

# WILL KINSHASA PERSIST? IMPRESSIONS ABOUT THE STATUS AND THE ECONOMY OF A CAPITAL IN A COLLAPSED STATE<sup>1</sup>

Maaria Ylänkö

## INTRODUCTION

“You have chosen a very difficult country, madame”, sighs Michel Demacht, the director of Groupe Orgaman, a large Belgium owned Congolese trading house. “There is no data”. From the top floor of the headquarters sky-scraper, the view over Kinshasa is spectacular.

With its population of approximately 7 million people, Kinshasa is the third largest city on the African continent. Only Cairo and Lagos are more populous. Or who knows, since there has been no census since 1984 in the Democratic Republic of the Congo. Likewise, there is little quantitative documentation available about the economy of the DRC, let alone about Kinshasa at the moment. Nonetheless, the unofficial economy of the Congo and especially Kinshasa has lately attracted attention of qualitatively oriented researches: For instance *Reinventing Order in the Congo. How People Respond to State Failure in Kinshasa*, edited by Theodore Trefon in 2004, is a pioneering work about the real means of livelihood, that is, the invisible economy of Kinshasa. Indeed, one could even claim that today there is nearly nothing but the unofficial sector left in Kinshasa, since only 5% of its population make their living in a way that can be documented by official documents.

The aim of this article, however, is to gather an overview about ‘official’ livelihood in Kinshasa, or at least of some sectors of it. Although the official data on the Congo had lost much of its relevance already during the era of *cleptocracy* of President Joseph Mobutu (president between 1965–1997), and then later during the civil war 1996–2002, and although questions have been posed on whether the African economies should at all be perceived in terms of Western economies (Latouche 1998), it is difficult for me to believe that any piece of quantitative data

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<sup>1</sup> Paper presented at the Nordic Institute of African Studies in September 2005.

would contribute to a picture about something else than the truth, at least a partial truth that we are condemned to be content with at this stage.

I will also tackle the question about the legitimacy of Kinshasa as the capital, since for many observers from the outside world, the Congo is a collapsed country on the verge of falling to pieces and the geopolitical location of Kinshasa on the western side of the vast country is disadvantaged in the internal competition of the provinces. This view also seems to be the basis for the proposal of the Transitional Government for a new Constitution. According to it, centralized control via Kinshasa would be diminished in favour of the different interest groups (for instance RCD-Goma<sup>2</sup> and UPC<sup>3</sup>), already exerting their power in the regional levels. At the present stage of the country's weakness, which is enforced by foreign invasions and domestic rebellions in the north-eastern part of the country, the new constitution seems to provide a pragmatic solution. But whether the idea of a move towards a federal state will ever work in practice is an other question. Indeed, what is less understood by the international community is Congolese nationalism, that paradoxically professes a particular fervour for the State and regards any idea of the 'balkanization' of the Congo as a threat that is being plotted by foreign manipulations. In fact, in their rhetorics, almost every party or political front in the Congo speaks for the unity and the *grandeur* of the country. (Englebert 2003: 5) In the same way, Kinshasa persists as the 'glorious capital', *Kinshasa-la-belle* (although nowadays called *Kinshasa-la-poubelle*, Kinshasa-the-rubbish-bin!), to which the connection of the regime of the Kabilas with Rwanda ('foreign conspiracy') provides a good enemy.

Hence, in this article I will try to show that, beyond the nationalistic and, hence, mythical ethos, there still is concrete basis for which Kinshasa remains vital for the Congo, both in an administrative as well as economic sense. A part of the data for this article was gathered during my own preliminary field work in Kinshasa in June 2005.

## 1. LIFE IN KINSHASA: MANAGING BETWEEN THE OFFICIAL AND THE UNOFFICIAL ECONOMIES

After many years of anarchy, a certain level of stability in the DRC has attracted foreign private sector enterprises to make investments, despite big security risks. The rate of economic growth has risen to 7%, after being 5% in 2003 and 3% in 2002 (J.A.I. Hors série 8. 2005: 203; ANAPI, www-document). The economic

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<sup>2</sup> *Rassemblement congolais pour la démocratie* was initially one of the main rebel groups fighting to overthrow President Laurent Kabila. Now it is represented in the Transitional government by the vice-presidency of Azarias Ruberwa.

<sup>3</sup> *L'union des patriotes Congolais* is a movement of Hema activists in Ituri.

growth is still invisible in the everyday life of the ordinary Congolese. In Kinshasa, only 5% of the population live from the so-called official economy that can be followed by any statistical terms. By official economy we mean here enterprises, their business and employees and the employees of the public sector. The overwhelming majority of the population get their livelihood from the so-called unofficial economy, that consists of different sorts of petty commerce, services, transactions and rotating credit associations called *likelemba* and *muziki*. Money is transferred by cash from hand to hand, since the DRC belongs to the world's least developed country in terms of the distribution of bank services. The volume of financial circulation is not known because an unestimated flow of dollars to Kinshasa's markets come from immigrants outside Africa. Approximately 34% of households receive some regular aid from a family member living in Europe or the US. (Nzuzi & Mbuyi 2004: 110)

The key word of livelihood in Kinshasa is *débrouillardise*, somehow making one's own way in order to survive. But one should not be mistaken by assuming that the unofficial economy would refer to an economy of transactions which is run parallel to the financial sector. On the contrary, the unofficial everyday economy of Kinshasa seems to be irreversibly monetarized as well. Moreover, just as the division between the official and unofficial economy is somewhat arbitrary and refers only to technical terms of measurement, it is equally difficult to draw straight lines between any social classes: traditionally the Congolese social structures have been known for their fluidity and absence of strict rules concerning marriages. In Kinshasa one can talk about the elites and the poor, but any other sort of social stratification is hard to define. This might be partly expected by the fact that during the era of Mobutu, the Congolese got used to a regime of a peculiar kind of quick-rhythmed favouritism, in which it was possible to get in favour with the dictator within a very short time period – as well as fall out of it. As an example of this, during his era of 32 years in power, Mobutu changed his government 27 times. In consequence, the Congolese got used to adapting themselves to dramatic economic changes: to sudden collapses as well as to arbitrary blessings given to some people for some reason. Partly this was also due to the shifts in the market prices of the country's natural resources: copper, cobalt, uranium, gold and diamonds. Nowadays the critical mineral is cassiterite, which is used in cell phones, and it is no coincidence that it is being found in the war areas of eastern Congo.

Ever since the times of the rule of the Belgian King Leopold II 1885–1905, the most striking feature of the Congolese economy is the amazing degree of *de facto* deregularization. And Kinshasa – at colonial times called Leopoldville – has always been the place from which to get the rubber stamp in order to realize any project in Africa's Wild West. Centralization of the administrative power in the

greatest metropole has persisted in the Congo, although elsewhere in Africa some changes have been made in order to change the capital: the capital of Nigeria is no longer Lagos but Abuja, and the capital of Tanzania is no longer Dar es Salaam but Dodoma. No such plans to rationalize the location of the capital (to make Kisangani the capital, for instance) have occurred in the Congo.

Today, Kinshasa is the place of the physical position of the Congolese government, the presidential office, headquarters of the government's armed forces (FARC), the UN mandate *Monuc* (*Mission des Nations Unies en République Démocratique du Congo*) and the headquarter offices of the State's diamond and copper companies Miba and Gécamines, as well as most of foreign enterprises. The combination of pride for the glory (*grandeur*) of the capital and extreme poverty, together with social flexibility and a curious atmosphere of tolerance make Kinshasa a surrealistic environment.

Therefore, it is difficult to write about Kinshasa. One is faced with the fact that terms of sociology refer in one way or another to an organized state. What, then, if the 'State' is almost non-existent? What is a 'public enterprise' if there is a long tradition of a personal liberty of embezzlement among the officials, to a point that in reality the enterprise is viewed as a private one? What is a 'hospital' in which the patient is supposed to himself buy the instruments with which he is going to be operated? (Persyn & Ladrière 2004: 67) What is a 'school' in which there are no pulpits neither chairs, and every morning the teacher brings along the classroom door? And finally, what is 'corruption' if people have got used to making their own personal moral judgment on the worth of any service? The saying *bongo nakolia yo*, meaning "or shall I eat you", is revealing: it is a defensive reply to a moral accusation as to how the speaker himself or herself earns his living (Bilakila 2004).

Still, during my stay I was touched by the way the people in Kinshasa still spoke about 'hospitals', 'schools' and the 'State'. For me, it proved a genuine will to create at least an 'as if' society. The lack of official law and order does not mean an absence of moral codes. Quite the contrary: moral issues are actively discussed. But it is tiring to live in a self-made society where every transaction of money or services has to be negotiated each time. In a horrible way, Kinshasa is a laboratory of human survival in a collapsed urban economy.<sup>4</sup>

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<sup>4</sup> Janet Mc Gaffey was one of the first to study the Congolese 'real economy', e.g. *Entrepreneurs and Parasites. The Struggle for Indigenous Capitalism in Zaire in 1987*.

## **2. THE STATUS OF KINSHASA (LEOPOLDVILLE) THROUGH HISTORY**

Kinshasa, which was named Leopoldville until 1967, was established by Henry Morton Stanley in 1881 as a trade station on the banks of the Congo River. The choice of the site was based purely on logistic reasons. From its very beginnings, Kinshasa has been a colonial creation.

In colonial times, the Congo, then called Belgian Congo, was a region with intense economical activity, although colonial rule in practice continued the purely exploitative patterns of Leopold II. After the assignment of the colony to the Belgian government in 1905, still quite little effort was made in order to develop infrastructures and administrative institutions. In parallel with the Belgian administration, the Congo actually became a multinational colony with entrepreneurs coming from many countries of Europe, Greece included. Later on, Leopoldville became a place where merchants from Lebanon carried out business. Trade flourished, but otherwise the vast colony of Central Africa on the whole was lagging behind in terms of education, health care, logistics as well as communication technologies.

It was not Leopoldville in the west but Elisabethville in the south-western mineral-rich area of Katanga that later on attracted most European merchants. At the beginning of the twentieth century, the whole south-eastern province of Katanga, especially with its capital Elisabethville, now called Lubumbashi, was one of Africa's most industrialized and urbanized regions with an important European settlement. Only South Africa, Kenya and Rhodesia had a more important population of European settlers.

Immediately after independence in 1960, the region of Katanga declared itself independent and fought an unsuccessful three-year war starting in 1960.<sup>5</sup> Ever since, the government in Kinshasa has been particularly sensitive about any secessionist attempts in the Katanga province and especially in its capital Lubumbashi. The production of copper and other industries has been lower in Katanga since the late 1980's, but there are still particular rivalries and tensions between Kinshasa and Lubumbashi, the latter being still the second largest city of the Congo. Lubumbashi is also more closed to the economically important market areas of eastern Anglophone Africa and the SADC area.

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<sup>5</sup> The secession of Katanga very soon became a conflict of the Cold War. At the beginning, the U.S. with its mining companies supported Katanga's attempts for independence because Patrice Lumumba, the prime minister (ultimately murdered), was feared because of his leftist ideologies.

But there are other potentialities than minerals: The Congo River, passing by Kinshasa and not Lubumbashi, is the world's second largest in terms of its flow and carries thus a huge potential for hydroelectric power. In a geopolitical sense, the prime asset of Kinshasa is undoubtedly its control of the energy supply to the rest of the country from the hydro-electric dam of Inga, which is situated some 225 km to the south-west. The Inga dam projects of the 1970's and 1980's, (Inga I, II, and III), financed mainly by the U.S., have been one of the biggest technological projects in the world.<sup>6</sup> A huge power line was built to transport the energy from Inga to Katanga's (then called Shaba) mines, smeltery and textile industry, in order to control whatever attempts to dissociate from the central government. The distance between Inga and Lubumbashi is 1,800 km, and the then called Inga-Shaba line was the longest high-tension line in the world at that time. (Willame 1986)

The country, rebaptized as Zaire in 1971, went through a voluminous nationalization programme in the late 1960's, which led to a massive emigration of tens of thousands of European settlers. The profits of the country's greatest mine companies, Gécamines and Miba, were embezzled by Mobutu and his ever changing favourites. The era of Mobutu meant a gradual economic collapse, which was overlooked, if not blessed, under the surveillance of the international financial institutions.

Despite his admiration for Mao at some stage, Mobutu was politically merely unideological. On one hand, he did have his politics of *authenticity* that aimed at some sort of Africanization of customs, dresses and names. It is possible to distinguish echoes of Léopold Sengor's *négritude* in the manner he spoke about 'Bantu cultures'. On the other hand, Mobutu was engaged with the West (especially the U.S., Belgium and France) and its economical interests for Zaire's minerals.

Mobutu's ideology of *authenticity* was vague and had no anthropological nor historical basis whatsoever. Still, it may have contributed to Congolese nationalism more than can be admitted at the present stage. The authenticity politics, at an attempt at rescuing a national ideology, might well have replaced some degree of ethnic identification in Zaire. Kinshasa at least, became an ethnic and cultural melting pot, where *style* in dressing and outlooks is highly valued to a point that some researchers have described Kinshasa as a 'narcistic city'. (de Boeck & Plissart 2004) Indeed it is amazing how, despite the misery, people in Kinshasa can still afford to pay attention to style, that admittedly is somewhat 'authentic', at least not completely imitated from the West! Being *Kinois* is a special source of pride and joy.

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<sup>6</sup> Inga also exports power to Southern African countries, including Zambia, Zimbabwe and South Africa.

As the Cold War came to a close, Mobutu was increasingly criticised by the West and left alone to manage Zaire's faltering economy. He spent more and more time outside of Kinshasa.<sup>7</sup> In 1986, Laurent Kabila's front from the east joined the protests to allow a multiparty system. In the late 1989 and early 1990, Mobutu was weakened by a series of domestic protests, namely the rebellions of his soldiers in October 1991 because of the non-payment of their salaries. Mobutu's remedy, left alone as he was, was to print more money, which only aggravated the country's hyperinflation. Since 1990, Zaire has experienced an extraordinary period of very high inflation – among the longest on record. From 81 percent in 1990, the inflation had risen to 2,155% in 1991, 4,129% in 1992 and 23,760% in 1994. (Sumata 2001: 15; Beaugrand 1997) By that time, the dollar became the real currency of the Zaire.

Mobutu was deposed by Laurent Kabila and his troops of AFDL (Alliance des forces démocratiques pour la libération du Congo-Zaire) in May 1997. During my stay I noticed an interesting feature in the time conception of the inhabitants of Kinshasa concerning the past: Instead of memorizing the change of the regime, people referred to the lootings of the angry impoverished soldiers and ordinary people in January 1993. In other words, it was the lootings (*pillages*), not the fall of Mobutu, that was perceived as the most critical event in recent history.

During the reign of Laurent Kabila the country fell deeper into a civil war that was mediated by five neighbouring countries. Concerning the economy, one of Laurent Kabila's remarkable changes was a monetary reform from the Zaire to the Congolese Frang in June 1998. Somewhat provocatively, the language of the bank notes was changed from Lingala (which is the lingua franca of Western Congo) to Swahili, the vehicular language of Katanga, where Kabila himself was born. Inflation was harnessed under control (it was 190% in 1997 and only 14% today) but dollarization has persisted until today.

The legitimacy of Katanga-born Laurent Kabila, and especially his army consisting of Rwandan and Congolese ethnic Tutsis, was not taken for granted in Kinshasa. A wave of lynchings of Tutsis broke out in September 1998, after the city had been virtually handicapped by the Tutsi rebels of Kabila's army, who had invaded the province of the Bas-Congo on the West and taken the Inga dam into their control for two weeks, hence disturbing the electricity supply to Kinshasa. (Tollens 2004: 47) During my stay I remarked that instead of talking of Tutsis, people talked of the 'Rwandan' presence or the 'Rwandans' in Kinshasa.

Laurent Kabila was murdered in January 2001, probably by one of the child soldiers, the *katoto* of his troops of AFDL who had marched with him to Kinshasa in May 1997. Ten days later, Laurent Kabila's close circles chose one of his sons, Joseph, then only 29, to continue with the presidency. Because of his young age

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<sup>7</sup> Especially at his palace in Gbadolite in the north-west of the country.

and non-authoritarian outlook, Joseph Kabila is still called *mwana*, 'the little one' and ironical jokes are being made about the Congo as a Kingdom of the *père et le fils*. However, in the eyes of the international community the reign of Joseph Kabila has gained acceptance because of his successful peace negotiations with the neighbouring countries and the internal armed rebel troops. Since 2002, the Congolese government and the UN mandate Monuc have been working in order to transform the contemporary peace agreements "into a long lasting solution".

The planned date for the nationwide election – the first free elections in the Congo's history – was once again postponed on the 30th of June 2005. Because of the deplorable state of roads in the Congo, at least a year is required in order to carry through the registration of the voters. But despite the backlashes and delays, the process has made progress. As mentioned above, in summer 2005 a new constitution passed by the National Assembly has been accepted by the transitional government. According to the new constitution, centralized control via Kinshasa would be diminished in favour of the provinces.

There are still many problems that cause particular tensions in Kinshasa. First of all, in an administrative sense, the present arrangement of power structure is complicated and confusing: There are four vice-presidents representing the major parties involved in the civil war, then there is the *International Committee to Accompany the Transition* (CIAT), and the *Independent Committee for the Elections* (CEI). Moreover, the whole transition process with the committees and a huge program of disarmament of rebels and veterans depends on aid from outside of the Congo: Foreign donors currently provide almost 60 percent of the Congolese budget, and just under 90 percent of funding for the country's upcoming elections.

Secondly, the absence of the opposition party *l'Union pour la démocratie et le progrès social* (UDPS) from the transition process cast a shadow on the credibility of the transitional government. According to a recent gallup made by Berci-institute, the votes for UDPS would score up to 36% of votes (Geslin 2005: 8).

Thirdly, in the eyes of the present international community, Joseph Kabila's reputation is positive, but in Kinshasa he suffers from his origins, that are perceived as being 'foreign'. For a long time, local rumours (called *radio trottoir*), have said that Joseph Kabila's real mother was a Rwandan. Lately, also his descent from Laurent Kabila has been questioned. (Boisbouvier 2005: 38) Whatever the truth is, the rumours reflect the fact that Joseph Kabila's legitimacy suffers from his remote origins and a lack of authority. The case is somewhat similar with Monuc, against which there were already demonstrations in January 2005. In my experience based on informal discussions, many people are of the opinion that Monuc is 'a foreign' mandate. At the present stage, there is no sovereign power in the Congo.

The legitimacy of Kinshasa, then, rests upon its control of energy, as well as upon its nature of being the centre of financial circulation in the Congo. To my observation, the time conception in Kinshasa is more based on the ups and downs of the economy than the political changes.

### 3. EVOLUTION OF LIVING CONDITIONS IN KINSHASA

The demographic explosion has contributed to the long-standing crisis in Kinshasa (*Table 1*). In numerical terms, the boom has been the greatest during the last 10 years. But already prior to that, Kinshasa had already become a multi-ethnic environment with no intrinsic ethnic stratification or hostilities (Nzuzi & Mbuyi 2004; Trefon et al. 2004) But the city has paid a hard tribute because of the different civil wars that have taken place in the Congo-Zaire since the 1960's, in the form of impoverished peasants from the countryside who have come to seek for better chances to make their livelihood. The virtual collapse of the nationalized ('zairianized') agro-herding companies in the 1980's and the 1990's has been the major cause of the rural exodus.

The communication networks to the countryside are not working normally because during the war the condition of the supply routes from the countryside became ever more deplorable. River transport nowadays supplies more than half of the capital's food supply. The abandoning of the agricultural sector, together with the effects of the civil wars and crisis in logistics, have lead to a situation in which every second person eats only once day and every fourth person only once within two days. (Tollens 2005: 47)

	Population	Annual growth
1959	442,422	2.5
1967	901,520	10.6
1976	1,748,000	8
1980	2,400,000	8
1984	2,664,200	2.6
1991	3,119,869	2
2000	6,062,000	3.6

*Table 1:* Population growth in Kinshasa (Nzuzi & Mbuyi 2004).

Normally in the impoverished cities, people survive by exploiting their plots on the outskirts of urban habitation. In Kinshasa, the lack of public transport makes it impossible for ordinary people to reach their small plantations. No wonder that some have defined Kinshasa as a 'mastodont', a species bound to die in extinction because of an anomalous growth of its dimensions.

Therefore Kinshasa has become an environment where survival without money is impossible. Most families have a monthly income of 50\$, and the poorest 30\$ a month (Tollens 2005: 48). There is some data available concerning

the history of the unofficial economy: During colonial times in 1953, 39% of the active population worked in the formal sector. On the eve of independence in 1959, the proportion of people 'working officially' had already dropped to 12.1%. (Nzuzi & Mbuyi 2004) In other words, the unofficial economy has been the major source of livelihood in Kinshasa since independence.

In addition to the Mobutist regime, the structural adjustment programs imposed by the IMF in the 1980's included the cutting down of the government's budget, which only impoverished the state that had never actually functioned. As an example, in 1987 the share of education in the government's budget was 6.2%, and only 2% in 1991. In 1996, the share had dropped to 0.77%. The realized shares of budgetary investments were 0.17% in 1987, 0.41% in 1991 and 0.073% in 1996! (Nzuzi & Mbuyi 2004: 130) The state of schools in Kinshasa is a catastrophe, which has long standing consequences for the future.

Contrary to what could be expected, given all the negative indicators, Kinshasa is still a relatively peaceful environment to live in. Only 12% declared that their neighbourhood was violent. (Nzuzi & Mbuyi 2004: 123)

#### 4. THE GREATEST STATE OWNED COMPANIES

##### Minerals

Gécamines and Miba were once the lungs of Zaire's economy, and they still have their headquarters in Gombe, the commercial and administrative section (*commune*) of Kinshasa. It is no wonder that the provinces of Kasai and Katanga, where the mining activities of these enterprises take place, have both developed secessionist movements.

Gécamines, the previous L'Union Minière de Haut Katanga (founded in 1906), was one of the world's greatest producers of copper until the mid 1980's. Miba (Minière de Bakwanga, founded in 1919) is a diamond company in the province of Kasai-Oriental which is still largely owned by the state, although it has additional shares controlled by De Beers and some other private companies.

Until the end of the 1970's, Gécamines provided 20% of the state revenues and around 60% of foreign exchange deposits. It collapsed in the 1980's, partly because of the fall in world market prices and partly because of Mobutu's *cleptocracy*. The condition of Gécamines has not recovered since the regime of the Kabilas,<sup>8</sup> but still struggles with its debts to the World Bank. No copper is being exported at the present stage. With Miba, the development has been far

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<sup>8</sup> The production of copper and cobalt has collapsed: as for copper, 9,369 tons in 2004, was still 440,848 in 1999 and as for cobalt 1,358 tons against 9,311 tons in 1999. (J.A.I. Hors série 8. 2005: 203)

more positive<sup>9</sup> with its annual growth of 32%.<sup>10</sup> The general trend of expectations from the mining sector is still very positive, since between June 2003 and March 2004, altogether 1,900 applications for research by North American, European and South African mining companies have been accepted.

### Electricity and water

The supply of water is a great problem in Kinshasa. Rédigeso (Régie du distribution d'eau et d'Electricité du pays) is a state run monopoly, that is dependent on government funds to finance maintenance and new investment. Its piping lines date back to the colonial period, and the technology has always been unable to maintain the needed pressure. In practice, people are forced to take night watches (*likelemba ya mai*) to keep their taps open in order to gather the water available, because during the day time there is not enough pressure. The quality of water is dubious and drinking water requires to be boiled for at least 30 minutes; this in turn causes a pollution problem since cooking is done with charcoal. Rédigeso is notorious for sending arbitrary bills and even confiscating pipelines that have been purchased by the customers. An estimated two million inhabitants of Kinshasa do not use Rédigeso's water but water from water springs on the hills of Kinshasa. (Mwacan & Trefon 2004) Undoing the monopoly of Rédigeso would at first sight seem a most efficient solution but few water concessions outside North Africa have prospered in private hands.<sup>11</sup>

*Société Nationale d'Electricite* (SNEL) domestically provides power to Kinshasa and even exports electricity to neighbouring African countries such as the Congo, Zambia, and the Central African Republic. For the last ten years, the company has experienced huge operational difficulties, especially regarding the distribution of electricity to the city of Kinshasa. Presently, Kinshasa's electrification rate is approximately 25%. This estimate only counts the paying subscribers: with illegal connections the rate may grow up to some 60%. (Nzuzi & Mbuyi 2005) In practice, the installations are overcharged, which means in turn a bad quality of the service rendered: a high number of disturbances and long interruptions in supply.

There is still an enormous potential in the Inga rapids not far from Kinshasa. In February 2005 the South African government's electricity company Eskom,

<sup>9</sup> Although the company is being charged for violations against human rights on the diamond fields.

<sup>10</sup> 19 million carats from artisanal production in 2004 against 15,6 in 2002. (J.A.I. Hors série 8. 2005: 203)

<sup>11</sup> The most important outside actors in developing the water distribution are the International Committee of the Red Cross, the European Union and OXFAM from Britain and Quebec.

which produces at the present stage more than 50% of the electricity produced in Africa, has presented plans to dam the lower Congo River in a giant scheme which would not only bring hydroelectric power to Africa but also to the Mediterranean countries (notably Spain and Italy) via a connector.<sup>12</sup> If that plan is realized even at its most elementary stage, it would tie Congo to the development of the SADC region, which is currently the fastest industrialising zone in sub-Saharan Africa.

## 5. PRIVATIZATIONS AND SOME EXAMPLES OF PRIVATE ENTERPRISES

As to the theme of privatizations, which is a central one in most countries of Africa, in October 2002, a Committee for monitoring the reform of public enterprises named as COPIREP was established to negotiate on the eventual privatization of the sectors of mines, energy, transports, telecommunications and finances. Its other important task is to revise laws that at the present stage do not allow privatizations. But apart from telecommunications, there was still little data available on any accomplished privatizations.

The Congo's employer organization *Fédération des entreprises du Congo* (FEC) was founded in the early 1970's and has its main office in Kinshasa. The FEC has now more than 1,500 enterprises (mostly small and medium-sized) as its members. Its origins go back to 1916, to *l'Association des Intérêts Industriels du Congo* (AIIC). Among others, the main functions of the FEC today are to "defend the interest of the enterprises" and to "strengthen harmonious relations with the public powers". According to its own information, the central bank of the Congo regularly consults the FEC on monetary issues.<sup>13</sup> Any registered enterprise is free to join the FEC but the membership fee constitutes a remarkable obstacle to small and even medium-sized enterprises. In sum, although COPIREP, ANAPI and the FEC are not strong organizations at the present stage, they still provide basic services for enterprises wishing to invest in the Congo – and what is more, in a legal way.

### Telecommunications

Paradoxically, Congo's backwardness in infrastructures contributed to a very fast development of mobile carrier operating systems on an African scale. At the end of the 1980's, the network was antiquated. Already in 1989, a mobile carrier

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<sup>12</sup> "Congo River dam to industrialise Africa and Europe" <http://www.afrol.com/articles/15754>.

<sup>13</sup> <http://www.fec.cd/presentation/impact.html>.

operating its own telecommunications system Telcel broke through. As early as 1993, the cellular telephone, then monopolized by Telcel, had substituted the wire line telephone very quickly. The telecommunications sector is an example of privatization, since the government's ONPTZ, (National Office of Zaire for Post and Telecommunications) was virtually wiped out; before that, the customers had stopped paying their bills. (Ganywa & Thsilombo 1999: 126–127)

Today in Congo there are about a dozen operators, of which the greatest are Celtel (multinational, British-Sudanese origin) and Vodacom (mostly South African-owned) with their almost 700,000 customers, each in competition in Kinshasa. As it is more expensive to phone to another operator, important government officials and businessmen normally have two telephones, one for Celtel and another for Vodacom!

### **Pharmacies and drug production: two cases of making one's livelihood in the official economy**

According to Peter Persyn and Fabienne Ladrière (2004: 67), the whole sector of health care is no longer perceived as a public service but as a free market commodity. A 'pharmacy' in Kinshasa is most likely just a kiosk which sells drugs. There are strict juridically defined conditions to establish a pharmacy, these conditions concern the education of the pharmacist as well as the storerooms, fridge and the outlet of the pharmacy. Nevertheless, according to an interview with Director Franc Mbiayi from the Health Ministry (3<sup>ème</sup> section), since 1933 the state has accredited 51 licences to pharmacies, and 45 of them are in Kinshasa.<sup>14</sup> Taken that there is a 'pharmacy' in every quartier, it is evident that more than 90% of the pharmacies are illegal, if the word has any relative sense in the local context.

One of the legal pharmacies is *Adjabu* in the commune of Lingwana, which is owned by pharmacist Françoise Mwanine. She finished her pharmaceutical studies at the University of Kinshasa in the middle of the 1980's and her parents helped her to establish her own pharmacy in 1987.<sup>15</sup> Most of the drugs sold at *Adjabu* are bought from India (Shalina, Mumbai, and Blue Cross Laboratoires) and South Korea (Chuo Dang Pharmaceutical) that are remarkably cheaper than European products. Still, she needs to have a large variety of marks since it is virtually impossible to sell generic drugs to customers in Kinshasa because the name of the product is very important. The domain of pharmacies and drugs is one of the most difficult issues of the local economy of Kinshasa: there is a huge market and no regulation. Many drugs that are being sold on markets are

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<sup>14</sup> Telephone interview on 9th June 2005.

<sup>15</sup> Interview on 8th June 2005.

counterfeit and thus even potentially poisonous. At the same time the morals of university-level education has deteriorated and, at worst, selling drugs has become just 'business as usual'.<sup>16</sup>

Another interesting example of a small-scale specialized entrepreneur is laboratory entrepreneur Mr Kelly Mubuala, who studied pharmacy in Liège and graduated in 1972.<sup>17</sup> After returning to Kinshasa, Mr Mubuala worked in a local pharmacy for a couple of years but then returned again to Liège to work as a pharmacist there in order to save money for his own business idea. In 1979, Mubuala returned to Kinshasa and established his own enterprise *Laboratoires K.M*, with high hopes to get loans from the government. Mubuala wanted to develop his own medicines as well as generic products: after all, the Congolese plants contain many pharmaceutical ingredients, and most of the plants exported from the forests of Amazon could easily be cultivated in the Congo. To his disappointment, Mr Mubuala got no help from anywhere. Despite that, Mubuala gradually imported the required laboratory equipment from Europe. Today the production of the Laboratoires KM includes 36 different products, of which 12 are generic medicines.

## 6. DIRECT INVESTMENTS

In a global economy each economical area is forced to compete for direct investments. Hence, the National Agency for the Promotion of Investments, ANAPI, was created in February 2002 in order to approve investments projects according to a unique system of an investments code and to help investors with administrative work to "eliminate harassments". The data collected by ANAPI offers some reliable data on the evolution of foreign investments that, at its best, gives us a glimpse on the so-called official economy.

According to the data available for the year 2004, altogether 114 projects were accepted and the total amount of direct investments was 2.12 milliard dollars. In volume, the greatest investment was that of the Ko Myung consortium (Congo Korea Telecom), with its of 1.67 milliard dollars for renovating and re-creating the fixed cable telephone lines in the DRC. When presented by nationality, the second greatest investors were the Congolese themselves, with 133 million dollars and altogether 42 projects in diverse fields. The British invested with 125 million dollars and 10 projects and Belgians with 92 million dollars and 5

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<sup>16</sup> "This (being a pharmacist) is a noble profession but those that come to the field nowadays are mostly businessmen without almost any knowledge of pharmaceuticals," Ms Mwanine complained.

<sup>17</sup> Interview on 7th June 2005.

projects. Lebanon is the fifth greatest investor with 47 million dollars and 15 projects. (Tables of ANAPI 1; 1.2 and 1.5.)

Of all the 114 agreed investment projects, 52 were agreed for Kinshasa only; in addition 18 concessions were granted to projects in which Kinshasa was mentioned as one of the places of business. As to the financial volume, of all the projects, 239 million dollars were invested in Kinshasa only. Thus, the importance of the capital is obvious in the investments, taken that the huge project of Ko Myung consortium is not registered for Kinshasa but to the State of the RDC.<sup>18</sup>

Of all the investments registered by ANAPI in 2004, there were 7,068 realised ('official') employments. (Table of ANAPI 1. Relevé du niveau de réalisation des projets agréés au courant de l'exercice 2004)

## CONCLUSIONS

*Kinshasa ne sera jamais New York.* That cliché, often heard in Kinshasa, is revealing. On one hand, it tells something about the ambitious drive of the inhabitants of Kinshasa to achieve one day the potential *grandeur* of the second largest city of sub-Saharan Africa. It proves that in the minds of the *kinois* Kinshasa *could* one day be something like New York. On the other hand, it reveals the overwhelming sadness about the miserable situation.

It is difficult to imagine a theoretical framework that would fit into a situation of a city surviving within an 'anti-state'.<sup>19</sup> After all, if only 5% live in an unofficial economy, the term 'unofficial' loses its sense. The colonial regimes of Leopold and the Belgians, as well as the era of Mobutu, were both marked by an extraordinary degree of private misuse at the cost of the general population. During the civil war 1996–2002 the diminished control of the state over its natural resources has favoured further the informalization and criminalization of the economy. Today, the real economy of the Congo is penetrated by global networks that operate on the margins of the law or outside the state structures, the enterprises exploiting coltan and cassiterite in the Eastern Congo being the worst example. Therefore, the information which is available in numerical terms about the economy in Kinshasa that I have gathered here does not give any overwhelming explanation for the miracle of life in a collapsed economy.

But stupid as it may sound, the Congo and Kinshasa still officially do exist. In the light of its history and the present institutional weaknesses, the Congo would have been expected to fall apart already. Instead, it betrays the expectations that the era of globalization would lead to a rise in new parochialism and local

<sup>18</sup> Unfortunately I couldn't get any summary concerning the investments prior to 2004.

<sup>19</sup> Some successful efforts to theorize the African 'anti-States' have been made on a general level, see e.g. Bayart et al., *La criminalisation de l'État en Afrique*. Éditions Complexe 1997.

identities. It is remarkable that none of the present political fronts is clearly secessionist. In other words, the ethnic salience has not transformed into ethnic self-determination. In this sense, Kinshasa might represent a proto-type of Congolese nationalism, in other words, a mini-Congo that may represent Congolese identity in the future.

The regional autonomy posed by the new constitution would not only weaken the position of Kinshasa but would also pose a challenge to the nationalistic ethos of the unified Congo. The ultimate fate of the new constitution depends on the elections that, according to the present timetable, will be organized in June 2006. In any case, it is probable the departure of the UN mandate Monuc will one day provoke a crisis.

In any case, Kinshasa will endure. Although somewhat unfortunately situated on the western brink of a vast war-driven country, Kinshasa is the capital of a country that throughout its history has had an important role in the world economy. In my opinion, the greatest and most realistic hope lies not in the peace process funded from abroad but in the plans of the South African Eskom to make a contract with the Congolese National electricity company of SNEL in order to fully exploit the Congo's potential energy supply. Economic growth requires stability, and stability is a condition of economic growth.

There is a common saying: *Mwana mobali basekaka ye te*, which means "Never make any guy a laughing stick" – because tomorrow he may surprise you with his success. The idea of transporting electricity from Inga as far as to Spain in 2005 is, as such, not more senseless than was the idea of Leopold to import ivory from the Congo into Europe in 1885.

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