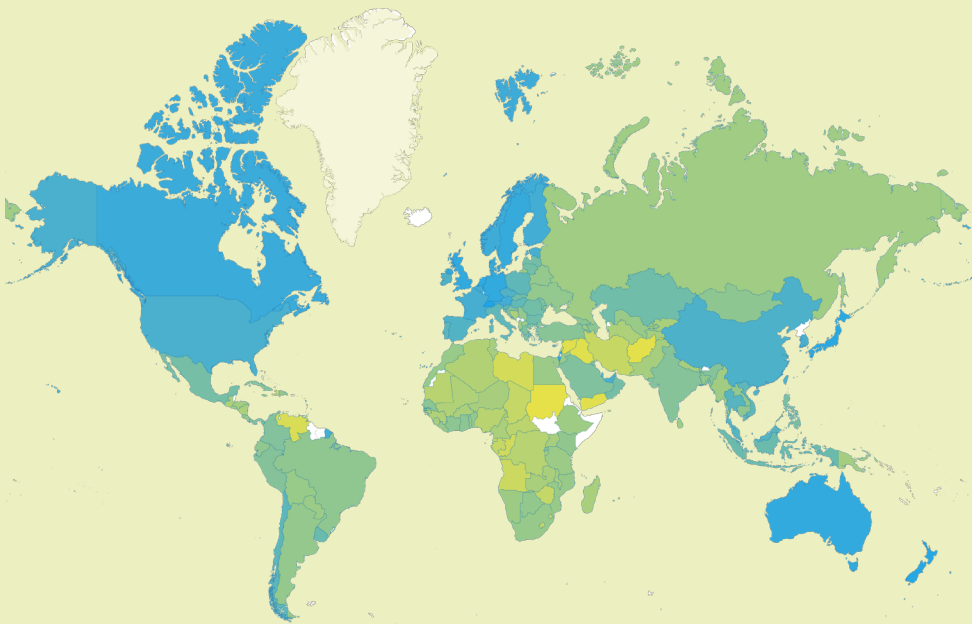**ELITE QUALITY INDEX**
EQx2023

This PDF includes a contribution from the following book:

ELITE QUALITY
REPORT 2023

Democratic Republic of the Congo: Cursed by resources, but elite circulation can break the Value Extraction cycle

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Democratic Republic of the Congo: Cursed by resources, but elite circulation can break the value extraction cycle

The Democratic Republic of the Congo (DRC) is certainly the perfect illustration of what economists call the "resource curse". As one of the richest countries in the world in terms of natural resources (diamonds, gold, copper, cobalt, coltan, and many more), the DRC is frequently ranked among the most lagging countries in terms of human development. The EQx2023 provides a quite comprehensive account of the drivers of this deeply embedded "curse" which has been augmented by the dreadful role played by the DRC elites in this ongoing tragedy.

One can safely say that since its independence in 1960, the DRC has never been able to escape from the clutches of one of the fiercest predatory elites in human contemporary history. After the tragicomic reign of Mobutu Sese Seko (1965-1997), one of the major representatives of neopatrimonialistic autocrats, the country fell under the control of the Kabila dynasty as a result of a sequence of civil conflicts, often fueled by neighboring countries (in particular, Rwanda), determined to exploit the immense Congolese reserves of several strategic metals via complicit local militias (such as the M23, backed by Rwanda, which is still active in Northern Kivu, Eastern DRC). However, a shallow hope for inclusive elite circulation has been emerging since current President Félix Tshisekedi broke his alliance with former dictator Joseph Kabila in 2020. Tshisekedi is now heading a new coalition openly running on the basis of socioeconomic progress and anti-corruption initiatives (which is not without risks as the 2023 presidential election draws ever closer).

While the early positive macroeconomic impact of these initiatives has been recently outlined by the IMF, the structural mechanisms driving the Congolese tragedy since independence remain in place. The size of the country (the second largest in Africa) and the fragility of the state at all levels (including at the provincial level) and in all aspects (military forces, fiscal capacity, etc) make it almost impossible to oust the international and local predatory players in such a resource-rich and institutionally-fragile nation, at least in the short run. The EQx2023 ranking of the DRC at # 130 out of the 151 countries assessed reflects the current political economy of a country where local extractive elites and their international allies still dominate the game. The EQx paints a quite accurate picture of these extractive elites at all levels. The Political Power and Political Value rankings (Index Areas (i) and (iii), rank # 146 in both areas) clearly illustrate the political roots of the elite and the consequences of their agency. They also highlight how the case of the DRC is one of the most dramatic of our time, and in principle should receive much more attention as well as firm action from the international community.

The more disaggregated Indicators of the EQx2023 provide us with a more detailed x-ray of the Congolese "resource curse". Both the level 3 Pillars and the level 4 Indicators align with field observations. The very significant importance of State Capture, Regulatory Capture and Human Capture, the three pillars that make up the Political Power Index area, show the damage caused by Congolese elite agency (with the following respective rankings; # 143, # 145, and # 137). This potential for extraction is realized through very poor Political Value (Pillar (iii) at level 3): low investment in education and health, even though the COVID-19 experience in DRC has not been among the worst in the world (similar to many other Sub-Saharan African countries for a variety of reasons that are not expounded on here). The rankings fore Indicators such as Life expectancy (for both males and females; LEM/LEW, iii.7, rank # 143 and rank # 140, respectively) or schooling time are indeed extremely unfavorable.

The dataset gathered for the pillars in the Economic Power index area are equally relevant. It clearly reflects the extreme lack of sectoral diversification, the overwhelming dominance of the extractive industries, and the absence of a sound industrial policy and any real support for innovation. Indeed, the Indicator *Natural resources rents as % of GDP* (NRR, iii.9, rank # 135), shows that the DRC is clearly one of the most resource-dependent countries in the world. The high ranking for Firm Dominance (rank # 12), is here completely irrelevant, based as it is on a single Indicator and pointing to another issue: the inability to collect reliable data for the DRC. While the figure for *SMEs per 1,000 people* (SME, ii.5) is also unavailable, it would in any case have been very small in terms of the % of GDP compared to that of the big mining companies depleting the natural resources of the country. The huge endowments of natural capital that the country enjoys should have been exploited to develop agriculture, the food industry and agribusinesses, to reduce malnutrition and poverty in the country (see, for example, the ranking for the *Global Food Security Index*, FSQ, iii.7, rank # 109).

The lack of a redistribution of political rights and the confiscation of resource rents by political elites and their external allies (multinationals and foreign states) have considerably retarded social and societal progress in DRC, a fact that is evidenced by almost all of the EQx Indicators. As long as the DRC remains weak and without the capacity or will to enforce change, there is no way it can manage its developmental mission effectively. The key challenge for the DRC is to assure maximal economic returns from its huge natural wealth, a task that still looks to be dependent on breaking free from the the vicious circle of Value Extraction as soon as possible.

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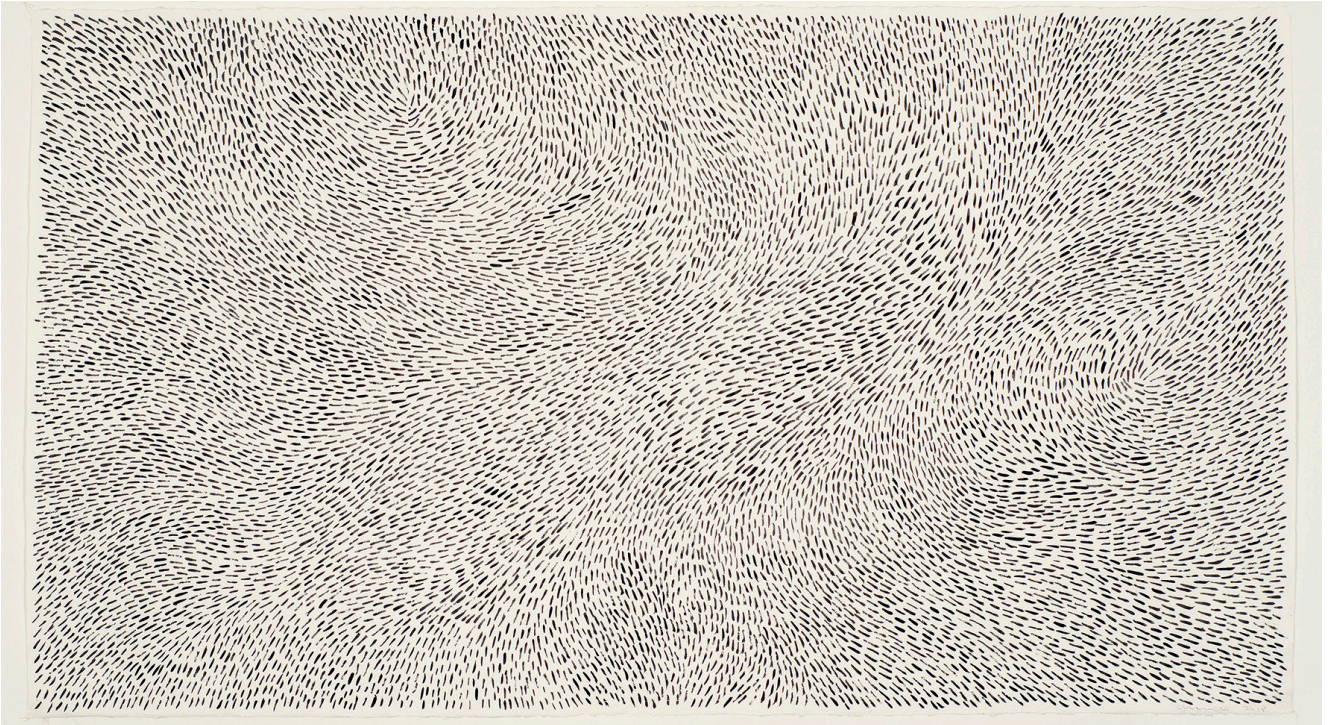
Congo, Dem. Rep.

EQx2023 Country Scorecard

Population	95.9 million
GDP (nominal)	55 billion USD
GDP per capita	577 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank	
130	40.5	Rank	98

Lagging Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

	Power	Value
Rank / 151	145	110
Score	29.6	45.9

EQx Index Areas

	Political Power (i)	Economic Power (ii)	Political Value (iii)	Economic Value (iv)
Rank / 151	146	139	146	81
Score	26.4	31.2	40.8	48.5

Level 3 – Pillars

	Rank / 151	Score
State Capture	143	27.8
Regulatory Capture	145	20.2
Human Capture	137	31.3
Coalition Dominance	151	18.2
Firm Dominance	12	61.6
Creative Destruction	119	23.6
Giving Income	147	30.6
Taking Income	109	45.9
Unearned Income	91	47.6
Producer Value	110	40.5
Capital Value	80	48.5
Labor Value	68	54.7

Radar chart — EQx2023 Average vs Congo, Dem. Rep.
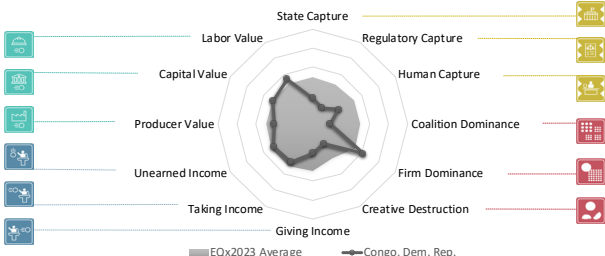
Level 4 – EQx Indicators

Code	Indicator	Rank / 151	Score
State Capture (i.1)			
COR	Political corruption	148	13.9
COC	Control of corruption	145	14.9
OPG	Open government	114	19.5
RTC	Government's responsiveness to change	121	16.7
EPR	E-Participation Index	115	26.7
PFD	Press freedom	104	35.0
NJK	Nr. of journalists killed per 1 million people (2yrs avg.)		
PDE	Political decentralization	128	14.7
ADE	Administrative decentralization	107	23.5
PGL	Political globalization		
WPI	Women's Power Index	126	26.1
MOB	Social mobility (upward) (dev. fm optimum)		
INE	Top 10% share of pre-tax national income	94	41.0
GWL	Gini coefficient on net national wealth dist. - level	90	55.7
GWC	Gini coefficient on net national wealth dist. - 3-year growth	94	51.5
GIL	Gini coefficient on income dist. - level	103	35.2
GIC	Gini coefficient on income dist. - 1-year growth rate		
Regulatory Capture (i.2)			
ECR	Ease of challenging regulations		
CGP	Constraints on goverment power	96	28.6
REQ	Regulatory quality		
REN	Regulatory enforcement	119	21.0
PRI	Property rights	146	10.2
CRO	Crony capitalism		
INO	Informal output as a % of GDP	117	27.9
Human Capture (i.3)			
GSI	Global Slavery Index	137	8.3
FDP	Forcibly displaced population as % of population	142	31.9
HRI	Human Rights Index	143	13.7
AFI	Academic Freedom Index	83	45.7
GRI	Religion - Government Restriction Index	16	77.4
LIN	LGBT+ inclusiveness	97	31.7
WSB	Women self made billionaires		
WBL	Women, business and the law	84	52.1
WMA	Proportion of women in senior and middle mgmt positions (		
Coalition Dominance (ii.4)			
IEE	Top 3 industries exports as % of exports	142	5.1
IEO	Top 1 industry exports as % of exports	134	0.0
IVA	Top 3 industries as % of VA		
HHI	Domestic market diversification	137	4.1
ECI	Economic Complexity Index	127	14.3
PUE	Public employees as a % of total employment		
MIL	Military expenses as % of GDP (dev. fm optimum)	47	61.7
UNI	Unionization rate (dev. fm optimum)	37	65.5
BSN	Barriers in service & network sectors		
CRA	Criminal actors	147	0.0
Firm Dominance (ii.5)			
SME	SMEs per 1,000 people		
FAM	Family business revenues as percentage of GDP		
BIW	Billionaires' wealth as % of GDP	1	61.6
FKG	Top 10 firms market cap as % of GDP		
FRG	Top 3 firms revenues as % of GDP		
FRR	Top 30 firms revenues as % of GDP		
Creative Destruction (ii.6)			
ENT	Entrepreneurship		
GSE	Governmental support to entrepreneurship		
VCK	Venture capital finance	69	0.0
VCA	Venture capital availability	121	18.5
RND	R&D as a % of GDP	67	49.1
EXR	Firm exit ratio		
BCD	Billionaire's creative destruction	50	34.4
IWE	Index of Women Entrepreneurs		
Giving Income (iii.7)			
LEW	Life expectancy women	140	12.0
LEM	Life expectancy men	143	13.4
VAX	COVID-19 vaccination rate	117	33.9
COM	COVID-19 mortality rate, age-adjusted	13	75.4
COF	COVID-19 fatality rate, age-adjusted	137	33.9
COV	COVID-19 excess deaths, age-adjusted		
CLS	COVID-19 lost schooldays	51	65.9
SCI	UHC Service coverage index	110	10.1
PTR	Pupil-teacher ratio	114	33.4

Code	Indicator	Rank / 151	Score
EDU	School life expectancy	133	18.0
PIS	PISA mean scores		
UNV	Top universities		
GEE	Government education expenditure	128	24.3
OSI	Online Service Index	142	12.2
NRI	Network Readiness Index	125	5.3
INT	Internet access	143	0.0
FSQ	Global Food Security Index - availability, quality & safety	109	8.3
GPS	Expenditure on general public services as % of GDP (dev. fm		
GEX	General government expenditure as % of GDP (dev. fm optim		
SNT	Subsidies and transfers as % of expenses		
REG	Regional redistribution as % of government budget	6	77.3
Taking Income (iii.8)			
SUB	Death rates from substance use per 100,000 people	66	56.9
BRD	Battle-related deaths per 100,000 people	140	50.1
HOM	Homicide rate		
SUI	Suicide rate per 100,000 people	67	58.3
DTR	Tax revenue as % of GDP (dev. fm optimum)		
DCT	Corporate tax rate (dev. fm optimum)	80	46.1
DPS	Delta public vs private sector salaries		
FDE	Fiscal decentralization		
GCI	Global Cybersecurity Index	142	13.5
GEG	Gender education gap (dev. fm optimum)		
CRM	Criminal markets	138	15.1
DBT	Government debt as % of GDP	6	84.0
Unearned Income (iii.9)			
NRR	Natural resources rents as % of GDP	135	22.8
GPA	Green patents		
EPI	Environmental Performance Index	95	39.1
DER	Deforestation Rate		
FUS	Fertilizer usage kg per hectar	4	65.6
TLP	Terrestrial land protected	90	41.4
CDO	CO2 emissions (metric tons per capita)	1	71.2
AIR	Air quality index		
HAZ	Hazardous Waste per capita		
WPC	Waste collected per capita	97	0.0
MWR	Municipal Waste Recycling Rate		
FIS	Fishing consumption as % of population	30	70.9
MET	Red meat consumption kilograms per capita	1	100.0
Producer Value (iv.10)			
PAT	Nr. of patent applications per 100,000 people	94	44.2
FBH	Financial burden of healthcare	39	65.1
HEI	Health Efficiency Index		
DMS	Density of medical staff	114	29.6
FSA	Global Food Security Index - affordability	94	21.7
FDS	Inward FDI as a % of GDP, Stock	51	47.8
BTF	Barriers to FDI		
OFB	Open for business		
EGL	Economic globalization		
TRF	Trade freedom	99	42.9
IPM	Share of imports targeted by protectionist measures (flow)		
IPS	Share of imports targeted by protectionist measures (stock)		
DGI	Share of discriminatory government interventions as % of tota		
DGS	Share of discriminatory government interventions as % of tota	114	34.4
DOI	Inflation (dev. fm optimum)	75	56.0
DEF	GDP deflator index growth rate (dev. fm optimum)	75	55.6
DNI	Neutral interest rate (dev. fm optimum)		
Capital Value (iv.11)			
FMI	Financial Markets Index	142	27.4
GFC	Gross capital formation	40	60.2
DMA	M&A as % of investment - 3 yrs rolling avg. (dev. fm optimum		
GOL	Gold demand as % of GDP		
UNC	Unicorns per 1 million people		
BSG	Billionaires self-made nr. per 1 million people		
BSM	Billionaires self-made as % of total billionaires		
Labor Value (iv.12)			
LPG	Labor productivity growth	59	49.8
WLP	Delta real wage vs labor productivity increases		
LFP	Labor force participation rate	50	59.2
LFR	Labor force participation ratio - male vs female	23	70.8
UEM	Unemployment rate	68	61.0
YUN	Youth unemployment rate	46	66.9
BRN	Human flight and brain drain	110	29.9

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