit is put forward in the relation between the two countries where the powerful uses its position of power to impose rules and benefit from them.

As of today, Chinese activities are presented as not creating jobs for local communities. Part of the agreement was that China will build infrastructure and work with local communities to alleviate poverty and improve living conditions by reducing unemployment and promoting food security. However, China prefers to import its labor, cheap and efficient, hardworking and accustomed to its work style, which also allows them to overcome the language and cultural barrier. The few Congolese employed at Chinese sites receive low wages and do not have access to trade union representation. China is not so much interested in transferring knowledge and experience .The social rights of local workers are regularly flouted. Chinese companies show very little social responsibility. Also, by using Chinese labor, China, in fact, ignores the strengthening of local capabilities. In these circumstances, it is not surprising that there is currently a multiplication of opposition to the Chinese presence on the part of the Congolese people who are sidelined by this idea of mutual benefit. Besides the non-respect of social norms, environmental standards also turn out to be systematically neglected in the quest for natural resources and the implementation of infrastructure projects. In terms of environment, Chinese companies are known for not giving much attention to environmental impact studies or plans to mitigate impacts at the end of site operations, which clearly required in the Congolese mining code. In addition, China is not a party to any of the initiatives that promote transparency in the management of extractive industry, such as the Extractive Industries Transparency Initiative (EITI) even though it agreed to respect it.

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