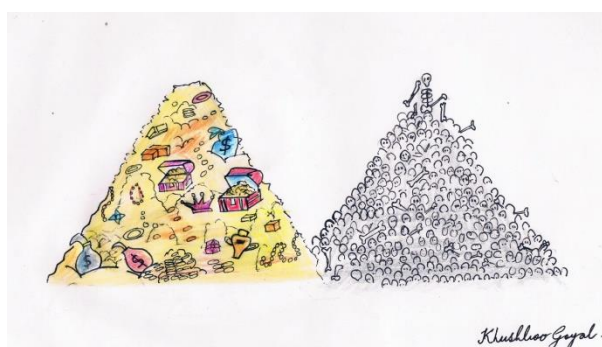


The Silver Lining Between the Bullets

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Summary

This article, spells out the entire economy of the Democratic Republic of Congo, talking about its growth post-independence, its industrialization, agricultural sector, resources and mining sector, the inflation, growth and the lacks in the given sectors as well. However I failed to find anything that I wouldn't find outlines in a normal Wikipedia article. There was hardly a surprise and an unpredictable element to it. It talks about the current scenario of the country, too. However what he was included, the generic details of a random country's economy, although might not be something that'll attract too many eyes, has been incredibly well written. The title given to the article too, is well thought of.



Between the cliché stories of war and disease in Africa, lies an understated economic growth tale of the Democratic Republic of Congo. Despite being one of the fastest growing economies in the world, what it has experienced is just a

sneak peek of what it is ultimately capable of achieving. Independent from Belgium in 1960, it is the second largest country in Africa and also boasts of the most neighboring countries in the continent. Home to about 50 percent of Africa's

forest and over **\$24 trillion** worth of untapped natural resources, It's economic potential cannot be left unuttered.

Despite being the second most industrialized country in Africa immediately after independence, it's economy crumbled immediately after the long awaited freedom. A nationalization scheme of the economy pioneered by President Mobutu backfired as it froze the agricultural sector and only appeared to leave the country in incapable hands with corruption becoming a norm. The economy of DRC contracted during Mobutu's tenure and the economy experienced positive growth for the first time in 2002 after more than a decade of negative growth. The political unrest during the first and second Congo wars, the signature stories attached to the DRC, just rubbed salt on an already wounded economy.

Fifty years down the line of independence, a flickering hope lingers in the gun powder filled air for Africa's second largest country. A rapid growth in the extraction industry and investment coupled by improvements in telecommunication and transport, without taking any credit from

the evidence based policies that were being carried out led to an average GDP growth of 7.7% during the 2010-2015 period. Reforms in the corruption infested mining sector has also spearheaded the tremendous progress being made. Tax reforms also pushed through the more than doubling of government revenues. Constricting monetary policies have also worked wonders for them, as inflation fell to around 1% during 2013-2015 from 53% in 2009! Not forgetting to mention the Congolese Franc which has been relatively stable. With so much macro-economic progress, there has not been analogous surge in the micro aspects of the country with the poverty levels still disturbingly high and dreadful unemployment rates. But as the economy continues to expand, there is hope that these glitches will eventually be mitigated.

The story on everybody's lips in the past year or so, has been the Great Inga Dam. The world's largest hydroelectric power plant project. With a potential to produce 40,000 MW of electricity, over twice the power generation of Gorges dams in China, and more than a third of the total electricity currently produced in Africa, the dam would serve to boost Africa's industrial prowess. As lack of sufficient energy constantly pulls back the growth of the mining industry in the country (and in fact the continent as a whole). The dam is said to be the center of a power network in southern Africa where power will be traded to take care of the power deficits that characterize the region. The World Bank reckons that power shortages reduce economic growth by 2 percent on average in Africa. Thus the project holds massive opportunities within it. The power-deprived mining sector of the DRC will also receive the much needed power it requires to fulfill its mind blowing potential. South Africa was

among the first country to express interest in the project as a pre-agreement has already been reached with the Congolese government. Angola, Nigeria and Botswana are also allegedly intent on the project.

Despite the enormous gain that is bound to arise from this project, the side effects have not been clearly weighed out. There are calls from environmentalists claiming there has not been enough Environmental Impact Analysis for such a huge project. *"The whole process, especially for such a large project, should not take less than a year, and will involve a lot of experts in various areas — geologists, sociologists, environmentalists, hydrologists, etc. — to make sure the project is implemented with the highest world standards."* said Sanyanga, the Africa Program Director of International Rivers in Pretoria, South Africa. It is also said that the dam may displace up to 60 000 people. As to what extent the sting of project may be outweighed by the benefits, is still not wholly clear.

It would be utterly incomprehensible to talk about Congo's potential without mentioning its vast mineral deposits. It is the major supplier of cobalt, has 30 % of the world's diamond reserves, also produces large volumes of Coltan and the list goes on and on. Congo is globally known for its conflict minerals, which have also been the kerosene that rekindles the conflict in the East of Congo. Despite having petroleum, gold, diamond etc., the buzzing news has been about Coltan and Cobalt.

Cobalt, a byproduct of copper, is used to make lithium ion batteries. These are batteries that are used in the environment friendly electric cars. With the growing global talk on reducing emissions, the demand for cobalt is picking up (and so are

the prices).As minerals are the helm of the DRC's economy, this demand surge will go a long way in propelling an already soaring economy.

Now turning to Coltan, which turned the heads of all phone savvy millennial with rocking news that all the late night texting on their phones is at the expense of the conflict in Congo. Coltan is a fundamental part of mobile phones, pagers and laptops whose demand seems to be insatiable in an increasing tech-oriented world. The dividends from such a mineral would be immense if properly managed. Despite its heat resistant properties that make it a perfect capacitor for a wide range of gadgets, it has not had the same resistance to the exploitation of its wealth by rebel militias that have ravaged areas containing the precious mineral. Improved mining regulations and pacifying of the conflict are slowly sucking away the venom injected by the 'Conflict Mineral'.

2016 has been a major blow to the prospects of the DRC due to the fall of commodity prices and internal political crisis that has decelerated growth. Hopefully the administration will look at this as a warning sign and a loud call for diversification of the economy. The agricultural sector is blatantly under-utilised with only 10 % of the arable land being used. The reason is not any constraint of climate or a land preservation campaign as the location of DRC makes it even possible to harvest twice in the same season and a wide range of crops can do well in its environment. Agriculture has

constantly suffered at the expense of the more money-spinning mining sector and has not recovered from the nationalization of the sector that took place in 1970s. It is estimated that DRC has the potential to feed the whole of Africa but it has recently even resorted to importing food and was ironically ranked the hungriest country in the world in 2011 according to the Global Hunger Index(GHI).As if this is not mind boggling enough, it has also had severe cases of malnutrition.

Unsurprisingly, agriculture is not the only sector that is being used terribly lower than its potential. The timber in Africa's largest forest and the fish of the majestic Congo River face the same plight. As other countries are struggling with overfishing in Sub-Saharan Africa, it seems fish in the Congo River die of old age. DRC appears to have hysterically reached a mastery of underutilization techniques (not forgetting mis management).

But Can DRC actually fulfill its full potential? Well, obviously not 'full' but even those little baby steps it can take towards better resource management, better mining reforms, more inclusive mining sectors, pushing for better infrastructure et cetera would go a long way in establishing itself as an economic giant.



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