

CONCLUSION

Following the 1994 Genocide, a clan of mainly 'Ugandan' Tutsis from the RPF created the so-called 'Government of Rwanda', which it has used to completely dominate political and business life in Rwanda. This clan, called the Akazu, is kept together by access to wealth.

Foreign aid and taxes are used directly and indirectly to reward supporters with jobs in the 'government' apparatus, and Akazu members receive 'government' tenders or business licences. On the contrary, non-Akazu members are not admitted to 'government' jobs and non-Akazu companies are rarely awarded 'government' tenders. The only exception to this is a small minority of Hutu who for the sake of appearances have been allowed to occupy very senior positions in the 'government' to convey the image of an ethnically and politically representative 'government'.

The 'Government of Rwanda' contains two groups of people: the insiders and the outsiders. The insiders, those who are members of the Akazu, are not interested in dealing with the poor population in the countryside in so far as that population does not disturb the self-enrichment activities of the Akazu. Whether the outsiders, who are not members of the Akazu, actually have such a desire – for instance by developing institutions capable of dealing with and caring for the vast majority of Rwanda's poor – is in a sense irrelevant: they simply do not have the power to do so.

The fact that select parts of the 'government' only deals with select parts of the population on select matters means that the 'Government of Rwanda' is not really sovereign within the borders of Rwanda and that Rwanda therefore is not a state, since this requires such a sovereign government.

The nature of the 'Rwandan Government' has also had a significant impact on its involvement in the Second Congo War. Because besides Rwandan tax-payers money and foreign aid, the Congo War is a significant source of income for the Akazu. The plundering of Congolese resources has been an integrated, well-planned, and well-organized part of the war since its inception in August 1998. I have shown that even official records prove that Rwanda has a significant re-export of coltan, gold, and diamonds. The RPA, individual officers, and businessmen closely associated with the RPA have benefited substantially from the economic exploitation of a variety of mineral resources, as well as from the occasional seizure of precious

goods and money. Estimates show that this group of people is likely to have landed profits of at least US\$ ¼ billion during 2000. In other words, enough to both supplement the official military budget of US\$ 83 million *and* to fill their own pockets.

The strategic aspects of the war – to fight the Hutu militias and the 'Government of the Congo' – have been seriously compromised by the RPA's indirect trade in coltan with these militias, as well as by the fighting with allied troops from the Uganda People's Defence Forces over lucrative mining areas. The issue of security is thus clearly not the only motivation for Rwanda's continued war in the Congo. In fact, the Akazu's desire for quick profits has superseded the officially declared policy of the war, namely to secure Rwanda's borders from further attacks. In other words, the war is not primarily fought in what some scholars would term 'the national interest' of the country, but rather in the interest of the Akazu.

Although Rwanda is not a state, its 'government' not a government, and the war in the Congo is not fought for the benefit of the people of Rwanda or to protect - or rather establish - a Rwandan state, it is nevertheless important to note that the Akazu skilfully exploits the very notions of statehood and sovereignty for a wide range of political purposes. First, the 'government' uses the concepts of statehood and sovereignty to argue for outside assistance, notably foreign aid, since many donors are very wary of openly supporting non-state actors. Second, the 'government' uses the concept of sovereignty to argue for non-interference in its internal affairs, such as the repression of political opposition and the trade with illegally acquired goods from the Congo. And third, it seeks to justify its participation in the Congo War by reference to the need for protecting the 'sovereign state' of Rwanda.

From the point of view of the Akazu, this strategy has so far worked amazingly well, among others because donors have failed to seriously question the presumption at heart of this string of arguments: that Rwanda is a state. If Rwanda had not been considered a state and the 'government' had not been considered a government, donors would have found it difficult to persuade public opinion in Europe or North America of sustaining aid to the RPF; they were unlikely to have defended the RPA's human rights abuses; and they would certainly not have accepted a moral right for the RPA's intervention in the Congo - let alone spending western taxpayers' money on it through loans and budget aid to the RPF.

Through the 'government's' scrupulous rhetorical commitment to sovereignty and statehood, it has obtained extremely lenient aid criteria from donors, which is particularly true with regard to the Bretton Woods institutions. The conditions attached to IMF and World Bank loans have

become 'paper conditions' that are never actually meant to be completely fulfilled. Most importantly, proper checks and balances of military expenditures are not carried out, since the IMF does not consider it among its tasks to analyze in-depth the role of the Congo War in the Rwandan economy. Statements from Bretton Woods officials seem to imply that on the matter of extra-budgetary funding, they rely to a large extent on the goodwill of the Rwandan Government, combined with something in between extreme naivety and criminal stupidity, notably the contention that the participation in the Congo War does not entail increased military expenditures. Since the RPA had already been conducting a counter-insurgency campaign in North-Western Rwanda prior to the August 1998 re-invasion of Congo, one IMF official said, "it was just displacing the activities across the border," adding that it was therefore no surprise that the level of official military expenditures had *gone down* after the start of the war.¹ However, as the *UN Exploitation Panel Report* pointed out, the chartering of private aircraft to fly troops and equipment in and out of the vast Congolese jungle is in itself likely to cost the RPA more than US\$ 20 million annually.

Apparently, the IMF official was not strongly impressed by this logic either, and quickly acknowledged that that IMF was, in fact,

...not able to police possible illegal exploitation from the Congo. It is not the IMF's task to travel to Congo to find out about this [...] We cannot exclude that natural resources are financing additional activities. [But] it is not our task to find it out.²

It is for these reasons remarkable that the Bretton Woods institutions have kept endorsing and publishing – without comment – statistics by the 'Government of Rwanda' on *inter alia* Rwandan military expenditures that must be known to be of – at the very least – questionable quality.

I therefore argue that not only has the Akazu been able to obtain lenient criteria from some of its major donors, it has in fact turned them into partners in its skilful deception game to draw a veil over the criminal activities that it is engaged in. In a broader sense, this is in fact also true for several bilateral donors, such as the UK and the US, that have defended the 'Government of Rwanda' on matters of corruption, human rights abuses, and high military expenditures much more than they have criticized it.³

¹ Confidential telephone interview with International Monetary Fund official, 2001

² Ibid.

³ Among the best examples of this are the interviews with the EU Commissioner for Development and Humanitarian Aid, Poul Nielson, in *Information* (Copenhagen), 'Nielson: Rwanda skal have ro', 23 June 1999, also available at

As the statements above make clear, donors have tacitly accepted that the 'Rwandan Government' conducts two military budgets: an official budget and an unofficial one. With respect to the official budget only, it is unlikely that the 'government' only spends approximately one fifth of its total budget (or roughly 4% of the GDP) on its military (as the 'government' and the IMF claims), since civil servants have been made to pay unrecorded shares of the salary as a direct contribution to the Army. However, it is likely that the 'government' has somewhat restricted its spending on the military, although it is unclear to what extent.

However, the unofficial military budget is funded by the plunder from the Congo – and there is no threshold on this 'budget' as such. In a sense, it is therefore nonsense to claim that donors' 'conditions' have restricted Rwanda's military spending; however, it appears that donors to some extent have restricted the amount of funds taken from the *official budget*.

In order to assess the impact of foreign aid on the Rwandan warfare in the Congo, I shall imagine a situation in which donors withdrew their aid to the so-called 'Government of Rwanda'.

For a start, donors could make their aid truly conditional on a withdrawal from the Congo – i.e. make the 'government' choose between a withdrawal from the Congo and continued donor aid. As the situation was in 2000, it is nevertheless an open question whether such a 'proposition' would have forced out the RPA from the Congo; simply because of the profitable nature of the Congo War. Although we do not know how much *extra* funds the RPA needed to fight the Congo War, it appears that the Akazu's profits of about US\$ ¼ billion for 2000 compared well to the foreign aid and loans that the 'government' received – Rwfr 63.1 billion, or US\$ 189 million for 1999, the latest year for which figures are available.⁴ Even if we subtract those money that the RPA must have taken from the trade in minerals and spent on the war in supply of the official budget, the Akazu probably benefited more from the plunder than from the aid and the loans. However, with this year's significant fall in the coltan world market price, the revenue from the Congo might not be that high next year. By then, donors might be in a better position to pressure the RPA out of the Congo by making it choose between the war and the aid.

If the RPA still refused to give in to donors, and donors then turned their backs on the 'Rwandan Government', in all likelihood a greater *proportion* of the 'government's' budget would

<http://www.information.dk/Indgang/VisArkiv.dna?pArtNo=19990623s01a05>, and the interview with British Secretary of State for International Development, Clare Short, in *File on Four*, BBC Radio 4, 10 July 2001, transcript available at <http://www.bbc.co.uk/radio4/progs/genre/transcripts/fileonfourmobilephones.pdf>

⁴ Confer 'Table 10 – Financial Operations of the Central 'Government of Rwanda' – 1998-2004 Source: International Monetary Fund'

be spent on the war. However, since the total budget at the same time would be slashed to between 45% and 51% of the current size, it is arguable whether *in absolute terms* more money could actually be spent on the military. Even if the 'government' ruthlessly cut all social expenditures, there would still be non-military costs, such as certain infrastructure and private sector projects as well as the pay of civil servants, the defrayal of which could hardly be avoided without seriously affecting the war effort as well as functions vital to the Akazu, such as tax collection. If donors withdrew from the Congo, it is thus far from certain that more Army funds would become available from the *official budget*.

Furthermore, the fact that the 'government' is not a true government, but rather a clan-based mafia, has serious implications for the political impact of the aid. Since the aid is channelled through the 'government', it indirectly helps the Akazu, because the latter independently controls the access to 'government' bureaucracies and thereby uses 'government' funds, such as jobs, licences, or tenders, to award people from the network or, alternatively, to incorporate new supporters. I also found that a significant amount of aid directly benefits the Akazu since it finances projects that are of immediate utility to the Akazu, such as infrastructure projects, salaries of high-ranking 'government' officials, private sector aid, and to herd people into makeshift camps.

In the event that donors withdrew their aid, the Akazu therefore would face a serious shortage of means to award clan members. Some have argued that an aid cutoff would only invite the Akazu to intensify the plunder of the Congo in order to compensate for the lack of resources at home. But I found no indications that the Akazu is holding back in its extremely well-organized exploitation of the Congo. Moreover, if the exploitation could easily be extended, the RPA and the UPDF would not have fought pitched battles over Congolese mining areas.

When certain Akazu supporters are excluded from the receiving end of the line, this is likely - if not certain - to jeopardize the internal stability of the Akazu, which has already been shaken by desertions, infights, mutual distrust, and assassinations. A lack of stability means more desertions, more infights, and possibly even battles within the Akazu similar to those that the UPDF and the RPA have waged against each other. In other words, problems that are certain to have a substantial negative effect on the warfare. In reverse, this means that by keeping the aid flowing, donors ensure the stability of the Akazu and thereby also the continuation of the war in the long term.

I therefore conclude that foreign aid to the 'Government of Rwanda' indirectly contributes to the continuation of the Rwandan war effort in the Congo.

EPILOGUE: THE WEAKNESS OF THE STRONG AND THE STRENGTH OF THE WEAK

Some scholars have argued that the governments of the UK and the US have supported Rwanda financially, politically, and to some extent militarily, because it is in their 'national interest' to ally themselves with the Rwandan 'government' and/or its campaign in the Congo.

However, in whatever way one interprets 'national interest', say, in terms of economics, security, or stability, there is no evidence to support such an argument. No major US or UK companies are involved in the exploitation on the ground in the Congo, and although most of the minerals do end up in western consumer products, they would probably have done so regardless of whoever were in control of the mines in the Congo; the seller would just have been Congolese, Angolan, or Zimbabwean, instead of Rwandan (and Ugandan). And, crucially, the price would still have been the same, which is to say the world market price. Likewise, it is extremely difficult to see why the US, the UK, or indeed any other western power should benefit security-wise from an alliance with Rwanda (or Uganda). They might as well have allied themselves with the Congolese 'government'. Finally, there are also those – supposedly well-meaning – scholars or activists who claim that in the interest of stability western donors should cooperate with the repressive 'Rwandan Government'. They point to the 1994 Genocide and argue that a collapse of the 'government' could lead to further destabilization in the whole region,⁵ which will cost the West dearly in terms of expensive disaster relief. For two reasons, this argument is also dubious. First, the argument is somewhat off the wall since western donors could – in keeping with their 'national interest' – simply choose not to bother about African refugees in far-away places. Second, although it is obviously difficult to prophesy the outcome of a weakened Akazu, there is little evidence to support the argument that a destabilization of the Akazu would plunge the Great Lakes Region into renewed war. In fact, there are more signs that point in the opposite direction.⁶ As I have already argued in my conclusion, the very stability of the Akazu is at the root of the Congo War, which in only 3 years has cost the lives of more than 2½ million people and displaced some further millions. Moreover, the 1994 Genocide was not the result of anarchy or a collapse of the state; it was rather a deliberate choice of a modern elite mafia that *used* the exceptionally centralized state Rwandan apparatus to organize massacres in an attempt to cling

⁵ See for instance Mikkelsen, Jakob Eilsøe, 'Rwanda - analyse af et sammenbrud', *Politica* Vol. 29, No. 2 (1997)

⁶ This issue is also discussed in Strizek, *Kongo/Zaire...*, pp. 165-171 and pp. 193-195

to power.⁷ And, notably, a mafia that had grown strong by skimming the state and using development aid to widen its network and influence.⁸

I propose a different reason for western leniency toward the RPF: the internal dynamics of donor states.

The fact that aid flows continue even when conditionalities are violated is not unique to Rwanda. Citing a 1992 study by the Bank's own *Operations Evaluation Department*, Ravi Kanbur writes that "although compliance rates on conditions were below 50 per cent, tranche release rates were close to 100 per cent".⁹

Kanbur, a former resident representative of the World Bank in Ghana, accounts how donors, NGOs, businessmen, and the World Bank itself were among the first to try to persuade him to disburse an aid tranche despite a serious violation of agreed modest government spending in connection with the run-up to that country's first general election in 1993:

Some of these [donors] had 'fiscal year' concerns – they feared the consequences within their agencies of not releasing the funds in the fiscal year for which they were slated [...] I include in this list of donors the World Bank itself – implementation of old projects, and development of new ones, would be severely affected so long as the impasse lasted.¹⁰

This is a phenomenon also known in management literature as 'downstream pressure': if funds are not disbursed during the fiscal year for which they are designated, political superiors are likely to cut the budget of the institution in question and spend next years' funds on something else. From this perspective, Rwandan failure to comply with program schedules would not only affect the recipient 'Government of Rwanda', but also its donors, who therefore become more prone to abstain from questioning dubious figures.

The basic point is that donors and recipients are so enmeshed, at the level of governments, agencies and individuals, that it is actually not clear where the strengths and weaknesses lie [...] Conditionality is no doubt 'imposed' on unwilling recipients at the time of signing a document, but the recipients know, the donors know, and in fact everybody knows, that these are paper conditions; the outcome will be driven by the need of both sides to maintain normal relations and the flow of aid. It is not clear how else one can explain [...] that not only have aid flows not helped in the development of Africa,

⁷ Human Rights Watch, *Leave None ...*, at <http://www.hrw.org/reports/1999/rwanda>, p. 1 and pp. 6-9

⁸ Uvin, Peter, *Aiding Violence: The Development Enterprise in Rwanda* (West Hartford: Kumarian Press, 1998)

⁹ Kanbur, Ravi, 'Aid, conditionality and debt in Africa', in Tarp, Finn, and Hjertholm, Peter, eds., *Foreign Aid and Development: Lessons Learnt and Directions for the Future* (London: Routledge, 2000), p. 413

¹⁰ *Ibid.*, pp. 414-415

they have not even helped in the development of policies they were meant to be conditional on.¹¹

Kanbur's argument rocks the foundation of one of the most tenacious mantra in international relations theory: that the state is a unitary actor. A mantra that as mentioned above completely fails to answer the question that inevitably arises from my conclusion; namely why donors continue to aid the 'Government of Rwanda'. However, institutional interests within donor governments certainly provide a possible explanation for why donors continue aid flows rather than critically examine the political impact of the aid they provide.

And this insight has not been wasted on the Akazu that has joined rhetorical forces with donor institutions by orchestrating a carefully-planned public relations campaign to exploit the notion of being the 'victim' of the 1994 Genocide, which, it has insisted, entitles it to some kind of political and economic compensation, a 'Genocide credit'.¹² A strategy that has worked amazingly well, since the 'Genocide credit' discourse has been accepted not only in official donor documents and statements, but also by NGOs, scholars, expert panels, and not least the media as a nearly limitless justification for foreign aid.¹³

In this way, the Akazu has skilfully manipulated the mechanisms of non-unitary states by using the strength of the weak to exploit the weakness of the strong. A strategy that (neo-)realist-inspired western scholars, journalists, and commentators with their focus on unitary states working rationally to maximize their 'national interest' have failed miserably to apprehend.

¹¹ Ibid., p. 416

¹² See for instance Filip Reyntjens' remarks in *Information* (Copenhagen), 'Rwanda-rapport kunne have reddet liv', 28 June 1999, also available at <http://www.information.dk/Indgang/VisArkiv.dna?pArtNo=19990628s03a01>. The RPF's contention that it is somehow the 'victim of the Genocide' has by and large been accepted at face value among western scholars, NGOs and journalists. However, as the Deputy Force Commander of UNAMIR, Colonel Luc Marchal, pointed out to the author, those Tutsis who were killed in the Rwanda Genocide were those inside Rwanda, and they were viewed by the RPF as traitors, simply because they had stayed behind with the Habyarimana Government. Only very few RPA soldiers actually died compared to the victims inside Rwanda. Interview with Colonel Luc Marchal, former Deputy Force Commander of the United Nations Assistance Mission in Rwanda (UNAMIR), Brussels, April 2000

¹³ For instance, a so-called *International Panel of Eminent Personalities to Investigate the 1994 Genocide in Rwanda and the Surrounding Events* appointed by the Organization of African Unity concluded that in return for western failure to stop the Genocide, "Rwanda's onerous debt, much of it accumulated by the governments [sic!] that planned and executed the genocide, should immediately be cancelled in full". Organization of African Unity, International Panel of Eminent Personalities to Investigate the 1994 Genocide in Rwanda and the Surrounding Events, *Rwanda: The Preventable Genocide*, Project Document, 7 July 2000, available at <http://www.oau-oua.org/Document/ipep/ipep.htm>, unpaginated version, chapter 24