



Parahyangan Catholic University
Faculty of Social and Political Sciences
Department of International Relations

Terakreditasi Unggul

SK BAN-PT No. 2579/SK/BAN-PT/AK-ISK/S/IV/2022

Structural Power of Global Capitalism:
Case Study of Democratic Republic of Congo's
Illegal Exploitation of Coltan

Undergraduate Thesis

By

Ray Rega

6091801063

Bandung

2022



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Fakultas Ilmu Sosial dan Ilmu Politik
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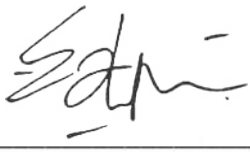
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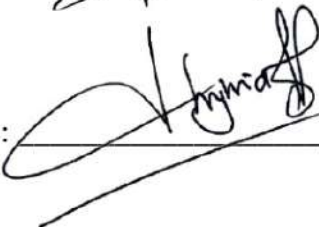
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Hereby state that the content of this undergraduate thesis is the work of my own, and has not been previously submitted for the purpose of acquiring academic degree elsewhere. Works and opinions that are referred to in this thesis have been written in accordance with the prevailing ethics of academic writing.

I have made this statement with full responsibility, and are therefore ready to bear the consequences that are appropriate with the regulations if in the future this statement is proven to be false.

Bandung, December 22nd, 2022



Ray Rega

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ABSTRACT

Name : Ray Rega
Student ID : 6091801063
Title : Structural Power of Global Capitalism: Case Study of Democratic Republic of Congo's Illegal Exploitation of Coltan

This thesis analyzes the way structural power of global capitalism works through the case study of Democratic Republic of Congo's (DRC) exploitation of coltan. In the late 1990s, high demand for coltan due to increased production of electronics in the Digital Revolution implicated DRC in the global coltan trade, and thus the coltan exploitation began. First reported in the Security Council's 2002 report, the exploitation of natural resources in DRC, particularly the mining industry; coincided and was connected with civil war and humanitarian crisis. Decades later, this coltan exploitation persists and continues to involve dozens of corporate and state actors in the global economy. As the situation covers a complex network of actors with many specific interactions, this thesis takes a structural approach of analyzing power by asking "*How does the structural power of global capitalism sustain the illegal exploitation of coltan in the Democratic Republic of Congo?*". To answer this, this thesis utilizes Barnett & Duval's conception of structural power, as well as Stephen Gill's theoretical framework of the structural power of global capitalism. Gathering data of Congolese history to analyze its regime of accumulation, it is analyzed that ever since Belgian colonization, the capacity of Congo within the structure of the global economy has been an extractive economy providing raw materials for Belgium and other European countries. This extractive economy is fundamentally exploitative with rampant usage of forced labor, and it is a continued post-colonial era in Mobutu's leadership. Fast forward to the 21st century, coltan exploitation rests upon this exploitative structure. It is further sustained with the internationalization of capital and the dependency to corporations as the source of economic growth and political ties, as well as the capitalistic culture which promotes neoliberal approach of governance that seeks to expand the role of the private sector.

Keywords: structural power, Democratic Republic of Congo, coltan, exploitation, global capitalism

ABSTRAK

Nama : Ray Rega
NPM : 6091801063
Judul : Kekuatan Struktural Kapitalisme Global: Studi Kasus
Eksplorasi Coltan Ilegal di Republik Demokratik Kongo

Karya ilmiah ini menganalisis proses kekuatan struktural kapitalisme global bekerja dengan mengambil studi kasus eksploitasi coltan pada Republik Demokratik Kongo. Pada tahun 1990-an akhir, permintaan coltan pada perekonomian global meningkat karena produksi produk elektronik yang meningkat dengan adanya Revolusi Digital, dan Republik Demokratik Kongo terlibat pada penjualan coltan global, dimana eksploitasi coltan terjadi. Eksploitasi coltan ini berkaitan dengan perang sipil dan krisis kemanusiaan yang pertama kali diliput oleh Dewan Keamanan PBB pada tahun 2002. Namun, eksploitasi coltan ini masih terjadi sampai sekarang, dan melibatkan banyak aktor negara dan aktor perusahaan dalam perekonomian global. Karena kasus yang diangkat melibatkan jaringan aktor dan interaksi yang kompleks, maka karya ilmiah ini akan mengambil pendekatan struktural dalam memahami kekuatan dengan pertanyaan penelitian “Bagaimana kekuatan struktural kapitalisme global mempertahankan eksploitasi ilegal coltan di Republik Demokratik Kongo?”. Dalam upaya menjawab pertanyaan tersebut, digunakan perumusan kekuatan struktural karya Barnett & Duval, serta kerangka teori kekuatan struktural kapitalisme global oleh Stephen Gill. Data terkait sejarah Kongo menunjukkan bahwa kapasitas Kongo dalam struktur perekonomian global sejak zaman kolonial Belgia adalah sebagai perekonomian ekstraktif yang menyediakan bahan mentah untuk Belgia dan negara Eropa lainnya. Perekonomian ekstraktif ini bersifat eksploitatif secara fundamental dengan penggunaan kerja paksa, dan tetap dilanjutkan pada masa pasca-kolonial oleh Mobutu. Pada abad ke-21, eksploitasi coltan terjadi dalam struktur eksploitatif ini. Eksploitasi ini semakin dipertahankan dengan adanya internasionalisasi kapital dan ketergantungan terhadap perusahaan sebagai sumber pertumbuhan ekonomi dan ikatan politik, serta budaya kapitalistik yang mempromosikan pendekatan neoliberal dalam pemerintahan yang bertujuan untuk memperluas peran sektor privat.

Kata kunci: *kekuatan struktural, Republik Demokratik Kongo, coltan, eksploitasi, kapitalisme global*

PREFACE

Humanitarian issues surrounding The Democratic Republic of Congo have made it an urgent subject that has spurred scholars in many fields to study it in the hopes of illuminating a discovery that can improve the situation in the country. One of the most pressing issues surrounding the country is its exploitation of natural resources, which has been happening for over a century. This thesis is an attempt to analyze the exploitation of natural resources, particularly coltan; using the theoretical framework of structural power of global capitalism created by Stephen Gill.

Both the study of DRC and the study of global capitalism are staggeringly complex, and existing in the intersection of those two topics has made this thesis a very challenging project. Just like every academic work, I have to admit that this undergraduate thesis is ultimately constrained not only by the difficulty of its topic, but also by my perspective, current knowledge, academic performance and rigor, and time. Therefore, this work has many, many rooms for improvement, and more than anything I encourage the readers to improve upon what has been written here. I sincerely hope that someday, I will be given the opportunity to revisit these topics and approach it with a higher level of refinement. I sincerely thank you to everyone involved in this project.

Bandung, December 22nd, 2022

Ray Rega

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Finishing this undergraduate thesis has been a tumultuous period of my life, and I couldn't have done without the help of so many people in my life.

To my **Mom and Dad**. I couldn't have asked for more after I said that I might not graduate in time, and you both responded with such understanding and acknowledgement that is so nonchalant and casual. It made me feel quite embarrassed how understanding you are in facilitating my journey to adulthood. The only reason I was able to gain the opportunity to study, to retry, and to take my time despite lagging behind my friends is because of your grace and understanding.

To **Mba Mirei**, who has been my supervisor for over a year. I sincerely thank you so much for guiding me despite my inconsistencies. These supervisory sessions for over a year; with all its shortcomings and failures, have made me rethink my discipline and commitment to the things in my life and my work that extends far beyond this undergraduate thesis. Thank you.

To my **high school friends, specifically AG**. Thank you so much for all the efforts of preserving our friendship despite only meeting twice/thrice a year. No kidding, it has probably saved my life. To AG, you have been one of my biggest supporters in life, and your candor, humor, bravery, and uniqueness has given me so much fun and energy in life. There has never been a dull moment every time I converse with you, and you'll always have the VIP seat to my life because I will always overshare to you, whether you like it or not.

To **SY, SN, and JD**. You all have been the color of my university years. The excitement of possible fun, whimsy, and release whenever I go to the campus is there because of you. But most importantly, you all have taught me how to be a friend. During my struggles with my thesis, you all have given me joy and spirit to push forward.

To **FM and ES**. The reason I was able to get through the quarantine and all the failures of life following that and still have a hopeful outlook on life is because of you. FM, I cannot overstate the role that you have in helping me imagine a better possibility of life after the life-altering event that is the pandemic. You, with every weight of the word, are a star. ES, knowing you in my university years & understanding you and the way you approach life has made me so inspired by the possibilities that life can give. I look to you with admiration. FM and ES,

everytime I feel lost and uninspired, I look up to you; you are my chosen older siblings.

To **KN**. Your kindness has always made me worried because it makes me feel so egoistic and petty compared to you. You have been nurturing and caring to everyone in your campus life, and I am certainly not excluded. That effort that you always give to ensure the comfort and happiness of others has given me strength, especially during the times I'm struggling with this thesis. I hope you give the same nurture and care to yourself.

To the **triple Rs**. My time with you three on campus has been the personal revolution of my growth as a person. I have never thought I could have achieved so much as a person, but being around you has given me inspiration. The tenacity and industriousness that all three of you have always gave me a boost in energy. It has been sad to experience our time being cut short due to the pandemic, and not meeting all of you for years now. As I start to embark upon the difficult journey to pick up the pieces of my life after this pandemic and find new meanings and pursuits, I'm always reminded that you all would probably reprimand me if I ever get lazy; and it always pushes me to continue fighting.

To **all my university friends** that I cannot name one by one, but have accompanied me throughout my undergraduate years. I sincerely thank all of you so much. We all have personal differences and interpersonal dramas, yes. However, being separated so early from all of you because of the pandemic and to never meet again in real life as university students; it has been difficult to process. In fact, I still cannot process it yet. This forcible separation with all of you due to the pandemic has left me with profound sadness that I'm still dealing with even to this day. The very narrow three-and-a-half semesters of offline study was nowhere near enough; and will never be. Yet, I hope someday seeing you all go your separate ways will give me happiness and closure, instead of alienation. I'm sorry I can't name you one-by-one; the deadline is ticking and I have been embarrassingly late yet again

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LIST OF ABBREVIATIONS

AFDL	Alliance of Democratic Forces for the Liberation of Congo
ASEAN	Association of Southeast Asian Nations
DRC	Democratic Republic of Congo
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
HDI	Human Development Index
IGO	Intergovernmental Organization
NGO	Non-Governmental Organization
PRA	Political Risk Analysis
UAE	United Arab Emirates
UNSC	United Nations Security Council

CHAPTER I

INTRODUCTION

I.1 Research Background

The severity of the humanitarian crisis in the Democratic Republic of Congo (DRC) has long been a pressing issue in international relations. The crisis spans through social, political, and economic dimensions and has been persisting alongside the continued arm conflict in DRC. DRC is one of the poorest countries in the world, placing 135 out of 157 countries in the human capital index ranking.¹ As of March 2022, the Office of the United Nations High Commissioner for Human Rights stated that human rights crises such as violence from armed groups, whether it be from the Armed forces of DRC, the Congolese National Police, or the Allied Democratic Force (ADF), mainly targeting internally displaced persons.² The DRC is also mired with violations of freedom of assembly and expression, the absence of the right to health and education, extrajudicial violence, sexual and gender-based violence, and environmental degradation.³

Throughout the years, reports from humanitarian groups, international organizations, and academics have tried to identify the actors involved, the power they exert, and the impacts to the severe and continuous humanitarian crisis

¹ “Democratic Republic of Congo - Overview,” World Bank, 2016, <https://www.worldbank.org/en/country/drc/overview>.

² OHCHR, “Update on the Democratic Republic of Congo,” OHCHR, March 29, 2022, <https://www.ohchr.org/en/statements/2022/03/update-democratic-republic-congo>.

³ Amnesty International, “Democratic Republic of the Congo 2020 Archives,” Amnesty International, 2021, <https://www.amnesty.org/en/location/africa/east-africa-the-horn-and-great-lakes/democratic-republic-of-the-congo/report-democratic-republic-of-the-congo/>.

happening in the DRC. When it comes to mapping out how power operates in the DRC in the context of International Relations, many analyses pointed out the domestic politics of DRC as a country mired in civil wars, wars with neighboring countries, and violent changes of leadership. However, many have also stated that the humanitarian crisis in DRC is inextricably linked to the practice of mining of DRC's natural resources, such as cobalt, gold, and coltan. This observation is also acknowledged by the Security Council of the United Nations, stating that illegal exploitation of natural resources in DRC goes hand in hand with conflict and arms trafficking.⁴

DRC is potentially one of the richest countries in the world when it comes to the abundance of natural resources.⁵ In turn, this creates a prolific industry of natural resource extraction, particularly deposits of raw minerals. A parameter used by the World Bank to calculate the dominance of the industry is natural resources rent, which calculates the contributions of natural resources to the country's overall GDP. For DRC, it amounts to 27.7% of their GDP, landing the country at the sixth highest total natural resource rents in the world. It is apparent DRC's reliance on natural resources in its economy is very high when compared to the global average of natural resources rent which is below 10%.⁶ This aligns with the tendency of countries in the African continent in general, which tends to

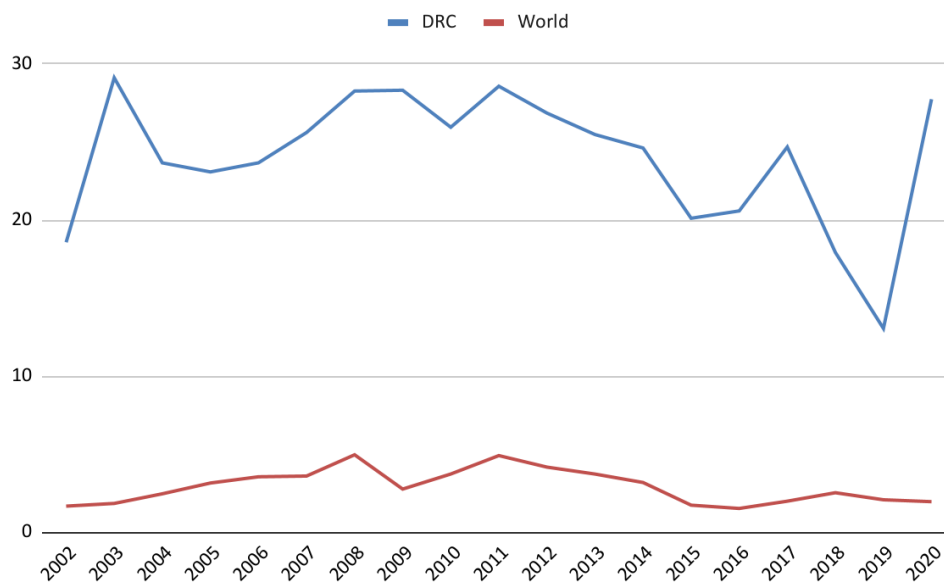
⁴Security Council Report, "S/2003/1027 : UN Documents : Security Council Report," www.securitycouncilreport.org, October 23, 2003, <https://www.securitycouncilreport.org/un-documents/document/drc-s-2003-1027.php>.

⁵ "DR Congo: Cursed by Its Natural Wealth," *BBC News*, October 9, 2013, <https://www.bbc.com/news/magazine-24396390>.

⁶World Bank, "Total Natural Resources Rents (% of GDP) - Congo, Dem. Rep. | Data," data.worldbank.org, 2020, https://data.worldbank.org/indicator/NY.GDP.TOTL.RT.ZS?locations=CD&most_recent_value_desc=true.

have a high percentage of natural resources rents.⁷ Overall, the statistics give a clear illustration of the dominance (and therefore reliance) of the natural resource extraction industry in DRC.

Figure 1.1 Total Natural Resources Rent in % of GDP of Democratic Republic of Congo and World Average



Source: World Bank⁸

A particular focus on coltan will be taken throughout this thesis, due to DRC’s unique characteristics pertaining to coltan extraction. DRC is one of the few countries that becomes the primary source of coltan, a valued substance in the global market that is used in the production of various electronic devices.⁹

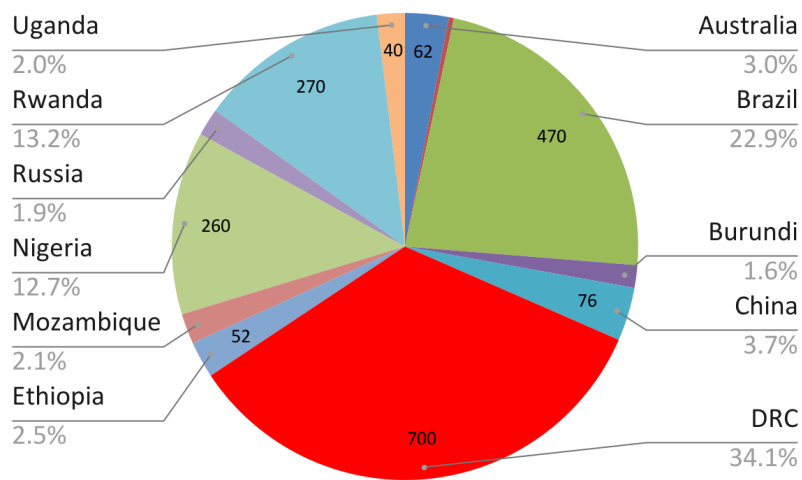
⁷Mihaela Bucur, “A Study on Issues and Solutions for Sustainable Development,” *Scientific Bulletin of the “Petru Maior” University of Targu Mures* 14, no. 2 (February 2018): 39, https://www.researchgate.net/publication/323308286_A_STUDY_ON_ISSUES_AND_SOLUTIONS_FOR_SUSTAINABLE_DEVELOPMENT.

⁸ World Bank, “Total Natural Resources Rents (% of GDP) - Congo, Dem. Rep. | Data,” data.worldbank.org, 2020, https://data.worldbank.org/indicator/NY.GDP.TOTL.RT.ZS?locations=CD&most_recent_value_desc=true.

⁹ Dena Montague, “Stolen Goods: Coltan and Conflict in the Democratic Republic of Congo,” *SAIS Review* 22, no. 1 (2002): 103–18, <https://doi.org/10.1353/sais.2002.0016>.

Specifically, coltan is a type of ore that contains tantalum which is often used in the production of said electronic devices. The territory of DRC holds the largest reserve of coltan; 75 % of all coltan on earth is in Africa, and 80 percent of it is in DRC’s territory.¹⁰ In recent years, the economy in DRC provided the highest production of tantalum (the element extracted from coltan ores) landing around 700 metric tons in 2021, out of the world's total of 2100 tones, making DRC the world center of tantalum production, yielding around a third of the global supply.¹¹ The prolific nature of DRC’s tantalum reserves as part of the mining industry thus became one of the drivers of conflict.

Figure 1.2 Pie Chart of National Mining Production of Tantalum in 2021



Source: US Geological Survey¹²

¹⁰ibid

¹¹United States Geological Survey, “Niobium and Tantalum Statistics and Information | U.S. Geological Survey,” www.usgs.gov, 2022, <https://pubs.usgs.gov/periodicals/mcs2022/mcs2022-tantalum.pdf>.

¹²United States Geological Survey, “Niobium and Tantalum Statistics and Information | U.S. Geological Survey,” www.usgs.gov, 2022, <https://pubs.usgs.gov/periodicals/mcs2022/mcs2022-tantalum.pdf>.

The rise of DRC as a coltan producer is of course not organic to the country's self-determination. It is rooted in war and exploitation, coinciding with the global market's value of tantalum. Tantalum is valued highly because of its physical properties fit as components for electronic devices, mainly as capacitors in telephones, pagers, personal computers, and automotive electronics.¹³ Around the late 1990s, there was an emerging period of global economic pattern named the Digital Revolution. It is also known as the Third Industrial Revolution, characterized by mass production of electronic products capable of digitization, specifically the digitization of information that stems from the demand for a more efficient way of storing, processing, and transmission of information.¹⁴ This era of the Digital Revolution also coincided with the beginning of DRC's illegal exploitation of natural resources. It began in 1998 with the successful invasion of Rwanda, Uganda, and Burundi, with the United Nations referring to the exploitation as mass scale looting in a Security Council report they released in 2001.¹⁵

Although said invasion can be analyzed through the lens of security and warfare, reports identify deep-rooted financial incentives and the involvement of corporate actors. The instability in the DRC creates a transnational war economy, in which government officials alongside rebel groups and international corporations have the vested interest to preserve said instability in order to

¹³United States Geological Survey, "Niobium and Tantalum Statistics and Information", 2022

¹⁴Peter C. Verhoef et al., "Digital Transformation: A Multidisciplinary Reflection and Research Agenda," *Journal of Business Research* 122 (November 2021): 889–901, <https://doi.org/10.1016/j.jbusres.2019.09.022>.

¹⁵United Nations Security Council, "S/2001/357," Global Security, April 12, 2001, <https://www.globalsecurity.org/military/library/report/2001/357e.pdf>.

maximize their gain in the economy.¹⁶ According to the United Nations Security Council Report, there are pre-existing structures that facilitated illegal exploitation in the DRC during the First Congo War. These structures include the contracts between the leader of the rebel group Alliance of Democratic Forces for the Liberation of Congo (AFDL) Laurent-Désiré Kabila and foreign companies, top army officials having economic and financial objectives, and financial setting and network between banks and companies already in place during the early months of rebellion.¹⁷ Thus, illegal exploitation of resources and humanitarian crisis in DRC is not only triggered and sustained by state actors and rebels through conflict, but by corporations which are part of the global market through their profit-seeking and profit-maximizing activities.

I.2 Problem Identification

I.2.1. Problem of Research

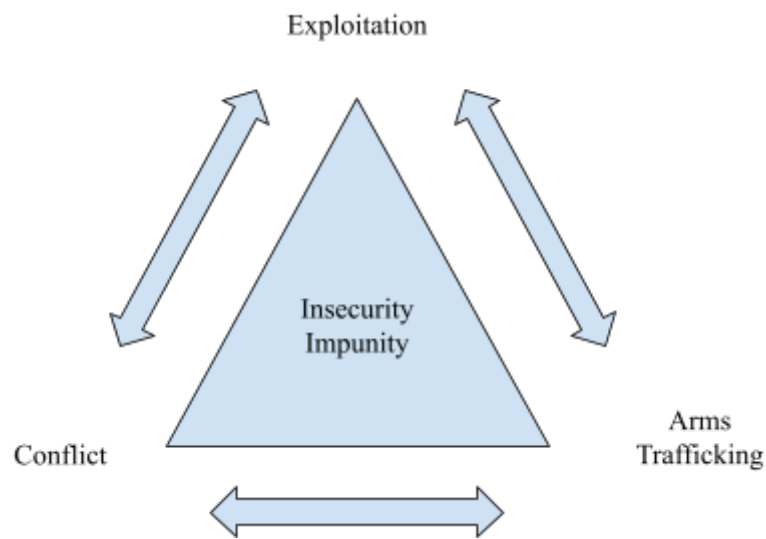
The conclusion that corporate actors are complicit in the war, instability, and crisis in DRC is widely known. Corporate actors have both been the trigger of wars in Congo back in the late 90s as well as its sustaining force throughout the years. Thus, calls to investigate and further mitigate the influence of these actors have been made. As has been previously mentioned, the final report from the Security Council back in 2003 has stated the relations between the exploitation of

¹⁶Oluwale Ojewale, "Mining and Illicit Trading of Coltan in the Democratic Republic of Congo," *ENACT Africa*, March 2022, <http://enact-africa.s3.amazonaws.com/site/uploads/2022-05-03-research-paper-29.pdf>.

¹⁷United Nations Security Council, "S/2001/357"

natural resources and the conflict in DRC. There was also pressure from non-governmental networks such as Human Rights Watch back in 2003 that stated that the Security Council needs to further address corporate role in the war in DRC.¹⁸ The diagram below, taken from the Security Council report, shows the interrelated phenomena in DRC's war sustaining one another, with exploitation of natural resources being one of the three core components. This shows the full understanding of the international community of the situation in the DRC.

Figure 1.3 Illustration of the Relations of Conflict, Arms Trafficking, and Natural Resources Exploitation in DRC



Source: United Nations Security Council¹⁹

The presence and the impacts of these corporate actors in facilitating the illegal trade of natural resources and exacerbating the conflict and instability in

¹⁸Relief Web, "D.R. Congo: UN Must Address Corporate Role in War," reliefweb.int, October 27, 2003, <https://reliefweb.int/report/democratic-republic-congo/dr-congo-un-must-address-corporate-role-war>.

¹⁹ United Nations Security Council, "S/2001/357," Global Security, April 12, 2001, <https://www.globalsecurity.org/military/library/report/2001/357e.pdf>.

DRC is fully known. However, fast forward to 2022, the latest press release from the Security Council still mentions the illegal exploitation of natural resources, stating that such illicit exploitation in the eastern region of DRC still continues to benefit the criminal networks in the country.²⁰ In a more comprehensive report in 2022, the S/RES/2641 adopted the resolution to further express concerns at the continued illegal exploitation and trade of natural resources which allows arms groups to operate.²¹ Years after the illegal actions of corporate actors have been highlighted, their operations are still sustained.

When addressing the corporate actors, it is important to mention that none of these companies that are involved in the exploitation of tantalum in DRC work alone. The corporate actors that are involved in DRC's crisis are a network that exists under the global economy. Therefore, examining the actions of individual corporations only, while it will give a clearer answer of their impacts in DRC, will not give a thorough answer on how a network of corporations across the world is sustained. In order to fill that gap, this thesis would contribute further to the understanding of DRC's crisis to understand how the structure of the global economy impacts these networks of corporations. It would mean addressing the global economic order of capitalism and how it contributes to the sustenance of corporate power.

²⁰United Nations, "Security Council Sanctions Committee Concerning Democratic Republic of Congo Discusses Final Report of Group of Experts | UN Press," [press.un.org](https://press.un.org/en/2022/sc14962.doc.htm), July 7, 2022, <https://press.un.org/en/2022/sc14962.doc.htm>.

²¹United Nations Security Council, "Resolution 2641," *Security Council Report*, June 30, 2022, https://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_res_2641.pdf.

I.2.2. Scope of Research

This thesis will look at the case of Democratic Republic of Congo's illegal exploitation of natural resources from 2002 - 2021, specifically focusing on transnational corporations and their exercise of corporate power. The year 2003 is the first international recognition of illegal resource exploitation happening in the DRC, through the UNSC Report made by the expert panel observing the DRC (S/2002/1146). The most recent document detailing the current conditions of DRC's exploitation were provided by the Security Council in June 2022, detailing the continuity of the exploitation up until 2022.²²

The second scope limitation is pertaining to legality; the term 'illegality' in this thesis refers to two phenomena. Firstly, it refers to the involvement of many actors in the extraction of coltan that violates DRC's jurisdiction - such as rebel groups and corporations that are complicit in funding them through the coltan network. Secondly, it also refers to the extraction of coltan done by domestic actors; even high-ranking officials of DRC; that has flagrantly violated the law.

Third scope limitation concerns the chronological arrangement of the thesis. Chapter 2 will talk about Congo's history, ending in 1997. Chapter 3 begins with the first documentation of natural resources exploitation in DRC by the Security Council in 2002. There's a gap between 1997-2002, in which DRC experienced a wartime with rapid changes in leadership. Explaining this gap, this

²² United Nations Security Council, "Resolution 2641," *Security Council Report*, June 30, 2022, https://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_res_2641.pdf.

gap is omitted from the analysis due to most phenomena happening in DRC during this time frame being warfare issues that are not within the scope of this thesis. Secondly, the timeframe beginning in 2002 is partly due to technicalities of the Security Council; . Thirdly, this gap doesn't affect the thesis substantively, as the focus on structural power of global capitalism entails a long-term analysis on economic structures that spans beyond the gap.

I.2.3 Research Question

How does the structural power of global capitalism sustain the illegal exploitation of coltan in the Democratic Republic of Congo (2002 - 2022)?

I.3 Purpose and Utility of Research

This thesis seeks to understand the way in which the power of corporate actors operates in international relations, specifically tackling the case study of the illegal exploitation of natural resources in the Democratic Republic of Congo. It is written in hope that it will be of utility as a contribution to work in International Relations that seeks to understand the increasingly dominant and relevant actors that are corporations in the international system, especially in a more critical look.

I.4 Literature Review

Fundamentally, this thesis seeks to understand how the power of corporations works in the Democratic Republic of Congo. Therefore, the literature review that is conducted refers to the different conceptions of power that have been formulated by multiple IR scholars. As power is an essentially contested concept in political science, this review is not designed as a pro-contra of a certain question and to settle debates, but rather to explore the plurality of IR scholars' understanding of power. This is done in order to map out what has been understood about power and to decide the direction in which to explore further that fits the case study of corporate power in DRC.

To explore how conceptions of power have differed through the study of IR, Joseph Nye's conception of soft power is a great start. Nye's article that is aptly titled *Soft Power* began with the question of the United States' position in the world after the decline of the Soviet Union. As many are focusing on who would be the next great power challengers and whether or not US' power is declining, Nye posited that US' power wasn't declining but was diffusing: becoming less tangible, less coercive, and less transferable. Advancement in global trade and communications has brought forth a new era of interdependence between nations resulting in some utilization of hard power is far more expensive and less effective. With this background, Nye pointed out the emerging relevance of another type of power he named soft power; to make other actors want what it wants.²³

²³ Joseph S Nye, "Soft Power," *Foreign Policy* 80, no. 80 (1990): 166, <https://doi.org/10.2307/1148580>.

This type of power does not coerce someone to do what they otherwise wouldn't do; but rather makes someone develop preferences or define their interests in ways consistent with one's interest. This can be done through building legitimacy, culture and ideology, international norms, and supporting institutions that promote such goals. Hard power still exists and is still useful, of course. However, in this article, Nye has successfully argued that foreign policy practices and analysis of international politics that only look at hard power would be ignoring the reality of the developments that have been happening in international politics.

Standing in contrast with other scholars trying to map out a more pluralistic view of power at the end of the Cold War, Mearsheimer's *The Tragedy of Great Power Politics* pulls focus back to a rigid, militaristic understanding of power as he answered the concerns of the Western world (particularly the US) pertaining to China's rise to power. Mearsheimer argued that the structure of international relations causes great powers to seek to maximize power continuously, causing conflict and tension with one another. In an anarchic structure of the international system, the best way for states to survive under these is to maximize their power to achieve hegemony. Great powers will inevitably be in conflict with one another because the only way to achieve security is to be the only hegemon.²⁴

While Mearsheimer sought to oppose the liberal tradition of IR by rejuvenating the classic understanding of power through a realist lens, his work however still promoted a different way of looking at power. It is not only the

²⁴ John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton & Company, 2001).

actions and interactions of actors that matter when understanding power, but also the structures that they're surrounded with. Mearsheimer's work has shown that the structure of the international system is able to give capacity to the actor and even command their self-understanding; essentially affecting how they use power. It operates a structural way of looking at IR, by looking beyond the actors alone and analyzing the international system on a structural level.

Nineteen years since Nye gave attention to a new emerging form of power he named soft power, in the article titled *Get Smart: Combining Hard and Soft Power* he went further to address the application of soft power as well as responding to concerns pertaining to the conception of power in the study of IR. Many has characterized soft power as being too general, that it encompasses an (excessively) wide array of intangible forms of power that the concept itself becomes hard to use. To this, Nye responds with two significant points. Firstly, it is not that soft power encompasses everything, but that soft power can come from many sources, but at its root is still the ability to alter an actor's interests to match the alterer. Secondly, he emphasized the importance of smart power; that is the combination of soft power and hard power through contextual intelligence of the decision-maker.²⁵

Nye stresses the capacity of contextual intelligence as an important part of understanding power. Contextual intelligence here refers to the skill of developing tactics through combining soft and hard power in order to create smart strategies to achieve objectives in foreign policy. What can be taken here is that Nye further

²⁵ Joseph Nye, "Get Smart: Combining Hard and Soft Power," *Foreign Affairs* 88, no. 4 (June 2009): 160–63, <https://www.jstor.org/stable/20699631>.

drilled his view of the plurality of power that he has pointed out nineteen years prior. Different forms of power don't cancel one another, and it is possible; and even often necessary in the pursuit of the actor's interest; for actors in international relations to be flexible in their choice of forms of power.

Lastly, Thomas Risse's *Governance under Limited Sovereignty* maps out state power in the contemporary world. Risse alongside other scholars pointed out that sovereignty; particularly domestic sovereignty and Westphalian sovereignty; which is often assumed to be the foundation of state power, is a myth, and argued that most countries are "problematic sovereigns". Thus, he explored how state power works in these conditions. Supplying data pertaining to governance in many states around the world, he posited that what happened in many of these countries with problematic sovereignty is the phenomenon of shared sovereignty. Sovereignty is shared between companies, NGOs, IGOs, and other non-state actors. State power can no longer be about exerting control in a hierarchical way, but about exerting influence in a relational way. In short, the state has to negotiate with other actors.²⁶

What can be taken from Risse's work is the needed recognition that power is not only at the hands of states. By breaking down the myth of sovereignty and unequivocal state power, Risse's work and others like him facilitate room for analyses of power that no longer gives the state primacy without questioning other actors at play. This will particularly be very important as this thesis delves into

²⁶ Thomas Risse, "Governance under Limited Sovereignty," papers.ssrn.com (Rochester, NY, 2010), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1642081.

corporate governance rather than state power and how they take form in the Democratic Republic of Congo.

These explorations of this literature review have given a more complex look of power than the usual state-centric military power that is often the default of power analysis in IR. In both papers, Nye has analyzed the diffusion of power to other areas that are characteristically non-state. Mearsheimer's structural approach has demonstrated how to approach analyzing power structurally, specifically how states get involved in warfare due to their capacity and self-understanding, rather than having to map out specific states' interactions. Lastly, Thomas Risse has demonstrated the way that assumption of the primacy of sovereignty and state power has been erroneous, proposing that even states has to negotiate and struggle for power against other non-state actors, and its authority and legitimacy isn't assumed.

As such, this literature review becomes the foundation of this thesis' approach for analyzing power; that one cannot assume the locus of every analysis has to begin and end with state power and their specific interactions. This approach is relevant when studying countries like DRC, whose sovereignty has been eroded with other comparatively more powerful entities. Furthermore, due to the staggering complexity of coltan exploitation in DRC involving hundreds of actors on a global level each with specific interactions with one another, it necessitates a structural approach of looking at power that can cut through the complexity and look at the capacity and self-understanding animates the way actors of IR behaves in the global stage.

I.5 Theoretical Framework

Taxonomy of Power: Structural Power

In 2005, Michael Barnett and Raymond Duvall published an article that sought to critique how power is conceptualized in International Relations. They argued that the tendency of scholars is to only use a realist conception of power; rooted in E.H. Carr's prominent assertion in 1964 of what power is; to use material resources to make others do what they otherwise wouldn't; creates a tunnel vision that disables them to observe other forms and effects of power. They observed that this tradition has run deep within other paradigms as they have neglected to try to conceptualize power within their own paradigm. They consider this a fault, quoting Gallie that ultimately power is essentially always contested, and cannot be studied only by a single formulation.

To contribute to a wider understanding of how power works in international politics, they propose that it is important to understand social structures and processes and how it gives capacities to the actors that are involved. This is opposed to Carr's assertion that only material resources and their usage to force other actors matter in understanding power. This is done by recognizing two dimensions of power. The first dimension is concerned with what kind of social relations power works through. The second dimension is concerned with the effects/specificity.²⁷

The first dimension is concerned with where the power is located. It splits into either interaction or constitution; interaction means that power is seen as the

²⁷ Michael Barnett and Raymond Duvall, "Power in International Politics," *International Organization* 59, no. 1 (2005): 39–75, <https://www.jstor.org/stable/3877878>.

actor's, and constitution means that power is given to the actor by social relations. The second dimension is concerned with how the power works; specifically, through what kind of social relations. It branches into two types: direct and diffuse. It is often assumed that power works in direct ways; meaning that in order for power to work, there has to be social proximity, or what Dahl says is an observable and traceable connection. Taking the example of how rules of institutions evolve and shape how groups interact, it is argued that power can also work over time, at a distance, and even outside the intentions of the very architects of the institutions.²⁸

Table 1.1 Barnett and Duvall's Taxonomy of Power

		Relational specificity	
		Direct	Diffuse
Power works through	Interaction of specific actors	Compulsory Power	Institutional Power
	Social relations of constitution	<u>Structural Power</u>	Productive Power

Source: Michael Barnett and Raymond Duvall, "Power in International Politics," *International Organization* 59, no. 1 (2005): 48, figure 1

This thesis will utilize the perspective of structural power. It specifically concerns how constitutions shape the actors and therefore their actions. It does not focus on specific interactions but rather on the social relations that create the capabilities of those actors. Structural power works through shaping the actors' capacities, self-understanding, and interests. The choice to use structural power as

²⁸ Michael Barnett and Raymond Duvall, "Power in International Politics,"

a perspective is important here because it allows this thesis to create a wider analysis of DRC's natural resources exploitation, rather than having to identify the interests and interactions of countless corporations whose network spans across the globe.

Global Political Economy : The Structural Power of Global Capitalism

Analyzing the operations of multiple transnational corporations on a structural level will mean developing a theoretical framework that borrows from scholars that examine power on a structural level. Specifically, it means referencing works that analyze the economic structure on an international level that takes into account the existence of these transnational corporations. Many scholars that have studied these have referred to the structure as transnational/global capitalism and it is used often interchangeably. One of the useful theoretical frameworks that can be used to analyze this belongs within the field of Global Political Economy of International Relations.

The approach that will be used in this thesis comes from Stephen R. Gill and David Law. Their work explores the transition of capitalism to the global level, and how the structural power of capital manifests on a global level. Being a neo-Gramscian approach to analyzing the global economy, the framework starts with the work of Antonio Gramsci. Gramsci's model of hegemony posits that relations between classes and state and civil society are based on consent rather than coercion. When a ruling class dominates, they do so not only through

material means but also normative ones (ethical, ideological, practical). So when sketching how power works, it is important to consider both dimensions.²⁹

Capitalism as a system has shifted throughout the century, and many have argued that the current development that occurred has carried it from the national model of imperialist nation-states to the international level; what would be referred to now as global capitalism. These stages are often referred to as regimes of accumulation (forms of socioeconomic reproduction that allow for economic development in a given time). Regimes of accumulation as a term encompass characteristics of mode of life, political organization, labor process & regulation of Work, and regulation of market and freedom of enterprises. Essentially, it's a systemic framework that examines how a given unit of society; which Gramsci refers to as a historic bloc; operates. Thus, the new capitalist regime that is global capitalism does not only imply that capitalists ally on an international level, but also that there's a class system that's founded by material and normative elements that are considered natural and legitimate³⁰.

Thus, after proposing that capitalism is shaping into a new regime of accumulation, and the power of capital has reached a global level, Gill and Law provided an exposition on how this novel structure of global capitalism works. To start, the internationalization of capital has given more flexibility to transnational corporations to conduct their operations in different countries, as well as giving international investors more choices. The way that these actors decide which countries' capital would flow is through political risk analysis. That is, they

²⁹ Stephen R. Gill and David Law, "Global Hegemony and the Structural Power of Capital," *International Studies Quarterly* 33, no. 4 (December 1989): 475, <https://doi.org/10.2307/2600523>.

³⁰ Stephen R. Gill and David Law, "Global Hegemony and the Structural Power of Capital,"

calculate a certain country's legal freedoms, production costs, political stability, and financial concessions that would be ideal for their operations.³¹

As a result, this causes countries to be wary of one another's operations, and therefore compete to foster a business environment attractive to transnational corporations and investors. This is what is often named "race to the bottom", although the term is often associated with more specific discussions of globalization and free trade, rather than the overarching structure of global capitalism itself. This tendency also counters the potential power of organized labor in civil society in any given space, as these companies can relocate to another location with weaker labor movements. All and all, states would pursue deregulatory policies such as reduction of corporate tax, dismantling of environmental policies and labor standards to ensure lower regulatory standards that are attractive for corporations, which is routinely observed in multinational corporations as well.³²

In order to challenge the dominance of these corporations, it would make sense for states to coordinate financial strategies with one another. However, this has yet to happen on any significant scale since Gill and Law's article in 1989. On the contrary, the most significant economic coordinations are regulations made to facilitate free trade, such as reducing trade barriers such as tariffs and quotas; policies under the banner of neoliberalism according to Joseph Stiglitz³³. Borrowing Gill and Law's propositions and other scholars' as well such as Robert

³¹ Stephen R. Gill and David Law, "Global Hegemony and the Structural Power of Capital,"

³² The Politics of Multinational Corporations." *International Political Economy*, by Thomas Oatley, 6th ed., Routledge, Taylor & Francis Group, 2019, pp. 183–207.

³³ Joseph Stiglitz, *Globalization and Its Discontent* (W.W. Norton & Company, 2001).

Falker, Milan Babic, and William I. Robinson, there are several reasons why this happens.

Firstly, corporations are an essential agent of structural power because it is a central actor in the economy. It is the main provider of economic growth, employment, and innovation.³⁴ Political arrangements that are unfavorable for these corporations would cause a decrease of investment and capital moving elsewhere, thus causing a balance of payments crisis and falling exchange rates - both potentially causing inflation.³⁵ This harms the legitimacy of the state on an international level and harms the electability of incumbent politicians on a domestic level.³⁶

Secondly, states consider transnational corporations to be their apparatus to integrate into the world economy. The existence of transnational corporations helps states to create politically relevant ties around the world.³⁷ Being a parent state for a transnational company, as well as being a country that is the main target for investments and destination (host) for the transnational corporations enriches the state, makes them well-connected to other countries and generally bolsters their power.

Thirdly, it is argued that class consciousness exists in the transnational capitalist class. This transnationalist class is the ruling class corresponding to Gramsci's model of hegemony. This transnational capitalist class consists of the

³⁴Robert Falkner, *Business Power and Conflict in International Environmental Politics* (Basingstoke: Palgrave Macmillan, 2009), 30.

³⁵ Stephen R. Gill and David Law, "Global Hegemony and the Structural Power of Capital,"

³⁶Robert Falkner, *Business Power and Conflict in International Environmental Politics*, 30

³⁷Milan Babic, Jan Fichtner, and Eelke M. Heemskerk, "States versus Corporations: Rethinking the Power of Business in International Politics," *The International Spectator* 52, no. 4 (October 2, 2017): 38, <https://doi.org/10.1080/03932729.2017.1389151>.

transnational capital owners, managers, bureaucrats, technicians, and ideologues and intellectuals whose aim is to pursue its class interest of globalizing capitalism.³⁸ While they are not centralized, they are still able to utilize networks that span globally to coordinate in order to achieve their class interests. The clearest manifestation of this would be the Davos culture³⁹, referring to the annual meeting of the World Economic Forum in Davos, Switzerland that is attended by an elite group of international business, political, and civil-society leaders.

The third point of class consciousness raises an important reminder that such arrangement of the global economy is not something that is inevitable, but rather consented to. Referring to class consciousness, it is not a material thing but rather the ideological component that capitalists have and informs their capacity and interests. While it is true that the way the ruling class deals with that is through material dimension such as corporations being an engine of economic growth, it also has a normative layer. The allegiance of neoliberal, pro-austerity policies to attract investment and corporations in governance throughout many countries, and Structural Adjustment Programmes by IMF and World Bank can be categorized as the more ideological layer of it. All and all, this creates a situation where to imagine a new structure is not within the political imagination of many, and policies that bolsters global capitalism are adopted worldwide with little reflection and belief in the credibility of possible alternatives. Thus, with

³⁸Mark Juergensmeyer et al., eds., *The Oxford Handbook of Global Studies* (New York, Ny: Oxford University Press, 2019), 309–28, <https://academic.oup.com/edited-volume/34620>.

³⁹David Rothkopf, *Superclass: The Global Power Elite and the World They Are Making* (Farrar, Straus and Giroux, 2008), 11.

those features of the structure, the structural power of global capitalism can sustain its hegemonic status.

I.6 Research Methods and Data Collection Methods

I.6.1 Research Methods

This research utilizes the qualitative methodology and uses the case study research method. The usage of case study methods allows for an in-depth and detailed understanding of a certain case.⁴⁰ This research attempts to analyze corporate power in the DRC's illegal exploitation of natural resources. Case study as a method has two interrelated functions, which is to research a certain case deeply and to generalize the findings to a wider set of cases.⁴¹ However, it is noted that fulfilling both functions is often rare, since pursuing depth of one case can potentially sacrifice the descriptive power of the findings to a wider set of cases.⁴² Thus, while it is possible that the findings of this research can be applied to a wider set of cases pertaining to how the structural power of global capitalism works worldwide, the primacy in this research is given to delving deep and attempting to understand DRC's coltan exploitation case.

⁴⁰Umar Suryadi Bakry, *Metode Penelitian Hubungan Internasional* (Pustaka Pelajar, 2016), 225.

⁴¹Luigi Curini and Robert J Franzese, *The SAGE Handbook of Research Methods in Political Science and International Relations* (Los Angeles: Sage, 2020), 1133.

⁴² *ibid*

I.6.2 Data Collection Methods

The data collection technique that will be used is document-based research and internet-based research.⁴³ Electronic books and journals that are relevant to the topic of corporate power in International Relations, Democratic Republic of Congo, natural resources in IR, and institutional documents of various kinds will be used. Due to limited time and resources, this research will not be utilizing direct observation methods and interview methods of any kind. As stated, alongside electronic journals and books, institutional documents are featured heavily on this research. Institutional documents are documents that contain details regarding the institution's organizational activities and the culture, and are public by nature.⁴⁴ Relevant types of institutional documents that will be used in this research includes (but not limited to) political documents, administrative documents, business documents, and news media.⁴⁵

It is acknowledged in this research that institutional documents have disadvantages. There are two recognized disadvantages, which is the tendency of incomplete information, and the tendency for the documents to represent a certain reality that is considered 'official' by the institutions, while not necessarily always going to be objective representations.⁴⁶ To mitigate this threat of validity, data triangulation will be done. Triangulation is the act of combining different

⁴³ Umar Suryadi Bakry, *Metode Penelitian Hubungan Internasional* (Pustaka Pelajar, 2016), 225.

⁴⁴Piergiorgio Corbetta, *Social Research : Theory, Methods and Techniques* (London: Sage, 2011), 288.

⁴⁵ ibid

⁴⁶ibid

perceptions of a certain event to achieve a stronger and more complete analysis, thus enhancing reliability and validity.⁴⁷

I.7 Thesis Structure

This thesis consists of four chapters. The first and the last are Introduction and Conclusion. Chapter Two will place DRC within the context of global capitalism. It will be an exploration on how capitalism takes root in DRC and how the structures of global capitalism manifests itself in DRC, before the illegal exploitation of natural resources that was recorded by the United Nations Security Council in the 90s. Chapter Three will be the heart of the thesis, as it will explore the mechanism in which global capitalism sustains the illegal exploitation of coltan from 2002-2022.

⁴⁷Tom O'donoghue and Keith Punch, *Qualitative Educational Research in Action : Doing and Reflecting* (London: RoutledgeFalmer, 2003).