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Democratic Republic of Congo

# The permanent hold-up in DRC

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The "[Congo Hold-up](#)" affair involves nearly 3.5 million documents and millions of bank transactions that have been recovered by Mediapart and the NGO Platform for whistleblower protection in Africa. These leaks have been studied by a consortium of newspapers and NGOs. The results of these analyses expose the system of corruption in the Democratic Republic of Congo (DRC) initiated by its former president Joseph Kabila. Beyond the revelations, this affair illustrates the deleterious consequences for the political functioning of countries affected by this scourge.

Kabila, who was in power in the DRC for 18 years, set up a system of embezzlement using BGFI, the Gabonese and French International Bank. This bank was founded by two pillars of Françafrique, the Bongo family in Gabon and the Sassou Nguesso family in Congo-Brazzaville. These two families are linked, Omar Bongo being Nguesso's son-in-law.

## Kabila as predator

Joseph Kabila has appropriated large parts of the country's economy by using public funds to finance his companies. These include Egal, a company that imports meat and fish, Sotexki, a textile company, Port de Fisher with a luxury yacht as an asset, and simple shell companies such as Sud Oil. Another source of funding for Kabila was mining contracts with large bribes, especially those with Chinese companies. As for international aid, it has been wasted. For example, the Francophonie summit which, for a two-day meeting, cost 90 million euros, partly financed by French official development assistance. Kabila and his relatives opened accounts for their shell companies at the DRC's BGFI. The latter made international transfers using its French subsidiary or other institutions such as Citybank and Commerce Bank. The "Congo Hold-up" documents uncovered concussions amounting to 350 million euros.

But while the bulk of the documents focus on the Kabila clan, they also implicate two close advisers of the current president, Félix Tshisekedi.

## The consequences of corruption

This corruption is obviously condemnable from a moral point of view, and economically damaging because of the loss of revenue for the DRC. As the World Bank states: "DRC has the third largest population of poor globally. Poverty in DRC is high, remains widespread and pervasive, and is increasing due to impacts from COVID-19. In 2018, it was estimated that 73% of the Congolese population, equaling 60 million people, lived on less than \$1.90 a day (the international poverty rate)." [[The World Bank [The World Bank in DRC](#).]

But the corruption of leaders also totally perverts the political system. Indeed, it fuels the construction and maintenance of clientelist networks, often ethnic. This has a deleterious effect on the country's social cohesion. Elections become a formidable market where votes, among an increasingly impoverished population, are bought for a few dollars. This is how we arrive at paradoxes, where for a presidential election, the cost per voter is higher in Madagascar than in the USA.

This way of running the country not only perverts the democratic process, it sometimes annihilates it. The issue of

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staying in power becomes vital, encouraged by those closest to them. To this end, leaders deploy strategies ranging from manipulation of constitutions to widespread electoral fraud.

These large-scale corruption systems are encouraged by the capitalist system. The race for natural resources, sometimes scarce but indispensable in the manufacture of certain products, pushes multinationals to bribe rulers to obtain exploitation permits, thus maintaining the international division of labour that is fatal to poor countries. This corruption is perfectly integrated into the international economic system because most of the money embezzled goes back into the pockets of Western companies or banks.

*9 December 2021*

*Translated from [l'Anticapitaliste](#).*

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