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In Eastern Congo, economic colonialism in the guise of ethical consumption?



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By **Christoph Vogel and Ben Radley** September 10

The lush and rolling hills of Masisi territory, North Kivu province, Democratic Republic of Congo. (Pete Muller/Prime for The Washington Post)

The following is a guest post by Christoph Vogel and Ben Radley. [Vogel](#) is an [Independent Analyst](#) and a PhD candidate at the [University of Zurich](#). [Radley](#) is a Director for [Heartland Alliance](#) and a PhD student at the [International Institute of Social Studies](#).

When we think of the Congo today, we may think of bloody resource wars where women are being raped by armed groups to gain access to and control of the country's minerals. If we do so, it's because of the work of numerous NGOs, advocacy organizations, and activists such as the [Enough Project](#) or the "no blood in my mobile" campaign, who have been campaigning for several years to reduce conflict in the eastern Congo by "cleaning up" the region's mineral trade. The struggle against so-called "conflict minerals" has literally

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become, [borrowing Autesserre's words](#), a lopsided “dominant narrative” spanning policy discourses and practical engagement in the sector.

The most significant policy result of this work to date, [Section 1502 of the Dodd-Frank Act](#), was passed by the Congress and signed into law in July 2010. It requires companies registered on the U.S. stock market to report on an annual basis whether their minerals have been sourced from the eastern DRC or neighboring countries, and thus, potentially financing conflict. This has in turn led to recent announcements by electronics giants including Apple and Intel that more of their products will be “conflict-free” in the future. In the meantime, [a coalition of around 70 Congolese leaders and international experts argue that](#), in the Congo itself, the movement risks contributing to, rather than alleviating, the very conflicts it sets out to address. While not calling to keep transparency and regulation at the lowest level, their [open letter](#) urges governments, companies, and other stakeholders to carefully rethink and increase their engagement on the issue.

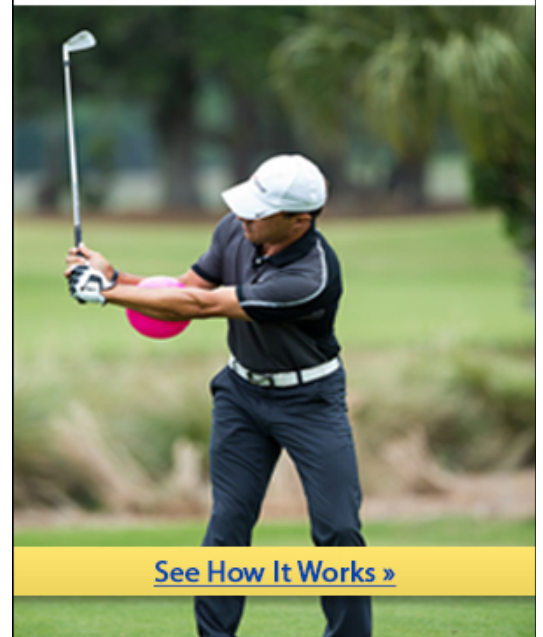
More than four years after the signing of the Dodd-Frank Act, only a small fraction of the hundreds of mining sites in the eastern DRC have been reached by practical measures emanating from Dodd-Frank legislation, such as supply chain traceability or mineral export certification. As of now, four areas (Nyabibwe, Rubaya, Lemera, and Nzibira) have been introduced into traceability schemes allowing for legal trade in tin, tantalum, and tungsten (3T) minerals. While they include around 30 mining sites, the overwhelming majority of mining sites (far more than 1000 across the provinces of North and South Kivu alone) has not become part of the bagging-and-tagging system iTSCi, put in place by the international tin industry body ITRI.

[The result is a de facto embargo targeting the lion's](#)

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[The result is a de facto embargo](#) targeting the non-

share of Congolese mining communities, while at the same time [violence and the presence of armed groups have not significantly decreased in the region.](#)

As other traceability schemes have not yet become operational, iTSCi (and its partner projects such as Motorola's "Solutions for Hope" initiative which seems to be engaging a little more constructively on the ground) represents the only legal way for Congolese to sell "conflict-free" minerals to international markets. Hence, a large part of the local mining economy remains ["beyond the pale, forced into either illegality or collapse as certain international buyers have responded to the legislation by going 'Congo-free.'"](#) Our own field work in 2013 and 2014 as well as academic research by others in eastern Congo has shown that, while only a small number of mining sites is de-facto controlled by armed actors, all players involved in the mineral supply chain are at risk of being captured – that is, taken over – by enduring networks of fraud and violent exploitation that want to retain a chance of selling their minerals. In a recent report, [Global Witness partly confirms](#) these tendencies with a particular focus on military involvement.

Worse still, as our recent field observations reveal, the economic situation in the four "clean areas" remains dire. In some sites prices have stagnated while others have experienced a loss of market competitiveness as the iTSCi system creates new costs and new bureaucratic requirements. Although ITRI usually maintains no more than a pseudo-presence in the sites – they deploy field staff that rarely if at all visit the actual mining sites – it deeply impacts the local economy. In response to ITRI's requirements, institutions change, creating a cash cow for both state and non-state actors involved in a myriad of additional,

semi-formal taxation systems that go mostly unregulated and uncontrolled on the ground. Then, beyond maintaining its access to mineral supplies, ITRI's employees are mostly busy with levying enormous fees from its local partners and preventing the scheme's competitors in the "traceability market" from establishing alternative systems.

All this has had a number of damaging consequences. Large numbers of Congolese miners have lost their jobs, with some joining armed groups as a way to earn a quick buck in the total absence of alternative employment opportunities. At the same time [the United Nations Group of Experts found](#) that the region's black market in minerals has been strengthened (and the Goma-based mining police is recently reporting heavy increases in trans-border fraud attempts), playing into the hands of the very mafia and rebel networks the campaign was attempting to starve of mineral revenue in the first place.

As if this was not devastating enough, the fluidity of armed movements in this area makes the validation of the "clean sites" very difficult. With militias (or their civilian-clothed friends and family) present in and around the mines, the validity of the "conflict-free" designation is often fluid over time, particularly given the delay between when a mine site is visited, validated, included into a traceability scheme, and later audited – all that taking months, if not years in some cases. Such delays are further complicated by an institutional cacophony of interests of international and local actors supposed to jointly validate sites. The additional industry audits, on their side, blatantly neglect local realities – among the sites included into the scheme so far, many raise [serious concerns about the credibility of the whole traceability effort](#). In certain cases, the presence of armed actors has not prevented ITRI from

including a site for the sake of quick business.

Hailed by numerous international stakeholders, the first years of implementing systems to create a market for “conflict-free” minerals clearly show the limits of such an approach. While it is already difficult as such – an argument often used by lazy and profit-oriented international industries – the implementation is further hampered by a few other factors: The same industry proposing to seek a clean market for Congolese minerals appears to be completely disinterested in local realities, including minerals’ actual “cleanliness,” as long as the market continues to function. Moreover, almost no corporate stakeholder – despite their [nicely publicised corporate social responsibility](#) policies – has visibly engaged in eastern Congo to help Congolese actors comply with regulations, improve labor security, or increase decent livelihoods. Most conflict minerals advocates have yet to address these shortcomings.

[ITRI’s bagging-and-tagging scheme](#) has – notwithstanding the costs it burdens onto local producers – neither developed a mechanism to prevent untagged minerals from entering the circuit, nor come up with a supply chain mechanism that fulfils the due diligence standards proposed by the OECD and UN. Instead, the industry-led traceability scheme currently serves more as an artificial price-control mechanism and a monopolization tool: the levy ITRI demands for each ton of tin is directly subtracted from the official selling price (which corresponds to the London Metal Exchange in the case of tin and to bilaterally negotiated prices for the non-listed tantalum). The net effect is that Congolese miners must pay the international tin industry for the right to sell their minerals with a tag that implies – but does not necessarily achieve – conflict-free status. As argued in a [forthcoming Social](#)

[Science Research Council](#) research paper, traceability also triggered a monopolization of the market at various levels of the supply chain: local producers are beholden to buyer monopolies within a closed pipeline. The choice they face is to sell at the artificially reduced, buyer-controlled price or to go “illegal,” meaning trespassing the iTSCi scheme.

Moreover, it remains unclear to what extent the Congolese mining industry is impacted in terms of production and exportation. ITRI does not publish any concrete statistics on DRC mineral production levels. Confidential records confirm that, for a time, ITRI even tried refusing to share its data with the Congolese government. This surprisingly secretive policy runs diametrically counter to any attempts to [increase transparency and accountability as repeatedly recommended](#).

With all this, the “conflict minerals” approach appears to arrive at a critical juncture, facing two possible futures. If the required improvements recommended in the letter and [brought forward by other researchers and analysts](#) are undertaken, a reliable and viable system ensuring more ethical products are produced and consumed and leading to improvements in the daily lives of the Congolese is possible. This includes first and foremost a [finer understanding of Congo’s mineral sector on the one hand as well as of underlying problems creating violence and instability](#) in the concerned region on the other. Alternatively, the movement risks descending into “green-washing” of the worst kind, whereby multinationals and others improve their public image, while in the Congo – the country on which this image is founded – no solutions are found, just new problems created.