CONFLICT BETWEEN INDUSTRIAL AND ARTISANAL MINING IN THE DEMOCRATIC REPUBLIC OF CONGO (DRC): CASE STUDIES FROM KATANGA, ITURI AND KIVU

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INTRODUCTION

The mining sector in the Democratic Republic of Congo (DRC) is widely regarded as the key engine for post-conflict reconstruction. To attract foreign investment, the government in 2002 enacted a new mining code that makes it easier for foreign companies to obtain industrial mining titles. Within a few years exploration concessions covered about a third of the country. Meanwhile, exploitation rights to the most important proven deposits were converted to new joint-ventures between foreign investors and Congolese state mining companies. The rapid attribution of mining titles has, however, not lead to a resumption of industrial mining on the scale the central government and its foreign donors had hoped for. Apart from a few copper and cobalt mines in the southern Katanga province, mineral production in the rest of the country, but also in Katanga, remains largely artisanal. Artisanal mining employs up to two million people across the country and largely takes place on concessions where industrial mining is supposed happen (Wold Bank 2009). In many of these artisanal mining areas and particularly in the eastern DRC state functions have almost completely eroded during two consecutive civil wars. Artisanal miners often work in dangerous conditions and are forced to pay numerous illegal taxes or to work for the military and rebel forces that control mines. At the same time, the local power complexes that emerged around artisanal mining operations have withheld large scale industrial investment, thereby preventing displacement of artisanal miners from concessions.

Despite the negative investment climate, some foreign mining companies try to start exploration and exploitation activities in their newly acquired concessions in the eastern part of the country. Potential profits evidently outweigh security and reputational risks. Some of these risks have reduced in recent years because of the gradual integration or defeat of rebel forces. But as companies move on the ground they are often
confronted with protest and sabotage by local mining communities who fear resettlement.

This chapter seeks to provide better understanding of the different ways in which mining companies gain or attempt to gain access to their concessions in the eastern and southern parts of the DRC, with particular attention to how they deal with artisanal mining communities and the role that local governments can play in accommodating multiple interest. The chapter argues that the current regulatory framework in the DRC fails to provide guidance to solving problems arising from overlapping claims to mineral resources—this despite the mediation efforts of local governments and the increasing pressure on and occasional goodwill of companies to accommodate the interests of artisanal mining communities on their concessions. Case studies are based on analysis of government documents and news articles, as well as personal interviews conducted between January and March 2010 with stakeholders in government, industry and civil society.

The chapter is structured in three parts. The first part presents the new mining regime that the 2002 Mining Code introduced, e.g. its provisions, the level of implementation and the disparate effect on providing legal security to industrial and artisanal miners. The second part provides three case studies introducing three foreign companies operating in three different areas in the DRC: Group Forrest International (GFI) in the copper and cobalt sector of the southern Katanga province; AngloGold Ashanti’s gold exploration activities in Ituri district in Orientale province; Kivu Resources in the North Kivu province. The third part of the paper clarifies the need for regulatory reform and identifies ways to better accommodate industrial and artisanal interests in order to reduce potential conflict.

A NEW MINING REGIME IN DRC

Home to significant share of the world’s reserves of copper, cobalt, gold and a range of other precious metals, the Congolese mining sector has from colonial days onwards formed the backbone of the national economy. Since president Mobutu nationalised the economy in then Zaire, the Congolese mining sector has been run almost exclusively by state owned enterprises, also known as parastatals. Dropping commodity prices and mismanagement of these parastatals in the beginning of the 1980s set in motion a long period of economic decline and hardship for millions of people. In response, in 1982 the Mobutu government deregulated the mining