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**A comparison of the effect of Chinese and U.S. investment policies on
rentier state functionality in Congo (DRC)**

MA Thesis

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Authorship Declaration

I, Solveig Niitra, hereby declare that I have prepared this thesis independently. All the views of other authors, as well as data from literary sources and elsewhere, have been cited in accordance with University of Tartu's academic standards.

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Abstract

The shift from U.S. to Chinese foreign direct investment (FDI) in the Democratic Republic of the Congo (DRC) between 2013 and 2023 marked a critical turning point in the country's development outlook. By examining three distinct investment periods - pre-U.S. FDI, U.S. FDI, and the period of increased Chinese FDI - this thesis investigates how the DRC's rentier state functionality evolved across political, societal, and economic dimensions. Using a comparative analysis of 15 V-Dem indicators, supported by complementary qualitative data, the study draws on rentier state theory to interpret measurable changes in governance and development outcomes. The results show that while U.S. investments coincided with modest improvements in institutional accountability and civic openness, Chinese investments, characterized by large-scale, state-led infrastructure projects and a non-conditional approach, reinforced elite enrichment, weakened institutional constraints, and deepened the DRC's dependence on its natural resources. This thesis highlights the importance of examining not only the presence of external rents within rentier states, but also the structure and conditionality of foreign investment in shaping rentier state trajectories. The findings contribute to a more nuanced understanding of how foreign economic engagement can either mitigate or exacerbate rentier dynamics, particularly in fragile, resource-rich countries like the DRC.

Keywords: Rentier State Theory, Rentier State Functionality, Resource Dependency, Governance, Development, Foreign Direct Investment, Democratic Republic of the Congo, China, United States.

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Introduction

The Democratic Republic of Congo (DRC) holds immense resource wealth, producing about 70% of the world's cobalt, around 10% of global copper supplies, as significant quantities of other valuable natural resources like coltan, tin, gold, and diamonds. The U.S. Department of State estimates that the DRC has mineral reserves worth around 25 trillion USD (U.S. Department of State, 2023). Yet, the country remains persistently underdeveloped, poor and institutionally fragile. In 2020, the U.S. firm Freeport McMoRan sold one of the largest copper-cobalt mines, Kisanfu, to a Chinese-owned company (Molybdenum – CMOC) with a 550 million USD deal. In 2021, CMOC announced the doubling (2,5 billion USD) of its mining operations in Tenke Fungurume. Chinese firms like CMOC, Huayou Cobalt and Chengtung Mining (Nyabiage, 2021a) now own or partially own 15 of the 19 cobalt producing mines in the DRC (Baskaran, 2023). This increase in investments has partly been credited to an increased demand for batteries, for which cobalt is used to manufacture (Nyabiage, 2021a) with China sourcing over 60 percent of its cobalt supplies from the DRC (Nyabiage, 2024a). The overall global demand for mineral resources like cobalt and copper is projected to increase by 70% and 40% respectively, according to the International Energy Agency, with a large part of these minerals being reliant on China's processing capacity (Zhou et al, 2025). Accordingly, the DRC has become China's largest investment destination, with bilateral trade reaching 12 billion USD by the first half of 2024 (Caiyu; Meng, 2024). Given this context, the question arises: how is the DRC benefitting from these investments?

Rentier state¹ theory posits that developing countries that are rich in natural resources, rent out these natural resources to outsiders, without investing the revenues back into the society. As a result, their state structures are weaker, and suffer from corruption, a lack of public accountability and transparency. Weak institutions in turn protect the rent-seeking interests of the ruling elite (Matti, 2010: 403). The core aim of this research lies in understanding how the contrasting investment and aid strategies of the U.S. and China have influenced the DRC's rentier state functionality², particularly around the pivotal year of 2019, when Chinese FDI skyrocketed. By comparing different models of FDI and aid, the study explores the wider

¹ A rentier state is one that derives a significant portion of its revenue from external rents, such as natural resource exports, rather than domestic taxation, reducing accountability to citizens and fostering elite entrenchment (Beblawi & Luciani, 1987). This reliance is believed to weaken institutional structures and fuel corruption, often resulting in fragile state-society relations.

² In this thesis, rentier state functionality encompasses political, societal, and economic indicators of the state, as described in the Annex, Table 10.

symptoms of external influence, and whether U.S. and Chinese involvement mitigates or exacerbates the negative effects traditionally associated with fragile rentier states. This brings me to the following research question: ***How has the switch from U.S. to Chinese FDI altered the DRC's rentier state functionality?*** Specifically, the thesis focuses on the political, economic, and social consequences of this FDI change.

Accordingly, the study compares three time periods from 2013-2023. The period from 2013-2016 represents a time in the DRC, when both the U.S. and Chinese FDI was small-scale or absent. The period from 2016-2019 was when U.S. FDI and development aid were more prominent, representing a phase of Western-led, conditionalized developmental influence in the DRC. The post-2019 period up to 2023, with the rise of Chinese involvement, represents a period of high FDI inflows, with limited transparency, and no governance or human rights conditionalities for the DRC. This signals a significant transformation in the DRC's rentier state functionality, which this thesis will explore and analyze. By determining the characteristics of rentier states from the theoretical background of rentier state theory, the study uses Varieties of Democracy (V-Dem) indicators to measure how these characteristics change over the three time periods. The data from the chosen indicators will be accompanied with complementary data from documents and articles from within the DRC, to increase contextual awareness about changes, as well as the credibility of this study. Prior to the analysis and discussion, the thesis presents a comparative overview of U.S. and Chinese economic interests and FDI principles to clarify their potential influence on the DRC as an FDI recipient.

My expectation is that U.S. FDI will have a limited (due to its volume), but positive impact on the DRC's rentier state functionality, across the 15 indicators. This expectation is grounded in the ways that the U.S. conditionalizes its investments, with certain governance, transparency and human rights-related expectations. In contrast, I expect increased Chinese investments to have negatively impacted the DRC's rentier state functionality, with characteristics associated with rentier states likely worsening. This is because unlike U.S. FDI, Chinese FDI is less regulated, offering less incentives for the host country to change their internal policies, for example, to promote democratic practices, human rights, or fair-trade practices. China's infrastructure-for-resources FDI model, described in Chapter 3, often involves non-transparent deals with the state, while their mining practices do not guarantee a return for investments for the DRC. As such, I believe that Chinese FDI is likely to have a negative effect on the DRC's rentier state functionality and increase the dependence on natural resource rents.

The research addresses a notable gap in existing rentier state literature, which has so far neglected the role of FDI structures. A large part of existing literature focuses on oil-rich rentier states in the Middle East, while fragile rentier states, rich in other natural resources, are often overlooked. By focusing on the DRC, the study holds important insights on the theory's application to fragile, resource-rich countries that lack the institutional capacity to effectively manage resource wealth. The thesis contributes to a wider understanding on how such countries are influenced by external factors, politics, and social practices. It also adds to broader discussion about the geopolitical competition over critical minerals, especially as countries like the U.S. and China increasingly rely on cobalt, copper and lithium for emerging green technologies. As such, the thesis is relevant in today's context, because while fragile countries like the DRC provide vital resources for the industries of wealthier countries, it often comes at the expense of their own domestic development. Neighboring countries like Rwanda are simultaneously attempting to get their share through conflict, and through selling minerals extracted from the DRC's conflict zones. Taking this into account, the effects that these FDI competitors have on resource-rich countries need to be identified and analyzed so that the issues related to resource extraction and rentier state dynamics can be tackled. This topic has particular interest for me, because I have previously studied the different development aid practices of China and the U.S. in the African context. In a sense, this thesis is a continuation of that topic, because I find FDI to be an integral part of development.

In the first chapter, the conceptualization, and the literature review of the current contributions of rentier state theorists will be presented, offering insights into how the theory evolved. A sub-chapter about which rentier state characteristics are to be expected based on literature, will determine the V-Dem indicators used in the analysis. The case selection will also be explained in detail in the last sub-chapter. The second chapter will present the methodology used in the thesis - the chosen timeframe, research design, and the limitations of the chosen methodological approach. The third chapter is divided into three sub-chapters based on the chosen three time periods, presenting the V-Dem data and complementary data for each time period. For the U.S. and increased Chinese FDI periods, both countries' economic interests and FDI principles will be explained in detail to aid the reader in understanding the potential effects of different practices. Lastly, the fourth chapter discusses over the findings in the political, societal and economic sectors over the three time periods.

The findings of this thesis reveal that U.S. FDI between 2016 and 2019 had a limited but marginally positive effect on the DRC's rentier state functionality, particularly in areas such as civic participation, institutional accountability, and governance. In contrast, the subsequent rise of Chinese FDI from 2019 to 2023 correlated with significant deterioration across most political, societal, and economic indicators, including increased elite control over resources, reduced civil society participation, and heightened dependence on resource rents. These trends highlight how FDI practices and principles, such as conditionality, transparency, and infrastructure-for-resource agreements, play a crucial role in shaping the trajectory of fragile rentier states. By focusing on the DRC, a weak, resource-dependent state, and systematically measuring changes using 15 V-Dem indicators alongside qualitative contextual data, this study demonstrates that the type and structure of external investments matter significantly in shaping rentier dynamics. This research not only extends the application of rentier state theory to non-oil contexts but also offers a framework for analyzing how foreign economic engagement can either mitigate or deepen institutional fragility in resource-rich countries.

1. Rentier State Theory

The central concepts, which will be explored throughout the thesis, are rentier states and foreign direct investments, which the first sub-chapter will conceptualize. Afterwards, the chapter will delve into the theoretical background of Rentier State Theory, its development and characteristics, but also its relation to the case study of the Democratic Republic of Congo. The literature review within this chapter will determine the aspects of DRC's state functionality, which will be analyzed in Chapter 3.

1.1 Core Concepts and Operationalization

This thesis is grounded in the concept of the rentier state, defined as a state that derives a significant portion of its national revenues from external rents, particularly from natural resource exports. Beblawi and Luciani define the four key characteristics of rentier states as: rents as the primary source of income, external origin of rents, elite control over rents, and the state as the main recipient (Beblawi; Luciani, 1987: 11-12). As such, the governments of rentier

states benefit from royalties³, extraction contracts or rents from foreign companies, which enable elite enrichment and diminish incentives for building inclusive institutions or taxation systems. Consequentially, rentier states have certain characteristics, which differentiate them from other states, as defined in Chapter 1.3. Rents are often considered as “unearned” income, derived from the gift of nature, reflecting the quantity and quality of the land rented out (Bernault; Yates, 1996: 15-16). Rent by itself, in all its forms, is sharing a produce, without contributing to it, which means that a rentier does not participate in the economic production, while nevertheless receiving a share of the produce. In contrast, other forms of income usually involve investing one’s effort. The rewards, which would normally be associated with work, come by chance or as a result of specific situations to rentiers (Ibid: 17). As a result, especially in the Global South, extractive countries often develop a condition of rent dependency or “rentierism”, which can result in regional conflicts (Omeje, 2008: 7), as is the case for the DRC.

This thesis operationalizes “rentier state functionality”, which captures how rentier state characteristics manifest across political, societal and economic dimensions. These dimensions are measured using 15 V-Dem indicators to track changes in characteristics over time (2013-2023) in the context of a fragile state, the DRC. The indicators have been chosen by the author of this thesis based on the theoretical background established in Chapter 1.3 and are presented in the Annex (Table 10). To complement the data from the 15 indicators, additional documents, articles and data will be presented in Chapter 3, accompanied with a description of U.S. and China’s economic interests and FDI principles. Broadly put, rentier state functionality can thus be defined as the measurable characteristics of rentier states, which change over time, and are captured by how a rentier state scores on the 15 chosen indicators.

The second key concept is foreign direct investments (FDI), understood as long-term cross-border investments through which investors gain influence (e.g. through shares or voting rights) over enterprises in the host country (Marconi, 2024: 2). In this thesis, this translates to Chinese and U.S. firms, which have invested in the DRC to gain influence over and establish long-term partnerships with its enterprises (mainly natural resource mines). Although FDI is thought to drive development and economic growth, it also fuels geopolitical tensions and competition (Ibid: 1-2). Security risks of FDI for the recipient include control over critical

³ Royalties refer to payments made by mining companies to the state, usually in the form of a percentage of the value of extracted minerals. In exchange, mining companies retain the right to exploit mineral resources within that country. As such, royalties are a rentier state government’s key source of income from the extractive sector.

production, whereby foreign investors may restrict access to essential goods or services, because they control the domestic companies. Likewise, technology and cybersecurity can be under threat of foreign influence, leaving FDI providers open to gaining significant political, societal and economic influence within the recipient country (Ibid: 4). This leaves poorer FDI recipients like the DRC, who are unable to mitigate these risks, in especially vulnerable positions, susceptible to foreign influence, although the overall risks associated with FDI depend on the terms under which it is accepted. Importantly, this thesis focuses on “outward” FDI, which can be conceptualized as international investments, which have been made by other countries into the DRC. Particularly, the thesis investigates investments, which have been made into the DRC’s mining sector by the United States and China.

The operationalization of FDI is based on available investment records for the U.S. and China. The overview of the investment records has been added to the Annex (Table 11 and Table 12), where U.S. investments are based on the records of Bureau of Economic Analysis (BEA) and include their FDI statistics from 2013 to 2023, including an overview of their Multinational Enterprise (MNE) sales that occurred in those years. For China, Table 12 summarizes their FDI based on CEIC data for the same years, as well as highlights their loans to the DRC for 2013-2023 based on the Boston University database, because of their interconnectedness with FDI. Multiple databases have been used due to the fact that there is no comprehensive database, which features both U.S. and Chinese FDI. I believe that external influences in the form of FDI, especially when tied to large-scale mineral rents, are critical to understanding how rentier states evolve, not just due to their own internal dynamics, but through their entanglement in global power relations.

1.2 Theory Development

The emergence of extractive or rentier economies dates to colonial times, when colonial control was often accompanied by transnational corporations, which were primarily interested in mineral extraction and enrichment at the expense of the Global South. Many of these companies continued their arrangements well into the post-independence period, some being prominent even today (Omeje, 2008: 1-3). For example, in the DRC, Belgium established a mining company called Union Minière du Haut Katanga (UMHK), which refused to transfer their operating headquarters to the Congolese government even after the DRC’s independence,

to the extent of supporting the Katanga' region's secession. Once UMHK became nationalized and was renamed the Générale Congolaise des Minerais (CECOMIN), Belgian companies continued technical assistance to, and mineral exports from the DRC (Kisangani, 2016: 94).

Nowadays, many countries in the Global South remain chronically underdeveloped, and are perceived as poor, authoritarian, corrupt and unstable, despite natural resource wealth. For instance, only 11 of the 58 resource-rich countries worldwide are seen as capable of effective resource management (Omeje, 2021: 87). This paradox of relative resource wealth, paired with poverty and conflict has led to the development of several theories, such as the resource curse theory, environmental scarcity theory and greed versus grievance theory. These theories identify negative developmental outcomes in countries dependent on a single export, such as corruption, patrimonialism and conflict. However, these approaches often overlook the role of external rents and the structural transformation they produce, leading to the development of the rentier state theory (Omeje, 2008: 1-5). Since the DRC is a country engaged in activities associated with rentier states, this theory was deemed more suitable in the context of what the thesis seeks to illustrate.

Hossein Mahdavy (1970), in the context of oil-rich Iran, was one of the first to define a rentier state as one that receives substantial rents from foreign governments or individuals. Pahlavi monarchy's control over Iran's oil wealth enabled them to maintain authoritarian rule and suppress political opposition, and even though the oil wealth also funded industrialization and infrastructure projects, the monarchy ultimately failed to diversify Iran's economy, because of the country's dependency on oil (Mahdavy, 1970). Beblawi and Luciani (1987) expanded this theory, offering two definitions of rentier states: one where the state is sustained by rents of foreign origin, and another where the economy as a whole is rent-dependent. As such, four major characteristics are attributed to all rentier states - rents are the predominant form of income in the economy of the state (at least 40%), although there are always other forms of income; the rents are accrued from external sources; while the majority of the population is involved in the distribution and utilization of the rent, the minority controls the rent; and lastly, the government is the primary recipient of the external rents (Beblawi; Luciani, 1987: 11-12). The authors differentiate between allocation states, where governments allocate rent revenues back into the society as a substantial part of the GDP; and production states, which have lower government expenditures. Allocation states are likely to have more political stability, as the government spends on its citizens without the necessity of taxes (Ibid: 70-75). Since the DRC

is very underdeveloped, and wealth is concentrated among elites, it can be categorized as a failed allocation state.

In the African context, Bernault and Yates (1996) bring the origins of rentier states to the decolonization era, when resource-rich countries gained control over their mineral wealth. Often, the oil-exporting (peripheral) states became dependent on oil-consuming (core) states, which exploited their resources, resulting in underdevelopment in the peripheral states (Bernault; Yates, 1996: 2-4). Kenneth Omeje extended this by claiming that a rentier state is affected by the nature of its political economy, while simultaneously being dependent on extractive resource rents, royalties and taxes paid or profits earned from the equity stakes of transnational companies. Rentier states are shaped by their colonial legacies within the state structures, but also by “rentier largesse”, or the luxury of natural resource revenues. Rentier largesse is enjoyed by governing elites, rather than the society as a whole (Omeje, 2008, 5). Thus, the abundance of natural resources fails to produce wealth and development for the general population, even though individual leaders are often extremely wealthy. Omeje introduces the idea that fragile rentier states lack effective institutional capacity and are therefore more vulnerable to external manipulation, especially by countries seeking unregulated access to resources. External actors may politically, diplomatically and/or militarily aid an otherwise unpopular, repressive and corrupt regime, which is suitable for their economic interests. In extreme cases, external actors may even invade/occupy a rentier state to gain uninterrupted access to its resources (Ibid: 8-9). Hence, rentier states like the DRC often get entangled in global power struggles (see Chapter 1.4).

Rented out natural resources are usually not directly consumed in everyday life within the rentier state as, for example, water would be - most of the resources are for external usage, (Beblawi; Luciani, 1987: 66-67). Cobalt, for instance, holds no value for Congolese citizens, especially in its unprocessed form, while it is of vital importance for the U.S. and China, who manufacture green technologies from it. Rentier states can also be differentiated by whether they are mono-rentiers, like Kuwait and Qatar, which are entirely dependent on oil rents, or multi-economies or “passive” rentiers, like Iran, which are dependent on oil rents to a large extent, but still have other strong non-rent sectors like manufacturing (Omeje, 2008: 36). The DRC has multiple resources, rather than a single commodity that is rented out, but its economy is not sufficiently diversified beyond rent-based revenues. Michael L. Ross (2001) expands rentier state theory beyond oil, arguing that mineral exporters can exhibit similar authoritarian

tendencies. Since mineral extraction is capital-intensive and employs relatively little labor, it contributes less to broad-based economic empowerment. However, agricultural exports do not create rentier effects, because profits often accrue to private actors rather than the state, and because agricultural markets are more labor-intensive (Ross, 2001: 331-332).

Ross introduces three components associated with rentier states: the rentier effect (low taxation reduces public accountability); the repression effect (rents fund coercive apparatuses); and the modernization effect (resource wealth fails to stimulate the societal changes that lead to democracy). Thus, the author's aim was to prove that oil and mineral wealth makes states less democratic (Ross, 2001: 326-328). Contrasting these perspectives, Thad Dunning (2008) found that resource wealth can sometimes bolster democracy in countries with well-established institutions and inclusive private sectors (e.g. Norway, Australia, Botswana). He identified conditions under which elites are disincentivized from staging *coups*, particularly when rent distribution under democracy protects their private wealth from redistribution more than an authoritarian alternative - the regime type depends on the distribution of rents, and the redistribution of private wealth. Nevertheless, the political effect of natural resources is shaped by economic factors, rent playing but a smaller role in the various different mechanisms through which democracies emerge (Dunning, 2008: 5-10). In authoritarian regimes, masses are likely to be controlled by repressions, while democratization may offer alternative ways for appeasement (Ibid: 14-15).

Similarly, Acemoglu *et al* note that countries, where institutions are more developed, have better legal systems and stronger property rights, which allows them to channel more capital into their population, and thereby strengthen the country's economy. However, such institutions are chronically underdeveloped in former colonies, because colonizers' aims were related to resource exploitation, rather than institution-building. Former colonies that had safer living conditions, less disease, and better climate (e.g. Canada and New Zealand), were institutionalized to a greater extent, because they offered the prospect of building "livable" settlements for colonizers, rather than resource extraction (Acemoglu et al, 2001: 1369-1370). As demonstrated in his empirical analysis, Dunning found that resource rents can have a democratization effect under two specific conditions: if the private sector is unequal, elites are more concerned with blocking redistributive pressures than mounting a *coup* against democracy. Secondly, when the economy is not resource dependent (Dunning, 2008: 101). This theoretical approach is less applicable to fragile, highly resource-dependent states like the

DRC. Rentier states without strong redistribution or checks on power tend to produce authoritarianism, rent-seeking, and conflict, especially when external actors like China and the U.S. facilitate elite control over resources without enforcing accountability.

Although Stephanie Matti has analyzed how Chinese aid and investments, paired with the DRC's rent-seeking interests, have had a negative effect on the DRC, the author's theoretical framework mainly concentrated on the resource curse theory (Matti, 2010: 401-402). In the context of this thesis, the resource curse theory does not offer an explanation as to whether China, compared to other investors, has a differing effect on rentier state's characteristics. Given the fact that extractive industries are believed to have a deep effect on the natural environments, social settings and economic order of host countries, even driving conflict between local communities (Wegenast et al, 2017: 8), and in resource-rich countries, FDI is directly linked to extractive industries, different investor practices are bound to have an impact on rentier state functionality. Hence, despite these important contributions to literature, what we still lack in knowledge is how the type of external supplier of FDI affects developments and dynamics within the rentier state, with DRC serving as an example of a wider issue in the resource-rich fragile countries of the Global South. Since China and the U.S. have differing FDI policies and conditionalities, the author of this thesis believes, that it is bound to have an impact on the rentier state itself.

1.3 The Characteristics of a Rentier State

Rentier states share a set of characteristics across the political, societal and economic dimensions, which set them apart from regular states. These traits are essential for identifying and measuring how rentier dynamics manifest in a given country, such as the DRC. In the scope of this sub-chapter, these key characteristics will be highlighted, explaining how they are operationalized through 15 selected V-Dem indicators used in this thesis (Annex, Table 10). The sub-chapter makes references to Chinese and U.S. FDI practices and economic interests to unpack the expectations regarding possible changes in indicators, which will be detailed in Chapter 3. For clarity, this sub-chapter is divided into three sub-sections, featuring the political, societal and economic dimensions, respectively.

Political Dimension: A key characteristic of rentier states is executive dominance, or the centralization of decision-making power, which is often strengthened by control over resource

rents. Beblawi and Luciani emphasize that within rentier systems, the state is the main recipient of external rents, which allows governments to bypass institutions and limit democratic checks and balances. This results in limited institutional constraints and frequent constitutional violations (Beblawi; Luciani, 1987: 11-12). In such contexts, the executive may manipulate constitutions or extend tenure, ignore term limits or resist oversight. In this thesis, these characteristics are measured through the V-Dem Indicators “Executive Respects the Constitution” and “Legislature Controls Resources”. In the DRC, I expect that Chinese FDI, which is typically negotiated at the elite level without transparency or accountability requirements, is likely to further empower the executive and weaken institutional checks. On the other hand, U.S. FDI is often tied to governance reforms and may have at least a marginally positive effect by supporting more transparent and rule-based governance.

Closely linked to executive power is the independence of the judiciary. Rentier states tend to have weak institutions that are vulnerable to elite capture. Furthermore, weak institutions in rentier states can lack taxation, which would otherwise increase public accountability and judicial oversight. Ross uses the term “taxation effect” to describe this phenomenon, wherein countries that tax their population substantially less or not at all, make the public demand less political accountability and representation from their governments (Ross, 2001: 332-333). This phenomenon is closely linked to whether or not a resource-abundant state is resource-dependent, and whether the private sector of that country is equal or unequal - resource-dependent countries with equal private sectors in general tend to be more prone to authoritarianism (Dunning, 2008: 19-22). The shift from U.S. (rule-of-law-based) FDI to Chinese (non-interference and opaque contractual arrangements) could weaken judicial constraints and allow the executive to consolidate further power, especially in a resource-dependent context with limited institutional capacity. To evaluate this, the analysis will analyze changes in the “Judicial Constraints on the Executive Index”, which reflects rule of law within the DRC’s political system.

Another political trait of rentier states is clientelism – the distribution of rents through informal networks rather than formal institutions. As rents allow governments to avoid taxation, political support is maintained through patronage networks. Beblawi and Luciani highlight how resource dependence fuels clientelist structures and weakens political institutions, with unique implications for sub-Saharan states. Often, rent revenues are invested to specific regions of elite interest only, while people living outside those regions benefit less. Likewise, workers

under government payroll tend to receive more salary and benefits in rentier states, while officials are often appointed for symbolic positions and through personal connections, rather than on the basis of hard work and merit. This highlights the income and status inequalities within rentier states, where there is a wealthy upper class, that receives (unearned) rent revenues while the rest of the population is quite poor (Beblawi; Luciani, 1987: 206-208). This dynamic is captured through the “Clientelism Index”, which I expect to show signs of intensified clientelist patterns during Chinese FDI. This is because Chinese FDI often bypasses broader state structures and directly empowers elites through infrastructure-for-resources deals. U.S. FDI may somewhat mitigate clientelist effects, because of their broader development frameworks and transparency conditions, but these positive effects are likely minor, because of the extent clientelist structures are already in place within the DRC.

In rentier states, clientelism is often accompanied by pervasive political corruption, caused by weak governance structures, the absence of taxation and the abundance of rent revenues among elites. Rentier states tend to spend disproportionately on clientelist networks and political loyalty, rather than institutional integrity. These countries are often ruled by a single political party, or even military officials, with power transfers occurring through *coup d’etats* or political assassinations (Bernault; Yates, 1996: 229-233). According to Thad Dunning, the corruption and authoritarianism levels in such countries can be influenced by how “lootable”⁴ the natural resources are. Lootable resources are easier to commandeer by rebel groups and other non-state private actors, while non-lootable or point-source resources are likely to be monopolized and produce rents for the state. This also means that the nature of a rentier state is, at least to some extent, determined on which natural resources it has (Dunning, 2008: 41). The DRC has both lootable (e.g. alluvial diamonds, gold) and non-lootable resources (e.g. copper, cobalt, lithium), which are heavily reliant on extraction efforts of foreign countries, possibly affecting the DRC’s corruption levels, which will be measured through the “Political Corruption Index”. I expect Chinese FDI to intensify political corruption, because of their tendencies to operate on the elite-level, often with lack of transparency and regulations. U.S. FDI, linked to stricter regulatory oversight (e.g. Extractive Industries Transparency Initiative – EITI) and conditional aid may slightly counteract corruption patterns, although the reach is likely limited.

⁴ Lootable Resources are often geographically dispersed and have lower economic barriers to entry (e.g. alluvial diamonds). Non-lootable Resources require more production and technology, which also makes them more capital- and labor intensive, and they are usually more concentrated geographically (e.g. kimberlite diamonds) (Dunning, 2008: 41)

Societal Dimension: One of the most persistent societal characteristics of rentier states is a weak civil society. According to Ross, countries that tax their population less or not at all, make public demand less political accountability and representation from their government – the taxation effect. Paired with the group formation effect, whereby governments in rentier states suppress civil groups to avoid democratic pressure, this results in a weakened civil society (Ross, 2001: 334). The changes in this regard will be measured by the “Civil Society Participation Index”, where I expect Chinese FDI to reinforce the marginalization of civil society, given its closed-door negotiation practices (Gelpern et al, 2021: 6) and lack of engagement with non-state actors. In contrast, U.S. aid and investment programs tend to include civil society stakeholders, although their influence is often limited in practice.

The liberties of the general population are often curtailed in rentier states, especially when regimes fear dissent or opposition. The influx of rent revenues enables governments to manage public perception through control over media and public discourse. Civil liberties are especially undermined in regions with high resource competition, where the economic interests of elites are threatened. This creates a repression effect, whereby state-led repression fuels ethnic or regional conflicts, especially when mineral wealth is concentrated in small areas of the state (Ross, 2001: 335). The aforementioned group formation affect is highly relevant here, as rentier states may suppress civil organizations, and alternative sources of information that could mobilize for redistribution or transparency. As such, this thesis will examine two V-Dem indicators to capture changes in this phenomenon: “Civil Liberties Index” and “Freedom of Expression and Alternative Sources of Information”. In the DRC, where resource wealth is concentrated among elites, I expect Chinese FDI to further restrict public discourse, especially in regions, where mining ventures face local opposition. U.S. investments are often linked to civil society reforms, often encouraging democratic development or transparency initiatives, which could have a positive effect on the DRC.

Closely linked to civil liberties and freedom of expression, political violence can be used to suppress dissent in more repressive contexts. Kenneth Omeje points out that resource rents can finance state repression or fuel insurgencies, particularly in regions with contested mineral wealth, leading to various types of conflict. In resource-rich contexts, conflict of ownership or conflict over resource distribution may arise between stakeholders, both internal and external. Weak institutions are usually not equipped to handle side-effects of resource rents, such as looting and misappropriation, which can result in instability (e.g. protests and resistance).

Often, conflict may also arise if the state uses rent revenues to finance its own security/military to eliminate opposition, or, when opposition uses rent revenues to support anti-government insurgencies, secession or overall insurrection (Omeje, 2008: 14-15). To capture this, the V-Dem indicator “Freedom from Political Killings” was chosen. Since conflict and insurgency has historically been tied to disputes over resource control, the thesis will also analyze conflicts throughout the periods of analysis. I expect Chinese FDI to correlate with higher levels of localized repression, as their mining activities are often tied to environmental degradation and land expropriation for infrastructure projects. U.S. involvement, while not without complications, tends to carry stronger reputational risks in cases of state-perpetrated violence.

Rentier states usually concentrate economic and political benefits among elite actors, rather than across social classes. This creates a hierarchy of citizens, with the government at the top as a distributor. Allegiance to the government is bought via benefits and favors, rather than coerced with taxation (Beblawi; Luciani, 1987: 52-54). Ross calls the hierarchy formation a “spending effect” wherein rentier states tend to spend more state resources on patronage, which limits democratization efforts. Channeling funds into such clientelist relationships reinforces inequalities within the society, but also hinders democratic efforts (Ross, 2001: 333-334). These patterns are particularly relevant in states like the DRC, where institutions are weak, and therefore, resource rents are primarily distributed through elite networks. Changes in this regard will be captured by the V-Dem index “Social Class Equality in Respect for Civil Liberty”. I expect this inequality to worsen under increased Chinese FDI, because it often encourages elite-led infrastructure and mining deals, bypassing mechanisms that encourage broader societal participation. U.S. initiatives, though comparatively limited in scale, may offer modest support for inclusivity through FDI conditionalities.

Economic Dimension: A focal point of rentierism is resource dependency, wherein the state relies on external rents from natural resource extraction as a revenue source. There are several limitations to this dependency. For example, mono-rentiers are at the risk of being susceptible to external price shocks (Bernault; Yates, 1996: 22), because their revenues are dependent on the changing prices of the natural resources in the global market. Since this issue can be mitigated by diversifying a rentier state’s economy, the question becomes how to better allocate one’s resources, the answer to which is heavily restricted by what rentier states structurally are (Ibid: 22). Whether the DRC has deepened its resource dependence, will be measured by the V-Dem indicator “State Fiscal Source of Revenue”. Since rents revenues from cobalt and

copper make up a significant share of government income within the DRC, I expect Chinese FDI to reinforce this dependency, because of their focus on mineral extraction “at all costs” and lack of incentives for diversification. U.S. investments, particularly when tied to broader development or governance programs (like AGOA), may offer some counterbalance by promoting transparency and fiscal reform.

Since business opportunities and resource revenues are concentrated in the extractive industries, other sectors are likely to suffer. Large inflows of foreign currencies lead to less foreign exchange constraints, which can lead to imported goods replacing the market of domestic goods (Bernault; Yates, 1996: 23-24). Since the population can no longer earn decent salaries in sectors like agriculture, this leads to urbanization and job-seeking in the natural resource sector (Ibid: 213). Even if this is not the case, rentier states do tend to have large income disparities, because the state structures create uneven income distribution, which means that even if the country has a high GDP, it can still have many people living in poverty (Ibid: 32). In a similar vein, the spending effect in rentier states means that rents are used for short-term gains or patronage rather than long-term investments, affecting the allocation of business opportunities, and overall inclusiveness (Ross, 2001: 333-334). This phenomenon will be measured through the “Access to State Business Opportunities by Social Group” and “Equality Before the Law and Individual Liberty Index” indexes. I expect Chinese FDI to exacerbate unequal access, given its tendency to funnel opportunities through elite networks. U.S. FDI, when tied to compliance with trade frameworks (e.g., AGOA), may support fairer access, though its footprint is likely to remain relatively small.

Rentier states often develop a “rentier mentality”, whereby the expectation that rents will continue to turn into ever-increasing revenues for the foreseeable future makes elites guard the *status quo* (Bernault; Yates, 1996: 21-22). To add, rentier states often develop a so-called Dutch disease⁵, as a result of which, other sectors (e.g. agriculture) grow smaller, and no longer produce jobs, making the country highly dependent on a single export article. Dutch disease depends on the sectoral composition of the economy, as well as the way elites are economically based (Dunning, 2008: 272-273). Governments receiving large amounts of rent revenues are less likely to increase economic productivity or diversify exports (Beblawi, Luciani, 1987: 10),

⁵ Dutch disease is named after a phenomenon that occurred in Netherlands in the 1960s, when the country discovered natural gas deposits. It occurs, when a country discovers a valuable natural resource and starts exporting it in huge quantities. This makes that country’s currency stronger, but it simultaneously makes other industries (e.g. farming) less competitive, because their goods become too expensive for other countries to buy (Dunning, 2008: 272-273).

deepening the effects of Dutch disease. Moreover, governments can embark on large-scale infrastructure projects, which can quickly modernize countries and involve short-term local labor efforts. However, these impressive projects often tend to become dependent on the mineral resources, which first funded them, further deepening the dependency on a single export item (Bernault; Yates, 1996: 25). The “State Ownership of Economy” indicator helps capture the extent to which the economy is dominated by state (or elite-controlled) resource sectors, and how the rentier mentality evolves over time. Since China often embarks on large-scale infrastructure-for-resources projects, and does not conditionalize these with economic diversification efforts, I expect the state’s ownership of economy to tighten.

Kenneth Omeje characterizes weak rentier states as institutionally underdeveloped, with high levels of patronage networks concerned with revenue accumulation (Omeje, 2021: 101), leading to corruption and public sector theft. Institutional underdevelopment means that rentier states often have more lenient tax laws, making them prone to cases of tax evasion (Beblawi; Luciani, 1987: 10). This phenomenon is exacerbated if the natural resources of a rentier state are lootable. Lootable resources are often used for the enrichment of government officials, rebel groups and non-state private actors (Dunning, 2008: 41). In the case of the DRC, even resources that are non-lootable may offer direct benefits to the government, because many extractive companies are state-owned (e.g. Gécamines), and lack transparency. Hence, the last V-Dem indicator to be analyzed is “Public Sector Theft”, to examine whether state revenues or natural resources are misappropriated for personal or political use. I expect Chinese FDI to correlate with increased public sector theft, because of the lack of enforceable anti-corruption safeguards and limited oversight mechanisms. U.S. FDI, while more transparency-oriented, may only mitigate this trend marginally unless paired with systemic reforms.

1.4 The DRC and Rentier State Theory

The Democratic Republic of Congo is a fragile rentier state, with its colonial legacy under King Leopold II and later the Belgian state, the DRC was formed not as a political entity, but rather an extraction endeavor with its population treated as labor capital. Its historical formation, dependence on mineral rents, weak institutions and susceptibility to external manipulation make it an ideal case for analyzing how rentier states are influenced by foreign investors. As

such, this sub-chapter will offer a historic overview of how the DRC came to be a rentier state, as well as how it is situated in the theoretical framework of rentier state theory.

The DRC gained independence from Belgium in 1960, and, with its abundance of natural resources, it was one of the most promising newly independent countries in Africa. However, shortly after gaining independence, a series of violent events from 1960 to 1965 escalated, which became to be known as the Congo crisis (Gibbs, 1993: 164-165). At the center of this were the DRC's vast mineral resources, including cobalt, copper and uranium in the Katanga Province; industrial diamonds in the South Kasai Province; and tin, zinc and tantalum in various deposits (Schmidt, 2013: 57). During the crisis, the Katanga and South Kasai provinces briefly seceded under the rule of Moïse Tshombe, which was supported by the Belgian government, in an attempt to retain its control over its former colony's resources. This escalated into open conflict between Belgian-supported Katanga, and United Nations troops (Gibbs, 1993: 164-168). Protecting Western economic interests, property and lives by restoring law and order was the official aim of U.S. and Belgium, which President Patrice Lumumba saw as an attempt to recolonize the DRC. Attempting to restore the DRC's territorial integrity and limit Western influence, Lumumba authorized a UN intervention, which took the side of the U.S. (Schmidt, 2013: 60-63). The Congo crisis highlights the ways in which newly independent countries like the DRC became a battleground for Cold War superpowers, somewhat explaining why China, with its anti-imperialist rhetoric, has successfully become an important economic partner for the DRC.

As a result of Cold War power-plays, the DRC's first democratically elected president, Moscow-favored Lumumba, was assassinated in 1961 with the help of the CIA and Belgium. His successor, Mobutu Sese Seko was backed by the United States, while China funded some of the rebels who opposed his rule in the 60s (Jansson et al, 2009: 25). During the Mobutu period (1965-1997), a political tradition of kleptocracy, corruption and patrimonialism was established, strengthened by the inflow of resource rent revenues. His rentier network was a highly centralized network of clients in his own inner circle; a second tier of technocrats and courtiers; and a third group of provincial bosses. This network helped establish an unlimited access to resources and rent revenues (Matti, 2010: 401-402). During his time in office, Mobutu is believed to have plundered between 4-10 billion USD of the country's resource wealth, which was mostly not invested back into the country. Only about 10% of the government's

resource rent revenues were invested back into the DRC's education and health care systems in 1982, and 0% by the next decade (Ibid: 402-404).

By the 1990s the DRC already had a failing economy and was extremely weak politically, as evident by several civil wars, and the invasion of the DRC by Angola, Rwanda and Uganda in 1996. The intervening forces often looted and exploited the DRC's resources (Matti, 2010: 403-404). From 2002 onward, the DRC became dependent on foreign aid, including Chinese aid (mainly infrastructure projects) from 2008 onwards. It is estimated that between 2002-2006, the DRC received around 10 billion USD of foreign assistance, resulting in minimal economic growth (Ibid: 404-405). Congolese officials received development assistance by adhering to the rules set out by Western governments and benefitting from corrupting the aid sums. This way, the DRC has sometimes opted out from rent-seeking through conflict, and instead, used development assistance sums for their personal benefit, undermining long-term economic growth. Resources, and resource rents have sometimes been used to decrease dependency on foreign aid (Ibid: 407-408). This makes the DRC even more susceptible to external influence, as development aid is often tied to the recipient country's natural resources, especially in China's case. Western donors like the U.S. have conditionalized its development assistance programs, aiming to push the DRC toward democratic reforms, as well as capitalist economic reforms. However, the DRC's corruption and patronage networks are still prominent to this day (Ibid: 405-406).

The DRC's rentier economy was greatly influenced by the nationalization of the mining sector, which made up around 80% of national exports during 1980-1990, with Gécamines, the largest mining company, representing 60% of these exports. At that time, the mining sector generated about 50% of all government revenues. Between 1988 to 1995, the DRC's revenues were affected by unstable prices in international markets. From 2001-2005, the mining sector represented around a third of national exports, but the DRC was already on the verge of agricultural collapse, with massive migration from rural to urban areas (Herderschee et al, 2012: 35-36). In the 21st century, Gécamines has annually generated revenues of around 262 million USD, but only around a fourth of these revenues have been invested back into the state, meaning that the DRC does not benefit from its mining ventures to a large extent. At least prior to 2017, Gécamines had largescale undisclosed resource and rent revenues, which were not even overseen by the state (The Carter Center, 2017: 5), differentiating the DRC from other rentier states, where governments mainly control the economy. Similarly to many other rentier

states, there are large income disparities between the poorer regions, and the three richest regions of Bas Congo, Kinshasa, and Katanga, which make up 34% of the population, and around 55% of the overall GDP (Herderschee et al, 2012: 39).

Nowadays, the DRC has weak institutions, as shown by a rating of 19/100 on the global freedom index (Freedom House, 2024); is among five poorest nations in the world with almost $\frac{3}{4}$ of the population living with less than 2.15 USD per day in 2024 (World Bank, 2024); and has various active conflict zones. Rentier states are often highly corrupt and accordingly, the DRC scores 20/100 in the global Corruption Perceptions index (Transparency International, 2025). This makes the DRC an interesting case study, as to how the different types of investment inflows have affected this politically and economically unstable rentier state. Economically, resource rent revenues made up about 38,83% of the DRC's GDP in 2021, which is an all-time high, compared to an average of 18,96% between 1970-2021 (Global Economy, 2025). This indicates that the DRC has recently become more dependent on natural resource rents. In 2023, the industrial sector made up an estimated 46,5% of the economy, services around 33,5%, and agriculture around 17,4% (The World Factbook, 2025). In 2017, these figures were 43,6% for the industrial, 36,7% for the services, and 19,7% for the agricultural sector (The World Factbook, 2021) indicating that the industrial sector is rapidly growing at the expense of the services and agriculture sectors. As highlighted in Chapter 1.3, I expect these negative tendencies and characteristics associated with rentier states to deepen under increased Chinese FDI. This is deeply problematic for a rentier state that is already very fragile, highlighting the consequences of unconditional, infrastructure-for-resources FDI providers like China.

2. Research Design

This chapter highlights the methodology and research design, giving the reader a comprehensive overview of how to replicate the results of the thesis. Thus, this chapter is divided into three parts – the case selection process, and the chosen time frame; the methodological approach of the study; and the limitations of the chosen methodological approach

2.1 Case Selection, Time Frame

This study focuses on the Democratic Republic of the Congo as a single case study of a rentier state to analyze and compare the effects that different foreign direct investment providers have. The DRC presents a compelling case due to its rich natural resources, longstanding political instability, and history of foreign economic influence, making it an ideal setting to explore how external actors shape domestic governance and development outcomes. The specific attributes of the DRC were explained in depth in Chapter 1.4. The time frame selected for this study spans from a 11-year period of 2013 to 2023, divided into three key periods. These time periods were chosen to capture the evolution of FDI dynamics, particularly the involvement of the United States and China, and to examine their potential effects on V-Dem indicators in the DRC. The overview of both Chinese and U.S. FDI amounts throughout 2013-2023, is available in the Annex (Table 11, Table 12). The three sub-periods are defined as follows:

1. **Pre-U.S. FDI (2013–2016):** Before 2016, U.S. investments in the DRC were relatively limited. Analyzing this period provides a baseline for understanding rentier state functionality before significant U.S. and Chinese involvement. At that time, China was one of the minor investors in the region.
2. **Period of U.S. FDI (2016–2019):** Beginning in 2016, U.S. investments in the DRC, particularly in the mining sector, became more prominent. This period allows for an examination of the impact of U.S. economic engagement on rentier state functionality.
3. **Period of Increased Chinese FDI (2019–2023):** In 2020, the U.S. divested from its largest copper-cobalt mines in the DRC, selling them to a Chinese contractor. Increased Chinese FDI was already evident by 2019. This shift marked an increase in Chinese economic influence, making it a crucial period to assess how rentier state functionality changed following the withdrawal of US investments and the consolidation of Chinese FDI.

There is some overlap of the chosen time periods, for example, one of the biggest Chinese FDI years overlapping with the last year of US FDI. Nevertheless, the selection of these time periods facilitates the comparative analysis in Chapter 3. Additionally, the study is constrained by data availability, with the analysis concluding in 2023, the most recent year for which comprehensive data was accessible at the time of research.

2.2 Methodological Approach

To answer the research question: *"How has the switch from U.S. to Chinese FDI altered the DRC's rentier state functionality?"* this study employs a mixed methodological approach, combining comparative analysis of different FDI providers in different time periods, with a single case study, the DRC, using elements of process tracing. Specifically, the comparative aspect involves analyzing three distinct FDI periods:

1. Pre-U.S. FDI Period (2013–2016)
2. U.S. FDI Period (2016–2019)
3. Increased Chinese FDI Period (2019–2023)

To systematically assess changes in rentier state functionality, the study uses 15 V-Dem indicators (Annex, Table 10), categorized into three key dimensions:

- **Political** (5 indicators) – Executive Respects Constitution, Legislature Controls Resources, Judicial Constraints on the Executive Index, Clientelism Index, Political Corruption Index
- **Societal** (5 indicators) – Civil Society Participation Index, Civil Liberties Index, Freedom of Expression and Alternative Sources of Information, Freedom from Political Killings, Social Class Equality in Respect for Civil Liberty
- **Economic** (5 indicators) – State Fiscal Source of Revenue, Access to State Business Opportunities by Social Group, Equality Before the Law and Individual Liberty Index, State Ownership of Economy, Public Sector Theft

These indicators are based on the theoretical background from Chapter 1, and the description for each chosen indicator, as well as the meanings of their values, is available in the Annex. For each time period, the average value of each indicator will be calculated. For example, the Legislature Controls Resources (v2lgrfunds) indicator will be averaged over 2013–2016 to determine its status in the Pre-US FDI period. The same process is applied to all indicators, allowing for a measurable comparison between the three periods. This part will thus give a data overview of the thesis, which will afterwards be complemented by additional documents for each time period to strengthen the claims made in the thesis. The selection process of the

complementary was based on the relevance to the three aforementioned FDI periods and their credibility as regionally or internationally recognized publications. Priority was given to documents that shed light on foreign investment patterns, infrastructure development, governance practices and civil society responses. The inclusion of these sources ensures that the empirical analysis is grounded in real-world developments, thus enhancing the explanatory value of the V-Dem findings. Given that the additional data is meant to complement V-Dem data, the selection process also involved determining connections between the data and indicators, for example, to show real-life examples of corruption.

This methodological approach was chosen because it allows for both systematic comparison and in-depth contextual analysis. While the comparative aspect identifies trends across different FDI phases, the single-case study approach ensures a detailed understanding of governance and development dynamics in response to shifting investment patterns. This combination enables the study to go beyond surface-level correlations, exploring the causal mechanisms behind FDI's influence on political, societal, and economic dimensions in a rentier state context (Priya, 2021). In the discussion chapter in Chapter 4, the findings will be structured into three sub-chapters corresponding to the political, societal, and economic dimensions, analyzing how rentier state functionality in the DRC evolved across the different FDI periods.

An alternative methodological approach could be process-tracing, which is another qualitative methodology that allows researchers to make causal inferences by gathering further evidence about the context, specific processes or mechanisms, which have affected the object of observation (Mahoney, 2010: 123-124). In this study, process tracing would mean that in addition to the differences recorded in the chosen indicators, other causal mechanisms would need to be identified to determine how and why FDI has altered rentier state functionality. The issue with the DRC, in that case, is limited transparency and accessibility of documents. Likewise, Chinese FDI and diplomacy in general lacks transparency and accessibility, with many deals likely being signed behind closed doors. Without official FDI records, and official DRC government documents, the process tracing method would be heavily reliant on media reports, expert or NGO analysis and estimates, which may be incomplete and biased. In case key policy documents, negotiations and deals remain undocumented, it becomes difficult to assess why governance indicators changed. Hence, without solid primary documents, the causal mechanisms would be based on circumstantial evidence, rather than direct proof, which

is why the comparative method is more suitable to compare the overall effects of U.S. and Chinese FDI by investigating differences in trends between the three time periods. Nevertheless, the thesis does employ some of the elements of process tracing, mainly in the form of identifying complementary documents and data in addition to the 15 chosen indicators to create contextual evidence.

2.3 Research Limitations

Several limitations inherent to this type of research must be acknowledged. First, the accuracy of data on Chinese FDI remains a concern, as it is not consistently monitored by third-party organizations such as the OECD. While the research focuses on assessing the effects of increased Chinese investment rather than precise investment amounts, the lack of standardized reporting may impact the reliability of comparative analysis. Nevertheless, the research aims to show the effects of increased Chinese investments, which means that for the sake of this research, the question of how much specifically the investment amounts increased, is secondary. Second, while the study uses 15 V-Dem indicators to evaluate changes in the DRC, these indicators are influenced by a multitude of factors beyond FDI. Political instability, governance structures, regional conflicts, and domestic policy shifts all contribute to the DRC's trajectory, making it difficult to isolate the direct effects of US and Chinese investments. However, these factors have remained relatively constant throughout the periods of analysis, while FDI has significantly fluctuated. This suggests that these other factors cannot meaningfully explain the changes in V-Dem indicators. Another limitation is related to the V-Dem indicators themselves, which are perception-based, meaning they may not fully capture structural economic or political shifts resulting from FDI. This is why the author of the thesis has chosen to add some aspects from the process tracing method, and identify complementary documents and data to the indicators, in order to improve the trustworthiness of the claims made in the thesis.

Third, the qualitative comparative approach, while valuable in identifying patterns and drawing interpretive conclusions, has inherent subjectivity. The selection of indicators and the interpretation of results may reflect researcher bias, and alternative methodologies, such as a broader quantitative analysis, could yield different insights. Additionally, a single case study, though in-depth, limits generalizability, making it difficult to apply the findings to other rentier states or FDI contexts, but the methodological approach is replicable, and can be applied to other countries to broaden the scope of this research. While this study focuses on the changing

dynamics of Chinese and U.S. investment, it does not comprehensively account for the role of other foreign actors. The DRC attracts investment from European countries, multinational corporations, and regional players, all of whom contribute to shaping the country's economic and political landscape. As such, attributing observed changes primarily to the U.S.-China dynamic may oversimplify the broader FDI environment. Lastly, China has been investing in the DRC since 2008, meaning that the observed changes post-2019 may not be entirely attributable to the increase in Chinese investment at that specific time. The cumulative impact of over a decade of Chinese FDI complicates efforts to distinguish between long-term trends and recent developments. Despite these limitations, this research provides valuable insight into the evolving role of Chinese and U.S. FDI in the DRC and contributes to a broader discussion on rentier state dynamics.

3. U.S. and Chinese Foreign Direct Investment in the DRC

The following chapter is divided into three sub-chapters, in accordance to the chosen time periods under comparison. Since the Pre-U.S. FDI time period aims to give an overview of which actors were active prior to 2016, and what the V-Dem indicator scores were during the years 2013-2016, the first part is divided into two sub-chapters. Since the research question concentrates on the comparison of U.S. and China, the other two sub-chapters are divided into four smaller sub-chapters, which highlight U.S, and Chinese FDI, starting with the economic interests of both countries, their principles of FDI, data overview based on the 15 V-Dem indicators, and finally, complementary data.

3.1 The DRC Prior to the Period of Observation

Prior to the period of observation, the DRC was fighting frequent “resource wars” with various domestic and international actors (e.g. private businesses, rebel groups, multinational corporations, etc.). Illegal resource exploitation, as part of these resource wars, often resulted in forced labor, environmental destruction, sexual exploitation, torture and mass murder. Consequentially, resource exploitation is one of the biggest drivers of regional conflict and forced migration, since countries with weak institutions struggle to fight against it (Tsabora, 2014: 110-112). At times of conflict, rebel groups often looted warehouses and mineral

stockpiles under occupation, and established business contacts with foreign businesses and networks to trade these minerals for cash, weapons, etc. This way, rebel groups often prolonged their presence through maintaining a conflict situation (Ibid: 116).

The economic growth since the DRC gained independence has constantly fluctuated, and their GDP almost constantly declined throughout the years 1988 to 2001. This led to foreign direct investments halting, especially during the years of the civil war. Once the war ended in 2002, economic growth averaged around 5.8% a year until 2007, when it deteriorated again. In 2008, before Chinese investments began, Congo was one of the poorest countries in the world, and in the African region, with a GDP per capita around 95 USD, or 0.25 USD a day (Herderschee et al, 2012: 35). In 2006, an estimated 20 percent of the DRC's population, including children, already worked dire conditions in the mining sector, their livelihood largely dependent on informal, small-scale mining (Jansson et al, 2009: 26). The DRC's mining sector was regulated by the Mining Code and the Mining Regulations, which were set out in 2002 with the help of the World Bank to ensure efficiency and transparency. However, in 2006, the DRC introduced a new mining plan to make its mining industry a more attractive investment destination (Ibid: 28).

Gécamines, as one of the main Congolese companies that oversee the permit processes in the mining ventures, has sometimes converted mining permits for research purposes into permits that allow exploitation of the DRC's mineral resources. This means that the company systematically violates the Mining Code and Mining Regulations, which the government set forth. Their *de facto* control over the permit process also meant that Gécamines decided which global enterprises had access to the DRC's natural resources, receiving direct payments from trade deals. Many of the earlier contracts were renegotiated between 2007-2010 so that the DRC would receive a fair share of the revenues, but Gécamines continued dominating the mining sector with minority stakes in around 20 mining companies, receiving large royalties from each mineral deal (The Carter Center, 2017: 6-7). In 2013, the African Progress Panel estimated that DRC lost around 1,36 billion USD worth of revenues to undervalued asset sales made by Gécamines from 2010 to 2012 (Ibid: 12).

Statistics indicate that the DRC and China's trade relations mainly consisted of China importing raw materials from the DRC and exporting consumer and capital goods back into the country. In 2007, China was already the DRC's third largest trading partner next to Belgium and South Africa, rising to the DRC's number one trading partner by 2008 (Jansson et al, 2009:

30-32). In a similar vein, the DRC has heavily relied on foreign assistance as a part of its government funding. For example, their 2007 government budget was outlined with a baseless assumption that foreign donors would cover a large part of the proposed budget. To add, countries with an aid to GDP ratio over 10% are considered dependent on foreign assistance, while in 2005 the DRC had an aid to GDP ratio of 25,7%, ODA providing approximately 53% of all government revenue. This also means that the DRC's democratic processes, such as organizing elections, as well as infrastructure development, were dependent on whether foreign aid financed it (Matti, 2010: 406-407). This shows that prior to the period of observation, the DRC was already dependent on foreign assistance, and the mining sector, although conflict-ridden, made up a large part of the DRC's economic outlook.

3.1.1 Overview of Data (2013-2016)

In this sub-chapter, an overview of rentier state functionality indicators will be presented in the form of 3 tables – political, societal and economic - accompanied by an interpretation of the findings. The broader description of the indicators, as well as the meaning of each value, is available in the Annex (Table 10).

The Pre-U.S. FDI period in DRC displays severe institutional fragility and entrenched rentier political structures. As the data in Table 1 suggests, the Executive Respects Constitution values were constantly negative, declining throughout the period, averaging -1,475. This indicates the executive had little regard for boundaries set out in the DRC's constitution, such as term limits, judicial rulings, budgetary scrutiny, etc. This constitutional erosion is consistent with an authoritarian logic, common in fragile rentier states, whereby ruling elites rely on external rents to maintain power without institutional accountability. The average value of 0,455 in the Legislature Controls Resources indicator suggests that legislative oversight of public resources was weak and declining throughout this period. The sharp decline from in 2015 indicates an increasing centralization of resource control by the executive branch, with the legislature unable to serve as an effective institutional balance. The average value of the Judicial Constraints on the Executive was correspondingly 0,225, reaffirming that the DRC's judiciary lacked both independence and authority to limit executive actions. In rentier states, courts often function as instruments of elite control, rather than impartial judiciaries.

On a low to high scale of 0-1, the DRC's Clientelism Index increased from 0,77 to 0,81, showing that the political system was heavily based on patron-client relationships, where

resource rents likely funded elite royalty. This suggests that the DRC’s political structures were deeply informally structured. Similarly, the average score of the Political Corruption Index was 0,955 on a 0-1 point scale, showing extremely high levels of abuse of public office for private or political gain, systematically. As such, the political indicators uniformly suggest that the DRC had high executive dominance, informal patronage networks, and systemic corruption, with little counterbalance from other branches of government.

Political Dimension Indicators	2013	2014	2015	2016	Average value
Executive Respects Constitution	-1,39	-1,39	-1,56	-1,56	-1,475
Legislature Controls Resources	0,7	0,7	0,21	0,21	0,455
Judicial Constraints on the Executive Index	0,23	0,23	0,22	0,22	0,225
Clientelism Index	0,77	0,77	0,81	0,81	0,79
Political Corruption	0,95	0,95	0,96	0,96	0,955

Table 1: V-Dem Indicators Pre-US FDI period, political dimension

The societal dimension of the DRC during the pre-U.S. FDI period reflects persistent structural limitations in regard to civil rights, with repression and inequality remaining severe. Table 2 illustrates how the Civil Society Participation Index remained quite consistent, averaging 0,63 on a 0-1 scale from low to high. This suggests that some degree of civic engagement was permitted, and non-state actors had limited space to operate, while significant constraints were still present. The Civil Liberties Index, which includes the freedom of movement, assembly, religion and personal integrity, decreased from 0,44 to 0,42, while remaining relatively consistent. This suggests that large segments of the population were excluded from basic protections or experienced them unevenly, with the minor decline in 2016 signaling increasing restrictions. In terms of Freedom of Expression and Alternative Sources of Information, an average score of 0,68 suggests that citizens had reasonably broad access to information and that media and public discourse was at least partially pluralistic, though some censorship and risk was likely present.

The DRC's Freedom from Political Killings negative score is highly significant, indicating a below world average, systematic pattern of political violence. The state likely engaged in extrajudicial killings, targeted violence and lethal suppression of dissent, whereby political killings were not isolated incidents, but a part of broader repressive strategies. As such, political opposition and activism was likely associated with high levels of physical risks. Social Class Equality in Respect for Civil Liberties averaged 0,57 during this time period, which suggests moderate, but unequal access to civil liberties, whereby wealthier or better-connected people enjoyed more consistent rights protections. In fragile rentier contexts like the DRC, such inequality is often tied to the capture of rents by elites with limited redistribution or inclusion. All in all, the societal dimension indicators suggest a deeply constrained society, where some civic participation was present, but institutional protections were undermined by violence, repression and inequality.

Societal Dimension Indicators	2013	2014	2015	2016	Average value
Civil society participation Index	0,62	0,62	0,62	0,66	0,63
Civil Liberties Index	0,44	0,44	0,44	0,42	0,435
Freedom of Expression and Alternative Sources of Information	0,67	0,68	0,69	0,68	0,68
Freedom from Political Killings	-0,47	-0,47	-0,47	-0,47	-0,47
Social Class Equality in Respect for Civil Liberty	0,57	0,57	0,57	0,57	0,57

Table 2: V-Dem Indicators Pre-US FDI period, societal dimension

During the pre-U.S. FDI period, the economic dimension of the DRC's rentier state functionality was quite dependent on external revenues, and highly unequal. The constant value of 0,35 in the State Fiscal Source of Revenue index (Table 3) suggests that the DRC was heavily dependent on rent revenues and other external sources like development assistance. Access to State Business Opportunities by Social Group retained a constant negative value of -1,19. This suggests extreme inequality in terms of access to state-linked economic opportunities, with access likely monopolized by elites. In rentier states, business opportunities are often used to

secure loyalty, likely explaining inequalities between social groups. Similarly, the Equality Before the Law and Individual Liberty Index had a constant value of 0,27 on a low to high scale of 0-1, suggesting that some formal legal guarantees existed, but their application was highly selective and uneven, likely favoring elites. State Ownership of the Economy index was moderate, with a constant value of 0,3. This means that while the private sector existed, key areas like the extractive industries were likely subject to strong state control. Public Sector Theft maintained an extremely low score of -2,23, indicating that theft was widespread, systematic and normalized, as typical to kleptocratic systems.

Economic Dimension Indicators	2013	2014	2015	2016	Average Value
State fiscal source of revenue	0,35	0,35	0,35	0,35	0,35
Access to state business opportunities by social group	-1,19	-1,19	-1,19	-1,19	-1,19
Equality Before the Law and Individual Liberty Index	0,27	0,27	0,27	0,27	0,27
State ownership of economy	0,3	0,3	0,3	0,3	0,3
Public Sector Theft	-2,23	-2,23	-2,23	-2,23	-2,23

Table 3: V-Dem Indicators Pre-US FDI period, economic dimension

The indicators from 2013-2016 indicate that the DRC's rentier state functionality was already quite weak, but largely stable, in all three dimensions. This provides a starting point for comparison, as both U.S. and Chinese involvement in the DRC was still non-significant at this stage.

3.1.2. Contextual Evidence and Complementary Data

The aim of this sub-chapter is complementing V-Dem data with available documents, data, and articles from the Pre-US FDI period to offer a wider context. In 2014, the Organization of Business Laws in Africa (OHADA), an FDI protection and incentivization program, welcomed the DRC as a new member. The aim of this program was to make the DRC a more attractive FDI destination for foreign investors (USDOS, 2016). The U.S. Department of State reported that in 2013, several projects were funded within the DRC, namely to improve the transparency of the government's budget-making process. The main concern for the U.S. was the failure to

report the revenues generated from the extractive industries, which means that the government budgets did not accurately reflect the natural resource revenues in the DRC. The country's auditing system was not sufficiently independent, funded or trained, which means that there were gaps in reporting the government's spending. Nevertheless, the DRC published existing natural resource contracts in 2014, somewhat improving transparency and public oversight (U.S. Department of State, 2014).

In 2016, The US published a report on the DRC's human rights practices, which reported unlawful killings by Congolese security forces (operating mainly under the command of the Interior Ministry of DRC), including civilians being killed during demonstrations. Likewise, thousands of people were reportedly unlawfully detained, including for political reasons, and tortured under arbitrary accusations, for example, refusal of paying bribes. Illegal taxation for profit and power took place in several instances, including the exploitation and taxation of Congolese natural resources, highlighting the rentier state characteristics of the DRC at that time (U.S. Department of State, 2016a). The mining sector was especially influenced by corrupt practices of government and security officials, with millions of dollars of revenue loss credited to corruption. The judicial system tried and convicted multiple lawbreakers, who engaged in such behavior, but at the same time, the judicial bodies remained heavily influenced by the executive power, as well as corrupt. For instance, judges were coerced to convict opposition leader Katumbi by central authorities, who themselves routinely refused court orders. Freedom of speech of individuals was generally respected, with few arrests in relation to public criticism toward the government, whereas the media was highly influenced, censored and intimidated by the government (Ibid).

There were several armed local conflicts in the DRC during this time period, including rebel group M23 destabilizing eastern parts of the country (Muhumuza, 2025), and several ethnic clashes in the northern part of Katanga (Human Rights Watch, 2015). The conflict with M23 rebels, allegedly backed by Rwanda, led to the group seizing territories in the Eastern part of the DRC. In 2013, the DRC, together with 10 other African countries, signed the Addis Ababa Agreement to bolster peace, security and cooperation in the country. Within the framework of this agreement, the DRC agreed to reform its security sector, as well as promote the country's democratic efforts and stabilize ethnic tensions, while other regional powers agreed to refrain from supporting all armed groups. As such, 2013 marks the year of the establishment of a comprehensive peace framework for the DRC, aided by UN security forces, primarily United

Nations Organization Stabilization Mission in the DRC (MONUSCO). The DRC also signed a non-binding agreement, which was never implemented, to grant amnesty for M23 members and ensure the peaceful return of refugees (Ebuteli-CRG-CIC, 2024: 13).

According to the Boston University Chinese Loans to Africa Database, China lent a total of 3.2 billion USD to the DRC, with 2015 as the year of largest loans (see Annex, Table 12). The sectors, which received the most amount of loans, were energy (509.4 million to the Busanga Hydropower Project; 18 loans in the amount of 169.8 million to the transport sector). In a similar vein, 24.4 million USD were invested in the form of “*economic and technical assistance*” and “*economic and technical cooperation agreement*” (BU, 2024). The U.S. investments were reported as non-existent from 2013-2015 (see Annex, Table 11).

3.2 The Period of U.S. FDI

From 2016-2019, the United States annually provided around 60-80 million USD of FDI to the DRC. The following chapter analyzes the U.S. economic interests behind these investments, and their overall principles of FDI. Afterwards, the rentier state functionality indicators will be presented for this time period, and analyzed, followed by the presentation of complementary data and contextual evidence.

3.2.1 U.S. Economic Interests

On September 11, 2008, the U.S. and DRC signed an economic and technical cooperation agreement, which underlined the nature of U.S. assistance programs, which would be established in the DRC (U.S. Department of State, 2008). It is important to note that the United States has historically been the largest bilateral donor for the DRC, and the largest contributor for MONUSCO, which aims to boost international peacekeeping efforts within the DRC, as well as strengthen its state institutions and aid with democratic transition (U.S. Department of State, 2024). Efforts to promote democratization can partly be tied to U.S. security concerns, which fragile, and undemocratic states are perceived to pose. Weak institutions are seen to promote overall instability, which undermines U.S. economic efforts. The DRC has been classified as a failed state, where violence, warlordism and criminal activity prevails. The U.S. security concerns are closely intertwined with the necessity of obtaining natural resources

(Kaplan, 2008: 2-5), which is why the U.S. often conditionalizes their economic cooperation with democratic and free market reforms.

Economically, copper imports make up around 50% of all US imports from the DRC, with trade relations reaching around 332 million USD in 2022 (149 million USD exports to DRC, 189 million USD imports from DRC). The US mostly exports food products, machinery and pharmaceuticals back to the DRC (U.S. Department of State, 2024). At the same time, their economic interests are largely intertwined with promoting the free market, which the U.S. sometimes tends to confuse with promoting overall development. For example, in 2000 the U.S. signed the African Growth and Opportunity Act (AGOA), which promotes tax free export opportunities for African countries deemed eligible. In order to become eligible, countries need to make steps toward adopting free market principles, rule of law and political pluralism, including making reforms to eliminate trade and FDI barriers, protect human rights, and fight corruption. The DRC is among 32 African countries deemed eligible for AGOA, after being reinstated in 2021 (USTR, 2025). Since from 2011-2021, the DRC was deemed ineligible for AGOA, this would suggest that the DRC would need to have implemented reforms in the aforementioned areas prior to 2021, possibly influencing the outcomes within the indicators. This also highlights the conditionality of U.S. trade benefits, with the AGOA 2016 biennial report claiming that a free and fair election in 2016 would be one of the determinants of the DRC's AGOA eligibility (USTR, 2016: 24).

Compared to China, whose engagement with the DRC has been framed by its long-term strategic goals, the U.S. interests are mostly short-term, and sometimes urgent, with no long-term policy for the engagement with the DRC. The U.S. economic interests are also prone to changes, depending on the president incumbent (Dizolele, 2024: 3). On the other hand, an important U.S. economic goal is to promote clean, and conflict-free trade, especially in the artisanal mining sector. For example, in 2024, USAID aided in the first exports of conflict-free, clean and third-party validated artisanal gold from the DRC (South Kivu) to a European refinery. To add, USAID also supported the DRC's efforts to formalize and legalize artisanal cobalt and copper mining efforts with a 2 million USD Fair Cobalt Alliance Award, as well as finance climate change mitigation efforts (U.S. Embassy Kinshasa, 2025). This illustrates a stark difference between Chinese investments, which prioritizes Chinese economic growth at "at all costs". Nevertheless, U.S. future efforts are likely to be undermined by the Trump administration's decision to defund USAID.

3.2.2 U.S. FDI Principles

For the U.S., foreign direct investments are very much connected with strengthening their own economic security, as well as national security, which are interconnected (Marconi, 2024: 5). In 2019, the United States had 6 trillion USD worth of FDI in foreign countries, mostly in Europe, with the rare earths (e.g. cobalt) industry being an important destinations, but also facing the biggest supply-risk. It is important to note that between 2010 to 2019, U.S. FDI declined around 21%, while Chinese FDI has rapidly replaced their stocks. In 2019, the U.S. outward FDI positions in the African region were worth 43 billion USD, compared to 55 billion USD in 2010. One reason behind this decline is the fact that U.S. companies lack state support in their overseas ventures, while Chinese companies are backed directly by the Chinese state. This is because there is no U.S. government strategy or targeted state-backed FDI, which would provide a secure framework for U.S. firms to invest. Nor is there an infrastructure strategy which would support mineral extraction, as there is for China (Mohseni-Cheraghloo, 2021).

As such, the reason behind U.S. firms' decision to pull funding from the DRC's copper and cobalt mines is practical – these mines were underdeveloped. Unlike Chinese firms, U.S. counterparts usually do not invest in infrastructure projects to support their mining ventures. The DRC is hardly the only example of U.S. decreased FDI, which is one of the explanations behind the rise of Chinese influence on the African continent, where many such natural resource mines require vast infrastructure investments for natural resource exploitation and transport. In a similar vein, U.S. firms did not want to be associated with the DRC, where frequent human rights violations occurred, whereas China principally does not interfere with such matters (Freedman, 2025). On the other hand, it is worth mentioning that although this was mainly the practice during the period of observation, U.S. firms have recently, from 2024, engaged in infrastructure investments. For example, to assist Congo in developing a railway between Kolwezi and Angola to reach the Atlantic Ocean (and Western buyers), the U.S. has committed to invest 553 million USD (Kavanagh; Clowes, 2024). This Lobito Corridor aims to promote clean energy, digital access, agriculture, health, and economic diversification efforts, with overall U.S. investments now totaling 4 billion USD (U.S. Embassy Kinshasa, 2025).

There is still some governmental oversight in the FDI sector. The foreign investments are reviewed for potential security risks on behalf of the Committee on Foreign Investment in the United States (CFIUS). CFIUS has also pinpointed sectors, where FDI has more potential

security risks for U.S. national interests, including cybersecurity. This also includes potential security risks, which U.S. competitors like China pose their FDI ventures (Marconi, 2024: 8-12). In a similar vein, the U.S. tends to favor low-risk developing countries as FDI recipients, due to these countries generally respecting the rule of law and property rights, which are important to safeguard U.S. investments (Biglaiser; Lu, 2021: 501-502). Nonetheless, many of these risks appear to be ignored in case the recipient country possesses natural resources, which are important for U.S. interests (Ibid: 522). To ease the process of entering a foreign market, U.S. also tends to negotiate benefits like tax reductions for U.S. companies but also hires local personnel to advance their bargaining positions within the FDI recipient countries (Ibid: 501-502).

U.S. FDI also directly promotes democratization, which can in turn be tied to U.S. efforts to strengthen their own security and protect investments in the region. For example, in the 2023 DRC elections, USAID provided around 24 million USD to improve election transparency and administration and empower civil society organizations. USAID also trained DRC's judges, invested 13 million USD to strengthen its judiciary system and supported free media efforts (U.S. Embassy Kinshasa, 2025). The United States and its aid organizations specifically seem to support health, education and public administration sectors on a much larger than Chinese counterparts, which would suggest that the political and societal indicators should exhibit improvements.

3.2.3 Overview of Data (2016-2019)

The years 2016 to 2019 mark a period of growing U.S. FDI in the DRC, characterized by a relatively conditional investment pattern. The key question this sub-chapter seeks to answer, is whether this responded with any measurable improvements in the DRC's rentier state functionality. Before providing an overview of the 15 V-Dem indicators central to this analysis, Table 11 in the Annex shows data on U.S. FDI flows from 2013 to 2023 in order to justify the chosen years for indicator analysis. Likewise, the sales of U.S. affiliated multinational enterprises have been added for further context of the U.S. involvement in the DRC (BEA, 2024).

As shown in Table 4, the Executive Respects Constitution indicator remained very low throughout most of the period, but improved sharply from -1,59 at its lowest to -0,89 by 2019. This suggests a potential transitional moment in which executive dominance became somewhat

more restrained. This marks the first positive shift in this indicator, compared to the previous period, which may reflect broader political developments. However, the average value remained negative (below world average), suggesting that constitutional governance was still fundamentally compromised. In regard to the Legislature Controls Resources, there were no improvements from 0,21, suggesting that U.S. FDI did not translate into institutional development on the legislative level. Likewise, Judicial Constraints on the Executive values remained consistently low, with average values dropping to 0,215, compared to 0,225 in the previous period. Although Clientelism remained extremely high, there was a marginal drop from 0,83 to 0,77 in 2019. Nevertheless, the political system continued to operate through patronage networks. Political Corruption index also improved slightly, dropping from 0,97 to 0,94 in 2019, although not reflecting any structural shifts. Similarly to the pre-U.S. FDI period, the values suggest widespread misuse of office and the persistence of kleptocratic governance. All in all, this suggests a mixed picture, with most political institutions remaining stagnant, while some improvements visible around the year 2019.

Political Dimension Indicators	2016	2017	2018	2019	Average value
Executive Respects Constitution	-1,56	-1,59	-1,51	-0,89	-1,3875
Legislature Controls Resources	0,21	0,21	0,21	0,21	0,21
Judicial Constraints on the Executive Index	0,22	0,2	0,22	0,22	0,215
Clientelism Index	0,81	0,83	0,83	0,77	0,81
Political Corruption	0,96	0,96	0,97	0,94	0,9575

Table 4: V-Dem Indicators US FDI period, political dimension

The societal indicators in the U.S. FDI period reveal some notable improvements, shown in Table 5. Civil Society Participation increased to 0,67 in comparison to an average value of 0,63 in the Pre-U.S. FDI period. This suggests a small, but positive shift in civic participation, reinforcing the idea that U.S. engagement may have expanded the space for civil society organizations to operate. Likewise, the Civil Liberties Index increased to 0,54 in 2019,

compared to an average of 0,435 in the previous period. This suggests a potential policy shift or easing of restrictions. On the other hand, Freedom of Expression and Alternative Sources of Information somewhat regressed, with an average value of 0,6675 compared to 0,68 in the Pre-U.S. FDI period. This means that the DRC maintained a moderately open information environment. The most significant positive shift was in the Freedom from Political Killings indicator, which rose from -0,52 to 0,61, showing a substantial reduction in state-perpetrated political violence. This stands out as a major societal gain. Lastly, the Social Class Equality in Respect for Civil Liberties improved from 0,57 to 0,77 by 2019, signaling that access to civil liberties became more equal across social groups, reducing class-based disparities. All in all, this suggests measurable improvements in some key areas in the societal dimension of the DRC's rentier state functionality.

Societal Dimension Indicators	2016	2017	2018	2019	Average Value
Civil society participation Index	0,66	0,64	0,64	0,67	0,6525
Civil Liberties Index	0,42	0,4	0,42	0,54	0,445
Freedom of Expression and Alternative Sources of Information	0,68	0,65	0,66	0,68	0,6675
Freedom from Political Killings	-0,47	-0,52	-0,29	0,61	-0,1675
Social Class Equality in Respect for Civil Liberty	0,57	0,37	0,68	0,77	0,5975

Table 5: V-Dem Indicators US FDI period, societal dimension

In the economic dimension, there was limited transformation, with only some marginal improvements (Table 6). The State Fiscal Source of Revenue indicated a continuous dependency on resource rents, with the value increasing from 0,35 to 0,57 by 2019. This improvement suggests that state revenue sources may have been slightly more diverse, possibly through taxation reforms, beginning to shift away from exclusive dependency on rents. Access to State Business Opportunities by Social Group decreased to an all-time low of -1,35 in 2019. This suggests deepening inequality and economic access, with fewer groups having the

opportunity to engage in state-affiliated business opportunities. The average values increased to 0,36 in the Equality Before the Law and Individual Liberty Index, compared to a consistent value of 0,27 in the Pre-U.S. FDI period. This signals improvement in inclusiveness and impartiality of legal institutions, although the overall values remained low. The State Ownership of Economy declined from 0,3 to 0,11, which could reflect privatization or liberalization, possibly aligning with U.S. policy preferences for open markets and private investment. Lastly, while Public Sector Theft remained extreme with negative values, 2019 saw an improvement from -2,54 to -1,87. Nevertheless, this value means that U.S. FDI had minimal impact in tackling systemic theft and corruption within the public sector.

Economic Dimension Indicators	2016	2017	2018	2019	Average Value
State fiscal source of revenue	0,35	0,35	0,35	0,57	0,405
Access to state business opportunities by social group	-1,19	-1,19	-1,19	-1,35	-1,23
Equality Before the Law and Individual Liberty Index	0,27	0,25	0,3	0,36	0,295
State ownership of economy	0,3	0,12	0,12	0,11	0,1625
Public Sector Theft	-2,23	-2,26	-2,54	-1,87	-2,225

Table 6: V-Dem Indicators US FDI period, economic dimension

This data indicates that there were several marginal improvements across the political, societal and economic dimensions of the DRC's rentier state functionality. Most noteworthy changes were made in the societal dimension. Nevertheless, these improvements are smaller scale than might be expected based on U.S. FDI principles.

3.2.4 Contextual Evidence and Complementary Data

In 2015, USAID took an obligation to invest 5 million USD to several African countries, including the DRC, through Economic Support Funds. The aim of the funded projects was to enhance transparency and finance management processes within the recipient countries' governments and civil society organizations. An important factor was also the aim to improve

public awareness about how the country's resources were being spent. Similar funding in 2016 aimed to enhance transparent budget planning activities for local governments and increase citizens' ability to affect the governments' decision-making and budget planning processes (U.S. Department of State, 2016b). By 2016, the DRC had not made any significant progress in these regards – for example, the government's budgets were made publicly available, whereas end of the year reviews were not published in time, and failed to report allocations to state-owned enterprises, some governmental off-budget accounts, and military spending. Likewise, although the DRC's government specified the legal processes behind acquiring natural resource contracts and licenses, these legal processes were not consistently followed (Ibid), which means that in the extractive sector, government did not always respect laws and the constitution.

In 2017, the U.S. continued such efforts, allocating 221 983 USD to improve transparency of hydrocarbon sector revenues. Nonetheless, the aforementioned transparency issues persisted, and the DRC's government failed to follow laws regarding the extractive sector (U.S. Department of State, 2017). In 2018, some improvements were made regarding the government's auditing system, with audit documents made available for the general public within the DRC, and audits being published in a timely manner (U.S. Department of State, 2018). Although laws were in place within the DRC, to fight against bribery and corruption, these laws were rarely applied in practice, unless for politically motivated reasons (USDOS, 2016). In 2018, EITI stakeholders, together with the DRC, established further transparency provisions in the scope of the 2018 Mining Code. The Mining Code strengthened the state's control and return-for-investment for the DRC's natural resources. Instead of the previous 5% ownership, the state became to own 10% of the DRC's mining companies. Likewise, the Mining Code increased the royalties over natural resource mining, depending on the nature of the minerals. Importantly, critical mineral royalties increased by 10%, due to their geo-strategic importance. These minerals include cobalt, coltan, lithium and germanium (Herbert Smith Freehills, 2018).

In 2018, the DRC organized presidential elections, which were initially scheduled for 2016, then postponed to 2017. Due to civil unrest in 2016 because of the election delay, which left at least 17 people dead, the U.S. ordered all nonessential personnel to leave the country and issued a travel warning for U.S. citizens (Rowe, 2016). Some regions were left out of the electoral process (1.36 million citizens) due to several reasons, including an Ebola outbreak, armed

groups and ethnic violence. To add, there was lack of transparency in the voting results management, and election results greatly differed from domestic observer estimates, which is why international observers called the election process to be under international standards and the results incredible. Opposition leader Fayulu disputed election results to the Congolese Constitutional Court, which was not enforced, and the first relatively peaceful transfer of power since the DRC's independence occurred between former President Joseph Kabila and President-elect Felix Tshisekedi (The Carter Center, 2018: 6-12). As such, these presidential elections are believed to have been a deal between the former president Joseph Kabila and Felix Tshisekedi to allow Kabila's coalition to retain power in the parliament and other governmental positions (Ebuteli-GEC-CIC, 2024: 14).

The U.S. sanctioned two of the DRC's military officials in 2016, for human rights abuses, but also for plundering the DRC's mineral resources while in office. These officials, Gabriel Amisi and John Numbi had strong ties with former President Kabila, who was attempting to stay in power beyond his constitutionally mandated second term at that time (Human Rights Watch, 2016). In 2016, in order to attract more foreign investors, the DRC made a push to diversify its economy, targeting sectors like energy, telecommunications and agriculture. Accordingly, the Central Bank of Congo tightened its borrowing requirements to stabilize inflation and exchange rates. U.S. adopted a Financial Reform Act, which requires countries that export products containing tin, gold, tantalum or other minerals, to specify whether these are sourced from the DRC. As such, the U.S. aimed to ensure that the DRC's neighboring countries are not sourcing conflict or financing armed groups. USAID supported projects with the DRC's government, private sector and civil society to develop conflict-free supply chains for artisanally mined minerals. In an effort to support local industries, the government of the DRC also launched a support program in 2016, and thus finance local entrepreneurs (USDOS, 2016).

Based on the V-Dem and complementary data, the U.S. visibly made efforts to influence the DRC's development, but it only had a slight effect on the outcome. Nevertheless, several improvements were made, for example, the adaptation of the 2018 Mining Code, which, among increased state control, aimed to improve transparency of mining operations. Through USAID, the U.S. invested large sums to improve the DRC's governance and civil participation. These efforts were reflected in higher scores in the societal dimension indicators. The U.S. also promoted conflict-free mining activities during their investment period. On the other hand, the improvements in the DRC's rentier state functionality were even more modest, than I initially

expected, likely due to the relatively small scale of the U.S. investments compared to Chinese FDI already increasing at that time.

3.3 The Period of Increased Chinese FDI

During the period of increased Chinese FDI, the investments into the DRC skyrocketed to 1 billion USD annually (see Annex, Table 12), thus reaching an all-time high. It is important to note that data on Chinese investments is frequently inaccurate, because of various differing reporting procedures, but the data presented in thesis aims to portray an increase, not specific data, which undoubtably has occurred during this time period. This chapter will summarize Chinese economic interests and FDI principles within the DRC. Data overview and analysis of the 15 chosen V-Dem indicators will be presented and followed up by complementary findings and contextual evidence.

3.3.1 Chinese Economic Interests

Chinese FDI has mainly focused on pursuing Chinese political and economic interests, with their diplomatic relations with the African continent mainly serving commercial goals (Alden et al, 2008: 10-11). Some broader economic interests include supporting state-owned enterprises, and their exports; supplying China with natural resources, which are vital for Chinese interests, and domestically scarce; supplying China with critical information, especially information which would benefit Chinese companies operating abroad or within China; improving access to foreign technologies, assets and markets; and improving the competitiveness of Chinese firms through diversification efforts (Buckley et al, 2008: 722). Through these objectives, Chinese FDI can be either defensive or offensive, and classified as natural resource-seeking, market-seeking, strategic asset-seeking, and efficiency-seeking (Ibid: 736-741). Resource-seeking FDI makes up the bulk of all Chinese FDI (51%), as it helps Chinese domestic industries acquire critical resources, the produce of which makes up the bulk of China's economic output (Wang, 2012: 162-164).

For the protection of its “national and economic security and for the growth of its strategic, emerging industries”, the Chinese government identified 24 critical strategic minerals, including 14 metallic, 4 non-metallic, and 6 energy resources, in their 2016-2020 national plan for mineral resources. Amongst them are copper, cobalt, gold, lithium, tin, tungsten and

uranium, with many of them facing high supply risks (Zhou et al, 2025), and can be found within the DRC, explaining the strategic importance of the country for China. Hence, China's primary economic interest in the DRC is its mineral wealth, which provides raw materials for Chinese domestic manufactures. This is highlighted in Chinese trade relations with African countries, with five mineral-exporting countries (including the DRC) make up around 85% of exports to China (Alden et al, 2008: 12). Likewise, this need for resources has resulted in a minerals-for infrastructure rhetoric, whereby China often builds extensive infrastructure projects, such as railways and hydro-electric power plants, which support their mining activities in host states (Kaplinsky; Morris, 2009: 560). Deborah Brautigam draws a direct link between Chinese investments and infrastructure projects, and how these are almost always completed in countries, which are rich in natural resources, and have "questionable" governance structures. Through such investments, China has reshaped rentier dynamics by creating dependency structures within such countries (Brautigam, 2009).

Increasingly, the economic goals and interests of Chinese state and private actors have drifted apart over time, giving more autonomy for privately owned Chinese companies. A huge economic interest for China is finding foreign markets for their domestically produced goods, such as clothing items. In many African countries, increased Chinese-produced exports have drowned out their domestic production. For example, countries like South Africa, Madagascar, and Lesotho had booming clothing industries in the 90s, but once trade restrictions were lifted in 2005, the clothing industries in these three countries faced stark declines in exports, and consequentially huge unemployment waves (Alden et al, 2008: 11-12). On the other hand, clothing industries are often also impacted by items that come from Western countries, or in the form of development aid. Nevertheless, Chinese economic demand for natural resources comes at high costs for the local populations in host countries, for example, forced evictions of indigenous communities in Ecuador; environmental pollution resulting from Chinese-run copper mines in Peru; and destruction of Buddhist sites, land expropriation and environmental damages in Myanmar; farm land destruction, lack of safety measures, hostility toward trade unionism, low wages, and overly long working hours in many African countries. Such practices have led to widespread protests and social resentment against Chinese companies in regions, where their mining operations take place. Although Chinese mining ventures are sometimes drivers of economic development (e.g. through infrastructure development), comparatively, they are also believed to violate environmental and labor standards than other countries' mining ventures (Wegenast et al, 2017: 6-7).

Societally, Wegenast et al empirically tested whether Chinese FDI in the resource extraction sector have negative effects on local populations. Their findings indicated that Chinese mining ventures generate widespread resentment in the locals of host countries. Grievances are triggered by few job opportunities, with unemployment being especially high in regions, which are close to Chinese-operated mines. Jobs are sometimes generated in the infrastructure sector instead (Wegenast et al, 2017: 25-26). This suggests that contrary to usual rentier state characteristics, whereby job opportunities are concentrated within a close proximity of resource wealth, Chinese investments do not necessarily create jobs in the resource sector. This explains why the DRC chose to negotiate specific terms for local employment in the Sicominex⁶ deal (see Chapter 3.3.2).

3.3.2 Chinese FDI Principles

In 2000, China introduced its Tenth Five-Year Plan, featuring a Go Global policy, which already highlighted the importance of acquiring mineral resources through FDI. The resource extraction strategy includes the efforts of both Chinese state-owned enterprises, and private companies. Importantly, the mining sector investments require fewer investment restrictions. Due to the Chinese state support, this gave an early advantage to Chinese mining entities, compared to other global investors (Zhou et al, 2025). Overall, Chinese outward FDI has been divided into three distinct periods – restricted FDI period from 1978-1999; relaxed FDI period from 2000-2016; and the regulated FDI period from 2016 onwards (Wang; Gao, 2018: 619). The restricted FDI period was characterized by a case-by-case approach, which consequently means that there was relatively small FDI outflows (1,5 billion USD annual average). During the restricted FDI period, the African continent represented around 2% of all FDI ventures (Ibid: 521). During the relaxed FDI period, outward FDI skyrocketed due to the simplification of the approval process, which meant that government oversight was, in most cases, replaced with a simple registration system. Chinese FDI diversified, expanded and saw an average annual growth rate of 35,8%, becoming the second largest FDI provider globally – by 2005 12,5 billion USD, by 2008 55,9 billion USD, and by 2016 1,36 trillion USD worth of FDI. Chinese FDI in Africa represented around 2,9% of their overall investments (Ibid: 623-626).

⁶ Sicominex, short for La Sino-Congolaise des Mines SA, is a joint copper and cobalt mining venture between Chinese companies (68%) and DRC's state-owned companies (32%), mainly Gécamines.

In the regulated FDI period from 2016 onwards, Chinese government categorized FDI into “encouraged, restricted and prohibited” categories, which also resulted in a drop in outward FDI flows. Moreover, the reputation of Chinese companies has faced setbacks due to frequently occurring lack of social responsibility, contract violations, money laundering, low quality of products, lack of safety measures, and engagement in various unconventional business strategies, which Chinese regulations aim to tackle. Notably, Chinese companies also created more jobs than other FDI providers, for example, creating over 38 000 jobs in Africa in 2016, while U.S. companies only created less than a third of that amount (Wang; Gao, 2018: 630-633). Today, the majority of Chinese outward investment is directed to resource-rich countries like the DRC, predominantly toward the mining sector. China primarily uses free trade agreements and the Belt Road Initiative to improve market access for its investors within resource rich countries (Zhou et al, 2025). A part of China’s FDI model is the so-called “infrastructure for resources” model, whereby China builds infrastructure in FDI host countries in return for their natural resources. Although not fundamentally negative in impact, this means that infrastructure is only being developed in a way, which supports Chinese own interests. For example, infrastructure investments are prevalent in regions, where the copper and cobalt mines are located, whereas other regions remain underdeveloped (Freedman, 2025).

Within the DRC, China’s FDI ventures are based on the so-called “Angola model”, whereby China gave an infrastructure aid loan of 8,5 billion USD through the Chinese EXIM bank in 2007, and another 5 billion USD loan in 2008. These loans were given to upgrade the DRC’s mining sector, especially the infrastructure to support mineral extraction. To securitize these loans, China negotiated access to 14 billion USD worth of copper and cobalt resources, the exploitation of which would be done by a Chinese-DRC jointly owned Sicominex company. The loan itself was to be paid off by the future profits of Sicominex. An important clause within this agreement was that only 20% of the mining workforce was allowed to be hired from China, and 12% of the overall workforce was supposed to be DRC’s local sub-contractors. Likewise, 0,5% of investments were specifically directed toward training activities, 1% on social investments, and 3% on environmental projects within the DRC. The DRC also negotiated China to invest in other activities outside the mining sector, including education, water, transport, health and electricity (Kaplinsky; Morris, 2009: 565). Notably, mining production operations did not begin until 2015, also highlighting that Chinese mining activities were relatively minor prior to 2015. The mines were also undervalued during the time this deal was made, and infrastructure investments have not matched the expectations of the DRC, limiting

its benefits for the DRC's society, and leading to renegotiating the deal later on to add a further 7 billion USD of Chinese investments (Freedman, 2025). According to the Boston University Chinese Loans to Africa Database, the largest loans by far have been directed to the transport, energy and information and communication technology sectors (Boston University, 2025), all of which can be directly tied to mining sector activities.

Generally, China uses a so-called "soft law" approach for overseas FDI, binding their partners to legal obligations within the mining sector step by step. This means that the recipient of FDI does not need to drastically alter their existing regulations in order to be a trading partner with China. A similar approach is visible in China's Belt and Road Initiative, as well as their diplomatic relations. Hence, China's FDI is based on the specifics of individual projects, with no general framework underlining their overall foreign direct investments. To add, most of these individual FDI agreements are not available publicly, making it difficult to assess their impact. However, the agreements generally prohibit export restrictions, and leave export duties unregulated as opposed to countries, which operate under the World Trade Organization's (WTO) framework. Compared with Western countries, who challenge countries that violate WTO obligations, China does not, and often signs agreements with resource rich countries to boost their production efforts, awarding China with further investment opportunities compared to Western counterparts (Zhou et al, 2025).

Although FDI is generally more secure and favorable in low-risk countries, China also invests in higher risk countries, in case the investments are within the mineral sector. Moreover, Chinese state-owned enterprises have shown to specifically target countries, which are riskier politically, in case these countries have natural resources, which are vital to Chinese interests. Consequentially, most of these resources can be found in high-risk countries, and this can explain why China dominates the global chains of many critical resources. Similarly to the U.S., China tends to negotiate favorable terms for market access, but often negotiates economic guarantees with the banks in host countries (Biglaiser; Lu, 2021: 501-502). More recently, the Chinese government has pressured state-owned enterprises to better assess the political and economic conditions of FDI recipient countries to minimize risks (Ibid: 509). Chinese companies tend to direct their FDI toward countries, which have similar political affiliations (Ibid: 522-523), without directly supporting principles like democracy, rule of law or property rights (Onjala, 2016: 91).

Chinese FDI does little to promote environmental sustainability, and consequently, sustainable development in general which was defined by the United Nations Conference on Trade and Development (UNCTAD) as a primary focus of other FDI providers. In fact, China's FDI is usually directed toward sectors, which are especially environmentally destructive, like extractive mining. In some cases, Chinese FDI has helped built mines in places, which have previously been protected as national parks, but later opened to investments because of their politically unstable contexts. Chinese infrastructure projects also usually involve widespread environmental implications, because their aim is to "make previously inaccessible resources accessible" (Onjala, 2016: 93-95). Moreover, some exports from African countries, like timber, have been proved to have been illegally exported to China. For example, 90% of timber exported from the DRC to Congo, was illegal prior to 2016, suggesting that China is exploiting the deliberate lowering of regulatory standards within the DRC (Ibid: 94). This is why the ecological and environmental footprint of Chinese FDI needs attention, as it actively contributes to environmental degradation, resulting in more natural disasters and fragile communities.

3.3.3 Overview of Data (2019-2023)

Chinese investments were present in the DRC throughout the entire period under observation, increasing to an all-time maximum in 2019. Table 12 in the Annex provides a complete overview of Chinese FDI data from 2013 to 2023. This period differs from the U.S. FDI period both in volume and in nature of investment, whereby Chinese FDI was negotiated on the elite level, with resource-for-infrastructure deals, limited transparency and no governance conditionalities. This sub-chapter will determine whether this resulted in changes in the DRC's rentier state functionality.

After showing slight improvement in the Executive Respect Constitution indicators during U.S. FDI, there was a sharp regression from -0,89 to -1,22 in 2021 (Table 7). Although the average value of -1,09 is still lower than during earlier phases, the reversal signals renewed constitutional violations and increased executive dominance, reinforcing the DRC's authoritarian tendencies. During the period of increased Chinese FDI, the legislature regained control over its resources, reaching an all-time high from 0,21 to 2,03 in 2022. This shows a clear sign of institutional improvement, with the legislature gaining oversight in resource governance, indicating a potential shift in how resource decisions are contested or negotiated. This increase might have been a reaction to increased Chinese FDI, with the legislature

mobilizing for transparency and deal renegotiations. Judicial constraints on the executive also decreased from 0,26 to 0,18, with the judiciary becoming even less able to act in an independent manner. Nevertheless, in comparison to the previous time periods, judicial independence was consistently weak, with neither U.S. or Chinese FDI having a transformative effect.

The Clientelism Index decreased from 0,77 to 0,58, signaling a positive trend and the weakening of clientelist practices. This is a surprising and counterintuitive improvement, given the assumption that Chinese FDI reinforces elite patronage. In a similar vein, political corruption decreased slightly to an average of 0,928 compared to previous period, when the average was 0,9575. However, these values still reflect an alarmingly rate of corruption practices, with the difference between U.S. and Chinese remaining minimal. Thus, the political dimension of the DRC’s rentier state functionality remained mixed, with fragile improvements in the sphere of clientelism and corruption.

Political Dimension Indicators	2019	2020	2021	2022	2023	Average value
Executive Respects Constitution	-0,89	-0,9	-1,22	-1,22	-1,22	-1,09
Legislature Controls Resources	0,21	0,21	1,66	2,03	1,32	1,086
Judicial Constraints on the Executive Index	0,22	0,26	0,2	0,22	0,18	0,216
Clientelism Index	0,77	0,75	0,75	0,69	0,58	0,708
Political Corruption	0,94	0,91	0,92	0,95	0,92	0,928

Table 7: V-Dem Indicators Increased Chinese FDI period, political dimension

Compared to the other two time periods, the societal dimension indicators decreased noticeably during the period of increased Chinese FDI (see Table 8). The Civil Society Participation Index dropped from 0,67 in 2019 to 0,42 by 2023. This suggests the conditions for effective civil society engagement deteriorated rapidly, reversing earlier gains under U.S. FDI. The Civil Liberties Index was steadily between 0,54 and 0,52, but dropped to 0,41 by 2023, signaling a negative trend of undermined freedom of movement, religion and private life. On the other

hand, the Freedom of Expression and Alternative Sources of Information increased to an all-time high of 0,71 in 2021 and dropped to an all-time low of 0,61 by 2023, which means that media, and freedom of speech became more restricted. The Freedom from Political Killings indicator fluctuated greatly, culminating in a regression to a negative value of -0,27 in 2023. This suggests a resurgence of state-perpetrated or politically motivated violence, cancelling earlier progress that started during U.S. FDI. The most significant deterioration occurred in the Social Class Equality in Respect for Civil Liberty indicator values. Although social class equality reached an all-time high of 0,98 in 2020, it dropped to an all-time low of 0,04 in 2022 and reached a negative value of -0,39 by 2023, indicating a below world average score. This meant that compared to rich people, poor people enjoyed far fewer civil liberties. Compared to steady improvements during U.S. FDI years, this suggests a stark and concerning shift. Hence, the societal dimension of the DRC's rentier state functionality deteriorated noticeably during increased Chinese FDI.

Societal Dimension Indicators	2019	2020	2021	2022	2023	Average Value
Civil society participation Index	0,67	0,65	0,53	0,45	0,42	0,544
Civil Liberties Index	0,54	0,52	0,52	0,52	0,41	0,502
Freedom of Expression and Alternative Sources of Information	0,68	0,7	0,71	0,64	0,61	0,668
Freedom from Political Killings	0,61	0,34	0,92	0,74	-0,27	0,468
Social Class Equality in Respect for Civil Liberty	0,77	0,98	0,57	0,04	-0,39	0,394

Table 8: V-Dem Indicators Increased Chinese FDI period, societal dimension

In the economic dimension, the State Fiscal Source of Revenue reached an all-time low of -0,32 in 2021, as visible in Table 9. This suggests that the DRC's fiscal diversification efforts relapsed, deepening the dependency on natural resource rents. Access to State Business Opportunities by Social Group also worsened, dropping to an all-time low of -1,8 in 2022. This

shows that marginalized groups were even more excluded from state-linked economic opportunities than in earlier time periods. The Equality Before the Law and Individual Liberty Index decreased from 0,36 to 0,28 starting from 2021, with the values indicating low access to justice, property rights, and increased forced labor incidents. Nevertheless, the average value of 0,334 was higher than during U.S. FDI, when the average value was 0,295. The state regained its large-scale control over the DRC's economy, the value dropping noticeably from 0,11 to 0,36 by 2023. This suggests that earlier privatization efforts were largely reversed, increasing state control over private economic endeavors. The Public Sector Theft Index was at its highest in 2022, with a value of -2,22, with officials having respect for some public resources, while treating the rest like their personal property. All in all, although there were isolated signs of improvement, the overall economic dimension of the DRC's rentier state functionality reflects elite capture and widening exclusion under increased Chinese FDI.

Economic Dimension Indicators	2019	2020	2021	2022	2023	Average Value
State fiscal source of revenue	0,57	-0,05	-0,32	0,4	0,4	0,2
Access to state business opportunities by social group	-1,35	-1,35	-1,35	-1,8	-1,35	-1,44
Equality Before the Law and Individual Liberty Index	0,36	0,36	0,32	0,35	0,28	0,334
State ownership of economy	0,11	0,3	0,19	0,2	0,36	0,232
Public Sector Theft	-1,87	-1,87	-1,87	-2,22	-1,38	-1,842

Table 9: V-Dem Indicators Increased Chinese FDI period, economic dimension

As expected, increased Chinese FDI contributed to the DRC's lower scores across most indicators of rentier state functionality, undermining the marginal improvements made during the U.S. FDI period. This highlights the negative impact of unconditional, infrastructure-for-resources FDI, such as China's.

3.3.4 Contextual Evidence and Complementary Data

In 2022, the Congolese state collected over 7,36 billion USD from revenues generated in the extractive sector. Comparatively, the state collected over 3,69 billion USD the year prior (ITIE-RDC, 2024: 11) meaning that mining revenues more than doubled during the Chinese increased investment period. Compared to 2021, copper exports increased by 24,7% whilst cobalt exports increased by 70,7% in 2022. Simultaneously, the prices of these metals increased in the global market (e.g. the price of cobalt increased by 40,5%). Overall, both copper and cobalt production continuously increased during the period of Chinese increased FDI, as did the production of other mineral resources like diamonds and zinc (Ibid: 14).

It is important to note that in 2017, the DRC paused its copper and cobalt exports to China, aiming to enhance the metal refinement ventures within the country. This came after an export ban on copper and cobalt concentrate in 2013, which has not been enforced on several occasions due to Congo's limited mineral processing capabilities. Prior to this, China and the DRC had signed a 6 billion USD deal in 2007 to exchange raw materials from the DRC for infrastructure projects by China. Since China also provides large-scale loans to the DRC, which the DRC pays back with mineral exports, local mineral refinement efforts would provide quicker reimbursement, because of the higher value of refined metals (Clowes, 2017). Chinese investments were thus said to undermine the DRC's ambitions to receive a return on investment for their raw minerals but also impact their overall ability to repay loans (Ross, 2017). However, this ban on China to export raw metals, was lifted by the DRC shortly after being announced, due to international prices of copper consequentially rising, and Congo's own necessity to restart exports to pay off Sicomin's investments (Reuters, 2017).

Halting mineral exports to China mainly concerned Sicomin's, where Sinohydro Corp. and China Railway Constructions own 68% of the shares, while the remainder of the shares is held by Gécamines, its Congolese state-owned counterpart. While other Chinese companies like China Molybdenum and Glencore had already began processing metals within Congo, they also have 56% shares in Congo's largest cobalt mines, Tenke Fungurume Mining, which exported unprocessed cobalt (Clowes, 2017). In 2022, the DRC filed, and later withdrew a case against China Molybdenum for failing to declare thousands of tons of copper reserves within the country (Nyabiage, 2022). Similarly, Sicomin's had previously exported unrefined copper and cobalt to China for processing. To increase the production output of Sicomin's, Sinohydro Corp. and China Railway Constructions financed a 660 million USD hydropower plant project,

which would bring Sicominex's copper output from around 44 000 tons of copper, to 400 000 tons over the next twenty years (Clowes, 2017). Since then, Sicominex has also renegotiated their minerals-for-infrastructure deal with the DRC, increasing infrastructure investments from 3 billion to 7 billion USD, mainly to finance road projects to connect resource-rich regions to the DRC's capital (Nyabiage, 2024b). Increases in production output have consequentially brought down the global prices of copper and cobalt, with the DRC seeking to retain more control over its natural resource mines, especially Chinese-owned ones. The DRC even blocked a Chinese bid for the Chemah copper and cobalt mine (Kavanagh; Clowes, 2024), suggesting dissatisfaction with Chinese FDI, and an intent to pursue other investors.

In 2021, the DRC joined China's Belt and Road initiative as its 45th African partner country, further strengthening the DRC's and China's infrastructure relations (Caiyu; Meng, 2024). While bilateral trade between China and the DRC was around 18,75 billion USD in 2022, it dropped 13,2 percent in 2023 due to price drops of minerals within the global market. For example, one ton of cobalt had an average price of 63 739 USD in 2022, and below 30 000 USD in 2023. Chinese imports from DRC also dropped by 13,9 percent to 14,27 billion USD (Nyabiage, 2024a). This also illustrates the impact of price drops of resources for resource-rich countries like the DRC. In 2021, the DRC's President Felix Tshisekedi also called for the renegotiation of deals made with foreign mining companies, to ensure Congolese people get their fair share of the resource revenues (Nyabiage, 2021b). In terms of fiscal transparency, there was noticeable progress, compared to the U.S. FDI period. For example, government budgets were revised and published, in case deviations appeared in budget execution. Likewise, the laws regarding natural resource contracts and licenses were followed in practice, with related information publicly available (U.S. Department of State, 2021).

Disagreements with Chinese practices, doubts with the DRC's return of investments, and overall diversification efforts have led Felix Tshisekedi to pursue other investors besides China since 2023. Notably, the DRC has negotiated new partnerships with the United Arab Emirates, U.S. and the European Union (Kavanagh; Clowes, 2024). The Biden administration openly supported this criticism toward China, calling Chinese FDI coercive and opaque, leading to a 30 billion USD deal with U.S., DRC and Zambia. Likewise, the EU increased its investments by 2024, the World Bank gave the DRC a 500 million USD loan to upgrade their socio-economic infrastructure, and the IDB approved a 1,5 billion USD Extended Fund Facility with an aim to review the DRC's controversial mining contracts with China and make overall

reforms in the mining sector. In the scope of these agreements, the DRC has suspended several contracts with Chinese firms. On the other hand, a renewed partnership with U.S. is unlikely under the Trump administration, which has cut foreign aid to the country and is not prioritizing a green energy products, likely leading to increased investments to the DRC (Freedman, 2025).

Since 2021, the M23 rebel group, backed by Rwanda, resurfaced in the North Kivu province, displacing over 1,7 million people by 2024. Hence, during President Tshisekedi's first years in power, internal displacement rose from 5 million to 6 million people, and civilian killings rose from 132 on average a month to 199 (Ebuteli-GEC-CIC, 2024: 12-15). Although China's economy is interconnected with the DRC's, out of China's necessity for natural resources, China has not offered any security support to the DRC, although the country has faced widespread insurgencies recently. In 2025, the DRC lost some of its territory (Goma city) to Rwandan-backed rebels (Freedman, 2025). This further highlights the ways in which China aims to gain control over the DRC's natural resources "at all costs", while the U.S. evidently supports conflict-free mineral mining.

The DRC's security forces have also repeatedly crushed dissent, including killing human rights activists and journalists, who criticize the DRC's government. In 2021, the DRC introduced a State of Siege to combat military groups within the country by replacing local judicial and executive bodies with military officers, which has been condemned by human rights groups as unlawful and unconstitutional. President Tshisekedi has repeatedly ordered military courts to prosecute civilians without a fair trial. Since 2020, several thousand civilians have been massacred in the DRC (7380 killed between 2017 and 2022), especially in the North Kivu and Ituri provinces, which are rich in gold, coltan, oil, tungsten and other natural resources (Amnesty International, 2022). The State of Siege is believed to provide a means for President Tshisekedi to control the Congolese army, rather than stabilize the country (Ebuteli-GEC-CIC, 2024: 16). Tensions between the DRC and Rwanda have been exacerbated by the fact that Rwanda is profiting off the DRC's mineral resources in the annexed areas of the DRC. Specifically, Rwanda is exporting more mineral resources than it is mining, and exporting them to foreign countries, including countries in the European Union, who depend on resources like cobalt and coltan for their green technology sector. As such, FDI and trade deals with Rwanda are fueling conflict within the DRC, with M23 capturing important mining sites in the Eastern part of the DRC (The Guardian, 2025a).

Conflicts within the DRC are also exacerbated by the clientelist networks within the Congolese army, which is why the DRC's government opted to fighting the insurgencies with private security firms, who in turn collaborate with local armed groups. Importantly, all military groups, including the M23, recruit new members based on their ethnical background, fueling ethnic conflict, and clashes with the civilian population (Ebuteli-GEC-CIC, 2024: 12). Since 2025, the DRC has sought to make a deal with the U.S., whereby mineral resources would be offered in return for U.S. military assistance (The Guardian, 2025b). Hence, the DRC has made important steps to secure closer ties with the U.S., even at the cost of its mineral resources, while China is becoming an increasingly problematic economic partner. In a wider context, this highlights the consequences of China's "no intervention" economic deals, which solely profit Chinese own enterprises.

4. Changes in Rentier State Functionality in the DRC

The following chapter discusses the inferences, which can be made about changes of the DRC's rentier state functionality. While Chapter 3 offered a data-driven analysis of the case study, the objective of this chapter is to reflect on the implications of these findings in light of the theoretical framework. The central question, which will be addressed in this chapter, is how the shift from U.S. to Chinese FDI appears to have influenced the DRC's rentier state functionality, and whether FDI switch has reinforced the patterns outlined in rentier state theory. The chapter is, respectively, divided into three sub-chapters to discuss the rentier state functionality in the political, societal and economic dimensions.

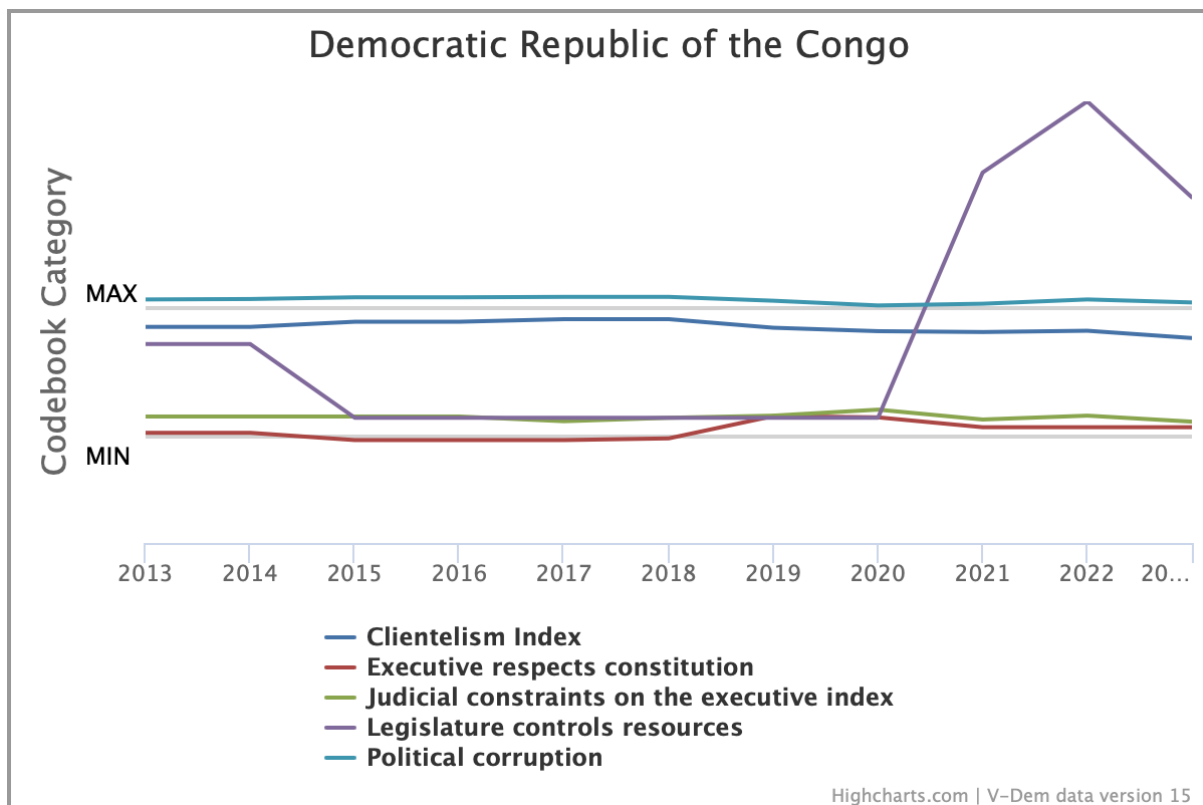
4.1 Political Dimension

Across the three comparative periods, the DRC's political institutions remained fragile, but there were shifts in both severity and character of executive behavior, elite control and political repression. U.S. FDI conditionalities were tied to principles of good governance, transparency and environmental accountability, but showed only slight gains, with no meaningful improvement in the political dimension of DRC's rentier state functionality. This suggests that the U.S. investments were not heavily influential to the DRC's political outlook. Chinese investments were often negotiated on the executive level with minimal transparency. While

Chinese FDI was concentrated in the extractive sector, it also extended into large-scale infrastructure projects to support their own mining ventures. Although directly beneficial for China, these projects included a resource-backed financing model for the DRC. With Chinese companies engaged in contract-breaking mineral refinement outside of DRC, the DRC got less returns for these investments than they would have gotten for selling minerals refined within the DRC. Complementary data suggests that the DRC even became unsatisfied with Chinese companies by the end of the period of observation, seeking investors elsewhere.

In terms of rentier state functionality, during U.S. FDI, executive respect for the constitution showed a slight improvement (See Graph 1), contextually correlating with the first peaceful transfer of power from President Kabila in 2019, which the U.S. supported. These improvements were reversed during increased Chinese FDI, correlating with President Tshisekedi's State of Siege in 2021, which unconstitutionally replaced civilian authorities with military commanders, and led to widespread violent repressions. This shift was enabled by the lack of conditionality in Chinese FDI. Prior to 2016, the DRC's legislature lost most control over the natural resources, which remained unchanged through the U.S. FDI period. Nevertheless, U.S. FDI coincided with the 2018 Mining Code, which boosted state ownership from 5% to 10%. During the period of increased Chinese FDI, legislature regained control over the DRC's resources, and major mining contracts were renegotiated, especially regarding Sicomines. The legislature likely played a major role in scrutinizing Chinese deals, culminating with a pivot toward seeking new partnerships with Western partners in 2023. As such, in reaction to Chinese engagement, some positive reforms emerged in the DRC.

On the other hand, the judiciary was consistently unable to constrain the executive throughout all three time periods, as indicated by the coercion of judges, selectively applied legal mechanisms and the State of Siege. This suggests that none of the FDI periods had a transformative impact on the legislature. While clientelist practices remained frequent throughout all three periods, increased Chinese FDI coincided with a slight improvement in that regard. This improvement was accompanied by the re-emergence of armed groups like the M23, fighting over resource control. Corruption remained persistent, although there is tentative evidence of reformist pressure during the Chinese FDI period, likely driven by public dissatisfaction, rather than China itself.



Graph 1: V-Dem indicators, political dimension (V-Dem, 2025)

All in all, executive dominance, judicial weakness and clientelist networks persisted across all time periods, showing that FDI alone, regardless of origin, does not resolve structural political issues in a fragile rentier state. However, as demonstrated by changes in V-Dem indicators and complementary data, unconditional rents, particularly from opaque deals like China's, can help intensify rentier state characteristics, while conditional FDI can result in some, albeit minor improvements. The findings thus support the argument that Chinese FDI can undermine rentier state functionality in the political dimension.

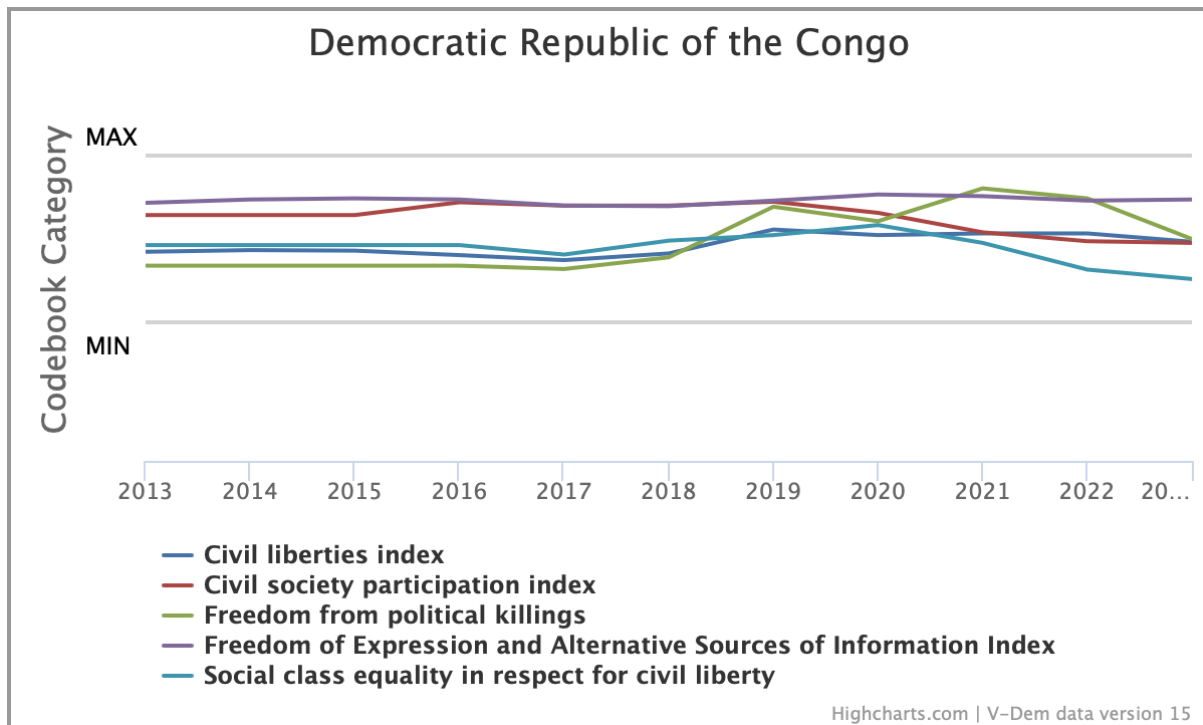
4.2 Societal Dimension

During the U.S. FDI period, there were small, but positive changes in the areas related to civil liberties, political violence and freedom of expression. U.S. FDI conditionality and programs aimed to empower civil society and strengthen citizen engagement in governance. U.S. engagement, although limited in scale, may have contributed to the DRC opening up to civil society and media freedoms, especially due to the U.S. FDI's association with international human rights laws and transparency expectations, which came with certain normative expectations. These improvements were largely reversed during the increased Chinese FDI

period, with less civil participation and renewed state-led repression. Chinese investments largely bypassed non-state actors, focusing solely on high-level negotiations directly with the Congolese government. Nevertheless, most civil liberties remained unevenly distributed, fragile, and subject to the changing political climate throughout all three time periods.

In terms of rentier state functionality, civil society participation increased during U.S. FDI (See Graph 2), with USAID investing relatively large sums to promote civil society participation through transparency promotion efforts. In contrast, these improvements regressed during increased Chinese FDI, and repression of civil society grew. Complementary data suggests that journalists and activists were targeted, protests were suppressed and the State of Siege introduced military control over civilian dissent. This reflects the group formation and repression effects identified in the literature, where states suppress civil society organizations and dissent to retain control over resource rents. Civil liberties, which improved during U.S. FDI, in general became undermined, with Chinese FDI coinciding with mass killings, internal displacement and deep repression. Although media freedom was respected to a large extent throughout all three time periods, Chinese FDI coincided with pressured media outlets and the killing of journalists within the DRC. Although Chinese FDI neither directly improved or worsened this indicator, risks to dissenters clearly increased during this time period.

In terms of political killings, the U.S. period saw a major decline in the indicator, despite complementary evidence suggesting some political violence during the 2018 elections. The U.S. used sanctions of abusive officials as a way of curtailing violent practices. The increased Chinese FDI period ended with a stark increase of political killings, which coincided with mass civilian killings, the State of Siege, and the resurgence of the M23 rebel group. The DRC's inability to ensure civilian protection in resource-rich regions, shows how FDI without accountability perpetuates violence over resource control. In a similar vein, social class equality improved during U.S. FDI, and declined to an all-time low during increased Chinese FDI. U.S. programs sought to support vulnerable groups and improve budget transparency, while Chinese FDI prioritized elite-centric deals. Complementary data noted a pattern of exclusion in project planning, which also created distain toward Chinese workers within the DRC, especially because of a lack of job opportunities for Congolese people.



Graph 2: V-Dem indicators, societal dimension (V-Dem, 2025)

All in all, the U.S. FDI period created small windows of inclusion and restraint, especially in regard to civil liberties and political violence. Chinese engagement, which is often focused on state-to-state deals and the infrastructure-for-resources form, does not incentivize civic participations, societal protections or freedom of expression. During Chinese FDI, conflict became much more widespread, with state mechanisms being used to drown criticism of the Congolese state. As such, the societal dimension appears to have visibly deteriorated, reinforcing the DRC’s authoritarian patterns. This suggests that Chinese FDI had a negative impact on societal dimension of the DRC’s rentier state functionality.

4.3 Economic Dimension

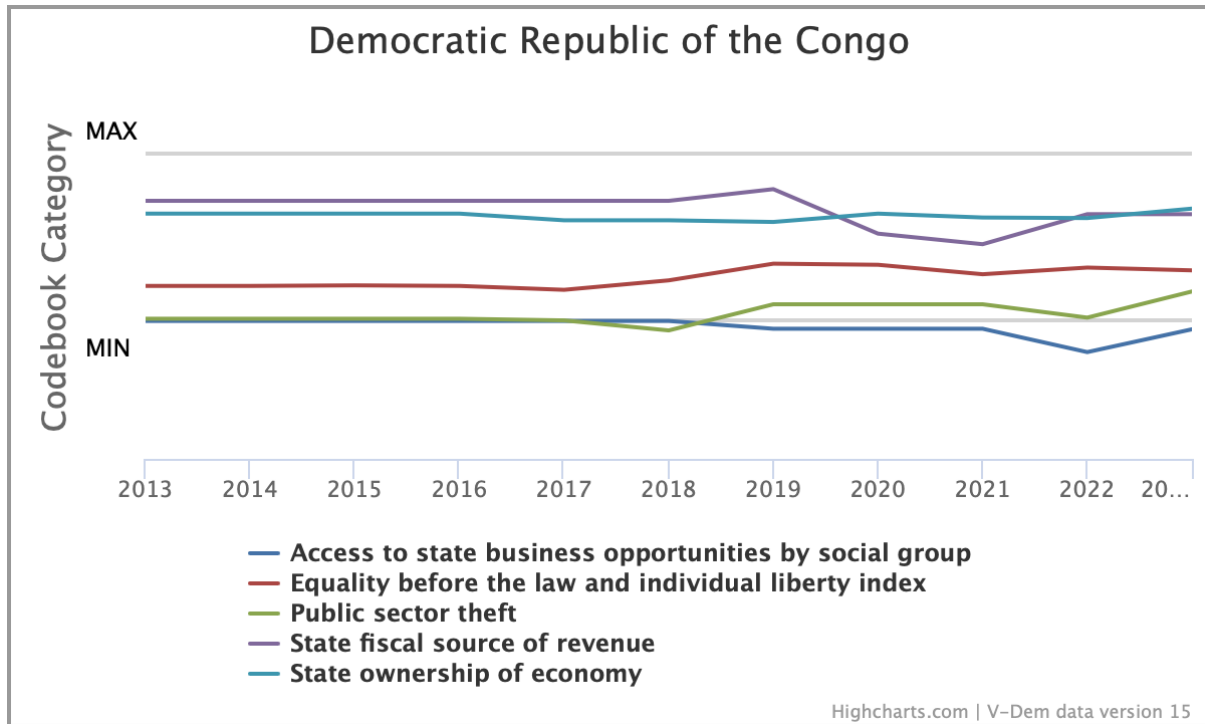
Across all three periods, the DRC’s economy remained dependent on extractive rents, elite business access and systemic corruption. However, U.S. FDI was accompanied by fiscal reforms, transparency attempts and civil society involvement. Chinese FDI reinforced the extractive model, while tying it directly to Chinese infrastructure projects. These projects were frequently presented as development achievements, while all in all only directly benefiting the extractive sector and Chinese firms. Resource-backed loans simultaneously increased the

government's dependency on mineral exports, further deepening the DRC's negative rentier state characteristics, and failing to diversify the DRC's economy. The economic dimension was also affected by widespread conflicts, whereby Rwandan-backed M23 rebels regained control over some of Congo's territory and mines, and China doing nothing to protect the Congolese mines.

In terms of the economic dimension of the DRC's rentier state functionality, the state's fiscal source of revenue was broadened through USAID and EITI transparency initiatives, yielding modest gains (see Graph 3). Under Chinese FDI, the dependence on natural resources deepened, with extractive revenues doubling between 2021 and 2022 thanks to booming copper and cobalt exports. However, without any fiscal diversification, the DRC was vulnerable to the collapse of mineral prices on the world market, exposing the DRC's fiscal weaknesses. Access to state business opportunities remained constantly low during all three time periods, with U.S. initiatives trying to support local entrepreneurs and conflict-free supply chains, resulting in limited reach. Chinese FDI was provided through non-transparent deals with elites, as well as joint foreign-dominated ventures (e.g. Sicominex, China Molybdenum), which further excluded Congolese people. By 2023, President Tshisekedi blocked a Chinese bid for the Chemah mine, citing unfair practices and the desire to renegotiate contracts in favor of Congolese stakeholders.

Equality before the law improved both during U.S. and Chinese FDI. U.S. programs aimed to improve legal frameworks and promote rule-of-law compliance in the mining sector (e.g. through the Financial Reform Act). Under Chinese FDI, resource licensing rules were followed more consistently, and public access to state budgets improved. However, rights abuses remained frequent in resource-rich zones, with legal systems favoring the elites. During the U.S. FDI period, the 2018 Mining Code was introduced, doubling the state's stake in mining companies and increasing royalties. This was not reflected in the state's ownership of economy indicators, possibly due to coinciding liberalization efforts from the U.S. side. Under Chinese FDI, the state increased control over its economy, engaging in contract renegotiations (including Chinese contracts) and regulatory enforcement. Nevertheless, Chinese companies dominated the extractive sector, with Gécamines equities often symbolic. As such, state ownership was revived under Chinese FDI not out of developmental strategy, but seemingly a response to an exploitative partnership. Lastly, public sector theft was curtailed by U.S. efforts to improve audit transparency and fiscal reporting, while the implementation within DRC

remained weak, as demonstrated by low indicator values. Under Chinese FDI, corruption persisted and was practiced by Chinese enterprises like China Molybdenum, who failed to declare massive copper reserves, prompting deal renegotiations and brief contract suspensions.



Graph 3: V-Dem indicators, economic dimension (V-Dem, 2025)

The U.S. FDI period supported modest economic improvements, mostly regarding fiscal transparency and mining legislation, but had no transformative effects. In contrast, Chinese FDI increased the DRC’s dependency on resource rents and provoking state efforts to regulate and reclaim the DRC’s economic sovereignty. At the same time, Chinese gains from the DRC’s resources were multiplied, with Chinese mining companies extracting all time high revenues from Congolese mines. The DRC rentier state functionality remained extractive, exclusionary and externally driven, while unconditional FDI deepened these dynamics, provoking some state-led reforms.

Conclusion

Although rentier states have previously been studied by various authors, so far, the ways in which FDI affects characteristics associated with rentier states, has been unexplored. This thesis set out to answer the resource question: *How has the switch from U.S. to Chinese FDI altered the DRC's rentier state functionality?* To explore this, the thesis employed a mixed methodological approach, combining a single case study with comparative analysis of three time periods from 2013-2023 – pre-U.S. FDI period, U.S. FDI period, and increased Chinese FDI period. This approach was chosen to delve into how different FDI periods reflected in the DRC's development outcomes. Building on existing literature about rentier state characteristics, the study relied on 15 selected V-Dem indicators divided into the political, societal and economic dimensions, reflecting the DRC's rentier state functionality. To improve the credibility of the research, these selected indicators were complemented by contextual data from the DRC during the three time periods, including reports, articles and documents. Likewise, to understand why FDI affected the DRC the way that it did, additional data was used to broaden qualitative insights into U.S. and Chinese economic interests and FDI principles.

The findings suggest that the DRC's rentier state functionality has largely persisted, and in some respects, intensified, following the shift from U.S. to Chinese FDI. While U.S. investments were comparatively modest, they were still linked to societal and governance principles, which somewhat reflected positive outcomes in the DRC's rentier state functionality. This indicates a positive impact of Western-led, conditionalized FDI on fragile rentier states. On the other hand, Chinese investments prioritized rapid infrastructure delivery to support their mining ventures, excluding normative FDI conditionalities. Strategic resource extraction, in this case, reinforced executive control, elite consolidation of power, and limited public accountability. As a result, the DRC's civil society participation deteriorated noticeably, with political killings increasing, conflict spreading, and civil society repressed following increased Chinese FDI. These developments support the claim of this thesis, with some degree of certainty, whereby the structure and conditionality of FDI significantly alters the political, societal and economic outcomes of rentier state functionality. China has visibly contributed to the centralization of rents as the DRC's primary source of income, while sidelining democratic institutions. After the period of observation, the DRC has made significant steps to limit further Chinese control over their extractive sectors. Hence, the switch from U.S. to Chinese FDI has,

to a large extent, negatively impacted the DRC's rentier state functionality, confirming my expectations.

This study contributes to filling a gap in rentier state theory by showing that not only the presence of rents but also the nature and origin of FDI can influence rentier state outcomes. It confirms theoretical expectations that unconditional rents reinforce authoritarian governance and suppress democratic accountability, underscoring the need to consider not just the presence of FDI, but also the principles and structures through which it is delivered. This study successfully identified patterns and tendencies that suggest Chinese FDI has contributed to the deepening of rentier state characteristics in the DRC. Thus, it opens up a wider discussion about the implications of the geopolitical competition over strategic resources, and how it affects fragile states. Since China is still an emerging FDI provider, rapidly increasing its reach in the Global South, this study contributes to wider discussion over how Chinese influence and economic interests affect its partners.

However, I cannot assert with certainty that FDI alone caused these changes, nor that U.S. FDI would have significantly reversed them had it remained dominant. Still, the contrasting approaches of both actors reveal important dynamics about how external economic engagement interacts with internal governance structures. Further studies on this topic could conduct cross-country comparisons experiencing similar FDI shifts, explore long-term effects, as well as subnational dynamics within the DRC. To strengthen our understanding of the impact of FDI on rentier states, future studies should also explore quantitative approaches. Nevertheless, this thesis has achieved what it set out to do – provide a structured, and theoretically informed analysis of how changing patterns of FDI affect rentier state functionality in the DRC. It has added empirical depth to theoretical models, offering insights with broader implications for development policy, governance, and international investments toward resource-rich, fragile states.

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Annex

Table 10: V-Dem indicators per category. (V-DEM)

Category	Indicator	Reasoning	Meaning of value (interval)
Political Dimension	Executive Respects Constitution (C) (v2exrescon)	Do members of the executive (the head of state, the head of government, and cabinet ministers) respect the constitution?	0: Not at all 1: Mostly not 2: Somewhat 3: Usually, yes 4: Yes, always
	Legislature Controls Resources (v2lgfunds)	In practice, does the legislature control the resources that finance its own internal operations and the perquisites of its members?	0: No 1: Yes
	Judicial Constraints on the Executive Index (D) (v2x_jucon)	To what extent does the executive respect the constitution and comply with court rulings, and to what extent is the judiciary able to act in an independent fashion?	0: Low extent 1: High extent
	Clientelism Index (D) (v2xnp_client)	To what extent are politics based on clientelist relationships?	0: Low extent 1: High extent
	Political Corruption Index (v2x_corr)	How pervasive is political corruption?	0: Less corrupt 1: More corrupt
	Societal Dimension	Civil Society Participation Index (D) (v2x_cspart)	Are major CSOs routinely consulted by policymakers; how large is the involvement of people in CSOs; are women prevented from participating; and is

		legislative candidate nomination within party organization highly decentralized or made through party primaries?	
	Civil Liberties Index (v2x_civlib)	To what extent is civil liberty respected?	0: Low extent 1: High extent
	Freedom of Expression and Alternative Sources of Information (v2x_freexp_altinf)	To what extent does government respect press and media freedom, the freedom of ordinary people to discuss political matters at home and in the public sphere, as well as the freedom of academic and cultural expression?	0: Low extent 1: High extent
	Freedom from Political Killings (v2clkill)	Is there freedom from political killings?	0: No, practiced systematically. 1: Practiced frequently. 2: Practiced occasionally. 3: Few isolated cases. 4: Yes, non-existent.
	Social Class Equality in Respect for Civil Liberty (v2clacjust)	Do poor people enjoy the same level of civil liberties as rich people do?	0: No, much fewer. 1: Substantially fewer. 2: Moderately fewer. 3: Slightly fewer. 4: Yes, same level.
Economic Dimension	State Fiscal Source of Revenue (C) (v2stfiscap)	On which of the following sources of revenue does the central government primarily rely to finance its activities?	0: Not capable of financing itself 1: External sources, aid 2: Economic assets, resource rents 3: Property taxes and trade 4: Taxes on economic transactions, income, corporate profits and capital

	Access to State Business Opportunities by Social Group (C) (v2peasbsoc)	Are state business opportunities equally available to qualified individuals or firms regardless of social group?	0: Extreme, over 75% 1: Unequal, over 25% 2: Somewhat equal, 10-25% 3: Relatively equal, 5-10% 4: Equal, less than 5%
	Equality Before the Law and Individual Liberty Index (v2xcl_rol)	To what extent are laws transparent and rigorously enforced and public administration impartial, and to what extent do citizens enjoy access to justice, secure property rights, freedom from forced labor, freedom of movement, physical integrity rights, and freedom of religion?	0: Low extent. 1: High extent.
	State Ownership of Economy (C) (v2clstown)	Does the state own or directly control important sectors of the economy?	0: Yes, virtually all. 1: Yes, the most valuable ones. 2: Many, but not all. 3: Some, but mostly not. 4: Very little.
	Public Sector Theft (v2exthftps)	How often do public sector employees steal, embezzle, or misappropriate public funds or other state resources for personal or family use?	0: Constantly 1: Often 2: About half the time 3: Occasionally 4: Never, or hardly ever

Table 11: US FDI and MNE sales to the DRC from 2013-2023 (BEA)

Year	Amount (Millions, USD)	Sales of US Multinational Enterprises (MNE's)
2013	N/A	N/A
2014	(D)	(D)
2015	(D)	(D)
2016	75	139
2017	76	130
2018	80	136
2019	60	118
2020	(D)	109
2021	(*)	128
2022	(D)	141
2023	16	N/A

Table 12: Chinese FDI and loans to the DRC from 2013-2023, (CEIC; BU)

Year	Amount (Millions, USD)	Chinese Loans to Congo (Millions, USD)
2013	121.270	8
2014	157.560	46.3
2015	213.710	656.7
2016	-78.920	98.4
2017	340.240	10.5
2018	643.010	694.7
2019	930.960	0
2020	611.510	150
2021	1 045.750	0
2022	391.110	24
2023	160.000	0

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