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**THE ROLE OF NATURAL RESOURCES IN THE  
EMERGENCE OF VIOLENCE**

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## **ABSTRACT**

The paper aims to detect how natural resources of a country end up having violent outcomes. As there are examples of also scenarios where a nation is natural resource abundant but has been able to remain peaceful, it is sought out, what attributes differ. Therefore the process is examined, where one country has natural resources and ends up in a war, and another can have them and remain peaceful. The additional factors, apart from resources, in the process, are of this paper's interest.

This paper does a comparative case study of two countries which both are abundant with valuable resources, The Democratic Republic of Congo and Botswana. In DRC, resources have distorted their economy, and caused violence which has also lasted for a long time. Botswana, on the other hand, has not suffered from violence and has been able to develop, with the help of their resources. These outcomes vary from each other, and also the affecting factors of the two cases which are behind these outcomes, are very different. The case study explores the varying factors at work and how they have contributed to the various results.

It became evident, after examining the cases, that the degree of opportunity for external exploitation of the resources, determined how they would affect to local society and conflict emergence. The degree has to do with the timing of the finding of the resources, and the success in development before that. Also, the policies used in managing the resource wealth, and the way leaders have reacted to the enrichment also affect. These also have to do with how stable the local structures have been able to remain.

Keywords: Natural resources, Conflict, Violence, Congo, Botswana

# INTRODUCTION

Natural resources could be seen as a significant virtue and something to grow economies by. A society with an abundance of valuable resources could believe that they have found something that will make their lives better, and are lucky. However, when one looks at many resource abundant countries in the developing world, they have had issues in being able to develop and the resources they have, have not been able to help them grow their economies. Africa, for instance, is often considered in the Western world as an impoverished region, but they have natural wealth much more, than one could imagine, from their living conditions. If a country is underdeveloped and has a significant amount of valuable natural resources, it is likely to endure more issues with development, and eventually, face armed conflict. However, certain policies help to avoid the risks. This is likely because there are cases of resource-wealthy developing countries that have been able to remain peaceful. There are still many conflicts in the resource-abundant countries, which are hard to solve. This has been called the resource curse. It is vital to discover what is behind resources causing violence for their possessors, to understand how this could be prevented.

This paper studies under which conditions abundance of natural resources may contribute to violence; when and why does resource abundance become a curse instead of a boon? While some countries have managed to develop peacefully with their natural wealth, in other cases the abundance of resources has fueled political instability and violence, also effecting negatively to the economic development of the nation. This paper aims to identify the main factors that explain the divergent outcomes. The focus of this paper is not on any particular resource, but the situations of interest, are the kind where, a nation is widely abundant with some of the most valued resources in the world.

When it comes to methods used in this paper, there is first made a literature review, which provides a theory that explains the correlation between natural resources and emergence of violence. This paper uses a qualitative research method and seeks to detect concepts that explain how, and why the issues come about. After the theoretical analysis, this paper does an empirical case study, with a comparison of two resource wealthy countries. With this, the hypothesis about the contributing factors and mechanisms for violence are tested in practice. This is done by a case study of Congo and Botswana. Congo, as a country with abundance in natural resources and very much armed conflict, is compared to Botswana, which is also natural resource abundant but

has not faced conflict, and has been able to grow their economy peacefully. The choosing of the two countries for this study is based on both possessing serious deposits of valuable resources. The resource wealth is similar, when it comes to diamond abundance, but there is not much that is similar. There are differences in the amounts, and also varieties in the additional resource wealth they might have in their environments. (Turner 2007, Poteete 2012) This case study thereby uses a most different systems design as its research method. The cases are similar in the variable of interest, serious deposits of valuable resource, but differ widely in the crucial, effecting factors in their systems, and those factors lead to very different outcomes in terms of violence emergence. This design method was chosen because it helps to explore, if the observations will hold in various cases, and with a differing set of factors that are in effect. It, therefore, has an opportunity to provide conclusions that apply even though the circumstances are not all similar.

This paper will first go over how natural resources are likely to distort their possessors' development. There are economic factors behind the issue and also political and policy-based effects. These policy-based factors help to understand why countries with similar deposits of resources can experience different outcomes. Then this paper examines the link to violence, and the mechanisms behind various factors contributing to the violence emergence. The theory is applied to practice, with the comparative case study, which tests the theory and answers to the questions of this issue. Finally, there are results, as well as, conclusions found and analyzed in the summary at the end.

# 1. DISTORTION OF THE ABILITY TO DEVELOP

## 1.1. Economic Factors

Natural resources have been a significant interest to societies over the centuries and have played a role in many conflicts between, and within, nations. Back in the mercantilist times, natural resources were considered valuable to the world, and they were protected more than competed for. (Le Billon 2005) However, as time has progressed, the impact of possession of natural resources has shifted. There have been notions about them harming instead of benefiting their owner. The concept of a resource curse emerged in scholarly work in the 1980s. Auty was one of the first to write about the term. He states that it can be seen how natural resources result in developmental issues. He has argued that natural resources, for an economy that had not developed before the industrialization at the second half of the 20<sup>th</sup> century, were making it difficult to develop. Auty suggests that in truth if a nation is underdeveloped or mid developed, their natural resources cause de-industrialization. This underdevelopment also makes armed conflicts more likely. (Auty 1993) In this chapter, this paper will examine the economic factors that impact the situation of natural resources distorting a country's development. This is important in the process of understanding the emergence of violence.

The violence that is suspected to follow, to specify, is violence in the degree of an actual armed conflict. Violence namely can be defined in several ways, and there is a widely differing range of forms of violence. Slavoj Žižek has in his definition of violence separated subjective and objective violence. (Žižek 2008) The focus here is not on subjective violence that strives from certain individual's evil intent, but more importantly, the violence referred to, is systemic violence, which is objective and causes eruptions of violence due to surrounding and prevailing circumstances in political and economic systems. The instances of violence focused on, are direct physical violence that can, for instance, mean terror and armed rebellion, in the resource-rich territory. (Žižek 2008)

Development for resource rich developing countries has been seen to become more difficult starting from the industrialization since the 1960s. It caused for international trade to become more common between the raw materials bearing countries, and the external world. There was not much more economic growth if a nation had natural resources. It was seen how nations with fewer resources like Korea and Taiwan had been able to develop, even though they had been

underdeveloped after the wars. They have grown more than countries like Mexico, India, and Brazil, which are resource-rich. All of these countries had similar industrial policies as a priority in the 1950s, but differed in their possessions of valuable commodities. Due to the lack of own natural resources, Korea and Taiwan had to move away from their national economies, and open their economies for international trade. They had to take up much more outward policies by the 1960s to grow their economies. Then, when international trade was starting to build global development, the natural resource abundant countries also opened their economies. They had by then, developed their internal systems of closed policies for a longer time, and it was not easy to change the pretty long utilized systems. (Auty 1993)

Since that period, the profit of the trade of valuable commodities has been seen to affect much more in the importing countries. Globalization increased the price volatility of valuable commodities and seemed to destroy growth possibilities for their possessors. According to Mikesell, therefore the ones exporting them, ended up losing profit due to global trade. (Mikesell 1997) This claim of price volatility increasing after the globalized trade, has however been challenged by Sachs and Warner. With their study done in 1995, they did not find price volatility affecting per capita growth in resource-rich countries. (Sachs, Warner 1995)

They argue for the negative relation but do mention that there have been exceptions, and not all resource abundant countries have suffered from the issue in the second half of 20<sup>th</sup> century. During the time, Britain, Germany, and the USA have been able to develop their economies with their coal industries. This is likely to be true because during their growth with the help of coal, exporting was expensive, so industries for manufacturing were implanted locally. The product was then more used within the domestic economy, and the manufacturing was done internally. In the second half of 20<sup>th</sup> century exporting also became less expensive, and thereby domestic economies were not the ones taking as much advantage anymore. Developed countries, however, had the capital to grow their economies and local industries before the 1960s, and with the strong system already created, they were able to restructure at the time of industrialization. (Sachs, Warner 1995) Developing countries likely did not have the capital, to manufacture without external investments, so it is evident that for developed countries the problem has not been similar. However, this does not yet explain how natural resources started to deny growth for their underdeveloped possessors, just the fact that they do not increase it.



First of all, the characteristics of, for instance, mineral resources, have caused for mineral wealthy countries to have distortion in their ability to develop. Auty defines mineral economies to be the kind where at least 8% of GDP is derived from minerals, and at least 40% of it, is from exporting profits. One fourth of all of these are developing countries. The capital intensiveness of minerals makes them not increase employment or help other sectors. The mining industries employ a small number of people, and the industry is not helpful in the development of other sectors in the economy. In the developing world, due to the lack of capital, the production requires foreign investments and therefore also the earnings go to the foreign investors. It is a capital-intensive industry, which is used to build the global economy. (Auty 1993) If a country had not been able to develop before the international trade of the resource increased, it brought overwhelming challenges to the developing economy.

When it comes to the economic growth getting destroyed due to the exporting of valuable commodities, the Dutch disease provides a significant issue. (Sachs, Warner 1995, Mikesell 1997, Ross 1999) The Dutch disease occurs because of very fast inflow of resource rents to the domestic economy, which leads to an appreciation of the real exchange rate, thus hampering the manufacturing sector. This was for instance seen with Nigeria and Mexico during the oil boom in the 1970s. Competitive activity goes away within the domestic economy due to the overheating of the economy. Booms make the economy focus most in the capacity of the exporting sector. Other sectors thereby get neglected. Then when the boom is over, and recession follows, it is likely to be very hard, to recover from the structural change induced by exchange rate appreciation. During the boom agricultural sector gets diminished because workforce is used by the mining sector. After the boom, there eventually comes a downturn due to volatile demand for exports. Then the burden to hold up the economy is on the diminished other sectors. They can not produce as much income and there is a lot less wealth generated. Domestic depth has also seen to rise because of the overoptimistic economic behavior during the boom. These disruptions make the economy suffer and deny growth from it. (Auty 1993)

## **1.2. Political Factors**

There are, however, more policy-based and political factors at work. They are critical to the issue because they contribute to the fact that some resource-rich developing countries can avoid the issues discussed in the previous chapter. The economic factors are global, but the domestic

policies a nation uses when it comes to managing the risks, bring out different outcomes. The policy-based factors help to seek out the additional attributes to the equation, besides just resource abundance. Since there are exceptions and not all resource-rich countries have difficulties in development, resource abundance is not a sufficient enough explanation for the process of violence emerging. There are therefore policies that can help to avoid the resource curse. (Mikesell 1997)

Government decisions are crucial in determining the policies that are used in a country's economy. It is important, first of all, that the economy does not get centralized, but the government understands to diffuse the weight of the economy. The importance of the non-centralized economy comes from, for instance, the fact that there needs to be means for restructuring their economy according to the global situation. It is determined within the state's political economy, how much there is weight put on other institutions and other actors. Shafer suspects that a society with many actors influencing in their economy, has the bigger possibility for this restructuring, and avoids being too rigid. (Shafer 1994)

He shows the power of diffusion in the economy, and how it is helpful, with 4 cases where there is valuable commodity -exporting involved. These countries are Zambia, Korea, Sri Lanka and Costa Rica. All of them have had different economic development, based on how much they have had diversity in the actors influencing the economy. Zambia has been abundant with copper resources. They had a lot of capacity in the 1980s, but still weak actors within the country. Zambia thereby failed to develop even though was abundant in resources. The same thing was seen happening to Sri Lanka. On the other hand, Costa Rica and Korea restructured their economies and focused on not keeping their economies centralized to only government control. Therefore the economies were able to restructure if needed, and grow. (Shafer 1994)

Certain monetary policies can help to avoid resource curse as well, and without them, the Dutch disease is difficult to escape. If the government would not let the real exchange rate to change due to large revenues from exports, issues could be avoided. They could for instance institute a fund with the surplus revenues from the booms in their export industries. That way domestic demand could be kept under control. They should try to keep the real exchange rate down with the help of institutions, like central bank, and its adjustments. (Mikesell 1997)

Another important policy is to invest as much as possible to the income of the local public. The government should allocate a portion of income, which is grown due to resource rents from the exporting sector, in social programs that help the public to consume more. Therefore, there needs to be investments from the resource rents that benefit the citizens in earning income. These can be, for instance, investments in education or infrastructure. (Mikesell 1997) When there are relatively high levels of income in the society, the economy can also grow better. Each social group should be considered in the economy and taken care of.

Maloney has criticized that in long term, a period at the end of the 20<sup>th</sup> century can not tell the whole truth about resources' effect, and that development is a long process. He reminds us that resources generated growth for their possessors for 130 years before 1950. He states that when it comes to the countries that have failed to develop and have resources, they must have had problems with their ability to adapt to new technologies. The ones that are able to, can grow their economies with natural resources. If a country can provide information and, so to say, learn together how to benefit from their resources, they will then thrive. For instance, in Australia, it was researched how to take the best benefits of natural wealth innovatively, and they were able to advance technologies to generate growth. (Maloney 2002) The investment in the education of population could, therefore, be the key. However, global economic growth since the second half of 20<sup>th</sup> century has been significant for nations' economies all over the world, and it is likely that it created new challenges. It seems that what causes the violence to the regions, is a combination of economic and political factors, which have been called the state focused causes. (Ross 1999) The evolvement from the development issues to the emergence of violence will be discussed in following chapters.

## **2. RESOURCE CURSE AND VIOLENCE**

### **2.1. Resource Wealth Increases the Risk of Foreign Armed Intervention**

The issues in the development of resource-rich countries are likely to be followed by violence. Cold War, first of all, has contributed to the issue. If a country was underdeveloped and abundant with resources, the Cold War, and the increased interest from the Western powers, in world's raw materials, increased the risk of violence emerging. After 1945, The Soviet Union and the USA became competing over being the next superpower. USSR was one of the powerful countries practicing behavior like intervening in the issues of poorer countries', where there were resources. The USA highlighted the violent threats with USSR arms and started advocating for being the military protector of Western democracies. Their strategy also included a much more military based position when it comes to the third world relations. They would support with arms the anti-communist fighters. (Saul 2007) The USA was fighting a war for their possibilities to utilize the third world for their own economies.

During the Cold War, it was becoming a concern in resource poor-countries, how to get access to the raw materials of the world. There was seen strategic situating in issues of the resource-poor countries, to gain relations with resource abundant ones, like for instance, with diplomatic assistance. In the 1990s, the demand for raw materials grew again, and control over resource-rich areas was wanted. The USA and other countries used military forces in order to secure access, like for instance, military posturing in Arabian Peninsula, and enforcing military sanctions for Iraq. These areas were already unstable and Le Billon argues for Western intervention during the time, creating a violent tone to these areas. (Le Billon 2005)

There had been a shift from ideological reasons for conflict, to more resource based ones. During The Cold War era alliances were made according to ideologies. Afterwards, however, they were based on competition about access to some resources. Consumption, for instance, of energy has risen 2% each year, and the ones with previous access, aimed to protect their ability to acquire this energy in the future as well. The USA has for instance, at least in the past, made sure to have access to oil from Nigeria and Energy from Mexico. There are threats for armed conflict, for the resource location, because of this competition. It creates tensions and risks for them erupting. (Klare 2001) The issue of natural resources is, therefore, the kind that brings out exploiters to the picture. Resource wealth provokes foreign intervention because the resources are wanted access

to, and there can form alliances with foreign powerful actors. These alliances can then increase the threat of violence. (Le Billon 2005)

Local conflicts can also emerge out of different domestic elite groups or tribes competing for the revenues from exporting of commodities. These disputes have then a potential to spread, when the international community becomes involved. Klare states that armed conflict can be expected to most likely occur there where there is access to resources, due to increasing global demand. This is not as high of a risk for resource abundant locations where their economies have been able to develop. However, there are many countries where they have resources and unstable economies. Klare states that two thirds of world petroleum is expected to be used until 2020, and facts like this increase violence to be had in the places of high amount of resources and not a stable economy. (Klare 2001)

## **2.2. Resource Wealth Undermines Democratic Policies Domestically**

When it comes to discovering the conditions, under which abundance of natural resources may contribute to violence, the emergence of the violence in the region needs a closer look. There are, first of all, mechanisms, which give the motivation for violence. There is an issue that derives from the high income to the government from the resource rents, and that causes these motivations. Governments tend to trust so much on the revenues they are receiving from the resource rents, that they do not have a high taxation for their populations. Hoeffler and Collier see a big problem in primary commodity exporting, because when government depends on the revenue rents, usually the tax revenues lose their importance. (Collier, Hoeffler 2005). If the government does not feel the need to collect taxes, since they are secure enough, with resource rents, it may increase the risk for violence. This is due to the fact, that they are not pressured to follow democratic policies, by the public. Local institutions are not able to demand the government to follow policies, the institutions feel are accurate. (Ross 1999) Governance becomes rent-seeking and politicians possibly fight to gain benefits for themselves, and not to the public. (Sachs, Warner, 1995) Le Billon refers to a prior ruler for instance of Congo, Mobutu, who was encouraging citizens to use what they have to get ahead, even steal. This policy justified trafficking and smuggling for the population. (Le Billon 2005) This leaves the local people neglected and they can possibly become violent.

The low-income level of the public that is a result of this type of governance contributes to an increased security risk. It effects in the way of creating more opportunities for conflict emerging. According to Collier and Hoeffner, low income equals a low threshold for joining rebellion because there are then low costs for it. High income would reduce the risk of conflict because there would be a high amount of foregone earnings lost. Risk decreases therefore when there is a lot of secondary school enrollment, the public has income and the economy grows as a result. (Collier, Hoeffler 2004) It has been studied how the economic development prior to a crisis, makes for the country to avoid violence. With development in the background, a country is able to recover from, or avoid, conflict. If there is a low-income population in the country, the citizens have little to lose in taking part in rebellion. (Doyle, Sambanis 2000)

Economic benefits can become also a significant motivation themselves, when it comes to using force. Economic benefits from the resources offer quick rewards and may seem like a way of generating income, in the eyes of the public. (Collier, Hoeffler 2004) When there are rebel groups formed in resource-rich countries, the violent means get rewards also more directly. Rebel groups want to control the areas where resources or transporting routes are, so they purposely make these areas appear insecure for others so that they have the most power in the region. (Le Billon 2005)

#### **2.4. Resource Wealth Increases the Availability of Arms and the Formation of Rebel Groups**

When there is motivation to use force, the public can, in a resource-rich country, more likely acquire weapons, due to foreign interest in the raw materials and the possibility to sell them for arms. There therefore is more opportunity for violence also, due to resource wealth. Hoeffner and Collier examined different civil wars in the timeframe from 1960 to 1999 and 161 countries. They found the opportunity for financing war with resources being crucial. Primary commodity exporting sustainably increases conflict cause it makes rebellion feasible. (Collier, Hoeffler 2004)

Weinstein has proposed a theory about natural resources and them causing certain opportunities for there evolving stronger armed groups. According to him the resources help to provide a more extensive amount of recruits to the groups. There are these economic recruiting strategies

available. Rebel groups are also formed based on social strategy, where leaders use social factors like religious beliefs to get more members. Civil Wars differ depending on, which of these forces are in the background. Possible rebels make decisions based on ethnic beliefs or economic benefits. Resources then shape the strategies of the groups. If there are resources there can be something that unites the collection of individuals together, even if there are some common problems otherwise. Resources also make the leaders more credible, where social rebel groups may face issues with this, since promises of payoffs may not be fulfilled. There is a strong loyalty due to short-term rewards. (Weinstein 2005) Therefore resources create stronger rebel groups.

As recruits in resource wealthy country are offered payoffs with contracts, the social groups' members are more uncertain of their payoff. They automatically are loyal due to the ideal and the cause. Because low commitment members need their payoffs fast, resource-rich rebel groups are likely to end up with these small commitment opportunistic members. (Weinstein 2005) They do not necessarily have a commitment to the cause. They know that they are going to get a payoff, and most violent rebel groups are formed with resources in the background because these short-term payoffs.

## **2.5. Lootable Resources Create Incentives for Violence**

Certain valuable resources are possibly possessed without the need for any expensive machines. The control of the resources can be gained with easy mechanisms. These types of resources logically get to be very attractive to rebel groups seeking power. They are called lootable resources. Governments do not want the rebels to control the valuable areas, so they can reply with rebellion with their militaries. (Le Billon 2005) Having especially these lootable resources, could enhance the risk of conflict. (Fearon, Laitin 2001) For an example, Sierra Leone's diamonds profited tens of millions to a rebel group RUF in the 1990s. In Angola at the same time, hundreds of millions were gained, by a rebel group UNITA, from diamonds as well. (Le Billon, 2005) The looting possibility of resources offers the leaders of the rebel groups an opportunity to buy weapons, and therefore compete with the government forces. This also makes it possible to keep the fighting going on longer. Individuals have strong motivations to continue. They are offered possibly a way out of poverty and at least a hope of income. (Weinstein 2005)

Ethnic diversities have been stated as not being the root of rebellion in developing countries, as commonly understood in the Western world, but the problems are caused by their significant wealth in resources. Elbadawi and Sambanis collected data from 161 countries from 5 regions of the world, Europe, US, Middle East, Asia, SSA, North Africa and the Caribbean. They examined how many wars, how long the duration of wars has been, how diverse ethnic societies have been in different conflicts, and other variables. They found that the risk of conflict is minimal in other regions, compared to Sub Saharan Africa, SSA. One big reason they found for this, was the fact, that the area is so dependent on natural resources exports. There are the kind of resources that can be looted by practically anyone, so rebel groups form more easily. They can offer specific payoffs for their members. Other areas are also very dependent on natural resource exports. However, it is very intensive in SSA. Also because the per capita income is smaller than in other developing areas, their population is very impoverished and uneducated. That means that they end up having little to lose and are more likely join rebel forces. The third reason is that democratic institutions are so weak in Africa that that also causes political violence to erupt more likely. (Elbadawi, Sambanis 2000)

Ross criticized earlier studies, like for instance Klare and Hoeffner, and Collier about their research of natural resources and war. Ross states that when resources have affected, there has only evolved low-level violence that does not pass as a conflict. Rebels may want to get the control of the resource rents, but them being out there, does not make it possible for rebels to have the control. \_Also in most studies, about the connection of resources to violence, the country's resource wealth is measured by exports ratio to the GDP. Ross says that it might be the civil wars that cause the export dependency, instead the other way around, and that the disputes could be happening due to some other variables. He concludes that with earlier studies, it is unclear what is the relation of natural wealth and war. (Ross 2004)

Not all agree that there is a connection between natural resources and emergence of violence. However, it is first of all, likely that the development of a country can get distorted due to them being abundant in natural resources. There are economic factors that effect to this, but there are also crucial political factors at work. The policies used domestically, determine whether the country can avoid the developmental issues, or ends up underdeveloped, and violence emerges. The violence emerges due to various domestic tensions, which occur due to developmental issues. It has been stated that time following the Second World War, and the industrialization at



the time, contributed to the issue. The Cold War also brought problems and was partly about the increased interest to the raw materials in the third world, and therefore these underdeveloped countries got also a more violent tone to their local structures.

As there has evolved this situation where there are tensions in a society and underdevelopment, the adding of natural resources to the picture, results in increased amount of opportunities for armed conflict. When one examines the mechanisms that bring about the violence to the resource-abundant countries, there are two essential aspects, motivation for violence and the opportunity to practice it. Resources bring about both. When there is motivation formed, the resources first of all, make rebellion feasible by providing something to trade weapons for, even for the non-wealthy individual. It is stressed that this is even more likely to effect when there are lootable resources at hand, which are easy to acquire. Resource wealth also helps the forming of violent rebel groups locally. These are not only stronger, but even more violent than other rebel groups, with less resources at hand.

This hypothesis is now applied in practice by comparing countries among each other, which have a wide abundance in natural wealth, but different outcomes, when it comes to the emergence of violence and disruption of economic growth. The factors contributing to these differing outcomes are examined through an empirical analyze.

### **3. COMPARATIVE CASE STUDIES**

#### **3.1. The Case of Congo**

Congo has for a long time been resource abundant, and when one looks at the influence of that to the country's development and violence, there can be seen how the resource abundance has affected negatively to their success. Congo has had valuable resources accordingly to what has been valued in the world markets. Before the colonial times, their most valuable resources were rubber, copper, and ivory. They were engaged in international trade with those, and at the time mainly ivory had a high value. The situation changed in the colonial times. Abundance in mineral wealth in the territory was found at the beginning of the 20th century. By 1920s they were exporting mainly copper, gold, tin, and diamonds. (Frankema, Buelens 2013)

To understand the violent nature of Congo resulting from these resources, it has to be first examined how they denied Congo from economic growth. The pre-colonial times affected to this. They were one of the big entities in Africa and were practicing slave trade overseas. They also had valuable commodities. The area of Kongo basin has been stated as being one of the pioneers when it comes to Africa practicing international trade. People in the coastal area were trading slaves overseas, who were from the hinterland of Kongo. This divided the society and authority structure became to be determined by the amount of control of resources. Juridical institutions were not believed in, and a social regression of the area was ongoing. The area was very vulnerable to external impacts partly because leaders were from elites that were influenced by Europeans. (Frankema, Buelens 2013) The country had become exposed to foreign exploitation due to their resources already in the pre-colonial time.

Colonial rule was firm for Kongo, because the area was considered valuable. The natural resources made for foreign control taking over the area so strongly. Kongo became a colony of Belgium in 1878. King of Belgium, Leopold the second, destroyed all the political structures the might have been left in Kongo, and no national chiefs had power anymore. (Frankema, Buelens 2013) According to Samset, he was the one who set the ground for conflict occurring likely in the territory, because he activated looting widely in the area. (Samset 2002) He was rent-seeking, and there was no attempt to develop the local economy. (Frankema, Buelens 2013) Leopold's

effect made for the local respect for culture-based ways and –chiefs, to abolish. A very competitive society with selfish interests was the result.

Rubber production slowed down in 1905 and since the territory was declining in being productive, Leopold ended up giving the control of the area to the state of Belgium. Minerals were however found in the land increasingly. Copper, diamonds, and gold were found at the beginning of the 20<sup>th</sup> century, and the economy of the area grew. However, only the resource producing areas were developed by Belgium. The new system of Belgian Congo was a lot less harsh. They were still rent-seeking, and revenues were not controlled with profit maximizing policies. (Frankema, Buelens 2013)

By 1920, the primary resources extracted were copper, gold, diamonds, and tin. These were vulnerable resources, and their industries had characteristics of booming. No long-term planning for the society was still done in Belgium. Due to the profit maximizing policies, Dutch disease was seen occurring when there was a copper boom in the 1920s. The whole economy was made to focus on producing copper due to the growing demand. This followed a food shortage since farming was left neglected. The population did not respect the authority, and there was rebellion. Patterns followed to independent times of rule and extraction of resources. (Frankema, Buelens 2013)

The decolonization process was affected by a civil and a secessionist war. Belgian government had granted independence for Congo in 1960. The war can be seen being a part of the Cold War due to the interventions from the USA and USSR. They had interests in the resource-rich third world, and at the independence of Congo, new ways of getting access to the region became available. There was fear locally of Belgian government only formally letting the country be independent. The Soviet government had formed alliances with Congolese Lumumba who was an activist and opposed Belgian rule continuing in the area. (Landolo 2014) When Belgians bluntly stated that nothing would change for the region after independence, the domestic military forces rebelled. After the violence spread, true peace has not been achieved in Congo since. (Abbott 2014) Belgians fled, and Lumumba became the new prime minister. Belgians did response and were supporting a secessionist area of Katanga. Katanga declared independence in 1960 and was followed by Kasai. Both provinces are mineral wealthy, and the state did not want to grant them independence. The Soviet Union was actively supporting the government and was providing weapons, food, and vehicles. (Haskin 2005)

The United Nations, UN, intervened to remove Belgians and then stayed somewhat neutral. USSR was claiming that the “Western side” of the parties was only exploiting Congolese resources. Lumumba became opposing the presence of the UN, which then started getting more active. They authorized themselves as being able to use more forceful methods. The UN also influenced in getting the Soviet minded Lumumba out of the lead, and helped a new ruler to take over, army official Colonel Joseph Mobutu in September 1960. Lumumba was killed in 1961. The Soviet Union moved away from the conflict shortly after that. (Landolo 2014)

In 1964, all provinces were under central rule. The UN ended their mission in Congo. (Abbott 2014) The country was not however helped to move forward, and sustainable peace was not supported to achieve by the UN. Mobutu took the power in the country in 1965, and had support from the USA through many years. However, local people were during that time very neglected as Mobutu became a dictator and the rule was kleptocratic. (Haskin 2005)

There was a nationalization process in the 1970s, and that included naming Congo Zaire. Mobutu was using the profits from minerals to his benefit, favoring corruption. People in Zaire ended up building then an additional economy based on smuggling and stealing. Unofficial mining occurred, and trade of natural resources was increasingly going through private networks. Mobutu’s control was continuously decreasing in the economy. (Frankema, Buelens 2013)

Rwandan Genocide took place in 1994, and people from Rwandan Tutsi community were mass murdered. After that, the Tutsis were able to seize power. Rwanda ended up with Tutsi led Rwandan front, and Hutus left the area. Mobutu let the Hutu’s in Congo/Zaire. The Hutus were armed and launched attacks in Congo/Zaire towards the Tutsi troops living there. A civil war in Congo/Zaire broke out in 1996 when Tutsis attacked Hutu inhabited provinces in Congo/Zaire. Congolese got involved when AFDL, the Alliance for the Democratic Liberation of Congo, engaged and announced their mobilization. This alliance included four opposition groups of Mobutu and was led by Laurent Kabila. By 1997 Kabila and his troops had occupied mineral abundant parts of the province Katanga. They were helped by Angolan soldiers. After one month, Mobutu was forced to flee the country. Kabila then seized leadership and Congo was now known as the Democratic Republic of Congo. (Turner 2007)

A regime was created where Rwandan people had good positions but also Congolese did. The president of Rwanda stated in 1997, that the war had been truly an invasion of Rwanda, and Congolese rebellion was used to make it seem like a civil war locally. (Turner 2007) Therefore Rwandan troops had own motives in invading in Congo and, that was possible since Congo had such a strained society with the authoritarian leader and discontent people.

In 1998 the second Congo War war began, which was also rebellion against the leader, now Kabila. By 1998 the relations between Kabila and the troops he had had behind him from Rwanda and Congo were shifted. Kabila had fired every foreign person form key positions, likely in order to get rid of possible rebellion against him. This, however, resulted in rebellion right away. Congolese rally for democracy was formed, and they listed grievances about Kabila and him being, for instance, corrupted. Kabila's former allies wanted to replace him for a rule that would act for Ugandan and Rwandan incentives. They had troops in the DRC territory. Groups from Zimbabwe and Angola denied opposition against Kabila from getting their way. Congo was at the time of the war divided into three sections. Kabila had his dominance in Kinshasa and control of the southern part of the province of Katanga. These areas were resource-abundant, and with that feature, he was able to pay partners to fight for his side, so to say. Some of these were from Zimbabwe and Angola. Ugandans had separated themselves from Rwanda and RDC, The Congolese Rally for Democracy. They had joined with Congo Liberation Movement, MLC that controlled Northern parts and were lead by Pierre Bemba. RDC and Rwandan people had control of a big territory and parts also from Katanga. (Turner 2007)

The division was not however stable. The tensions made for the Lusaka ceasefire being signed in 1999. All participant yet broke this. Rwandans were able to take over strategic areas and when they threatened Katanga, the control of Kabila was weakening due to his home base being located there. Kabila was murdered in 2001, and Joseph Kabila succeeded him. It was generally thought that Joseph Kabila would be a peace-promoting successor. It still took a year to achieve a ceasefire after that. Violence was not stopped even though original claimed motive to get rid of Laurent Kabila was achieved. Therefore there had to be motives deriving from elsewhere. A Ceasefire was signed in 2002, and all foreign troops were ousted. After two years there were plans for new governing and elections to be held. (Turner 2007)

However, since then Rwandan presence in Congo has been acknowledged by United Nations and their mission, MONUC. The presence has implied for a possibility for a third war. (Turner 2007)

MONUC was a peacekeeping operation of UN implemented in 1999. They oversaw the ceasefire in 1999 and made a plan to start building peace in DRC. They had goals like, for instance, disarming the foreign militaries and implanting reconciliation to regional communities. They also facilitated the first free democratic elections in 2006. Joseph Kabila was chosen to be the president. According to their report made from the operation in 2009, even though the conflict was officially over at the beginning of 21<sup>st</sup> century, the violence prevailed in the area as a legacy of the war. The government's capacity to control the area has been so weak, and natural resources have fueled the conflict. Institutions are also non-existent, human rights are being abused and there are no local courts taking enough action. State authority is so weak that rebel groups keep going against government continuously. There has evolved a situation where the armed groups run the country more so than the government. The UN keeps adding armed forces to the situation in order to be able to make a change efficiently, and the government has been trying to adapt policies to create stability. The rebel forces have decreased but not abolished. (United Nations 2009)

In 2010 MONUC was renamed MONUSCO. There were developments in the peacekeeping efforts, and for instance, more physical violence threat was added in order to protect civilians. The UN intervention has helped many parts of DRC to stabilize but the eastern part of the country has been mostly violent due to foreign, mostly Rwandan troops fighting in the area. This is due to there being power vacuums which are taken advantage of, natural resources which are exploited and neighboring countries intervening. (United Nations Background) After the elections in 2006 Western and Central Congo became more stable and the economy started growing in the whole country about 6,5% annually. Inflation decreased, and better governing policies have taken place.

However, a crisis in Eastern Congo, in Kivu, started in 2012. (United Nations 2009) The conflict there has been ongoing since 2003 as a legacy of prior war. There have been disputes among rebel groups about the ownership of the area. After 2009 a rebel group M23 tried to become the leading institution in the region and even installed taxation. A conflict erupted when they occupied the capital, Goma, in 2012. The army of DRC and the UN managed to make them leave in 2013. (Lyll 2017)

These waves of conflict are common now in Congo. The same power vacuums and the usage of those by foreign army troops are as a cause. Natural resources, feuding and local legislation

being weak fuel the conflicts. According to MONUSCO yearly report in 2013, the peacebuilding done has only dealt with immediate causes and there need to be policies to handle the root issues of the violence. These root issues are seen to come from the fact that Congo has been ranked as one of the most corrupted countries in the world combined with bad coordination of revenue inflow and poor wages. The capacity of the government is so weak that violence occurs and it is not abolished since public services, like for instance education, are so weak. There is also no juridical enforcement or functioning financing institutions that oversee the economy. These root issues are seen to cause the situation being difficult to cure. (United Nations 2013) The latest report from MONUSCO proves that the situation is still ongoing and, the security forces have been targeted by rebel groups during last year. There are Rwandan communities fighting in Kivu and the Western DRC is not stable anymore either. There are ethnical conflicts also and the tensions in the country are so high that ethnical disputes have a low threshold for becoming violent. (United Nations 2017) It seems that peacebuilding and bringing an end to conflict is also challenging due to the huge territory of DRC and different provinces are having separate issues. This is because there is such a huge population living within same borders.

### **3.2. Mechanisms for Violence in Congo**

When we look at the mechanisms that natural resources in DRC caused for them to face violence, the first ones can be seen in the pre-colonial times. The era had an effect to the fact that Kongo had difficulties in development. The fact that their structures were distorted at that time and then even more during their colonial time, made for them to develop a society where unified understandings had been replaced by authority from control over resources. This was due to Western influence and the profit-seeking exploitation of Kongo, from richer nations, which were able to dominate the poor uneducated society.

Violent tone to the nation's structures was implanted before the second half of the 20<sup>th</sup> century, and the colonial rule made for a forceful authority structure to be used in the nation's governance. However, as the country was very vulnerable to foreign exploitation at the time of Cold War after the Second World War, the Cold War did spread to the area and caused for, at least, a more violent and long lasting conflict. This conflict that took place in Congo in the 1960s, at independence, had to do with other crucial factors though, than the Cold War. The Congo crisis starting from 1960 started because the locals were worried about Belgium not

letting them be independent. The area has been so resource-rich, that Belgium was not ready to allow them to develop their own structures and control themselves. (Landolo 2014) The crisis had to do with gaining independence from the colonial rule and the many years of exploitation, Congolese had endured. This came with various effects that caused violence. At the time of independence, in 1960, Congo was very fragmented and lacked unity. There was really no political experience among the population and there was no means of education. (Bamfo 2012) They were not able to move on to independence with legitimate leaders, and with unified structures and policies. The following leadership was determined by foreign exploitation and the people's well being was not important, but the profit maximizing of different actors was.

Katanga has also been forced into being a part of DRC, even though the province has expressed the willingness to be independent and continued to rebel about this. The province has most of Congo's mineral wealth and it could be suggested, that the focus of the wealth to Katanga, has been at the root of their rebellion and fight to gain independence. However, as the rebellion started in Katanga in 1960, it has been asserted that it had to do widely with Belgian motives to still keep a grasp on the important province. Belgium has been stated to having helped the province to claim independence from Congo, which they could not control anymore. Moise Tshombe, the prime minister of Katanga at the time, had strong relationships with Belgian officials. He had agreements with the Belgian government, having to do with the following times after Congo would be independent. The province is so resource rich that, there is a lot of motivation, of keeping the area joined to DRC. Therefore the Belgian influence brought violence to the region, once again. (Bamfo 2012)

The foreign influence also made for them to have a new leader in 1965, Mobutu who was not peace-promoting. His rent seeking-behavior and good relations with the USA, make it seem like the interest for the resources from the USA, is what has caused for him to only focus on profit maximizing policies. This is not, however, for certain. Mobutu did not use the policies that would have helped to avoid the issues possible to arise from the resources and the local economy did not manage to grow with their mineral wealth. The profit maximizing policies resulted in people becoming neglected and without secure income, since their income was not invested in and the economy was not kept stable. There was then lack of respect towards the government, and motive to start the conflict against the rule.



The Congo Wars starting from the 1990s have been stated by many to have much to do with natural resources, and competition between different rebel groups to take over and use natural resources of DRC. (Turner 2007, Samset 2002) The natural resources provided an opportunity for the rebellious citizens to go into an armed conflict, but also, there was a motive to gain wealth with taking over the control of resource wealth. The second war particularly had many signs of resources leading the way.

Exploiting of the area and usage of forceful methods has been proved in the case of Congo to increase risks of conflict, due to their resource wealth as well. There is a claim that Laurent Kabila was supposed to start leading the country according to the needs and wants from Rwanda and Uganda but as the relationship shifted, the second war erupted and that has been viewed to be then about the competition of control of the resource-rich territory. Some authors have also agreed that the amount of violence and casualties has to do with the Congolese trying to protect their resources. (Turner 2007)

However, economic agendas are hard to prove. They are usually carefully hidden and not documented. When it comes to the violence occurring in Congo in the 1990s, it seems that there are motives in economic gain from the resources. This is because the alleged motivations having to do with corrupted leaders, were not credible since the fighting kept going on after they both times had been taken out from their rule. Also, the people rebelling from outside countries were not under their rule and still took part in armed attacks. (Samset 2002) As the Rwandan president stated after the first war, Rwandans wanted to invade Congo and if they needed to have rebel groups from Zaire to make it seem like it was an internal movement against Mobutu in Zaire. (Turner 2007) It seems to be that natural resources and their exploiting from DRC has been a big motivation for different parties taking part in the Congo wars.

The UN reported in 2001 about how natural resources had been extracted unlawfully in Congo during the conflicts. The report provides evidence for the diamond trafficking having happened illegally during the conflict years and with DCR minerals. According to their report, in 1998 exports of diamonds in DRC were valued at 879\$ million USD, when at the same time official production was valued only at 661\$ million USD. There is a surplus, which refers to additional exporting of the minerals, not recorded. The report states that after the Rwandan and Ugandan conquest of Eastern DRC in 1998, there was at least a year of increased extraction of lootable resources from the region. Officials in these two countries have stated that it is a fact that they

have no production of diamonds from their own soils. However, from both, exporting of diamonds has been in millions during the time. (United Nations 2001)

Between 1998 and 1999 the extraction of minerals was very active. Soldiers from Rwanda, Uganda, and Congo have been reported forcing local producers to let them take control. Looting of minerals was happening by the armies. The panel from the UN questioned Ugandan authorities and found out that exports of gold have been much higher than production there. They have also grown. In Rwanda, diamond exports increased to multiple from 1997 on. At the same time in DRC, exports have been less than they normally had been. (United Nations 2001)

When it comes to Zimbabwe and their part taking, they had made deals with Laurent Kabila. He became to have issues cooperating locally and that created financial issues for him. There where, allegedly, internal agreements against not buying minerals from him. The resources had become a private industry with private networks. Zimbabwe was promised to exploit Congo's resources as a prize. 50% of mining profits were promised to Zimbabwe. In return, Zimbabwe was to keep military control in the South. Foreign participants were adding to the violence with economic motivations from the resources. (Samset 2002) Therefore natural resources made the wars last longer and more violent. They also financed the wars in large part.

In 2012 the conflict in Kivu erupted because of the legacy of previous conflicts in the region. The peacekeeping attempts in the country have proved to be difficult. This has to do with natural resources fueling the war and enriching some people who get to be in control. However, in Kivu the conflict has not been around the mines and the rebellion is about citizenship and owning of the land. (Lyall 2017) It is also likely that the big size of the country, and amount of people living inside same borders, makes it so difficult for there to be build sustainable peace. The rebel groups are in such big numbers and unified authorities and cohesive institutions can be difficult to install.



Figure 1. Continent of Africa

Source: (*Political Map of Africa, World Atlas*)

### 3.3. The Case of Botswana

Natural resources can result in violence when looking at the case of DRC. However in Botswana, the mineral wealth they have, has not sparked violent conflict in their country and they have been able to avoid the negative results, which resources have been seen to create. (Wiseman 1992) That means that there has to be something added to the claim of natural resources causing conflict, than just the possession of them. In order to find out what the additional factors are, this paper will now examine the case of Botswana and compare the mechanisms of violence found from Congo, to their situation.

In Botswana, there was no overseas trade of slaves and there evolved no chiefs with Western alliances in the pre-colonial time. It seems that at the time of African slave industry, they did not become fragmented like Kongo did. The oldest community living in Botswana consisted of people called the Bushmen. They were in the lowest hierarchical cast of the country. Written records of the pre-colonial Botswana are limited, and it is hard to surely say what the relationship between the powerful and the non-powerful was. However, there have been some records found, due to missionaries living there. There also was some slavery according to those, and the Bushmen were used by the powerful tribes. It has also, however, been argued that they more so traded work, and got in return, for instance, hunting weapons, than experienced abuse. The fact that overseas trade was not practiced, denied Western influence taking place and distorting their own social hierarchy structures. (Hermans 2009)

In the pre-colonial time, they had not yet found their valuable resources in their environment, and that also resulted in Western powers not affecting to the power structure in Botswana's society. The area was not interesting to the outside world and no exploitation seemed to be possible from there. It had no connection to the sea, no resources, it had challenged with drought and was populated loosely. (Wiseman 1992) The fact that they had no significant resources at the time of them being weak in the pre-colonial times caused for the Western world not taking a firm hold of the territory. This made for them to maintain their communities and their values as well as their traditional local structures. Those structures have been stated having caused the fact that even later on when there were valuable minerals found in the soil of Botswana, violence did not get to erupt. (Moumakwa 2010)

When it comes to the conflict preventing structures, they were researched by Moumakwa. According to her research, the Kgotla system, which is a local court, created a sustainably peaceful society. It caused for the society to appreciate, and respect peace among rural areas, as well as urban communities. In the pre-colonial times, the area was called Tswana. They had customary rules, and laws and those were included in Kgotla, which was the most important institution among local communities. The legislation used, is made from tradition and old values. It is based on accountability of actions, reconciliation, cooperation, negotiation, mutual understanding, and forgiveness. When they came to be under colonial rule, the system was still used. There is a dual legal system in Botswana currently, where the juridical side comes from the influence of Britain, which they were a part of during the colonial time, but the customary side comes from Kgotla. Both are used when resolving disputes. This is important, since this way the

Tswana chiefs felt that they were not taken from their power, and British did not decide for them how to deal with authority. (Moumakwa 2010)

In Botswana, the colonial time was very different from Congo. In 1876 the Tswana pleaded for the British to protect them from neighboring tribes taking over their territory. There was seen some expanding interests from there. British rejected this because Tswana was considered to being such a worthless land. However, after when in 1884 the Germans had acquired a lot of land from Southern Africa, Tswana came to appear strategically more valuable and stopped Germans from having an important route through there. Britain took power in Tswana's territory in 1885. They ended up calling the area Bechuanaland Protectorate. British did not distort their cultural structures with aiming to get maximum profits from the territory, since Botswana was resource-poor at the time. The area was to the British important just strategy wise, and they saw it likely being in the future a part of South Africa. Therefore they did not see the need to create much future planning either for the country. The protectorate did not become a part of South Africa since it was also internationally accepted, how the colonies in Africa deserved to live as own nations, when the colonial times were going towards ending. All in all, the British did not take a strong grasp on the society, they did not take a lot nor give a lot. (Wiseman 1992) Their colonial legacy helped them to remain peaceful even after finding mineral wealth.

The leadership in Botswana has been legitimate and the population has been treated well by the leader. They were able to keep the hereditary leader when they became independent and there was not a profit seeking government in place at any point. This is a contribution of the British not having any specific future planning for this colony. The Botswana hereditary leader was supposed to be Seretse Khama. In the 1960s decolonization was surrounding in Africa. Serestse Khama at the time founded a Botswana Democratic Party and they won the pre-independence elections held in 1965. In 1966 the Republic of Botswana gained independence and the new president was Seretse Khama. He was a ruler with traditional respect and Western education. His leadership methods helped Botswana not to engage in conflicts also later on. (Wiseman 1992)

At the time, the country was one of the poorest countries in the world, and the forecast for their development was not good. The economy was relying on two things, which were migrant labor, and agriculture, which was mainly cattle growing. People had difficulty farming due to harsh drought in the region. (Wiseman 1992) 80% of the land is also Kalahari dessert and almost only

possible local industry seemed to be cattle based. They had in 1966 only 100 graduates from secondary school and only 22 from university. (Martin 2008)

Mineral wealth was discovered there in 1967. They became the third largest producer of diamonds. (Martin 2008) There has been no civil wars in Botswana after the find. Poteete claims that the absence of violence comes from the nature in which the tribes have lived together, sustainable development, and the policies that encourage this development. When it comes to the peaceful society, there is not a prevailing tribe over other. Poteete says that violence should have emerged if some groups had more power than others, and distribution of wealth being unequal would add a risk of violence also. Ethnic diversity does exist but they are not competing among each other. Each tribe has different benefits, like for instance, some have good agricultural benefits, and some have urban development -benefits. The groups rely on their courts on handling their disputes and violence is not a common way to go about things. All of the political parties have had plans not to let any ethnic differences an opportunity to cause violence. All resources were from the beginning promised to be used for the common good. (Poteete 2012)

Botswana was able to develop their economy with the minerals instead of having a resource curse. This was due to smart governing and management of the new revenue stream they gained. First of all the leadership on Seretse Khama was important. (Martin, 2008) Botswana was able to choose their own leader, who was respected, and cared for his country. This was because the colonial rule had been so light. (Acemoglu, et al. 2001), He had a big role in early stage decisions about the governing of Botswana. He was thinking about the long-term benefits rather than trying to maximize profit as fast as possible. (Martin, 2008) He was European educated and had traditional domestic loyalty. (Acemoglu, et al. 2001) The Western ideal of democracy was one thing Khama brought to Botswana. Multiparty democracy was a popular ideology in the country ever since. That prevented the government from becoming rent seeking. (Martin 2008)

The weight put on institutions in the country has been rooted in Khama's growth promoting strategy for the economy as well. Institutions having a big role was thought to help with development. The institutions are affected by the pre-colonial culture of Tswana. In that time the chief had to answer to the population. People were allowed to voice any disapproval. Public affairs were discussed and public institutions were provided, like for instance, legislation. People had land ownership and value of cooperation was installed due to having to work together because their community faced a threat of others expanding over them. No one tribe was above

others and internal disputes were negotiated with the usage of peaceful discussion. After independence institutions were trusted with responsibilities in an effort to diversify the economy and decentralize the weight in the economy. Diamond trade was for instance known to be volatile and it was seen how the booms from exporting diamonds can cause a decrease in growth. Institution used for the policy implementation in order to prevent this was the central bank of Botswana. Its' job is to keep inflation down and control the stability. Expenditures of government wealth need to be done slower than revenue gain. In order to not spend too fast during the booms, the government created foreign exchange reserves. With these, exchange rate is kept stable and local currency is kept from appreciating. The legislation also controls for government consumption. (Martin 2008)

When it comes to economic policies, the way Botswana's government has been managing their mineral industry has been stated to contribute to the fact that they did not end up with violence from these minerals. (Martin 2008, Poteete 2012) Botswana negotiated with the big mining company in Africa, De Beers, and they ended up owning together the mining company in Botswana. The government acquired 50% of the ownership, so they have a control in the exporting sector of the minerals themselves, and get stable inflow from mineral revenues to develop the economy. (Martin 2008) In addition, the possession of diamonds is strictly regulated. No individual person or institution has the right to own diamonds. The will to take control, has seen to evoke conflict and management of them is seen as a way to prevent this from happening. Rent seeking behavior is taken out of the relations, because this is seen to evoke conflict as well. Therefore control of diamonds is not with the one who is exporting them, like for instance in Congo, so there has not evolved the similar private networks based additional economy for the mineral wealth. (Makochekanwa 2009)

Crucial monetary policies as well, have been implemented to help grow the economy. One important one is the creation of their own currency, pula, in 1976 in order to control the economy and not have inflation. (Selolwane 2012, 25) When in the 1970s the revenues started being very visible in the government earnings they were managed carefully. This was the time of there being a mineral boom. (Acemoglu, et al. 2001) They did not overspend and did not end up in debt. They kept growth stable with different policies. The government was saving the excess revenue and did not spend everything. Monetary policies were also used to keep the value of their currency to sink. They had long-term thinking when it comes to investing. An institution called National Development Spending was installed, and they facilitated a legislation, where the

government could not use more from the budget, than had been agreed up on in the parliament. The government also invested to foreign exchange. Then when diamond earnings were at a decline in 1981, they used their reserves to recover. (Sarraff, Jiwanji 2001) It has been stated that Botswana did suffer from Dutch disease but not in the classical way, where all the workforce goes to the mining sector. They suffered in a way of not being able to industrialize with the diamonds, and not being able to diversify economy enough. (Acemoglu, et al. 2001)

The diversifying the economy and growing all sectors is something that the government in Botswana has tried though, to accomplish. Ever since their independence they have tried to create a diverse economy. However, due to environmental challenges, there was not much else to develop than their rural sector, and the cattle farming there. Rural sector did grow. The public sector was also developed and health care, as well as, education increased. Those gave some jobs also, as personnel for the public sector was increased. A growing sector was also the government, since it offered jobs increasingly. New offices in government were created to create jobs. (Martin 2008) In the 1980s population lived in rural areas. Cattle was mainly owned by elites, but agriculture was private sector owned. There were efforts to grow different sectors. Public sector has grown and services as well as infrastructure. Private sector is being invested on and done research on. However, the sector has stayed undeveloped. (Poteete 2012) Minerals are poorly linked to the rest of the economy, and Botswana still has issues in unemployment. Johnson and Robinson, however, state that the fact that Botswana has managed to keep 5% of the workforce working in the agricultural sector and not let it go away completely, is an accomplishment for the country. (Acemoglu, et al. 2001)

There, therefore, are still some issues when it comes to the development of Botswana. However, it has been improving ever since the finding of the valuable resources. By 2005, the society had reached an upper middle-class status, and by 2006, 81% of the people had become literate. (Martin 2008) According to the most recent report of Bank of Botswana, the mission is still monetary stability and sustainable development. From 2015 there has been 0,9% growth in their GDP until 2016 and, non-mining sectors has grown during the same time period 3%. Mineral sector remains the largest. They also see a positive growth forecast for the future. (Bank of Botswana 2016)



### **3.4. Conclusion on Avoiding Violence**

If the colonial legacy has been the kind, where the country is under a strong hold and exploited, the local structures can get abolished. This was possible to avoid for Botswana, since they were not resource abundant during colonial times. The ability to maintain their traditional political structures and values has also helped the country in staying peaceful even after finding resources. Collective traditional authority has been also maintained and power has not become to revolve around resources.

The Cold War brought at least more violence in the Congo Crisis in 1960. With maintaining their traditions, Botswana was during their time of independence and discovery of mineral wealth in a situation where they had a strong political structure. The public was not neglected and they were taken care of. People were not rebellious because of the way the country was governed. The government was trusted on by the public, and the government installed growth promoting policies that would develop the whole economy as much as possible. Important policies that helped to achieve this were, first of all, investments in public sector. Public services were invested on, like for instance, health care. These kind of investments reduce the risks of violence.

The government also has put an effort for not letting the resource exporting deny them from growth, with certain monetary policies. They have invested the surplus earnings with long-term planning and with their own currency, they have been able to control the exchange rate. The way mineral wealth was managed was also crucial. The government owned a part of it, so international control was not allowed to take over.

Neighboring conflicts have spread to the area of Congo, at least partly, due to resources. People were already rebellious due to the policies of the country and there were such valuable lootable resources, that they could help fund the weapons. The Congo Wars starting from the 1990s are still going on, and that has to with the resources pro longing the conflict and competition over control of the wealth of nature.

In Botswana, there are crucial differences in their dealing with their resources and the degree of opportunity there has been for outside exploitation. First of all, Botswana has been able to avoid

the resource curse because when their mineral wealth was found, they were independent and not under anyone else's control. They had already built a sustainable peaceful society and the profits of mineral wealth have not been used for any other incentives than common growth. The weight of the economy is largely on various actors and there are institutions that help with monitoring the fact that the policies determined in the governing policies, are at work. Botswana is in size a lot smaller, and the amount of people living in the territory is lot as large that it is in Congo. This also can make it easier to maintain a strong unanimous society with a certain political structure. In Figure 1., the size difference, as well as the location, of the two countries is seen.

Therefore, in order to avoid the risks from resource abundance, what could be useful, is focusing on local structures being firm, and building the social cohesion for the community. Democratic values and non profit-seeking behavior have an effect, due to different policies they promote. Population's well being needs to be also largely focused on. Building strong institutions and effective legislation decreases the risks. Mineral industry management helps with the problem of the resources being lootable, so careful control of the mineral exporting, which happens locally should be of advantage. If the majority of the population are content and have certainty of income, the risks of rebellion in the resource-wealthy nation, should most likely get reduced.

## SUMMARY

As natural wealth has seen to bring conflict to their location the aim of this paper was to discover in which circumstances, the abundance of natural wealth may contribute to there emerging armed conflict. The significant abundance of highly valuable resources has been of interest, and the main factors that contribute in the issue, and cause varying outcomes among resource-rich nations, have been sought to find out.

Congo has been abundant with valuable commodities for a long time and it has also faced a lot of violence through its years. It is evident, that the fact that Congo's development was distorted because of their significant resource wealth, was a crucial issue in the country becoming very unsafe. The case shows how important prior development, and a unified society are, when the nation has a significant amount of resources and becomes independent. The openness to foreign exploitation, implanted in the nation in the pre-colonial times has been a major factor in the country becoming very violent.

The Cold War brought also more foreign influence to the region and intensified conflicts in the region as trying to effect to control of the nation's resources. The foreign influence caused, for instance, for there to emerge rulers that were much more profit seeking than peace promoting. Mobutu, who had relationships to the USA, was very profit maximizing in his policies. People were not able to choose their leader, and the government was not focusing on the conditions of all sectors of the society and the economy. No long-term thinking was used and people were neglected. This resulted in a society which very much tensions among each other. Followed by booming and vulnerable markets, the other sectors of the economy became diminished, and the income of the people decreased even more. This combination of discontent people with access to valuable resources, caused rebellion against the leader in the 1990s, all though, due to their lootable resources and corrupted leader the area was violent ever since independence. The resource wealth also likely motivated the surrounding conflicts spreading to their region. The mineral fueled the conflicts but also motivated to keep fighting.

In Botswana, what was important was the fact that they discovered their mineral wealth after gaining independence, and being an impoverished country before that, seemed to affect a lot. They were due to that, able to maintain their traditional political structures. They also had a

culture where negotiation and peace were kept up with own legal institutions. These did not get distorted during the colonial time, because Britain did not see any possibilities to gain, by distorting these structures. They did not need there being people with alliances to them. After independence, and the find of resource wealth they were then able to grow their economy with them.

Therefore, the amount the country has been able to develop before finding their mineral wealth help to avoid conflict from resources. The economic development is not the key, since Botswana had not been able to become economically developed due to the poverty. The development of unified society, with understood rules, and also the development of institutions that help in maintaining the peace are crucial. Also what affects is, during the find or possession of resources, how much there is opportunities to exploit them from foreign powers. In Botswana they had gained independence before the find of the resources so that might have been a huge help. If they would have still been under Britain's rule, their society may have become distorted as well, and all traditional habits that locals believe in may have been abolished, as well as their authority structure.

The leader was also educated and traditionally respected. That helped in the process of implementing growth-promoting policies, which also helped to keep the public satisfied and not rebellious. Democratic policies like investment to public sector and legislation supporting institutions were used. The diamond wealth was also carefully managed. The risk of the lootability of minerals was focused on, and the industry has been monitored. The policies installed that benefitted all sectors. Public services were invested on. Institutions were installed to keep the exporting of minerals stable and ownership of the resource exporting company was acquired locally, so the exporting could be controlled depending on situations, locally and with local benefits in mind. Therefore, they could control their exchange rate in a way where the exporting would not distort their economy, but grow it at a steady paste, with benefits to all groups in mind. From the case study it can be concluded, that the opportunity to maintain traditional cultural structures, and practice their independence with unified society is what determines how much the significant wealth in natural resources effect to there evolving a security risk and violence. There needs to be legitimate structures in order to achieve that, which have not been destroyed by foreign control. Therefore, the crucial factor found, is the degree of opportunity for outside exploitation, at the time of the nation's independence, or possibly at the time of the find of the resource. Congo had already joined international trade before the Second

World War so industrialization did not seemingly effect to the challenge it had in development. However, it was difficult to control the booming industry, and they were not able to grow their economies anymore. The local economy had not been grown prior but so had not the local cohesiveness either. The violence of the country increased due to the Cold War and mainly because the leaders have been influenced by foreign powers. This has seen to cause profit seeking governing with policies, which give rise to motivation for conflict in the public. There has been also opportunity for war, since the people have been able to purchase weapons.

Along with the ability to maintain a strong society through the possession of the natural wealth, certain policies in the economic life as well as political life are useful in avoiding the emergence of violence. As it can be seen through the case Botswana, the useful policies are first of all, important to let the wealth distort the growth of economy. This could potentially distort also the society and create tensions which strive from discontent people living in an economy that is no growing. Therefore, it is crucial not to let the exchange rate get too low and to stay competitive in the international markets. Also, not spending too much during booms and diversifying the economy helps. Democratic institutions are good to put weight on in the system. Investment in all sectors is also important and the wealth should be invested in a way where all groups in the society benefit and there are possibilities for all to generate income. Public investments are useful, like for instance education. The people have more access to weapons through the possession of resources and therefore, the motivations to rebel against the government should be kept at a minimum. Violence can also be avoided with managing the mineral industry carefully, due to it's risks of enriching individuals unlawfully. It seems from the case of Botswana, to be smart not to let an individual export it, at least to an extent.

In terms of future research, what would be useful to study, in order to improve the security of resource wealthy nations, would be the mechanisms in which a fragmented society with resources could be made cohesive, and is that even possible, after a long enough time. The question of weather foreign influence hurts or improves the local cohesiveness in poorer regions, could be studied. It seems that the situation where a nation loses its identity and becomes fragmented, has a high risk in resulting in violence, and even more likely, if there are valuable resources at hand a significant amount.

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# APPENDICES

## 1. Appendix 1. Continent of Africa



Source: *(Political Map of Africa, World Atlas)*