African Affairs (2001), 100, 469–490

AMBITIONS, PROFITS AND LOSS: ZIMBABWEAN ECONOMIC INVOLVEMENT IN THE DEMOCRATIC REPUBLIC OF THE CONGO

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ABSTRACT

Accounts of recent Zimbabwean economic involvement in the Democratic Republic of the Congo (DRC) focus on commercial activities by military officials and political elites, and suggest that these groups' business interests precipitated Zimbabwe's involvement in the conflict. Such accounts obscure the real scope and extent of interest by the Zimbabwean business community in the DRC and ignore the historical context in which economic involvement has occurred, as well as the difficulties. Based on interviews with Zimbabwean entrepreneurs and government officials, this article analyses the circumstances under which entrepreneurs sought opportunities in a nation virtually unknown to Zimbabweans prior to 1997. It explores the effect of poor domestic economic conditions and previous Zimbabwean military involvement (but subsequent lack of business penetration) in Mozambique, on government and business resolve to exploit opportunities in the DRC. Further, it argues that military involvement was not initially motivated by profit. Rather, entrepreneurs followed military actors once military networks were in place, as entrepreneurs (and military personnel themselves) realized the commercial value of these networks.

ACCOUNTS OF ZIMBABWEAN ECONOMIC INVOLVEMENT in the Democratic Republic of the Congo (DRC) during the Laurent Kabila era in the late 1990s focused on the commercial activities of military officials and political elites, and suggested that the business interests of these groups both precipitated Zimbabwe's involvement in the conflict and constituted the bulk of trade. For example, in her recent book *Zimbabwe: The political economy of transformation*, Hevina Dashwood makes a statement representative of most scholars, the media and even the Zimbabwean public: 'Mugabe's widely unpopular decision in August 1998 to intervene in the conflict in the DRC . . . was motivated by the ruling elite's desire to obtain lucrative supply contracts and mining partnerships, as well as to protect existing investments.'[1]

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1. Hevina S. Dashwood, *Zimbabwe: The political economy of transformation* (University of Toronto Press, Toronto), p. 104.

In another example, an article in *The Daily Telegraph* stated that 'Zimbabwe's motive (for military intervention) has been the same as that of all those who have intervened in the vast, mineral-rich country, the dream of plundering its wealth'.[2]

Yet, the pace at which economic links developed, as well as the actual scope of trade relations (which extended well beyond military and political elites), suggest that a more nuanced understanding of the economic involvement is required. Prior to 1997 Zimbabweans were largely ignorant of the DRC market, yet by early 2000 there were multiple ventures and proposed ventures across many economic sectors, including by state-owned firms, small to medium private firms, and even small market traders.

Based on interviews conducted in Zimbabwe (Harare and Bulawayo) with entrepreneurs and government officials from October 1999 to March 2000,[3] this article analyses why entrepreneurs sought economic opportunities in a nation virtually unknown to them four years earlier, as well as who was involved and what the difficulties of doing business were. I argue that Zimbabwean economic involvement was a product of historical experience (Zimbabweans feeling that they had missed out on opportunities in Mozambique in the 1990s following their support for that government in its conflict with Renamo), general domestic economic decline (leading entrepreneurs to look to regional markets), and the creation of new government and military networks with the DRC (which entrepreneurs quickly exploited to facilitate commercial opportunities). In addition, I argue that infrastructure collapse within the DRC caused the Congolese to turn to southern Africa for imports, contributing to increasing economic ties between the two countries.

The article does not focus on the reasons for Zimbabwe's military intervention. However, based on my interview data I came to the conclusion that the Zimbabwe Defences Forces (ZDF) did not go to the DRC to make money (although this may well be the reason they remained). Briefly, I argue that the troops were sent for three reasons. First, President Robert Mugabe wished to assert himself as the premier leader within the Southern African Development Community (SADC), in particular with a view to upstaging Nelson Mandela who was half-way through his five-year (1994–9) term as South African President. Second, the SADC Charter includes a collective security provision stating that, in the event of a member being invaded, other members will come to its assistance,[4] rendering untenable suggestions that the DRC as a new member (joining in 1997) should not receive

2. 'Kabila is gone but diamonds are forever', *The Daily Telegraph*, London, 18 January 2000.
3. Interviews were held with approximately 20 small traders, entrepreneurs or managers from private firms and parastatals, and senior officials from ZimTrade and the Ministries of Defence, Industry and Commerce, and Foreign Affairs. Virtually all interviewees wished to remain anonymous.
4. Article 4 of the Declaration and Treaty of the SADC (1992).

support. After all, the SADC would be viewed as a very ineffectual organization if it could not protect its new members. Thus Mugabe wished both to preserve the integrity of the SADC and to demonstrate his resolve and importance to the organization by sending troops to the DRC. Third, Mugabe had lent Laurent Kabila several millions of dollars for his war effort against Mobutu. If Kabila lost power there would be no possibility of these debts being repaid.

However, the weight of evidence suggests that the latter was not a sufficient reason for Zimbabwe becoming *commercially* involved. Military intervention would presumably have ensured repayment of Zimbabwean loans simply by keeping Laurent Kabila in power (assuming that Kabila would both continue to have control of the state coffers and was willing to repay the debt). In addition, assuming military intervention was commercially motivated, this still does not account for either the many private and small-scale firms that became interested, or the scope and degree of efforts made by the Zimbabwean government to develop complex reciprocal trade ties. Therefore, I argue that neither initial commercial involvement nor the extent of economic relations can be explained solely, or even primarily, by military intervention.

A range of theories is required to illuminate the broader lessons of Zimbabwe's economic involvement in the DRC. First, work by scholars such as William Reno,[5] Mats Berdal and David Malone,[6] and Patrick Chabal and Jean-Pascal Daloz[7] that emphasizes the economic opportunities available as a result of weak regulation and 'disorder' in fragmented or conflicted states — and thus some actors' preference for a continuation of such conditions because of the profits available — may correct for some actors, but is probably overstated. The myriad regulatory obstacles, uncertain security, and rare profits experienced by Zimbabweans in the DRC suggest that a significant element of African business (including smaller companies and reputable international businesses, such as Air Zimbabwe) relies on a strong legal system and a state that can enforce this.

Second, the economic involvement of Zimbabwean political elites in DRC ventures suggests that theories regarding the 'criminalization'[8] of states may be pertinent in understanding the evolution of the Zimbabwean state in the late 1990s. In fact, such an approach seems misguided.

5. See, for example, William Reno, *Warlord Politics and African States* (Lynne Rienner, Boulder, CO, 1998) and *Corruption and State Politics in Sierra Leone* (Cambridge University Press, Cambridge, 1995).
6. M. Bendal and D. Malone, *Greed and Grievance: Economic agendas in civil wars* (Lynne Rienner, Boulder, CO, 2000).
7. P. Chabal and J. P. Daloz, *Africa Works: Disorder as political instrument* (James Currey, Oxford, 1999).
8. That is, 'the routinisation, at the very heart of political and governmental institutions and circuits, of practices whose criminal nature is patent', Jean-François Bayart, Stephen Ellis and Beatrice Hibou, *The Criminalization of the State in Africa* (James Currey, Oxford, 1999), p. 16.

Certainly, domestically, the inter-linked commercial dealings of the ruling party (ZANU-PF), entrepreneurial elites, and political elites, as well as clear instances of corruption, indicated some degree of systematic use of official positions for private gain.[9] Further, in the DRC, individual Zimbabwean military officials engaged in diamond smuggling, and ZANU-PF's commercial interests were cloaked in secrecy. However, there was no evidence that Zimbabwean state agencies (or political elites using these agencies) systematically engaged in *criminal* activities, such as drug smuggling, money laundering, theft of resources, or illegal arms trading. Even a 2001 United Nations report on the illegal exploitation of nature resources in the DRC offered no definition of illegality that could be applied to the activities of Zimbabwean state agencies.[10] Indeed, these agencies also relied on a certain regulatory framework. Thus based on its activities in the DRC, the Zimbabwean government cannot be said to be becoming 'criminalized'. However, such arguments do resonate with the DRC state. After all, it was Laurent Kabila who subverted the DRC constitution to award control of mining concessions to Zimbabwean-controlled joint ventures.

Third, the commercial relationships that developed between military officials and private entrepreneurs suggest that, in addition to commercial interest being a motivating factor for military actors to intervene in conflict, there are two alternative routes by which the military may become commercially engaged: (i) commercial actors may 'piggy-back' on military actors to exploit opportunities created by the conflict and intervention, thus drawing the military into commercial activity; and (ii) once involved, military actors may realize their monopoly of key sectors (such as transport and distribution) and extend their interests to commercial activity, even though profits were not the original reason for their intervention.

Finally, analyses of economic involvement in fragmented states by entrepreneurs and state actors from another state (such as Zimbabweans' involvement in the DRC) must combine an explanation of why conditions in the host state are preferred by certain actors (and here Reno, Berdal and Malone, and Chabal and Daloz are useful) with an analysis of class interests and inter-elite relations in the 'home' state. Hence, analysts must also conceptually 'disaggregate' the state by distinguishing (as Dashwood does) between the interests of political and bureaucratic elites, the military, different departments, parastatals, as well as political parties and their members and companies.

9. For a discussion of corruption scandals see Dashwood, *Zimbabwe*, pp. 99–103.
10. United Nations, *Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo* (United Nations, New York, April, 2001), pp. 4–5.

Diminishing trade

Since independence in 1980 trade between Zimbabwe and the DRC has declined steadily. Officially recorded exports to the DRC averaged around US$10 million from the late 1980s through to 2000, down from US$30 million in 1980. Even in 1999, at the height of government hyperbole about the new trade relationship, exports to the DRC totalled just US$8 million (Zimbawe's thirty-sixth largest export market for that year) and there were no recorded imports from the DRC. Zimbabwe was the DRC's fifteenth largest source of imports for that year.[11] This was a significant change from the colonial era when there were considerable trade links, particularly to burgeoning copperbelt markets. For example, during the 1920s and 1930s there was a thriving beef trade from Southern Rhodesia to Katanga.[12] Similarly, factories in Southern Rhodesia produced 'windmills, pumps, pipes, steel tobacco flues, boilers . . . sands and slimes plants, smoke stacks, steel ladders, twist drills and fan blowers' for Central African farms and mines.[13] Even during the era of sanctions against Rhodesia (1965–79), the DRC imported Rhodesian-made shirts and cigarettes.[14]

Following independence major instances of co-operation included purchases of electricity in 1992 by the Zimbabwe Electricity Supply Authority (ZESA) from the Société Nationale d'Electricité (SNEL), and dealings between the Zimbabwe Steel Corporation (ZISCO) and Gécamines (the state-owned copper-mining parastatal in Katanga Province, DRC).[15] In addition, the National Railways of Zimbabwe (NRZ) carried exports and imports to and from the DRC and South African ports following the closure in 1974 of the Benguela railway (which ran from Katanga through Angola to the Atlantic), and a small number of Zimbabwean technicians were involved in the DRC mining industry. However, economic relations were minimal, the Zimbabwean government even signing trade agreements with all its SADC neighbours and several other central and east African countries, but none with the DRC.[16]

When asked to explain this lack of trade, Zimbabweans invariably cited language differences as a key reason. Certainly in Zimbabwe, with the exception of a handful of whites, no one spoke French (the language of government administration and the educated classes in the DRC), and there were few opportunities or incentives to learn Swahili (the *lingua franca* of

11. IMF, Direction of Trade Statistics Yearbook, 2000).
12. Ian Phimister, *An Economic and Social History of Zimbabwe 1890–1948: Capital accumulation and class struggle* (Longman, London, 1988), p. 135.
13. A. Macmillan (ed.), *Rhodesia and Eastern Africa* (East Africa and Rhodesia Publishers, London, 1931), pp. 259–60.
14. Elaine Windrich, *The Rhodesian Problem: A documentary record 1923–1973* (Routledge & Kegan Paul, Boston, MA, 1975), p. 274.
15. Engel, *The Foreign Policy of Zimbabwe*, p. 378.
16. Engel, *The Foreign Policy of Zimbabwe*, Appendix 2.

commerce in eastern and southern DRC). However, it seems unlikely that language was significant in impeding trade, given the extent of ties during the colonial era, and the minor stampede to learn English in Lubumbashi as well as the rush on the *Alliance Française* in Harare in the late 1990s: trends precipitated by increasing ties, not vice versa.

Zimbabweans also argued that ignorance of the DRC economy was a factor in their prior lack of interest, yet this is despite the apparent complementarity between the two economies, in that Zimbabwe produces many of the goods the DRC must import. Virtually all entrepreneurs said they became interested in the DRC market in early 1998 or 1999, that is, in the Laurent Kabila period. They further explained that their interest was sparked as a result of increased media coverage of both Zimbabwe's military involvement and the DRC's general need for imports, or was due to personal contact with someone — often a military official — who had recently visited.

Officials in government departments and parastatals also argued that Mobutu's lack of support for black Zimbabweans in their struggle against the white Rhodesian forces and apartheid South Africa, made Zimbabweans reluctant to deal with the DRC prior to Mobutu's overthrow. A senior manager of a parastatal, who fought in the war of independence, remarked that 'Mobutu was a common enemy of (both) Kabila and us because he never aligned himself with liberation forces. He was on the other side.'[17] To be sure, Mobutu expressed and provided little, if any, support for liberation movements, especially leftist ones. Nevertheless, it is difficult to quantify this factor.

Factors contributing to new economic engagement

A repeated theme in all interviews was that Zimbabweans sought economic links with the DRC to avoid repeating the 'lesson' of Mozambique. During the 1980s Zimbabwe assisted the Mozambique government in its conflict with the insurgent group Renamo. Zimbabwean troops were critical in keeping open the 250 km railway linking Zimbabwe to the port of Beira on Mozambique's Indian Ocean coast. The 'Beira Corridor' enabled Zimbabwe to limit its dependence on networks through the then apartheid South Africa, but its importance to Mozambique and Zimbabwe made it a natural target for sabotage — hence the Zimbabwean troops.

The lesson for Zimbabwe was that, once conditions for investment in Mozambique stabilized following the peace agreement in October 1992 between the government and Renamo, Zimbabwean entrepreneurs reaped few economic benefits despite their government's prior support for the Mozambican government. Sam Zumbika, the Acting General Manager of NRZ, illustrated this point in explaining why NRZ became interested in closer co-operation with the Congolese National Railway Company (SNCC):

17. Interview, 1 December 1999.

> Naturally our military involvement made us more interested. Our memories were still fresh from Mozambique, where our government had helped Mozambique rehabilitate their railway, Zimbabwe's shortest route to the sea. But we were disappointed that South Africa took advantage of Mozambique's economic changes and liberalization and moved in. Zimbabwe had to take the initiative to ensure its entrepreneurs had access to the Mozambique market — but they didn't.[18]

Yet, despite the impact of the Mozambique experience on Zimbabweans, it is not clear how these notions that Zimbabwe 'lost out' actually became translated into government efforts encouraging entrepreneurs to focus on the DRC. Interviewees could not specify *who* felt they had missed opportunities, and no one said that they personally had had expectations of investing in Mozambique following the peace agreement. Nevertheless, respondents did explicitly link the government to efforts by entrepreneurs to get involved in the DRC:

> The Zimbabwe government, having learnt that the DRC imports almost everything, looked at what they could export as complementary products, or to be the sole supplier of, and gave advice to exporters; looked at trade and investment activities and undertook orientation seminars on the opportunities there.[19]

The government also organized a trade mission to Kinshasa in March 2000, comprising officials from the Ministry of Industry and Commerce, ZimTrade (a national association of exporters that promotes Zimbabwe industry), various chambers of commerce, and individual entrepreneurs.

Zimbabweans' inability to capitalize on opportunities in Mozambique was not simply due to greater South African aggressiveness. Numerous interviewees described how the Zimbabwean business class focused on the domestic market and was affected by a 'risk-averse syndrome'.[20] Zumbika of NRZ described this with characteristic clarity: 'There is a scramble in DRC for business and markets, and it is no secret that Zimbabwe wants a stake. (But) business people here in Zimbabwe are shy. They want to go into a mature market.'[21] Clearly entrepreneurs did not boldly follow their military to the DRC. Rather, the government prodded and educated an initially timid private sector.

This sense that Zimbabweans had missed out on opportunities in Mozambique and were risk-averse was strikingly absent from interviews with *white* entrepreneurs, many of whom invested in Mozambique (in agriculture, fishing, tourism, timber and mining) during the 1990s even as South Africans moved in. Further, contemporary white business culture

18. Interview, 21 December 1999.
19. Interview with Mike Chivhanganye, former trade attaché to the DRC, 6 March 2000.
20. Chivhanganye, 6 March 2000.
21. Interview, 21 December 1999.

could hardly be regarded as risk-averse. White entrepreneurs' experience of sanctions during the Rhodesian era was instrumental in their evolution into a freewheeling business class adept at circumventing regulations and making money from high-risk high-profit ventures. The Rhodesian government, like the government in apartheid South Africa, partly encouraged such behaviour by turning a blind eye to sanctions-busting schemes that, in many cases, were organized by the state itself.[22]

Changing domestic conditions in Zimbabwe were a significant factor in the commercial interest in the DRC. The adoption of a World Bank Economic Structural Adjustment Programme (ESAP) in January 1991 was the initial catalyst for the growing interest of entrepreneurs in export markets as it reduced barriers to imported goods, exposing producers to greater competition and removing implicit subsidies. Indeed, in 1992 as a combined result of the ESAP and a severe drought, real GDP declined by almost 6 percent. In 1995 the Matabeleland Chamber of Industry also reported that ten large companies and many smaller ones closed down or reduced their operations in Bulawayo alone (a key industrial centre) as a result of competition from imports (and drought).[23] John Mangudya of ZimTrade expressly linked firms' motives in pursuing opportunities in the DRC to conditions following the ESAP:

> Within Zimbabwe the small to medium guys are being squeezed out. Thus they are being forced to look outwards. Big (private) Zimbabwean companies, in contrast, think that the margins are too low, that there is too much risk. Big (state-owned) companies like the Agriculture and Rural Development Authority (ARDA) are game because of political motivation.[24]

Thus, no longer protected from competition, entrepreneurs in sectors most affected by the liberalization, such as manufacturing and transport, looked to regional markets.

While the economy experienced solid growth from 1996 to 1998, military involvement in the DRC from August 1998 eventually caused a host of problems. Of course, many of these were precisely the result of the state's allocation of scarce resources (such as fuel and foreign exchange) to its DRC campaign. However, developments surrounding the parliamentary elections in June 2000, particularly government-sponsored violence against the main opposition party, contributed to the economic crisis, including reduced investment and a 66 percent decline in tourism earnings from 1999

22. See, for example, Jorge Jardim, *Sanctions Double-cross: Oil to Rhodesia* (Intervencao, Lisbon, 1978), and E. Windrich, *The Rhodesian Problem* (Routledge and Kegan Paul, London, 1975).
23. Economist Intelligence Unit, *Zimbabwe Country Report* (EIU, London, 1996).
24. Interview, 8 March 2000.

to 2000.[25] Further, the government's on-going campaign to appropriate and redistribute commercial farmland was accelerated during the election period in an attempt to attract votes for ZANU-PF. The resulting uncertainty caused a 19 percent plunge in the stock market in May 2000, as well as diminished agricultural production as squatters occupied hundreds of commercial farms. These events combined to create a dismal set of conditions, culminating in the economy contracting by 0.5 percent in 1999, and 6 percent in 2000.[26] Of course, much of this occurred one or two years after entrepreneurs first explored opportunities in the DRC. However, the combination of conditions increasingly led entrepreneurs throughout the late 1990s to view the apparently easy entrée into the DRC market on the back of government-negotiated access as a strategy for survival.

Diminishing returns on investments in some sectors also led entrepreneurs to look elsewhere for opportunities. Washington Mhlanga, the metals division manager for the Minerals Marketing Corporation of Zimbabwe (MMCZ), explained why his organization looked north:

> In regard to copper, reserves in Zimbabwe have pretty much been depleted and the quality of the remainder is declining . . . However, as MMCZ has a history of supplying a good product and of having good customers worldwide, we want to continue supplying copper, hence it was natural to look at the DRC.[27]

Thus a combination of factors, including domestic economic issues that were looming before the ZDF went to the DRC, led entrepreneurs to search for regional export and investment markets. This trend coincided with the opening of opportunities for Zimbabweans in the DRC.

The establishment of military networks from Zimbabwe to the DRC created new opportunities for business. This was particularly the case for entrepreneurs who already had contacts with state or military officials, or who already supplied the military with food, clothing, equipment and armaments. As one entrepreneur explained, 'All our contacts (with the DRC) are made through our army guys. They said that there are opportunities there as there is no manufacturing, so if business people are not scared, they should go to DRC and find out what is possible.'[28]

The security and efficiency of military networks led other entrepreneurs also to seek out military partners in order to take advantage of these networks. Mangudya from ZimTrade explained: 'After the military became involved in the DRC people started to think "Why don't we make the jump and exploit the situation?" '[29] Similarly, ZDF officials, realizing their near-monopoly in

25. EIU, *Zimbabwe Country Report* (EIU, London, 2000).
26. EIU, *Zimbabwe Country Report*.
27. Interview, 15 December 1999.
28. In conversation, 20 March 2000.
29. Interview, 8 March 2000.

efficient distribution networks within the DRC, established commercial units and engaged in business.[30] These networks became even more valuable as the conflict spread and forced commerce to concentrate around trunk routes and airports controlled by the ZDF.

The manager of a Harare-based trading company offered a typical story of an enterprise working with the military. From January 1999 his company exported chemicals for processing mineral ores to Lubumbashi. Having learnt through counterparts of opportunities in the minerals sector, his company diversified into purchasing diamonds from the DRC and then became interested in gold. The company transported diamonds by air to Zimbabwe through Lubumbashi airport, which was guarded by the ZDF, and used military personnel as a cover to avoid Congolese customs. The company worked with one particular officer who received a commission of 5 percent of the diamonds' value for his service.[31]

In another example, Mhlanga of MMCZ argued that 'One cannot really separate the military activity by Zimbabwe in the DRC from our business, because opportunities were created'. Having described the difficulties of doing business, and subsequently being asked why his organization persisted, he continued:

> We are already there. We can contact the Zimbabwean army for security. As a parastatal and an arm of the Zimbabwean government, our security can be facilitated through the Zimbabwean army providing protection for us. But over time we can benefit — like South Africa in Mozambique. By being there first.[32]

Military networks also became invaluable to entrepreneurs hoping to supply the Congolese Armed Forces (FAC). One Harare-based entrepreneur who dealt directly with the FAC provincial commander in Katanga (who had the authority to purchase supplies), explained how military contacts were a stepping stone to other ventures:

> We realized that it is difficult to do business in the DRC, and that we could not compete on price — until our soldier friends in the Congolese army came back and said 'supply us with uniforms, boots, food' . . . So we sent a container of rain jackets as a test — worth US$50,000. When (the commander) saw that we could deliver before we had been paid, he accepted the shipment and paid in US dollars. So it was from that relationship that our business in the DRC began.[33]

30. For a chart outlining the links between Zimbabwean military and political elites and commercial ventures operating in the DRC, see *Africa Confidential* **41**, 11 (26 May 2000), p. 2.
31. In conversation, 13 December 1999.
32. Interview, 15 December 1999.
33. Interview, 20 March 2000.

Thus entrepreneurs previously faced with the daunting prospect of establishing contacts or expanding an existing business, had a ready 'friendly' (military) network to turn to. These networks reduced the transaction costs of doing business for private entrepreneurs, by enabling them to avoid the costs associated with establishing a business network.

The availability of greater profits in the DRC, as a result of war and insecurity, was also a factor in entrepreneurs' decisions to pursue opportunities there as opposed to elsewhere. Gorden Shava, director of a medical products and general trading company, explained that 'things are normal somewhere like Kenya, but in the DRC we thought there would be no competition'.[34] Another entrepreneur explained that, as conflict had disrupted local production, there was an opportunity to make great profits supplying goods in high demand, but normally produced within the DRC. When asked what goods he had in mind, he exclaimed 'in Mbuji Mayi one egg costs one US dollar — can you imagine that?'[35] While his price estimate may have been inflated, it had a concrete result: his company undertook a marketing trip to ascertain what opportunities were available.

The decline and collapse of infrastructure within the DRC also contributed to increasing trade relations. The populated areas of the DRC have long had closer commercial links with neighbouring countries than with Kinshasa, the capital, and the transport networks emanating from it.[36] However, since the mid-1990s visitors to the DRC and occasional media accounts have reported the virtual total collapse of critical riverboat and road networks. In the case of East and West Kasai Provinces (which previously received many goods by river and rail from Kinshasa through Ilebo), this necessitated a reorientation towards Katanga Province in southern DRC. However, Katanga itself became overwhelmingly reliant on transport networks from the south.

Entrepreneurs in the DRC also considered Zimbabwean products to be good value, and this was a key factor in increasing trade. A Lubumbashi supermarket operator explained her surprise at discovering that Zimbabwe produced suitable quality products 'cheaper than South Africa!'. Kikayi Bin Karubi, the DRC acting ambassador to Zimbabwe, also remarked that Congolese visiting Zimbabwe were impressed with local industry and agriculture and increasingly turned to Zimbabwe suppliers as their first option, instead of South Africa, Belgium or France.[37] Thus simultaneously with the Zimbabwean government's efforts to interest entrepreneurs in the DRC, Congolese in East Kasai, West Kasai and Katanga increasingly looked south.

34. In conversation, 6 March 2000.
35. In conversation, 7 March 2000.
36. Jeffrey Herbst, *States and Power in Africa: Comparative lessons in authority and control* (Princeton University Press, Princeton, NJ, 2000).
37. In conversation, 21 October 1999.

Who is doing business in the DRC?

Zimbabweans undertaking commercial activities in the DRC during the Laurent Kabila era came from across the economic spectrum. Indeed, notions of 'getting rich in the Congo' had remarkable penetration into the general business population. However, the most economically and politically significant projects were the work of political and entrepreneurial elites. For example, ZANU-PF companies were partners in key projects (see below), as were senior state officials (whether in an individual private or official capacity). The precise role of these elites remains unclear, however, due to secrecy surrounding their (and ZANU-PF's) interests.

The most prominent individuals doing business in the DRC — those who made the media — were rich entrepreneurs with close links to the ZANU-PF inner circle. For example, Harare-based transport magnate Billy Rautenbach, whose family had a track record of assisting Mugabe's government,[38] became chief executive of Gécamines. His company Ridgepointe Overseas Developments Ltd secured transport and supply contracts with Gécamines and eventually managed several of Gécamines' mines (see below). Rautenbach was a close associate of Emmerson Mnangagwa, the Zimbabwean Minister for Justice, Legal and Parliamentary Affairs, who was also in charge of Zimbabwe's military operations in the DRC.[39] Other such entrepreneurs include John Bredenkamp (who also helped the Zimbabwean and DRC governments obtain military supplies and financing for mining projects),[40] Jayant Joshi (managing director of ZANU-PF's commercial arm, Zidco Holdings),[41] and Kamal Khalfan (the Omani Consul in Harare, and a partner in the Oryx Diamonds venture — see below).[42]

An elite group of senior black Zimbabweans in government positions and parastatals also played a key role, both privately and in their official capacity, in state-sponsored projects. For example, the General Manager of the Zimbabwe Minerals Development Corporation (ZMDC), Isaiah Ruzengwe, is one of four shareholders of Osleg (Operation Sovereign Legitimacy) — officially the commercial unit of the ZDF but in reality privately owned. The other three shareholders are the Permanent Secretary of the Ministry of Defence (Job Whabira), the Commander of the ZDF (General

38. An acquaintance of Rautenbach's explained that during the Renamo insurgency in Mozambique, the Rautenbachs were key trucking operators on the 'Tete Gun Run' from Zimbabwe, across Tete province in Mozambique, to Malawi (a major trading partner of Zimbabwe). The route was notorious for ambush attacks on convoys, and the Rautenbachs' ability to keep the freight flowing earned them a fortune and also endeared them to Mugabe.
39. *Zimbabwe Independent*, 'Mnangagwa in charge of DRC operations', Harare, 26 November 1999, p. 2.
40. *Africa Confidential*, 'Rhodies to the rescue', **40**, 22 (5 November 1999), p. 5.
41. *Africa Confidential*, 'Soldiers of misfortune', **41**, 18 (15 September 2000), p. 7.
42. *Africa Confidential*, 'Glittering prizes II,' **41**, 12 (9 June 2000), p. 8.

Vitalis Zvinavashe), and the Acting General Manager of the Minerals Marketing Corporation of Zimbabwe (Onesimo Moyo).[43]

However, it was perhaps military officers stationed in the DRC and cognizant of the opportunities and resources at their disposal, who were the first group of Zimbabweans to engage comprehensively in commercial activities. In some cases this involved fulfilling the military's demand for supplies, such as the air cargo firm owned by ZDF commander Vitalis Zvinavashe that won transport contracts from the ZDF.[44] Other officers also engaged in private business. An example of the latter is the brother of Vitalis Zvinavashe, Colonel Francis Zvinavashe. While 'Colonel Francis', as he was known in Lubumbashi, was officially involved in the ZDF's commercial ventures in the DRC,[45] two Lubumbashi middlemen also outlined to me the ventures they had privately engaged in with him.[46]

Business partnerships such as that between Colonel Francis and these middlemen were mutually advantageous. Military personnel had access to military transport networks as well as direct links to the highest Congolese and Zimbabwean political officials, links which they used to obtain, for example, exemptions from customs duties and political support for specific ventures. On the other hand, Lubumbashi middlemen had local knowledge and contacts on the ground, essential for recruiting labour, over-seeing transport, and paying-off local officials.

However, most Zimbabwean entrepreneurs worked for Harare-based, black- and white-owned, medium-sized enterprises, with small offices, perhaps one factory, and several trucks at their disposal to transport goods (if not using a contractor). This is in keeping with Mangudya's observation that it was small and medium-sized businesses that sought out regional markets. Typically, these firms undertook a marketing mission in early 1999, delivered one or two loads of goods later that year, but then experienced some problem (usually non-payment), resulting in their withdrawal. However, as of May 2000 the interest of these firms remained strong, and they maintained their contacts in Lubumbashi or with MIBA (the DRC diamond mining parastatal) in Mbuji Mayi, in the hope that the business environment would improve and they would receive outstanding payments.

The only large Zimbabwean firm with substantial operations in the DRC during this period was First Banking Corporation (FBC), which opened a Lubumbashi branch in mid-2000 and planned to open another in Kinshasa.

43. *The Standard*, 'ZDF chief in DRC mining ventures', Harare, 26 September–2 October 1999, p. 1. If Osleg was truly a parastatal its only shareholder should be the Reserve Bank of Zimbabwe.
44. *Saturday Star*, 'Zimbabwe top brass have vested interests in DRC war', Johannesburg, 1 April 2000, p. 5.
45. *The Herald*, 'Friends, relatives pay last respects to Zvinavashe', Harare, 21 March 2000, p. 4.
46. In conversation, 14 February 2000.

Two ZANU-PF-owned firms (the party's commercial arm, Zidco, and Africa Resources) had substantial stakes in FBC.[47] Webster Rusere, in charge of its DRC operations, explained that FBC focused on commercial banking and became interested in this because of the growing market to assist entrepreneurs who lacked a reliable financial institution, although the sheer size of the Congolese market was also attractive.[48]

Individual traders with limited resources, often women, also trekked steadily to Lubumbashi. The *Zimbabwe Independent* carried a story of 78 members of the Nkulumane Development Association (all women), mostly civil servants or housewives, who 'pooled their resources to hire a lorry to ferry their merchandise . . . to the DRC'.[49] The trip was a failure: after travelling overland from Zimbabwe, the women had difficulty both in getting customs clearance at the Zambia/DRC border and in transporting their goods on to Lubumbashi (they eventually turned to the ZDF for help with this). On arrival in Lubumbashi they were provided with five-star accommodation by the Governor's office, but were told the next day that they had to meet their own expenses, and as they could not they were thrown out of the hotel, with some of their goods being stolen in the confusion. Finally, they found it difficult to sell much of their merchandise at a price above their initial investment. Members of the group described how 'they had been fooled into believing that their merchandise would make a killing for them in the DRC where commodities were scarce'. As to *who* fooled them, they held the organizer responsible, their Member of Parliament and the Minister for Home Affairs, Dumiso Dabengwa, who organized and financed the venture.

Another story of an individual trader with modest resources but entrepreneurial drive, was that of an ill-fated ex-police officer from Bulawayo. Inspired by tales of riches, the woman retired from the force and used her retirement package and savings to buy foodstuffs and transport them to Lubumbashi (where I met her in January 2000). A local businessman offered to store her goods, but having taken possession of them then disappeared. Unwilling to leave without recouping some of the costs (her life savings), the woman spent four months in Lubumbashi living off the goodwill of visiting fellow Zimbabweans. Eventually she tracked the businessman down, and on Christmas Day 1999, using religious goodwill as a ruse to enter his house, proclaimed her poverty and asked to share his meal. Invited inside, the woman tackled him, tied him up, and got a neighbour to fetch the police. The man was arrested and the case is now going through

47. *Africa Confidential*, 'Glittering prizes from the war', **41**, 11 (26 May 2000), p. 2.
48. In conversation, 22 March 2000.
49. *Zimbabwe Independent*, 'Business trip to DRC sours for Bulawayo women', Harare, 22 October 1999, p. 3.

the courts. (In February 2000 the case was in progress and the woman was optimistic of a partial refund.) What is surprising is that someone who is not a trader by occupation, was willing to give up a secure position in the public sector and expend all her financial resources on a risky business venture in a country she knew little about.

The support of 'middlemen' based in Lubumbashi was critical to Zimbabwean ventures. Middlemen were invariably long-term expatriate residents, typically carrying Greek, Belgian, Indian, Lebanese, or Pakistani passports. Most had a storefront in Lubumbashi where imported foodstuffs and some consumer goods were sold, but they were also involved in the currency, diamond and gold black markets, and worked opportunistically to broker deals between producers (such as in Zimbabwe or South Africa), transporters, and local retailers. These middlemen shared certain skills and attributes, such as the ability to speak several languages (including English, which enabled them to work directly with Zimbabweans), many years' experience doing business in the DRC, an ethnic-based network of fellow entrepreneurs in Lubumbashi, Kinshasa and Mbuji Mayi, another network of national and provincial government officials, and bank accounts in South Africa and Belgium.

While much of this discussion has focused on individual entrepreneurs, significant commercial activity was also undertaken by Zimbabwean parastatals. Parastatals that had ventures in the DRC included the previously mentioned ARDA, MMCZ, ZESA, ZISCO, ZMDC and NRZ, as well as the Forestry Commission, Zimbabwe Defence Industries (ZDI) and Air Zimbabwe. Managers for most of these parastatals asserted that they had managerial independence from the state, but also admitted to experiencing government and client pressure to undertake ventures in the DRC. For example, Mhlanga of the MMCZ explained that traders and end-users in copper were 'already getting minerals from the DRC and their supplies were interrupted by the war. Their hope is that with the new Zimbabwean relationship with the DRC, MMCZ as a Zimbabwean parastatal can assist them to continue receiving supplies.'[50] However, while NRZ and MMCZ had made some profits, most ventures were still at the planning stage. ARDA had the most ambitious scheme: in conjunction with the DRC Ministry of Reconstruction, it was allocated 500,000 hectares for cropping and livestock programmes.[51] Clearly this type of investment is long-term, but there are enormous logistical, financial and natural (climatic) hurdles to overcome before such joint ventures become a reality on the ground.

50. Interview, 15 December 1999.
51. *Zimbabwe Independent Extra*, 'Farmers keen on Arda/DRC project', Harare, 19–25 November 1999, p. 8.

Overview of economic involvement

Reports of Zimbabwean involvement in the DRC have invariably focused on mining. Such a focus was warranted given the scale of the planned projects, the novelty of a white Zimbabwean transport operator becoming head of a DRC parastatal, the rapid and palpable commercialization of ZDF interests, and the compromising of DRC sovereignty by several mining ventures. Nevertheless, while less significant politically, trade in manufactures, agricultural products and a burgeoning transport sector occupied many more Zimbabweans. Unfortunately, while entrepreneurs attested to the extent and importance of trade, Chivhanganye (the former trade attaché) cautioned that much of it went unrecorded. Furthermore, data on activities such as supplying goods to the ZDF and FAC were classified and unavailable to the public. Without such data a discussion of Zimbabwe-DRC trade must therefore focus on the type of goods that were traded, rather than on volumes and value.

The first Zimbabwean goods exported to the DRC in any quantity were probably military supplies. As early as 1996 Mugabe donated US$5 million to Laurent Kabila to finance his rebellion against Mobutu, and just prior to Kabila's entry into Kinshasa ZDI concluded a US$53 million deal to supply his forces with food, uniforms and weaponry.[52] ZDI remained at the forefront of this trade until mid-1999 when it withdrew because of unpaid debts. It subsequently lost most of its market share to competitors from Bulgaria, Romania and the former USSR.

According to entrepreneurs, food products were a significant component of exports, including maize meal, rice, sugar, frozen beef, frozen chicken, eggs, kapenta fish, cooking oil, mopane worms, peanuts, vegetables and fruits. Most of these products were shipped by truck through Zambia to Lubumbashi, then, if destined for Mbuji Mayi, loaded on to trains for the final journey. One entrepreneur also negotiated with MIBA to supply day-old chicks, hatched outside Harare then flown to Mbuji Mayi for rearing at MIBA's farm. Non-food items were also exported, including clothing, household consumer goods (such as toothpaste, washing powder and soap), cement, storage sacks (for maize and cement) and industrial chemicals.

Not surprisingly in a country where transport was one of the biggest obstacles to trade, Zimbabwean trucking companies, such as Truck Africa and Billy Rautenbach's Wheels of Africa, established a presence in the DRC market. (Wheels of Africa was already a significant player in southern Africa, and controlled an estimated 75 percent of the Zimbabwean haulage market.)[53]

52. 'Inside Zimbabwe Inc.', *Zimbabwe Infoline*, 2 October 2000, p. 4. On-line at http://site.mweb.co.zw/infoline/newsflash02oct.htm

53. *Financial Mail*, 'Ventures into the Interior', Johannesburg, 28 May 1999, pp. 58–60.

In regard to rail, NRZ carried copper ore produced by Gécamines to Durban. Prior to the outbreak of the second conflict in 1998, tonnage from the DRC accounted for a mere 3.5 percent of total tonnage (12 million tonnes per annum) carried by NRZ. This traffic virtually halted during the chaos of Kabila's takeover, but recovered to approximately 2 percent of NRZ's total tonnage by late 1999.[54] A 1999 agreement between the MMCZ and Gécamines also involved using NRZ to ship copper ore to the Mhangura copper refinery north of Harare for processing. (This venture rescued the refinery, which otherwise faced closure due to declining domestic stocks of copper ore.)

Aviation companies also entered the DRC market. Air Zimbabwe established a Harare-Kinshasa service in October 1999, and negotiated a joint venture with Lignes Aériennes Congolaises to share costs on this route. Air Cameroon, which formerly had a Kinshasa stopover on its Harare-Douala route, had its stopover rights summarily revoked once Air Zimbabwe began its service, clearly in order to protect Air Zimbabwe from competition. Other air transport firms operating in the DRC included the previously mentioned Zvinavashe Transport, and Avient Aviation which transported equipment and mining technicians from Zimbabwe to Mbuji Mayi, and was part-owned by ZANU-PF's Zidco holdings.[55]

Despite the publicity given to mining ventures, including joint ventures between the commercial units of the ZDF and the FAC, they yielded few profits and experienced many difficulties.[56] Though it is not the purpose of this article to discuss these activities in detail, it is worth outlining what they involve. Billy Rautenbach's appointment as chief executive of Gécamines (appointed November 1998, replaced March 2000)[57] heightened general Zimbabwean interest in the DRC. His involvement with Gécamines actually pre-dated Laurent Kabila's arrival to power, Wheels of Africa having held transport contracts since the 1980s to ferry processed cobalt ore to South Africa.[58] However, as recounted by a long-term resident of Lubumbashi, Rautenbach's personal relations with Laurent Kabila can be traced to the immediate post-Mobutu period when he donated vehicles to Kabila's forces as they swept across the country in early 1997.[59]

Whether as a reward for this donation, or Kabila simply took a risk on a transporter with a proven long-term involvement with Gécamines (as Rautenbach claims in a magazine interview),[60] Rautenbach's company

54. Interview with Sam Zumbika, 21 December 1999.
55. *African Confidential*, 'Soldiers of misfortune', **41**, 18 (15 September 2000), p. 7.
56. *Zimbabwe Independent*, 'No diamond cheques for Zimbabwe in the DRC,' Harare, 10 March 2000, p. 1.
57. *Africa Confidential*, 'Bye Bye Billy', **41**, 7 (31 March 2000), p. 8.
58. *Financial Mail*, 'Ventures into the interior', p. 58.
59. In conversation, 25 January 2000.
60. *Financial Mail*, 'Ventures into the interior', pp. 58–60.

Ridgepointe was awarded management of three mines (Kakanda, Kambove and Shinturu). These mines, all part of Gécamines' 'Central Group', produce copper and cobalt ore.[61] Under Ridgepointe profits increased, consequently also increasing revenues to the Kabila government.[62] Rautenbach's apparent ability to produce increased revenue for the government soon won him an offer to manage Gécamines' entire Central Mining Group (CMG). Under Ridgepointe revenues from CMG further increased, leading to Kabila appointing Rautenbach chief executive of Gécamines. (I return to the demise of Rautenbach below.)

The other headline-generating mining project was a three-way joint venture between Osleg, Comiex, and Oryx Zimcon. Like Osleg, Comiex was ostensibly the commercial unit of the FAC, but Laurent Kabila was the majority stakeholder. (It was unclear who the other owners were and whether his son, Joseph, inherited this stake upon his appointment in January 2001 to the Presidency following his father's death.) Oryx Zimcon was itself a joint venture between the ZDF and Oryx Natural Resources, chaired by an Omani entrepreneur, Thamer bin Saeed al Shanfari. This three-way joint venture, called Cosleg, established another company, Sengamines, from which Oryx was to receive 40 percent of the revenues, Osleg 40 percent and Cosleg 20 percent.[63] Sengamines gained the title to two concessions formerly controlled by MIBA: the Senga-Senga alluvial diamond deposits close to Mbuji Mayi, and diamond-bearing kimberlite deposits in Tshibua. Although under DRC mining law all concessions belong to the state (foreign companies are permitted to form management joint ventures),[64] Laurent Kabila issued a presidential decree awarding the Senga-Senga concession to Cosleg.[65] A Lubumbashi-based expatriate reported that, in addition to mining, Cosleg was also involved in rehabilitating previously abandoned timber sawmills, and in refurbishing a manganese oxide-processing complex at Kisengay so that processing could be carried out locally instead of shipping the ore to Zimbabwe.[66]

There were also several smaller mining-related ventures between Zimbabweans and Congolese. As previously mentioned, MMCZ used the Mhangura copper refinery north of Harare to process ore from Gécamines, and CorRan Trading in Harare shipped chemicals for cobalt processing to

61. Gécamines divides its mines into three management groups: Group West (around Kolwezi), Central Group (around Likasi), and Group South (around Lubumbashi).
62. *Africa Confidential*, 'Rhodies to the rescue', **40**, 22, (5 November 1999), p. 6. Ridgepointe's contract allowed it to keep 38 percent of profits, and the DRC government 62 percent. However, 20–30 percent of the government's share was supposed to go to the Zimbabwe government as payment for military assistance.
63. UN, *Report on the Illegal Exploitation of Natural Resources*, p. 33.
64. Mr Kabwe Sabwa, Manager, the DRC Chamber of Mines, in conversation, 18 November 1999.
65. *Africa Confidential*, 'Glittering prizes from the war,' p. 2.
66. In conversation, 7 March 2000.

Exaco in Lubumbashi, which sorted and chemically processed artisanally mined (hand-dug) cobalt ore from old Gécamines sites. Exaco was a joint venture between Gécamines and the privately owned Projet de Production des Sels Inorganiques.

The difficulties of business

The burgeoning interest in trade between Zimbabwe and the DRC during the late 1990s and early 2000s should not obscure the real difficulties experienced in the economic relationship. Few Zimbabweans made money in the DRC, and most lost money (only three entrepreneurs interviewed reported making a profit). All interviewees related stories of corruption, unpaid debts, and weak law enforcement, and talked vividly about differences between Congolese and Zimbabwean business cultures. It is worth noting that Congolese and DRC-based expatriates also resented the direct entrée some Zimbabweans had into the Congolese economy by virtue of their military and political contacts. And, as discussed previously, some entrepreneurs could be characterized as naïve but on a steep learning curve in regard to doing business outside Zimbabwe.

The primary problem was one of finance. On a larger scale this was due to the weak banking sector in the DRC which was poorly regulated, inadequately capitalized, and affected by massive consumer distrust (and thus unwillingness to make deposits). The latter issue largely stemmed from Mobutu's habit of plundering banks for cash, resulting in the public deserting the institutions en masse.[67] As few Congolese companies or individuals in the late 1990s had access to lines of credit from banks, Zimbabweans relied on their customers to pay for goods on delivery. But here, too, there were problems.

Zimbabweans refused to accept Congolese francs as payment, and, as Zimbabwean dollars in any quantity were unavailable outside the country owing to currency export restrictions, Congolese could not obtain Zimbabwe dollars to pay for goods. This problem was partly solved by a scheme organized by FBC in conjunction with the Commercial Bank of Congo (CBC). The FBC was the champion of this scheme (obviously with government endorsement, given that ZANU-PF indirectly owned FBC), whereby the value of one Zimbabwe dollar was fixed at one and a half Congolese francs, and both the FBC and the CBC held accounts in dollars and francs. The way the scheme operated was that if a Zimbabwean sold one million dollars worth of goods to a Congolese, the Congolese deposited one and half million francs in a special account at the CBC. The CBC then transferred the equivalent in Zimbabwe dollars to the FBC, which paid the Zimbabwean

67. Interview with Rusere, 22 March 2000.

entrepreneur the amount in dollars on his return home.[68] However, this scheme was unsatisfactory for Zimbabweans hoping to earn foreign currency (especially US dollars) by exporting goods.

Sheer lack of payment was also a significant problem. Many individuals and organizations were not paid in full — or even in part — for goods, including parastatals that one might normally consider immune to such a situation because of their political links. For example, both ZESA (which supplied power to SNEL) and ZDI (which was owed approximately US$2.5 million for armaments and equipment it delivered in 1997–8) had not received payment by May 2000 for products supplied to the DRC government.

Medium-sized firms were similarly affected. An entrepreneur from one firm stated that his company was owed payment for foodstuffs and a refrigeration truck sent to MIBA, and that MIBA lied about having deposited payments into the company's bank account. Nevertheless, he persisted in sending some foodstuffs to MIBA to 'keep the door open' for future business, given that MIBA was *potentially* a good customer. Another medium-sized firm was owed US$200,000, also by MIBA, for vehicles and farm implements. A manager explained that MIBA had initially been sent the goods on credit because of its reasonable record of payment. However, the company subsequently pulled out of the DRC because of the extent of its losses.

The weak legal system in the DRC made it almost impossible for entrepreneurs to ensure that their agreements with Congolese counterparts were enforced. At the level of specific business deals, this meant that entrepreneurs had no recourse to the courts if they were not paid, because lawyers and court officials were easily bribed into influencing the case in favour of the Congolese party. At another level, red tape was used by the Congolese to confuse entrepreneurs into thinking that higher or additional taxes and payments were required. In some cases the regulations in question simply did not exist, in others their extent and import were exaggerated, and in yet others the legal channels to overcome what were real regulations — such as import duty or the need to warehouse goods until duty was paid — were deliberately ignored. These situations were the result of poor information and weak application of laws and regulations, and had a similar outcome: demands for bribes, or fines based on obscure or non-existent regulations.

However, a weak legal system was not necessarily unwanted by all Congolese. Unclear bureaucratic procedures enabled Congolese to deliberately trap visitors, for purposes of extortion and bribery, in a web of physical insecurity (such as threats of being arrested or deported) and a highly corruptible legal system. For example, one investor owed money by Congolese

68. Interview with Rusere, 22 March 2000.

counterparts complained that it was impossible to recover his debts because the people he dealt with in Lubumbashi and Mbuji Mayi 'retreat' into Congo (Brazzaville) where they 'cannot be touched'. This same investor characterized the middlemen in Lubumbashi as a 'community of thieves'. Furthermore, he stopped going to the DRC because he became afraid that if he tried to pursue his Congolese business counterparts they would pressure the authorities to arrest or detain him. In this sense, the existence of confusing or weak laws and regulations within a defined territory (the DRC) functions like a bandits' cave: impervious to outside forces (legal or coercive) and used strategically as a retreat by businesspeople escaping creditors or counterparts.

The Zimbabwean government did attempt to reduce some of the bureaucracy faced by entrepreneurs. ZimTrade, in conjunction with private organizations, established a warehouse in Kitwe, northern Zambia, approximately 100 km from Kasumbalesa, the border crossing to Lubumbashi. The purpose of the warehouse was to give traders somewhere secure to store goods before handing them over to Congolese, as well as to shift the burden of getting goods through DRC customs from Zimbabweans to their Congolese counterparts. Goods were deposited at the warehouse, collected, once paid for, by Congolese counterparts, and then taken by the counterparts (who were more adept at navigating customs procedures) into the DRC.

Of course, Zimbabweans also sought to use military networks to bypass many of these problems. As many of the activities of Zimbabwean military personnel were hidden from, or 'untouchable' by, Congolese officials, military networks were an effective and efficient way to avoid red tape and customs duties, as well as unsafe and slow transport networks.

Zimbabweans hoping to operate in the DRC also faced competition from local entrepreneurs, especially expatriates from Belgium, Greece, India, Lebanon, and Pakistan who had lived in the DRC for many years, and who were better able to circumvent the bureaucracy due to their contacts and local knowledge. The best example of such competition is the downfall of Billy Rautenbach from his position at Gécamines. Reasons given by the media and some interviewees for his ouster included accusations that he awarded over-priced transport contracts to his own Wheels of Africa company, supplied products to Gécamines at inflated prices, and failed to continue increasing revenues for Kabila. However, an additional reason offered by a Lubumbashi resident was that local expatriates were intent on getting rid of him.

Rautenbach's arrival in Lubumbashi, and his appointment of South African managers to oversee restructuring, upset local Congolese and expatriates who were not awarded positions or consulted. Rautenbach was eventually replaced as chief executive of Gécamines by George Forrest, a francophone of Belgian origin born in the DRC and a local kingpin. Forrest's Malta Forrest company had mining and construction interests throughout Katanga, as well as in South Africa. Forrest was a partner of Gécamines during the Mobutu era and, according to sources in Lubumbashi, he was also involved in the arms-for-diamonds trade with UNITA in Angola. One expatriate recounted how the Shinturu mine run by Rautenbach, the profitability of which was based on processing ore from other mines throughout the copperbelt, eventually could not obtain sufficient ore, sharply reducing the amount of revenue Rautenbach could provide to Kabila. In fact, Forrest withheld from Shinturu the ore from the mines he controlled, deliberately reducing Shinturu's profitability.[69] Thus Rautenbach's star fell, and Forrest, impeccably connected to both Gécamines and financiers in Europe, and an 'insider' who was respected by politicians and the business community, assumed the office of chief executive of Gécamines.

Conclusion

What was remarkable about Zimbabwean economic involvement in the DRC was how quickly, once military networks and government-to-government contacts had been established, entrepreneurs overcame their generally risk-averse instincts and ignorance of the DRC market. Certainly the subsequent behaviour of entrepreneurs and state officials was motivated by a calculated search for profit: hopeful that instability in the DRC would mean fewer competitors, even while they attempted to ensure the security of their own investments by linking them to military networks. However, the weight of evidence suggests that economic interests did not initially motivate military involvement. Rather, economic involvement was fundamentally the product of an orchestrated effort by the government (grounded in its historical experience in Mozambique) to get entrepreneurs to look beyond the domestic market, as well as the result of declining economic conditions within Zimbabwe, and the attractiveness of low-cost, commercially useful, networks established by the ZDF in the DRC.

69. In conversation, 25 January 2000.