Assessing the Reintegration of Ex-Combatants in the Context of Instability and Informal Economies

The cases of the Central African Republic, the Democratic Republic of Congo and South Sudan

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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACDAKI</td>
<td>Action Communautaire pour le Développement Agro-pastorale de Kiliba</td>
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<tr>
<td>ACDK</td>
<td>Action Communautaire pour le Développement de Kalundu</td>
</tr>
<tr>
<td>ANORI</td>
<td>Association des Négociants d’Or – Ituri</td>
</tr>
<tr>
<td>AODERPI</td>
<td>Association des Orpailleurs pour le Développement et le Reconstruction de Paix en Ituri</td>
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<tr>
<td>BICC</td>
<td>Bonn International Center for Conversion</td>
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<tr>
<td>BRAC</td>
<td>Bangladesh Rehabilitation Assistance Committee</td>
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<tr>
<td>CAR</td>
<td>Central African Republic</td>
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<tr>
<td>CNDDR</td>
<td>National Commission for Demobilisation, Disarmament and Reintegration</td>
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<tr>
<td>CNDP</td>
<td>Congrès national pour la défense du peuple</td>
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<td>CONADER</td>
<td>Commission Nationale de la Démobilisation et Réinsertion</td>
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<tr>
<td>COOPEC</td>
<td>Coopérative d’Epargne et de Crédit</td>
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<tr>
<td>CPA</td>
<td>Comprehensive Peace Agreement</td>
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<tr>
<td>CPJP</td>
<td>Convention des patriotes pour la justice et la paix</td>
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<tr>
<td>D&amp;R</td>
<td>Demobilisation and Reintegration</td>
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<tr>
<td>DDR</td>
<td>Disarmament, Demobilisation and Reintegration</td>
</tr>
<tr>
<td>DDRRR</td>
<td>Disarmament, Demobilisation, Repatriation, Reintegration and Resettlement</td>
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<tr>
<td>DRC</td>
<td>Democratic Republic of Congo</td>
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<tr>
<td>EJDP</td>
<td>Encadrement des Jeunes pour le Développement de la Pêche</td>
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<tr>
<td>FAO</td>
<td>Food and Agricultural Organisation</td>
</tr>
<tr>
<td>FARDRC</td>
<td>Forces Armées de la République Démocratique du Congo</td>
</tr>
<tr>
<td>FDLR</td>
<td>Forces Démocratiques pour la Libération du Rwanda</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GIZ</td>
<td>Deutsche Gesellschaft für Internationale Zusammenarbeit</td>
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<tr>
<td>GOSS</td>
<td>Government of Southern Sudan</td>
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<tr>
<td>HDI</td>
<td>Human Development Index</td>
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<tr>
<td>IDDRS</td>
<td>Integrated DDR Standards</td>
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<tr>
<td>IDP</td>
<td>Internally Displaced Person</td>
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<td>ILDELU</td>
<td>Initiative Locale pour le Développement de Luvungi</td>
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The implementation of effective disarmament, demobilisation and reintegration (DDR) programmes in countries emerging from violent conflict are essential for building and maintaining peace and security. In many instances the disarmament and demobilisation of former combatants was achieved, but reintegration remained a challenge, due to the long-term focus and the substantial resources that are required for such a process to be successful.

Income generation and livelihood opportunities are arguably vital for the success of reintegration processes. That is, in order to discourage the remilitarisation of ex-combatants, alternative and appealing means of making a sustainable living should be available to these individuals. In addition, if former combatants are able to make a constructive economic contribution to the communities to which they settle, these communities are more likely to be receptive to their presence.

Reintegration processes are, nonetheless, often implemented in fragile environments, that include fragmented economies, in which most income generating activities are informal or unreported. Such economies are often characterised by unregulated, illicit activities, in which official governance is weak. In this context, formal sector employment and income generating opportunities are limited. However, to date, there has been limited and dispersed data on the manner in which former combatants interact with the informal economic sector.

Given this state of affairs, the Transitional Demobilisation and Reintegration Program (TDRP) of the World Bank commissioned the Institute for Security Studies (ISS) in South Africa to undertake a research project on the extent to which ex-combatants interact with the informal economy in order to sustain themselves and their dependents. The research was undertaken in three countries: the Central African Republic (CAR), the Democratic Republic of Congo (DRC – in the regions of Ituri, North Kivu and South Kivu) and South Sudan. This project was indelibly linked to another research project that exclusively focused on the reintegration of ex-combatants in the eastern DRC, the results of which are included in a separate report1.

The four specific focal areas of the research project were as follows:

1. An assessment of the state of conflict in terms of how it impacts on the economy in all the three case study areas;
2. An assessment of the nature of the economy (and labour market) in the case study areas;
3. An assessment of the employment and sustainable livelihood options that former combatants pursue in the case study areas; and
4. An analysis of the types, dynamics, successes, challenges of ex-combatant income-generating activities in the three case study countries.

The research took place between February and September 2011, with the research findings and analysis being presented in this report. In addition to a literature review and an assessment of published research and data on the subject matter, the project utilised a comparative case study field research method in each of the three countries, which included:

- Semi-structured interviews with key DDR stakeholders;
Focus group discussions with former combatants;  
Focus groups with affected community members wherein sizeable numbers of ex-combatants are residing.  
Semi-structured interviews with practitioners in agricultural, trade, commerce, mining and other economic sectors; and  
Semi-structured interviews with key informants in the same communities as ex-combatants.

The following persons undertook the in-country research:  
Nelson Alusala (DRC)  
Amelia Broodryk (South Sudan)  
Jean-Marie Gasana (DRC)  
Guy Lamb (South Sudan)  
Gregory Mthembu-Salter (DRC)  
Orly Stern (CAR)

This report is comprised of three parts. Part one includes a review of the literature on the reintegration of former combatants and the informal economy in Africa; a synopsis of post-conflict economies; and an outline of the analytical framework. Part two presents the findings of the case study research, focusing on the economies and DDR processes in each of the three countries, as well as assessing the reintegration process in relation to the informal economy. The third component of the report provides a comparative analysis of, and conclusions from, the research findings.
Part I

Conceptual framework

Literature review

Assessment of post-conflict economies
1 Economic reintegration in Africa: Literature review

This review provides a critical assessment of the literature on reintegration, particularly economic reintegration. In this regard it considers the extent to which the DDR discourse, analysis and technical recommendations take account of the informal economy. This literature review also examines and assesses a wide range of DDR documents, including peer reviewed journal articles, technical reports, handbooks, guidelines, training manuals and edited volumes by independent publishers.

1.1 Reintegration literature: the early years

The body of literature on disarmament, demobilisation and reintegration (DDR) of former combatants in post-colonial Africa primarily emerged in the early-1990s. This was the result of the establishment of DDR programmes in mainly Southern and East Africa, and included countries such as Zimbabwe, Namibia, South Africa, Mozambique, Ethiopia, Eritrea, Uganda, Chad and Angola. Such studies were largely technical documents or were part of post-war publications on sub-Saharan Africa, and in most cases focused on the disarmament and demobilisation components.

The landmark study of this period was the World Bank’s 1993 Discussion Paper on demobilisation and reintegration (D&R) of military personnel, a comparative assessment that drew evidence from seven country experiences. This paper provided a detailed analysis of the design, institutional management, the funding and results of D&R programmes. It focused predominantly on formal sector economic reintegration, but the findings of this paper implied that the informal sector had an important reintegration role. The paper recommended that reintegration should be linked to established community-based development projects, and that the families of ex-combatants, rather than individual former fighters should be targeted for reintegration support.

From the mid-1990s the compilation of DDR literature gained momentum, mainly due to the increased interest in peace-making and peace-building by international organisations and researchers alike. A catalyst was the 1992 UN Secretary-General Boutros Ghali’s Agenda for Peace, which sought to re-define the role of the UN in promoting international peace, and included “post-conflict peace-building”. Consequently, the UN, through a number of its agencies, especially the UN Development Programme (UNDP) and the UN Department for Peacekeeping Operations (UNDPKO) began to increasingly focus on DDR. Academics based at universities and research institutes also began to dabble in DDR. Both broad analyses of DDR (in the context of peacekeeping and peace-building) as well as specific country case studies were undertaken, with articles, chapters and books being published. However, as many of the DDR programmes were still in preliminary stages, the reintegration component in this published research tended to be superficial and prescriptive, or was absent.

During this period the World Bank further invested in research, monitoring and evaluation to accompany its investment in post-conflict reconstruction programming. For example, in 1996, the Work Bank published a detailed technical report on D&R in Ethiopia, Namibia and Uganda, as well as a more...
general analysis on the transition process from war to peace. Other international organisations, such as the International Labour Office (ILO), the German Agency for Technical Cooperation (GTZ) and others, including consultancy organisations, compiled basic handbooks, guidelines and technical assessments on DDR. Despite the limited data available at the time, these technical documents and handbooks provided useful information and recommendations on reintegration for the designers and implementers of DDR programmes.

International research institutes initiated DDR research projects from the mid-1990s. Conversion (BICC -Germany), which recruited DDR specialists and published annual Conversion Surveys (which included a demobilisation component), from 1996. In addition, in 2000 BICC published two edited books on D&R, which sought to discern D&R trends and dynamics by means of comparative analysis. The UN Institute for Disarmament Research (UNIDIR) established a Disarmament and Conflict Resolution Project, which led to a number of DDR-related publications, with disarmament being the main focus.

Some African think tanks, universities and NGOs undertook research and produced publications on DDR. The Institute for Defence Policy (now the ISS) published an edited monograph of demobilisation and reintegration in Africa. In the late-1990s the Centre for Conflict Resolution (in collaboration with BICC) established a research project on demilitarisation and peace-building in Southern Africa, which commissioned research from the Instituto Superior de Relações Internacionais, University of the Witwatersrand, University of Zimbabwe, University of Namibia and the Eduardo Mondlane University (amongst others). DDR was a key focus area of the research, and three books were published as a result.

The literature of this period was generally descriptive, and based on qualitative research methods. However, there were some quantitative studies, as in the case of Mozambique. For example, a survey of 1,000 ex-combatants was undertaken by UNDP (1996), which included a useful reintegration component. The research findings indicated that 71% of the sample considered themselves to be ‘unemployed’, despite being able to survive by means of subsistence agriculture. Research reports by Creative Associates International Incorporated (1996) and the Chr. Michelsen Institute (1997) also added considerable knowledge on the peace-building process in Mozambique at that time.

From the late-1990s further interest and research in DDR was stimulated by: the establishment DDR processes in Liberia; agitation by military veterans in Zimbabwe; and a military downsizing process in South Africa.

In Zimbabwe, protest action by military veterans combined with an acute governance crisis resulted in former combatants becoming the vanguard of a controversial land redistribution process. A few publications, the most notable being authored by Norma Krieger and Knox Chitiyo, provided fairly comprehensive analyses of what was essentially reintegration failure. These publications specified evidence that the mismanagement of reintegration processes, particularly compensation for ex-combatants, could result in outbreaks of violence.

In South Africa, research institutes, namely the Group for Environmental Monitoring, the Centre for the Study of Violence and Reconciliation, the ISS and the Centre for Conflict Resolution, undertook extensive and fairly comprehensive research on the reintegration of former combatants. Both quantitative and qualitative research methods were adopted, with all studies indicating that reintegration processes had largely been ineffective, with high levels (close to two-thirds) of former combatants from the liberation armed groups defining themselves as unemployed. Nonetheless these publications suggested that many former combatants were able to generate income via the informal sector.

1.2 Impact of the West African DDR processes, the MDRP and the IDDRS

The brokering of peace agreements to end to civil wars in Sierra Leone, Liberia, Burundi and the Democratic Republic of Congo (DRC) in the early- to mid-2000s led to the creation of DDR programmes in these countries. DDR processes were also reinvigorated in Angola, Rwanda, Uganda and the Republic of Congo, mainly through the Multi-Country Demobilization and Reintegration Program (MDRP). There was consequently a flurry of research and publications.
on DDR in Africa. In addition, some scholars and researchers took a more diverse approach to D&R by addressing lesser-studied areas, such as female ex-combatants and children associated with armed conflict. The research in these areas prioritised psychological and social reintegration, particularly with respect to children. Some of the studies relating to women did consider the challenges of economic reintegration. The World Bank, the African Development Bank and the UN, in consultation with a range of donor governments and agencies, launched the MDRP in 2002. Its geographical focus was the greater Great Lakes region of Central Africa, with the specific countries being: Angola, Burundi, CAR, the DRC, the Republic of Congo (ROC), Rwanda and Uganda. The MDRP coordinated and provided assistance to close to 300,000 ex-combatants in these seven countries. The MDRP was concluded in June 2009.

The MDRP generated a considerable amount of self-published literature on reintegration, mainly in the form of technical and evaluation reports on the implementation of D&R programmes in the greater Great Lakes region of Africa. In 2006, a working paper on reintegration assistance (good practices and lessons) was published. This paper provided extensive recommendations on reintegration, including economic reintegration that drew from previous DDR country programmes and established MDRP processes. There was a focus on supporting income generation and sustainable livelihoods by former combatants in both the formal and informal sectors. However, as the bulk of previous reintegration programming appeared to have had a formal sector bias, the paper had more of an emphasis on this sector. Another working paper, which highlighted the plight of ex-combatants in Burundi, implied that lesser educated former combatants used the informal economy to generate an income. Additionally, in an MDRP Dissemination Note on Rwanda, it was suggested, as a “lesson learnt”, that former combatants had used the reintegration assistance provided by the MDRP to generate an income.

The MDRP’s final report (2010) provided an in-depth analysis of the wide variety of reintegration activities that were undertaken. The report also recommended a series of lessons and implications for future programmes in which the limitations of the formal economy for successful reintegration were emphasised. However, no detailed suggestions on how to enhance reintegration in relation to the informal sector were provided. The final MDRP independent evaluation report (2010) suggested that: “livelihoods viability is primarily dependent on dynamics in the larger economy”. Nonetheless, there was no expansion on this recommendation, and there was no reference to making a distinction between the formal and informal sectors in terms of reintegration programming.

Some independent research was conducted in parallel to the MDRP process. One such example was a project managed by the University of Bradford (Centre for International Cooperation and Security) titled: DDR and Human Security: Post-Conflict Security-Building in the Interests of the Poor. Elements of this project focused on thematic areas of DDR and country case studies that were relevant to the MDRP, but also generated knowledge on DDR in Liberia and Sierra Leone. Reintegration was a key focal area of the project; nonetheless, economic reintegration in relation to the informal sector only received cursory attention.

Two prominent examples of recent studies on DDR (with a focus on reintegration) include edited volumes by Robert Muggah, as well as by Mads Berdal and David Ucko. The former assesses the DDR process in Afghanistan, Colombia, Ethiopia, Haiti, Liberia, Sierra Leone, Sudan, Timor-Leste and Uganda. The latter publication analyses the challenges of reintegration former members of armed groups into civilian society in Afghanistan, Angola, DRC, Iraq, northern Uganda, Sierra Leone and Tajikistan.

In 2006 the UN launched its Integrated DDR standards (IDDRS), which were designed to provide direction, co-ordination and guidance to those engaged in preparing, implementing and supporting DDR programmes. The IDDRS have been used as a reference in designing DDR process in Sudan, Haiti and elsewhere. The IDDRS emphasises the need “to understand the macro- and microeconomic forces that affect the post-conflict communities into which they [ex-combatants] hope to reintegrate”. The module on social and economic reintegration emphasises the need for reintegration labour market analyses, as well as training and skills development, to take the dynam-
ics of both the formal and informal economic sectors into account. This module nonetheless recognises that information about the labour market is unlikely to exist, and consequently recommends that preliminary and ongoing surveys of the economy, particularly the labour market, be undertaken.

1.3 Recognition of the informal sector and longer-term peace-building

Over the past five years there has been increased focus on economic reintegration by international organisations, some governments and NGOs. Literature, particularly technical material, has emphasised the need to take economic realities into account when designing reintegration processes. Constructing reintegration mechanisms suited for the informal economy have also gained credence, with recommendations being included in handbooks and policy manuals developed by the international organisations and processes, such as the Stockholm Initiative on DDR (SIDDR), the ILO and the UN.

The SIDDR commissioned and published a study by Anton Baaré on transitional economic integration, in which the economic realities of reintegration were highlighted. The paper emphasised that in order to reduce possible incidents of insecurity, transitional economic reintegration should be “delineated” from longer-term peace-building processes, and introduced at an earlier stage in the DDR equation. The paper made a series of specific recommendations, especially in relation to: the ‘neglected beneficiaries’ (such as women, girls, boys and landless youth); the use of cash/vouchers; micro-credit; land allocation; public works programmes and vocational training.

The ILO has produced guidelines on the socio-economic reintegration of ex-combatants (2009). The focus of this document is the reintegration of former combatants into the formal economic sector, but there is an acknowledgment of the value of the informal sector, which is defined as that sector of the economy which, “absorbs workers that would otherwise be without work or income…mainly consisting of women and youth…characterised by a lack of social protection, representation, property rights, [and] access to legal and judicial system…”

The ILO recommended that labour market assessments by reintegration programmers should consider both the formal and informal economies, and that reintegration training programmes should be geared towards the informal sector (where appropriate). In addition, the ILO has stated that small and medium enterprises (SMEs) are well placed to assist ex-combatants to generate an income. Therefore it has made recommendations that, in the view of the ILO, will foster the growth and development of SMEs. These include, amongst others, reduced regulation and transaction costs, tax incentives and enhanced land tenure.

The UN Policy for Post-Conflict Employment Creation, Income Generation and Reintegration (2009) highlights the key role that the informal sector can play in promoting post-conflict peace-building. It recommends that employment programmes “must provide positive and productive alternatives to violent and illegal activities, creating legal (though perhaps informal) jobs for young workers”. It also stipulates that: there should be entrepreneurship and other skills training which should target the informal sector; and there should possibly be regulatory exemptions for the informal sector businesses. Nonetheless, the policy specifies that in order for there to be sustainable employment creation and decent work the informal economy needs to be formalised.

The written work of NGOs largely echoes the position on the informal sector taken by international organisations. For example, International Alert, which has published a series of documents on the issue, has also highlighted that the informal sector is often overlooked in the planning of reintegration processes. These reports have also indicated that, in reality, income generating opportunities in the informal economy are the only options for demobilised ex-combatants in the short- to medium-term. In addition, these strategies should take into account what motivated ex-combatants to take arms and what roles they played during the conflict, as in many cases ex-combatants were engaged in the informal economy during a conflict.
As reflected above, reintegration has been most commonly assessed and discussed in the peace-building and security sector reform literature as being integrally linked to disarmament and demobilisation. However, due to the persistent challenges and shortcomings of implementing reintegration programmes, there has been a recent conceptual shift that suggests that reintegration should rather be located within the context of socio-economic reconstruction and development processes. Some academics, such as Joanna Spear have even argued that (in line with the SIDDR background paper) reintegration should be sequenced before disarmament and demobilisation phases have been completed, and that reintegration should have a higher peace-building profile. Further to this there have been recommendations that there should be a more nuanced approach to reintegration, especially making a distinction between urban and rural reintegration programmes. The reason for this is that urban approaches tend to be more complex than rural.

1.4 Conclusion

It is evident that considerable literature on all elements of the reintegration of ex-combatants into civilian life exists. Some of the literature is based on sound research and rigorous evaluations of previous programmes. Other documents are more descriptive and/or prescriptive, and adopt a normative position on why reintegration processes should be pursued. The work of economic reintegration is, however, underdeveloped. There appears to be research and publication momentum building in this area, but more in-depth, detailed investigation of how former combatants are able to generate income is required.

Since the emergence of DDR literature, a fundamental assumption, although often not explicitly stated, is that a significant number of demobilised ex-combatants will generate a livelihood through the informal economy, as training and material support for small business development and subsistence agriculture have been systematically advocated. However, the apparent bias in most of the literature is that income generation in the informal sector should only be temporary, with formal sector employment options being preferred. The negative consequence of this partiality has been that the dynamics of the informal sector in post-conflict environments have not been sufficiently scrutinised. As indicated in the recent policy and programming guidelines by the ILO and the UN, there is a greater focus on the contributory role of the informal economic sector in reintegration. Nonetheless, more detailed and objective analyses of this sector are essential for increased reintegration success.
2 An assessment of post-conflict economies

2.1 Defining the informal sector

All economic systems contain formal and informal components, with the relative size of the components varying from country to country. In under-developed regions, such as many parts of Africa, the informal sector often overshadows the formal sector, with similar dynamics existing in conflict and post-conflict economies. Hence, the focus of this section will be on the informal sector.

In general, the informal sector is not typically regulated, taxed, documented and protected by governments. It is also referred to as the hidden, shadow, grey, underground, clandestine, subterranean or parallel economy, and it entails "extra-state exchange systems". The informal economy includes the unreported activities related to the manufacture and trade in both legal and illegal goods and services, and such economic transactions are typically in cash or by barter. This sector of the economy tends to be prominent in countries where there are high levels of income and asset inequality. The informal economy is linked to the formal economy at both the national and global levels.

It has been estimated that the average size of the global informal economy (as a percentage of GDP) in 2002/03 in 96 developing countries was 38.7%, in 25 transition countries 40.1%, and in 21 Organisation for Economic Co-operation and Development (OECD) countries 16.3%. The ILO has estimated that informal income generation comprises 48% of non-agricultural employment in North Africa, 51% in Latin America, 65% in Asia, and 72% in sub-Saharan Africa. Estimates of the informal economic sector for developed countries are around 15%. According to an OECD publication (2009), the informal sector is estimated to be 43% of the total official GDP in Africa. However, these estimates should be treated with caution. Indeed it is exceedingly difficult to define and delineate this component of the economy, as it is dynamic in nature, comprises a diverse range of activities and often defies national boundaries. In addition, the quality of data collection varies between countries.

A vast amount of economic transactions in the informal sector are unrecorded. Hence, some scholars have suggested that “unrecorded economy”, is more accurate and less derogatory than the more popular terms mentioned above “as a verifiable distinction” can be made between this economy and the recorded economy. The OECD uses the term “non-observed” economy and has compiled a handbook for measuring this component of the economy.

2.2 Rationale and role of the informal economy

There essentially four key reasons that the informal economy is so prominent in underdeveloped countries. First, the agriculture sector and the formal economy do not have the capacity to absorb surplus labour, which is compounded by high rates of population growth or urbanisation. Second, there have been significant obstacles to entry into the formal economy, including cumbersome regulations, high business registration fees and corruption. A predatory state, for
example, tends to erode the formal economy, which in turn can stimulate growth in the informal sector. Third, formal institutions have lacked the capacity to provide training and establish infrastructure to facilitate growth in the formal sector. Fourth, in the context of high levels of poverty, there has been a sustained demand for low-cost goods and services, which is provided more efficiently by the informal sector. The informal sector is usually pronounced during periods of war and political transition due to weakened state controls.

There are two opposing schools of thought regarding the informal economy. According to the first school of thought, this sector of the economy provides the potential for income generation in regions with restricted formal employment opportunities, and/or large pool of unskilled labour. In most economies, particularly in developing countries, the unrecorded economy is key to providing a safety net for the poor. The other school of thought regards the unrecorded sector as being a pervasive feature of the economy that can undermine competitiveness, growth, and the rule of law, as informal sector proceeds do not contribute directly to government revenue. In essence, it is argued that the informal sector crowds out the formal sector economic activities, and has the potential to undermine the social contract between individuals and the state.

In general, the informal sector tends to thrive in circumstances where onerous barriers to formal sector entrepreneurship exist or emerge, such as: deficient infrastructure; cumbersome regulations and compliance requirements; inadequate access to credit; high and unpredictable taxation; burdensome trade barriers and duties; and a risky investment and legal climate. However, as competition increases, informal sector businesses tend to become less profitable.

2.3 Informal economies in countries experiencing armed conflict

There is considerable literature on the subject of economies in times of war or sustained armed conflict. Such an economy is often referred to as a war economy, which is a system of profit, power and protection that directly contributes to, emerges from, and has the potential to perpetuate, armed conflicts. The literature (in relation to civil wars) describes war economies as being “parasitic”, “illicit” and “predatory”, which do not make constructive contributions to building state capacity and human development. Militarised elites, fronted by strongmen or warlords, tend to dominate such economic systems. These elites retain power by intentionally undermining state institutions, enshrining patronage relationships and using violence or the threat of violence to reinforce their authority.

War economies are usually characterised by looting, exploitation and rent-seeking behaviour, which are utilized by elites through rebel groups, government forces and militias to acquire control over assets, natural resources, trade and infrastructure networks, cash, produce and labour. This form of economy tends to be fragmented and privatised, with the informal and criminal sectors being stimulated. War economies consequently destabilize the formal economy, and in extreme cases override it entirely. War economies are particularly difficult to dismantle due to the vested interests of elites, and that a war scenario legitimises these arrangements, which may be deemed criminal offences in a non-war context. In war-oriented contexts, informal economic activities are more pronounced than during times of peace, and are considered to be a key component of a war economy.

A central, but controversial theoretical contribution within this literature is the ‘greed and grievance’ thesis popularised by Paul Collier and Anke Hoeffler, who used panel data of armed conflicts for the period 1960-99 to examine the risk of civil war using regression analysis. The authors employed a set of rational choice models of rebellion that revolve around two contrasting motivations for rebellion, namely “greed” and “grievance”. The simple greed-rebellion model holds that rebellion will occur if it is financially profitable, provided rebel forces are able to evade, endure or repel assaults by government armed forces. The simple grievance model states that war will occur as a consequence of one or more grievances, such as inter-group hatred, political exclusion, and vengeance. Through an intensive statistical analysis, of the global pattern of large-scale conflict from 1965, Collier and Hoeffler found that the grievance models had low explanatory power, while greed models perform well.
There has been much debate about, critique and support for this thesis, and consequently there have been numerous publications. This model has three shortcomings. First, it seeks to compare two contrasting motivations for rebellion, namely greed and grievance. However, while the grievance model considers motivations for armed conflict, such as inter-ethnic hatreds, the greed model appears to rather focus on opportunities for rebellion (e.g. size of the rebel movement, relative military advantage and cost of recruitment). Second, the grievance model does not reflect the myriad of sophisticated theories of the causes of armed conflict. Third, as the models are concerned with major trends, and hence indigenous/unique features are not taken into consideration. For example, a number of rebellions have been initiated and/or sponsored by foreign governments.

In advanced war economies, military goods and services are prioritised in the government budget, which is typically financed through increases in public debt. Given the security and investment risks, the private sector tends to redirect the bulk of its capital to safer, offshore destinations (capital flight). The increased insecurity and exploitive behaviour of security forces and insurgent groups in a wartime environment usually results in ordinary people gearing their economic activities towards low-level subsistence in the informal economy. In addition, major job losses in the public and private sectors force civilians to resort to informal means of livelihood support.

2.4 Post-conflict economies

Many of the dynamics of war economies often persist
in post-conflict environments, especially in the context of peace agreements and conflict stalemates, as there have been insufficient countervailing forces to reconfigure and transform the power dynamics within the economy. However, overt violence in the conduct of economic transactions is less evident, with militarised elites often swapping combat fatigues for business attire. Nonetheless, most-conflict environments are often characterized by insecurity and uncertainty, with insurgent groups and spoilers posing a threat to the government and the peace agreement. Consequently, high levels of military spending are typically maintained.56

The viability of such economies is often dependent on a small basket of primary commodity exports, such as minerals, oil and cash crops. Therefore, such countries are vulnerable to large fluctuations in global commodity prices.57 They are frequently constrained by damaged or destroyed infrastructure; weak state institutions; and incapacitated human and social capital. Links between areas of production and trade, as well as between rural communities and urban areas have been disrupted. States do not have the requisite expertise, resources and political will to adequately facilitate economic recovery; and there is usually a severe skills shortage.

Excessive regulation and cumbersome trade barriers are also the order of the day, with private sector entrepreneurship and large-scale employment creation being stymied. Public expenditure is poorly structured and executed; commercial law is erratic, and property rights are opaque.58 A further ‘hangover’ of the conflict-era, which is directly associated with the insecurity of the post-conflict environment, is that the general population tend to remain risk-averse in pursuing a livelihood, and continue to rely on subsistence activities. Added to this formal sector employment opportunities in post-conflict countries tend to be infinitesimal.59 Most countries emerging from a period of violent conflict experience a significant decrease in GDP per capita compared to the period before the conflict took place (see figure 1).

In such situations, there is a noticeable increase in the number of small, informal businesses. This is due to the stabilisation of the economy, the demand for basic goods and services, and labour flexibility in this sector. Uncertainty, excessive and unpredictable economic regulations (including taxation), as well as the potential for renewed violence remain, however, informal business have higher tolerance for such risks and constraints, and are less dependent on public institutions and infrastructure (such as electricity and fixed business locations), than formal sector businesses. Such informal sector businesses typically involve retail services such as small trade, repair, and construction.60

Many of the dynamics of war economies often persist in post-conflict environments.

Most post-conflict settings, however, see the sizeable intervention of international organisations, aid agencies and foreign non-governmental organisations (NGOs), which stimulate both the formal and informal sectors of the economy. There is evidence to suggest that international aid can directly contribute to growth in such settings.62
The three case study areas will be assessed with the following analytical framework: human development, economic conditions, governance, security, DDR support, and the personal circumstances and networks of ex-combatants. The focus of the research was on individual ex-combatants. A supplementary analysis ex-combatant households would have been preferable, but this was not pursued due to time and resource constraints.

Gender is widely accepted as a crosscutting issue in the DDR literature, which was observed throughout this study. In this regard, it has been widely suggested that male ex-combatants have typically received disproportionate DDR support over females. The main reason for this state of affairs has arguably been that security has been the prime objective of most DDR processes, with young men being perceived to be the greatest threat to the peace-building process. Consequently, some DDR scholars have intimated that the definition of a combatant, and the DDR criteria, has often been intentionally skewed to favour male ex-combatants. Similarly, DDR programmes have often linked financial and material support to the surrender of firearms; and in most armed formations it has been men that have had preferential access to firearms. In addition, varieties of gender discrimination within armed entities have conceivably restricted women’s ability to access DDR support. However, it has not been possible to accurately interrogate and gauge the actual extent and dynamics of the alleged gender discrimination due to the absence of baseline data.

3.1 Level of human development

The level of human development in the environments in which ex-combatants reside has a significant impact on the degree of individual economic reintegration. In essence, human security is determined by the extent to which people can pursue their needs and interests relatively unhindered, and consequently lead productive, healthy and fulfilling lives, not only as individuals, but also as community members. A key component is therefore individual choice, namely “what people should have, be and do to be able to ensure their own livelihood.”

The Human Development Index (HDI) is a comprehensive numeric value used by the UNDP to rank countries’ level of human development, based on the premise that people are the authentic wealth of nations. The HDI reflects life expectancy, literacy, education, gender, poverty, political freedoms and living standards, with a high HDI reflecting an environment in which people can pursue their full potential and lead productive, creative lives in accordance with their needs and interests. The HDI will be used as an assessment tool for the case study analysis.

3.2 Economic conditions

Macro economic conditions, structures and dynamics (including the relationship between the formal and informal economies) fundamentally shape and constrain the local economy. This in turn affects the opportunities that are available to ex-combatants and to the societies in which former combatants and their families (or dependents) reside. The case study analysis will consider the manner in which ex-combatants have responded to the economic environment, both opportunities and challenges, in which they find themselves.
3.3 Governance

The nature and extent of government involvement of in the economy results in both opportunities and challenges for ex-combatants undergoing reintegration. Ex-combatants are likely to benefit where governments seek to facilitate sustainable economic growth, particularly at the micro level. Likewise, an over-regulation of the economy and predatory practices by officials (such as excessive taxation and extortion) is likely to constrain livelihood options. In addition, the absence of government presence in sections of the economy has the potential to either undermine ex-combatant reintegration or provide income-generating prospects for the more astute business-minded individuals. The case studies will assess the impact of governance (or the lack thereof) on the reintegration of ex-combatants.

3.4 Security and insecurity

As with the majority of members of society, livelihood choices of ex-combatants are informed by security considerations and perceptions. Despite the absence of full-scale war in all three cases studies, incidents of armed conflict and violence continue to feature prominently. The case studies will analyse the manner in which ex-combatants reintegration has been shaped and/or constrained by the dynamics of security (or insecurity).

3.5 Nature of DDR programming and support

DDR programmes and processes typically provide ex-combatants with resources and skills, with the aim of assisting these individuals (and their families) with the reinsertion and reintegration processes. This case study research will interrogate the extent to which ex-combatants have used this support, particularly the impact on reintegration choices and outcomes.

3.6 Personal circumstances and networks

The livelihood choices of individual ex-combatants are directly informed by their personal circumstances (such as personal experiences, family commitments and responsibilities), as well as by their relationships and networks within areas in which they reside. Available resources and enabling processes/systems at the local and macro levels fundamentally shape ex-combatants choices and the manner in which they interact with others.
Part II
Case studies:
Central African Republic
Democratic Republic of Congo
South Sudan
4 Central African Republic

4.1 Level of human development

In 2010, CAR was ranked 159 out of 169 countries in the HDI, and has consistently experienced low levels of human development for more than 30 years. Therefore, livelihood choices for both ex-combatants and civilians have been severely inhibited. Table 1 and figure 2 provide further details on the dimensions of human underdevelopment in CAR.

4.2 Economic overview and livelihood support

Despite its significant natural resources, the economy of CAR is fragile. A history of armed conflicts combined with weak governance and crippling government debt have had a devastating effect on the economy, resulting in more than 70,000 internally displaced persons (IDPs), 130 destroyed industries and businesses, and 3,000 lost jobs. This contributed to an increase in inflation, as well as a decrease in per capita income, exports, imports and state revenues. Since the end of the most recent armed conflict there has been minimal investment in infrastructure.

Currently, CAR’s significant mineral deposits, such as diamonds, gold and uranium are generally not being mined on a major industrial scale (despite diamonds accounting for 40% of CAR exports, second only to timber exports), with non-mechanised, individual mining ventures being commonplace. In addition, the country’s rich agricultural potential has generally not been commercially developed, despite agriculture (excluding forestry) having consistently generated a third of the GDP. Forestry is estimated to contribute to 10% of GDP. Farming (predominantly cassava, yams, groundnuts, honey, bananas, cotton, coffee, tobacco and maize) primarily takes place on smallholdings, often at subsistence level, while much of the country suffers from food insecurity. The Food and Agriculture Organisation (FAO) estimates that slightly more than 8% of the land is used for agricultural purposes, with more than a third of available land being covered by forest. Meat is considered a high value commodity. Figure 3 provides details on the ranking of the top ten commodities in terms of production value.

Large manufacturing and industrial ventures are virtually non-existent, with the small exception of timber/sawmill sector. There are budding developments in the manufacture of cigarettes and sugar, and the production of palm oil, but these are still small-scale initiatives, and most of the crops that are exported leave in raw form and are still processed outside of the country. The wholesale and retail trade (including hotels and restaurants) is noteworthy, and contributes about 13% to GDP. The 2010 the national budget was estimated to US$ 333 million, with the government typically generating 85% of its revenue from taxation and international development/humanitarian aid. Publicly available data on the categories of government spending is limited, with combination of sources estimating that: 4.3% of GDP is spent on health; 1.3% on education; 0.9% on the military; 25% on services (due to the large government bureaucracy and high transportation costs).

Most of the residents of CAR live in poverty. Most of the estimated population of 4.4 million
<table>
<thead>
<tr>
<th>Indicator</th>
<th>CAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td></td>
</tr>
<tr>
<td>Expenditure on health, public (% of GDP)</td>
<td>1.4</td>
</tr>
<tr>
<td>Under-five mortality (per 1,000 live births)</td>
<td>173</td>
</tr>
<tr>
<td>Life expectancy at birth (years)</td>
<td>47.7</td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Adult literacy rate (both sexes) (% aged 15 and above)</td>
<td>48.6</td>
</tr>
<tr>
<td>Combined gross enrolment ratio in education (both sexes) (%)</td>
<td>28.6</td>
</tr>
<tr>
<td>Expenditure on education (% of GDP) (%)</td>
<td>1.3</td>
</tr>
<tr>
<td>Internet users (per 100 people)</td>
<td>0.4</td>
</tr>
<tr>
<td>Mean years of schooling (of adults) (years)</td>
<td>3.5</td>
</tr>
<tr>
<td>Expected Years of schooling (of children) (years)</td>
<td>6.3</td>
</tr>
<tr>
<td>Income</td>
<td></td>
</tr>
<tr>
<td>GDP per capita (2008 PPP US$)</td>
<td>766</td>
</tr>
<tr>
<td>GNI per capita (2008 PPP US$) LN</td>
<td>6.6</td>
</tr>
<tr>
<td>Household final consumption expenditure per capita PPP (constant 2005 international $)</td>
<td>497</td>
</tr>
<tr>
<td>Inequality</td>
<td></td>
</tr>
<tr>
<td>Inequality-adjusted education index</td>
<td>0.163</td>
</tr>
<tr>
<td>Inequality-adjusted income index</td>
<td>0.17</td>
</tr>
<tr>
<td>Inequality-adjusted HDI value</td>
<td>0.183</td>
</tr>
<tr>
<td>Poverty</td>
<td></td>
</tr>
<tr>
<td>Multidimensional poverty index (k greater than or equal to 3)</td>
<td>0.512</td>
</tr>
<tr>
<td>Intensity of deprivation</td>
<td>59.3</td>
</tr>
<tr>
<td>MPI: Headcount (k greater than or equal to 3), population in poverty (% of population)</td>
<td>86.4</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Maternal mortality ratio (deaths of women per 100,000 live births)</td>
<td>980</td>
</tr>
<tr>
<td>Population with at least secondary education, female/male ratio</td>
<td>0.393</td>
</tr>
<tr>
<td>Gender Inequality Index, value</td>
<td>0.768</td>
</tr>
<tr>
<td>Gender Inequality Index (updated)</td>
<td>0.763</td>
</tr>
<tr>
<td>Composite indices</td>
<td></td>
</tr>
<tr>
<td>Multidimensional poverty index (k greater than or equal to 3)</td>
<td>0.512</td>
</tr>
<tr>
<td>HDI value</td>
<td>0.315</td>
</tr>
<tr>
<td>Gender Inequality Index, value</td>
<td>0.768</td>
</tr>
<tr>
<td>Inequality-adjusted HDI value</td>
<td>0.183</td>
</tr>
</tbody>
</table>

Source: UNDP, http://wwwhdrundporg

people living on less than US$ 1.5 per day. The gross national product per capita is US$ 410 and the gross national income per capita is US$ 730 (2008). There was no available data for the employment / unemployment rates, but it was estimated that close to 70% of the population sustain themselves through agriculture. In Bangui, the capital, close to a quarter of the economically active population were estimated to be unemployed. Socio-economic indicators for the CAR are cause for grave concern. Only 55% of the adult population were literate, although school enrolment for primary school
was 87%. Interviews suggested that most people did not complete secondary school. The food security prevalence in the country was 18.9% and there was a 30.2% prevalence of food insecurity. Malnutrition measured by the percentage of children under five who are underweight was 21.8%.76

4.3 Constraints and barriers to the formal economy

Although the government was taking steps to improve the economic environment in CAR, including facilitating the development of industry, agriculture and mining, as well as promoting international investment,77 there were significant barriers to economic development. The lack of serviceable roads and reliable public transport, coupled with numerous military and rebel checkpoints, where bribes and ‘taxes’ are levied, constitute a significant barrier to economic development, as well as to safari tourism. CAR is landlocked, which makes it largely dependent on the road network with Cameroon, which is fraught with security problems (particularly banditry), which further restricts trade.78 In 2008, the global economic crisis exacerbated the economic hardships already facing the country, leading to a decrease in demand for exported produce.79 The lack of electricity was another hindrance to growth.80

Establishing and maintaining formal sector enterprises in CAR is highly challenging. It takes 22 days and 8 procedures to establish a business, and the cost is equivalent to 228.4% of income per capita. Registering a property takes 75 days, and costs close to 20% of the property value. Obtaining credit is exceedingly difficult, and there are very few commercial banks in operation (less than 1% of the population have access to banking services). The taxation process is burdensome and exploitative, and the protection of property rights is weak, especially in rural areas where government has not been able to assert its authority.81 The labour market is also highly regulated, especially with regards the dismissal of workers, which tends to act as a disincentive to entrepreneurs looking to set-up businesses.82

Government bureaucracy and taxation procedures in CAR are also highly prohibitive towards cross border trade, as it takes on average 62 days, 17 documents and US$ 5,554 to import a container of goods/raw materi-
als, and 54 days, 9 documents and US$ 5,491 to export a container of goods/raw materials. As with many other countries with weak governance, corruption in CAR is pervasive. Transparency International ranked CAR 154th out of 178 states on its Corruption Perceptions Index 2010, with a low ranking being equated to high levels of perceived corruption. Corruption does not only misdirect public funds away from vital economic processes and initiatives, but also disrupts and constricts trade, as well as discourages investment in the formal economy.

*In CAR, commercial interactions take place mostly on a small scale.*

For the most part, commercial interactions take place on a small scale. As an interviewee explained, “sugar is sold by the cube”. In sectors such as crop farming and livestock, over 90% of farmers are entirely using their own labour rather than mechanisation or animal traction, with the financial barriers to upgrading to more commercial methods being too great for most farmers. In addition, further investment in, and expansion of businesses is undermined by the prevailing view that such businesses will be destroyed by the next bout of violence.

However, despite these barriers, the general sentiment is that the economy has shown some signs of improvement. In 2010 it was estimated that real GDP growth was 3.3%. International investment has recently gained momentum; some mining companies are conducting exploratory work; and there has been an increase in certain categories of exports. However an international NGO employee pointed out that the sense in the economy is that those who are politically connected are building – “the rest are merely existing”.

### 4.4 The informal economic sector

Most of CAR's economy is made up of the informal economic sector. As indicated above, agriculture is the primary means of support for the majority of the population, however, in order to survive, most households generate livelihoods from a variety of sources. An economist from the Ministry of Economy and Planning estimated that the informal economy probably makes up more than 90% of economic activity. In a number of cases it is difficult to classify activities as either formal or informal, due to the flexible way in which economic formalisation has occurred in CAR. However, since the end of the armed conflict, almost no jobs have been created in the formal sector.

Apart from agriculture, informal sector economic activity in CAR typically includes petty trading in marketplaces, which has usually involved the selling of food, beverages, cell phone vouchers, household items, clothing and other consumables. The manufacture and sale of sorghum beer, and other types of alcohol, has also been a popular means of generating an income, particularly for women. Another significant economic activity is cross border trade with neighbouring states, which is undertaken by both women and men. The main products that are traded included: mining and forestry products and services; as well as agriculture and industrial products. Many of the constraints of that

![Figure 3: CAR Top 10 commodities production value, 2009](http://faostat.fao.org/site/612/default.aspx#ancor)
Table 2: Indicators of barriers to formal sector business development (CAR)

<table>
<thead>
<tr>
<th>Procedure</th>
<th>CAR rank</th>
<th>Sub-Saharan average rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of doing business</td>
<td>182</td>
<td>137</td>
</tr>
<tr>
<td>Starting a business</td>
<td>162</td>
<td>126</td>
</tr>
<tr>
<td>Registering property</td>
<td>142</td>
<td>121</td>
</tr>
<tr>
<td>Getting credit</td>
<td>139</td>
<td>120</td>
</tr>
<tr>
<td>Protecting investors</td>
<td>131</td>
<td>113</td>
</tr>
<tr>
<td>Paying taxes</td>
<td>182</td>
<td>116</td>
</tr>
<tr>
<td>Trading across borders</td>
<td>182</td>
<td>136</td>
</tr>
<tr>
<td>Enforcing contracts</td>
<td>173</td>
<td>118</td>
</tr>
<tr>
<td>Resolving insolvency</td>
<td>183</td>
<td>128</td>
</tr>
</tbody>
</table>

afflict the informal economy undermine the development of the formal sector, particularly excessive taxation; poor access to credit; security issues; and high transportation costs.91

As with most economies, there are less savoury and criminal components to the CAR informal economy. This includes poaching and the trade in bush-meat, as well as the smuggling of diamonds, endangered wildlife, animal skins, ivory, traditional medicine and cigarettes.

CAR has mineral wealth, mainly in the form of gold, diamonds and uranium, with only gold and diamonds being exploited on a significant scale, predominantly through low-level mining. Artisanal mining is a key component of the CAR informal economy, and is reported to provide direct livelihood support to an estimated 400,000 people. Taking the dependents into account, it has been suggested that 54% of the CAR population derives a livelihood, directly and indirectly, from informal sector mining.92 Miners and their dependents predominantly live in ramshackle mining camps where the standard of living is low in an environment characterised by insecurity and hazards.

West African middlemen (more commonly referred to as collectors) purchase the uncut diamonds from miners and sell them onto buying offices (bureaux d’achat), which in turn export the precious stones.93 Artisanal and small-scale miners are highly dependent on collectors to finance the purchase/rental of mining equipment. However, miners are obliged to sell the stones at process below market value. For example, in 2010 it was reported that a miner might receive 80,000 CFA francs (US$ 160) from a collector for a one-carat diamond. The collector would then sell the stone to a buying office for between CFA 200,000 to 300,000 francs (US$ 400 to US$ 600). An additional drawback to this system is that most collectors, rather than investing their profits in developing the mining sector, remit it to their home countries.94

CAR mining legislation provides for rigid control and excessive taxation. However, attempts by the CAR government to regulate informal sector mining have been largely unsuccessful. The disjuncture between the government regulations and reality has allowed for corruption and diamond smuggling (mainly into Cameroon) to flourish. By law, artisanal miners are required to pay annual license fees, with the first year’s fee being CFA 158,850 (US$ 518). Many miners have regarded this fee as exorbitant, and consequently, less than 5% of artisanal miners were operating with a license in 2010. There was a similar disregard for regulations by collectors and buyers, who were also required to pay high licensing costs. Consequently, the main stakeholders in the informal mining sector were vulnerable to extortion and exploitation by rapacious officials and some members of the ruling elite.95

There were linkages between informal mining and armed groups operating in CAR, as the diamond trade provided such groups with the resources to maintain their powerbases and pursue their political and military objectives. The principal armed groups in CAR were the Union des forces démocratiques pour le rassemblement (UFDR) and the Convention des patriotes pour la justice et la paix (CPJP). Both groups have occupied diamond areas and generated income through diamond smuggling. There have been reports of miners joining rebel groups for protection and access to mining areas.96

Most households generate livelihoods from a variety of sources.

One reason for the dominance of the informal sector is the lack of government presence in large parts of the country. Economically, this absence has meant that the government does not collect taxes; does not develop infrastructure; and does not facilitate trade. Where there is government presence, an impression
among CAR inhabitants existed that the bureaucracy was parasitic, hindering rather than facilitating the formalisation of economic ventures. In areas where the state was less dominant, militias collected informal taxes, with an interviewee explaining that in these areas, “it’s a state in a state.”

4.5 DDR programming

CAR’s DDR programmes have been implemented in an unstable political, security and economic situation. Previous disarmament initiatives have only enjoyed limited success. Beginning in 2002, three distinct DDR processes were undertaken, including the latest programme, which is currently in progress. The DDR programmes worked with those armed groups that had reached agreement with the government about demobilisation. Below is a brief description of CAR’s two concluded DDR programmes:

**National Programme on Disarmament and Reinsertion (PRDR) (2002-2003)**

This programme aimed to offer livelihoods training to 2,000 people and to recover 10,000 small arms and light weapons. Unfortunately, the political and military events taking place in the country at the time prevented the programme from being implemented as planned. A failed military coup attempt in October 2002, the period of heightened insecurity that followed, and the successful coup of March 2003, affected and complicated the implementation of this programme, eventually leading to its early termination in 2003.

**Ex-Combatant Reintegration and Community Support Project (PRAC) (2004-2008)**

PRAC was implemented between March 2004 and April 2007, and 7,556 members of armed groups were demobilised. PRAC had an operating budget of US$ 13.2 million, which equated to an average cost of US$ 1,758 per demobilised individual. US$ 3 million were spent on disarmament and demobilisation (22.7% of funds) while US$ 10.22 million were spent on reintegration (77.3% of funds).

PRAC’s overall objectives were to support the demobilisation and reintegration of former combatants and to enhance the capacities of communities receiving the largest number of combatants. While combatants were being supported with training and start-up kits, a number of projects were also implemented in the communities into which they would settle.

PRAC was the structure that dealt with the implementation and operational management of the programme. UNDP took the lead in the execution of PRAC, although a number of national and government representatives also formed part of the PRAC structure. The programme experienced a number of setbacks, mostly due to problems in planning, communication and monitoring. It struggled with a limited budget, a lack of proper access and inexperienced staff who did not have experience in DDR.

The main government body responsible for coordinating DDR was the National Commission for Demobilization, Disarmament and Reintegration (CNDDDR), a subsidiary of the National Defence Council. The CNDDDR included two sub-commissions, one that was responsible for disarmament and demobilisation and the other that was responsible for reintegration and community support. The CNDDDR dealt with the political aspects of DDR and programme strategy.

There were coordination problems between the UN and other parties involved in DDR, as well as coordination problems within the UN system. An MDRP fact sheet explained that, “...differing management systems between implementing partner and donor, together with the absence of a realistic action plan for the duration of the project, contributed to the difficulties in planning.”

Former combatants were identified and registered, photographed and given former combatant identity cards and demobilisation documents in demobilisation camps. They participated in information and sensitization activities and were provided with counselling about their reintegration options. They were also given medical examinations, and if needed, appropriate medical care. With demobilisation, former combatants received a demobilisation kit consisting of blankets, sheets, soap, clothes, cooking utensils and other personal necessities. Kits differed for men and women.
For reintegration, a feasibility study for DDR was conducted by a consultant in 2004 at the request of UNDP, and was submitted for comments at a stakeholder meeting. The findings of this study fed into the planning of the DDR project documents. There was no initial socio-economic study conducted to explore the market and the economic opportunities available to former combatants.

Former combatants were to be identified by their armed group leaders, who would propose lists of members of their groups. On the basis of these lists, DDR beneficiaries would be demobilised. There was alleged corruption in the process, and there were reports that local authorities manipulated the process to include family and friends.

The major focus of the reintegration programme was on the economic component. Former combatants were permitted to choose an economic option, after which they were provided with training and a start-up kit tailored to that option. The options included agriculture, cattle breeding, small trade, school training, fishing, tailoring and certain types of professional training to become a mechanic, driver, plumber, carpenter or brick layer. A key problem was that there was no difference in the options provided from area to area, meaning that the choice of options did not take the economic opportunities in a specific area into account. In addition, the capacity of individuals was not prioritised, and former combatants were allowed to select options that may have been inappropriate for them.

Once former combatants had chosen their options, PRAC identified national training institutions that provided training on the various options. For the most part, training institutions were located in the areas where former combatants resided, and beneficiaries lived at home while undergoing training. They were given World Food Programme (WFP) food items during the period of training. However, there was widespread criticism of the training provided.

For example, a tailor explained that he was given a one-month tailoring training, after which he still did not know how to do the job. A female ex-combatant in Sibut echoed this sentiment, recalling that by the time the training had ended and they were provided with sewing machines, they still did not know how to use them, so they rented them out to others. A former combatant working successfully as a tailor explained that those tailors that were successful after PRAC were those who had been working as tailors before joining armed groups and/or before demobilisation. A combatant who chose the cattle breeding option recalled that the training had been helpful in preparing them for the work, however it did not prepare them to deal with unexpected problems, such as cattle contracting diseases.

Once trained, former combatants were provided with start-up kits, consisting of money and the tools required for their trade, in order to assist them in setting up their income generation projects. Different options were provided with different kits, and the amounts of money provided varied depending on the option selected. Every former combatant interviewed said that the amount of money they had been given was not enough to successfully start up a business. Even a former employee of PRAC agreed that the amounts given should have been higher.

Community based reintegration was one of the underlying pillars of PRAC, and PRAC’s community projects formed a crucial component of the project. PRAC was therefore much broader then just DDR. Forty-one micro-projects were implemented in communities. Examples included: the rehabilitation of socio-economic infrastructure; hospitals; dispensaries; schools; administrative offices; and wells. Most of the projects aimed to rehabilitate existing structures, although a few projects built new ones. A key problem that emerged was the lack of involvement of communities in the implementation of these projects. An additional problem was that little connection was made between the community projects and the reinsertion of former combatants.

**4.6 Reintegration and the informal economy**

In CAR the prevailing view was that the reintegration process, despite the assistance provided by PRAC, was ineffective. An independent evaluation of PRAC was carried out in October 2007. The evaluation concluded that PRAC had not met many of the ob-

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**After the PRAC, tailors who were successful were those who had been working as tailors before the war.**
jectives it had set for itself, and that implementation was therefore not considered entirely successful.\textsuperscript{130} The dominant view among ex-combatants in CAR was that the economic component of the reintegration process had ‘failed’, with one former combatant suggesting that “many former combatants died of failure”.\textsuperscript{131} However, Sakanoko Ndiai, former Executive Secretary of PRAC, stated that follow-up evaluations had shown that 72% of former combatants had succeeded in their economic activities.\textsuperscript{132} This assertion, however, could not be verified.

The former combatants’ strong views probably stem from unmet expectations that they would secure lucrative jobs as part of the reintegration process. For the most part, former combatants did not secure formal sector employment these were rare in cities and towns. In addition, according to a former PRAC employee, where job opportunities existed, ex-combatants did not have the necessary qualifications for these jobs.\textsuperscript{133}

Despite the widely held perception of reintegration failure, it is important to note that almost all of the former combatants interviewed were generating an income, through a variety of means. These livelihood activities replicated those of economically active non-combatants in CAR, and there were with seemingly similar levels of success and adversity.

The 2007 PRAC evaluation report found the cattle breeding and mechanics reintegration schemes to have been relatively successful (in terms of post-demobilisation livelihoods), and lesser degrees of success with fishing and commerce.\textsuperscript{134} In the case of commerce, it was reported that former combatants had merely been given money, with very limited training.\textsuperscript{135}

It was noteworthy that many former combatants were not working in the fields for which they had received reintegration training/support. Rather, they were pursuing livelihood options that were more pragmatic given the prevailing limitations of the CAR economy. In the rural areas, for example, when economic reintegration ventures (such as small businesses) were unsuccessful, most former combatants eventually opted for subsistence agriculture.\textsuperscript{136} Nonetheless, for those former combatants, who previously held positions of power and status within armed groups, working in non-mechanised agriculture was an unappealing prospect.\textsuperscript{137} There was widespread speculation that this situation might encourage former combatants to re-join armed groups.\textsuperscript{138}

4.6.1 Armed groups

There have been anecdotal reports of ex-combatants re-joining armed groups after DDR, with similar assertions having been repeated in former combatant focus group discussions.\textsuperscript{139} Accurate information on such developments however was not available. The former Executive Secretary of the National Commission on DDR indicated that he was aware that some DDR beneficiaries had joined rebel groups in Chad and Sudan, and that fighters in the current rebellions within CAR were not part of the DDR (PRAC) process.\textsuperscript{140}

4.6.2 Obstacles to economic reintegration

For former combatants attempting to establish economic ventures in the CAR, the challenges were numerous and often insurmountable. The main challenge has been the high cost of doing business, especially input costs. For example, a former combatant working as a cattle breeder reported that the price of animal feed was often inflated.\textsuperscript{141} Similarly, a fisherman explained,

“If you want to get another person to help you fish, you need to feed them daily. This is an additional cost... Once you fish you need to dry fish and bring them to Bangui. If someone helps you, you have to pay. So often once you sell your fish, you end up getting less than it costs.”\textsuperscript{142}

The lack of infrastructure is an added constraint to economic growth. The conditions of the roads are poor, especially during the rainy season. Checkpoints also hinder business, limiting mobility and profits. For example, a female combatant used to travel to the north of the country in order to buy peanuts to re-sell in Bangui. There were numerous checkpoints on the route where she had to pay ‘customs fees’ to government soldiers as well as armed groups manning the checkpoints. It got to a point where her business was no longer profitable due to these costs, and she con-
Reliable and affordable access to equipment and capital to sustain economic ventures was a cause of frustration for ex-combatants. For example, a fisherman explained that freezers were needed to store fresh fish and these were often unavailable, which made it difficult expand the business, and fish becomes unsellable if not refrigerated. Added to this, much of the equipment and goods for the fishing industry needed to be imported, and consequently expensive transportation costs were incurred.

Significant fluctuations in market forces, which were particularly pronounced for small-scale businesses, have the potential to undermine ex-combatant livelihood ventures. According to a female ex-combatant-turned-trader, during harvest period there was usually an oversupply of produce, which meant that goods were sold at lower prices. Conversely, during the low agricultural season, the cost of sourcing produce from farmers was high, which consequently affected the retail price. Consumers in urban areas were often loath to pay such high prices for agricultural products.

One of the problems repeatedly raised was that after DDR beneficiaries had set up their economic ventures, they had insufficient funds available to respond to problems that arose or to expand their ventures. This was compounded by the lack of accessible and affordable credit. While there were a handful of microfinance institutions supported by UNDP and some commercial banks, interest rates were considered to be too high. In addition, micro-finance institutions were reluctant to provide loans to former combatants, as typically former combatants could not provide security for the loans. Where credit was available, most former combatants were unaware of such a resource.

Traditions and cultural practices have also affected business performance. Throughout CAR a community-centred, altruistic way of life exists. That is, if a person generates income, or acquires wealth, that person was expected to share their good fortune with relatives and/or community members, often leaving little available cash to reinvest in the economic venture. A ‘hand-to-mouth’ approach to survival was common in CAR, with an interviewee suggesting that there

has been an exclusive focus on ‘today’s profit’, which made it difficult to promote a tradition of saving and planning for the future. Each year, hundreds of people are accused of witchcraft, with there being speculation that in some cases the witchcraft incitements are borne out of personal jealousy of the relative economic success of the accused.

Persistent insecurity was an obstacle to economic development in CAR, not only for ex-combatants, but also for the population as a whole. In insecure areas, particularly those with active armed groups and bandits, the movement of people and goods was restricted. According to the Prefect of Sibut, the proliferation of arms was a major security concern. This assertion was reinforced by published research on the transfer and misuse of small arms and light weapons in Central Africa.

There have also been suggestions that reintegration had been undermined by corruption. Reports suggested that there were several layers of corruption in the implementation of PRAC. Perceptions existed amongst former combatants that much of the money and benefits that were intended for them was siphoned off by officials. Other forms of corruption allegedly included cases where local authorities enrolled their relatives and friends in the DDR programme. In Sibut, for example, PRAC constructed a market from which former combatants were supposed to run their businesses. A number of former combatants alleged that the mayor’s office took over control of the market and rented stalls to non-ex-combatants. In addition, former combatants had to pay rent to the mayor’s office in order to work in this market, which they considered unfair.

Most of the 200 women who were beneficiaries of PRAC reintegration support established small businesses, raised cattle and engaged in tailoring. Interviews suggested that female former combatants had a relatively negative reintegration experience. A key factor was that in the latter reintegration phases women were allegedly disqualified from the DDR process and

Significant fluctuations in market forces have the potential to undermine ex-combatant livelihood ventures.
had their names deleted from DDR lists. The reason for this, according to a former PRAC employee, was that the DDR authorities were sceptical that women could have been combatants, and therefore presumed that those who reported for DDR had merely received weapons from their families. The responsibility of raising a family, often as a single parent, affected the ability of women to generate income. According to one interviewee, "most females who were fighting didn't have a chance to get responsible husbands. Therefore they had to look after children on their own." Female combatants were also not given the option to join the army and this disappointed many women.

One of the key problems highlighted by former combatants was the lack of follow-up reintegration support. Former combatants indicated that they would have preferred to be 'accompanied' and further supported, in order to devise and implement solutions to the problems they encountered. It was emphasised that a six-month DDR programme was insufficient, and rather, interviewees suggested that DDR should be viewed as a longer-term development project.

Former combatants complained that the DDR programme had ignored practicalities of prevailing economic conditions, which had hindered their economic reintegration success. For example, some former combatants who selected the agricultural reintegration support received farming tools, but no land to farm on. Some beneficiaries acquired driving permits, but did not have cars and therefore could not generate income. Added to this was insufficient access to credit and the lack of support services (such as veterinary services for livestock).

### 4.6.3 Mining

An area which was largely neglected by the CAR DDR programmes was mining. No significant training or support was provided for artisanal and small-scale mining, which was surprising given the important role that mining has played in the CAR economy. It is highly probable that some former combatants settled in mining areas to ply their trade as artisanal miners. The CAR government has reportedly taken steps to support groups of miners working together in cooperatives, providing them with materials and other support.

### 4.6.4 Small business

The CAR government has reportedly attempted to improve the conditions for doing business through reducing the bureaucracy and formalising certain economic activities. Whereas in the past it took close to a year to register a company, the process has supposedly been simplified to reduce the registration time. A government ministry responsible for the promotion of small and medium enterprises and the informal sector has also been established.

There was some positive feedback from ex-combatants. For example, a former combatant who owns an informal sector shop that was not registered with the Ministry of Commerce indicated that government officials had granted him reprieve from taxation until such a time as his revenue increased. Tailors, who received reintegration support, however claimed that they were required to be registered with the government offices, and that it was mandatory for them to display a registration certificate on the wall of their business premises.
5.1 Level of human development

In 2010, the DRC was ranked 168th out of a total of 169 countries in terms of HDI. On average the DRC’s HDI has declined since 1980, and has been well below the sub-Saharan HDI average. Levels of human development vary throughout the DRC, with residents of the eastern provinces arguably experiencing the highest levels of underdevelopment in the country. Table 3 and figure 4 provide further details of the DRC’s HDI.

5.2 Economic overview

The main GDP source in the DRC is agriculture, which contributes more than 40% (including the forestry sector). Mining adds more than a quarter to GDP, with other significant contributors being industry (16.1%) and services: (31.8%). Between 2006 and 2010 there was an average real GDP growth of 6.5%. Mining has been identified as a major growth area for the country, given the substantial reserves of cobalt ore copper, coltan, tantalum, tin and diamonds. The World Bank has suggested that mining could contribute as much as 25% to GDP. Estimated mineral exports were in the region of US$6.6 billion in 2008. Cobalt accounted for more than a third (38%) of the total value of mineral exports; copper, 35%; crude petroleum, 12%; and diamonds, 11%. Nonetheless, agriculture will continue to be the bedrock of economic and livelihood security of the DRC in the foreseeable future.

The mineral (extractive) sector in the DRC has typically been dominated by state-owned industrial mining enterprises, but sustained war, poor governance and neglect effectively rendered them “moribund and producing a fraction of the production of previous years”. Consequently, government revenues from mining are substantially lower than they should be. Processes to restructure state mining companies have been underway, with a number of foreign mining companies that have invested in the DRC (Australia, Canada, China, South Africa and the United States). The involvement of the military and armed groups in the mining sector in the east, however, has constrained the contribution of mining revenues to improving human development. The artisanal mining sector critically produces the highest volume of mineral commodities in the DRC. For example, this sector was responsible for approximately 70% of the total of DRC diamond extraction.

DRC forested areas are estimated to be 145 million hectares in size, of which 20 million hectares were granted as timber concessions to about 60 formal sector companies, but “only about a dozen companies are in operation”. The formal sector production is primarily for export purposes, and exports are typically in the form of logs. Between 1995 and 2010, timber production increased by 27.7%.

There was some diversification in the manufacturing, wholesale, retail and service sector in the DRC. Prominent business areas included: petroleum, cement, construction, hydroelectricity, beer brewing, sugar milling, palm oil, soap, cigarette making, fishing, textiles, plastics, transportation and telecommu-
Table 3: Human Development Indicators DRC

<table>
<thead>
<tr>
<th>Indicator</th>
<th>DRC</th>
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<tbody>
<tr>
<td><strong>Health</strong></td>
<td></td>
</tr>
<tr>
<td>Expenditure on health, public (% of GDP)</td>
<td>1.2</td>
</tr>
<tr>
<td>Under-five mortality (per 1,000 live births)</td>
<td>199</td>
</tr>
<tr>
<td>Life expectancy at birth (years)</td>
<td>48</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
</tr>
<tr>
<td>Adult literacy rate (both sexes) (% aged 15 and above)</td>
<td>67.2</td>
</tr>
<tr>
<td>Combined gross enrolment ratio in education (both sexes) (%)</td>
<td>48.2</td>
</tr>
<tr>
<td>Expenditure on education (% of GDP) (%)</td>
<td>..</td>
</tr>
<tr>
<td>Internet users (per 100 people)</td>
<td>..</td>
</tr>
<tr>
<td>Mean years of schooling (of adults) (years)</td>
<td>3.8</td>
</tr>
<tr>
<td>Expected Years of schooling (of children) (years)</td>
<td>7.8</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
</tr>
<tr>
<td>GDP per capita (2008 PPP US$)</td>
<td>327</td>
</tr>
<tr>
<td>GNI per capita (2008 PPP US$) LN</td>
<td>5.7</td>
</tr>
<tr>
<td>Household final consumption expenditure per capita PPP (constant 2005 international $)</td>
<td>154</td>
</tr>
<tr>
<td><strong>Inequality</strong></td>
<td></td>
</tr>
<tr>
<td>Inequality-adjusted education index</td>
<td>0.244</td>
</tr>
<tr>
<td>Inequality-adjusted income index</td>
<td>0.07</td>
</tr>
<tr>
<td>Inequality-adjusted HDI value</td>
<td>0.153</td>
</tr>
<tr>
<td><strong>Poverty</strong></td>
<td></td>
</tr>
<tr>
<td>Multidimensional poverty index (k greater than or equal to 3)</td>
<td>0.393</td>
</tr>
<tr>
<td>Intensity of deprivation</td>
<td>53.7</td>
</tr>
<tr>
<td>MPI: Headcount (k greater than or equal to 3), population in poverty (% of population)</td>
<td>73.2</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>Maternal mortality ratio (deaths of women per 100,000 live births)</td>
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</tr>
<tr>
<td>Population with at least secondary education, female/male ratio</td>
<td>0.295</td>
</tr>
<tr>
<td>Gender Inequality Index, value</td>
<td>0.814</td>
</tr>
<tr>
<td>Gender Inequality Index (updated)</td>
<td>0.802</td>
</tr>
<tr>
<td><strong>Composite indices</strong></td>
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<tr>
<td>Multidimensional poverty index (k greater than or equal to 3)</td>
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</tr>
<tr>
<td>HDI value</td>
<td>0.239</td>
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<tr>
<td>Gender Inequality Index, value</td>
<td>0.814</td>
</tr>
<tr>
<td>Inequality-adjusted HDI value</td>
<td>0.153</td>
</tr>
</tbody>
</table>


communications. There was also a significant small business component of the economy, with business persons primarily operating from makeshift stalls, or hawking goods on the side of the road in urban areas.\textsuperscript{179} Figure 5 indicates the top ten commodities in terms of production value (2009). The urban areas with the most vigorous economic activity include Kinshasa, Lubumbashi and Kisangani. However, there has been inadequate infrastructural links between these three cities.\textsuperscript{180}
Government revenue has been derived from taxation and international donor aid, and in recent years, donor aid has comprised more than a third of government revenue. Publicly available information on government spending was severely limited, with the Open Budget Index 2010 ranking the DRC as one of the least transparent states in Africa in terms of budgetary information.

Key demographic and socio-economic data are as follows:

- The DRC has an estimated population of 67.8 million people, 35% of which reside in urban areas.
- 75% of the urban population live in slums.
- Between 1992 and 2007 the food supply per capita declined by 25%.
- The DRC has a substantial domestic food deficit, and consequently, a number of basic food products are imported.
- The FAO estimates that 42% of the population is undernourished.
- Life expectancy is 48 (African average of 53), and the infant mortality rate is 126 (African average of 80).
- 59% of the population live on less than US$ 1 a day (African average: 52.8%).
- 70% literacy of the population aged 15-24 (African average 75).

5.3 Livelihood support

Approximately 80% of the DRC population derive a livelihood from the informal sector. As indicated above, agriculture provides the greatest contribution to GDP in terms of productive sectors, and it has been estimated that close to 60% of the economically active population derive a livelihood from agricultural sector, with there being both subsistence and commercial (predominantly for export) agricultural production. Nonetheless, only 10% of land in the DRC is used for agricultural pur-
poses, and agriculture only receives 0.64% of the total national budget.\textsuperscript{186} The principal subsistence crops include: cassava, plantains, maize, groundnuts, and rice. The key export crops are: tobacco, coffee, sugar, wheat, palm oil, cocoa and rubber.\textsuperscript{187}

Inland fisheries contribute between 25\% and 50\% of the population's protein intake. In addition, it is estimated that more than 600,000 people derive a livelihood (both directly and indirectly) from the fishing sector (capture, possessing, marketing, fishing supply, transportation, boat construction and equipment repairs) with most fish being caught in lakes and rivers (inland fisheries).\textsuperscript{188} However, those communities that are located in close proximity to the inland fishery areas are amongst the poorest in the DRC.\textsuperscript{189}

As indicated in figure 5, meat, particularly bush meat, was a noteworthy commodity in DRC, as the prevalence of disease restricts animal husbandry in the forest areas (which make up 68\% of the territory of the DRC). A significant number of households survive and/or derive a livelihood from hunting wild animals, such as duikers, monkeys, rodents, wild pigs, buffaloes, reptiles and birds\textsuperscript{190}. It has been estimated that the annual consumption of bush meat by the DRC population is between one and two tonnes. In some of the more isolated areas, bush meat is one of only products “that can provide income that outweighs transportation costs”\textsuperscript{191}

Households also generated livelihoods through the informal timber trade (pit-sawing), alluvial mining and petting trading, either running a market stall, or engaging in cross border trading. Details on these economic activities are provided in the section on the informal economy below.

5.4 Constraints and barriers to the formal economy

There were significant structural and process barriers to the average DRC resident establishing and maintaining a formal sector business, particularly high start-up costs (DRC is one of the most expensive countries in the world to establish a business), as well as government regulations/bureaucracy. For example, in 2011 it took on average ten procedures, 84 days, and cost 735\% of income per capita to start a business. Table 4 provides the ranking of the DRC relative to other economies in terms of “doing business”.\textsuperscript{192}

Registering a property took six procedures and 54 days; and paying taxes took 336 hours.\textsuperscript{193} For many years there was a lack of a property register, which prevented businesses from effectively using property assets to leverage credit. In addition, there allegedly has been “double taxation” (at the provincial and national levels).\textsuperscript{194} The growth of formal sector businesses was also hampered by widespread corruption. For example, Transparency International ranked DRC 164 out of 178 states on its Corruption Perceptions Index 2010, with a low ranking being equated with high levels of perceived corruption.\textsuperscript{195}
Banking services and access to credit for private sector businesses, especially small and medium sized enterprises, has been severely limited. Most commercial banks (of which there were 18 registered in 2009) tended to prioritise credit for international institutions. Consequently, it was estimated in 2009 that in excess of 80% of the money supply was not within the banking system. In the same year, the DRC Central Bank estimated that there were only 60,000 individual bank accounts in the entire country. However, the microfinance sector has seen some growth in recent years. In 2010 there were US$ 59.2 million in microfinance loans provided by 18 institutions to 91,649 borrowers.

The costs and regulation of engaging in formal sector cross-border trade were also prohibitive to most Congolese, as for exports, eight documents are required, and it took 44 days to transfer the goods at a cost of US$ 3,055 per shipping container. To import it required nine documents, 63 days and costs US$ 3,285 per shipping container. Added to this, the poor conditions of the road and rail network contributed to trade delays and increased transport costs.

5.5 The informal sector

Economic dynamics in the informal sector mimic the formal sector, with the most financially viable activities taking place in the agricultural/forestry, small business and extraction (mining) sectors. In the eastern regions of the DRC, a number of informal sector activities have been linked to, or shaped by the residual armed conflict, as well as the economy of the various armed groups.

In terms of forestry, the Congolese Association of Small Scale Loggers has estimated that on average there are 8,000 active logging companies (rough estimate) operating in the informal sector in the DRC, commonly referred to as scieurs de long. These logging companies primarily engaged in pit sawing for both the domestic (for furniture and construction) and export markets. Included in this number were part-time and full-time enterprises, with personnel numbers varying between businesses. The common feature, however, was that these entities generally operated without licenses from the national government. However, these business entities paid taxes and royalties to local authorities and traditional leaders respectively.

In 2007, annual timber production from this sector was estimated to be between 1.5 and 2.4 million square metres, which equated to about half a million square metres of sawn wood. In addition, it has been suggested that the output of informal sector exceeds the formal sector by close to 1000%. The reason for this was that the informal sector was more adaptive to conditions of armed conflict, due to low levels of technology, small business entities and its ability to cope with adverse infrastructural conditions.

Included in the informal timber sector were artisanal businesses (such as carpentry and furniture making) and fuel wood consumption (charcoal production and use) and trade. Charcoal, as in many other underdeveloped African countries, is the primary energy source for households in DRC, and was estimated to constitute 72 million cubic metres of timber per year.

Much of the bush meat trade is located in the informal sector. As indicated above, bush meat was not only a prevalent source of protein for many households, it was also a means to generate an income. Typically hunters catch and slaughter wild animals in the deep forest areas, then transport it to urban marketplaces. In some cases the meat is smoked (to preserve it) prior to transportation. However, the trade was allegedly subject to numerous informal fees, which results in
the relatively high cost of the meat in the urban marketplace. For example, bush meat sold in Kinshasa has reportedly been as much as five times higher than the sum the hunters received.202

As with most economies in the Great Lakes region, there is a significant small business component to the informal economy in the DRC. Congolese law is protectionist on this matter, as only indigenous Congolese are permitted to own small businesses. However, this was not widely enforced and non-Congolese have been openly trading in marketplaces. There have been alleged incidents of xenophobia as a consequence of increasing levels of competition in this sector.203

Many households, particularly in urban areas, derive an income for running market stalls, however, the majority of consumer goods that are sold in marketplaces, including agricultural produce, are imported from other countries. Given the considerable costs associated with importing goods in the formal sector, there was consequently a vibrant informal trade between the DRC and its neighbours. For example, the DRC was the second largest destination for Ugandan informal sector imports in 2009 and 2010.204

Artisanal and small-scale mining are arguably the most important components of the informal economy in the DRC. The reason for this is that low-level mining was estimated to provide direct and indirect livelihood support to 10 million people in the DRC, with women and children reported to constitute 20% and 40% of the artisanal mining community respectively. This sector is often considered to be the “backbone of the trading economy in the DRC”.205 As with the informal timber sector, output from the informal mining sector was substantially higher than the output from the formal (large-scale, commercial) sector, especially in the eastern provinces, where large-scale mining operations are yet to gain momentum. It is estimated that artisanal mining accounted for 90% of mineral production in the DRC.206

Artisanal (subsistence) miners are typically individuals that are not legally employed by mining companies, and who use low technology (often merely hand tools) to mine for valuable minerals. Small-scale mining, usually takes the form of a collection of artisanal miners who either collaborate in a joint mining venture, or are employed by an entrepreneur. More advanced technology, compared to artisanal mining, is often utilised.207

In the DRC, artisanal miners are involved in extracting a wide spectrum of valuable minerals, such as gold, diamonds, copper, cobalt, cassiterite and coltan (with diamonds being the most popular). These miners generally settle in camps with their dependents on or near the mining site, and living in conditions characterised by abject poverty and insecurity. Many artisanal miners operate on concessionary land that has been allocated to large-scale mining companies. This effectively means that such mining are activities illegal, and that the livelihood of these subsistence miners is tenuous. In mining camps women who do not engage in digging often generate an income through the transportation, washing, sorting, grading of minerals, as well as trading in consumable goods, tools and materials. Some have established restaurants, while others have entered the sex trade.208

According to the DRC Mine Law (2002): small-scale mining permits and “diggers” cards should be made available; and artisanal mining zones should be established. Nonetheless, the implementation of this legislation has been feeble, and there was consensus that the legal protection afforded to informal sector miners was woefully inadequate. Only a minority of miners secured “diggers” cards, as the annual cost of US$25 and time required to respond to the bureaucratic requirements were perceived to be excessive. In addition, the DRC government has not been able consistently protect the concession rights provided for in the permits and cards. The DRC government, has however, had some success in providing technical support through the Small-Scale and Artisanal Mining Extension Service (SAESSCAM).209

Due to poor infrastructure in most mining areas, there have been numerous reports of miners being exploited and fleeced by government officials, intermediaries (négociants), militias/armed groups, soldiers and criminal organisations that have preferential access to transport networks. In many cases, miners have only been paid a fraction of the market value of the minerals they mined. The relationship with the négociants is
however complex, as these incendiaries often provide the capital to artisanal miners.

In the case of armed groups, the UN Security Council Group of Experts estimated in 2010 that the Forces Démocratiques pour la Libération du Rwanda (FDLR), one of the main rebel groups in the eastern DRC, generated 75% of its revenues from illegally taxing artisanal gold miners. Other armed groups have reportedly attacked and pillaged mining areas, and/or employed middlemen to extract resources from miners. Elements within the government armed forces, the Forces Armées de la République Démocratique du Congo (FARDC), have been linked to the illicit mineral trade as a result of their occupation of strategic mining areas. Evidence also exists of informal sector miners being subject to human rights abuses by members of the armed forces. For example, in September 2010, DRC President Joseph Kabila publicly condemned the Mafioso activities by some members of the armed forces, and the Minister of Mines referred to “the manifest involvement of certain local, provincial, and national authorities, both civilian and military, in the illegal exploitation and illicit trade of mineral substances.”

5.6 DDR programming

The DRC was the stage for multi-state armed conflicts in the mid to late-1990s involving militaries from various states, as well as an assortment of rebel/militia groups. The first phase of the armed conflict was initiated by a rebellion in the eastern DRC, backed by Rwanda and Uganda. The rebellion was in response to repression by the Mobutu regime of certain ethnic groups, as well as to the threat posed by Rwandese rebels (associated with the 1994 Rwandan genocide) who were operating in the area. The rebellion succeeded, and Mobutu was forced into exile. In 1998 another rebellion in the eastern DRC was ignited, again supported by Rwanda and Uganda. Other Africa states then entered the fray, namely: Angola, Burundi, Chad, Namibia and Zimbabwe.

Peace was secured through the Lusaka Ceasefire Accords (1999), and was later consolidated with the Inter-Congolese Dialogue (2002) and the deployment of a UN peacekeeping mission. Post-conflict democratic elections were held in 2006, with Joseph Kabila being elected president. However, Hutu rebels, the FDLR continued to operate from the eastern DRC, along with other armed groups. In 2007, a rebel group, the Congrès national pour la défense du peuple (CNDP), reactivated the armed conflict in the eastern DRC. The violence was restrained through a peace accord in 2009, with it being agreed that the bulk of the CNDP forces, as well as some militia groups, would be incorporated into the Congolese armed forces. However, despite this, certain areas in the eastern DRC remained unstable, with a mishmash of armed/militia groups remaining active.

Consequently, it has been no surprise that the DDR process that has unfolded in the DRC has arguably been the most complex and multi-faceted programme ever implemented in Africa. It was comprised of, among other elements, a national programme; programmes to disarm and repatriate foreign combatants and their dependants; processes for special needs groups (such as women, disabled ex-combatants and children); and projects to disarm members of militia groups and reintegrate them into civilian life. There was also a specific DDR programme for Ituri, which was located within the national DDR programme. The World Bank and the UN, predominantly through the Multi-Country Demobilization and Reintegration Program (MDRP), were the main facilitators of the DDR process in the DRC, along with the DRC government.

DDR was further complicated by two other developments. Firstly, security sector reform, a necessity brought about by peace accords, which paved the way for the formation of a new national army and the Structure Militaire d’Intégration (SMI). The SMI was the process by which the armed components of most of the significant armed groups would be incorporated into the FARDC. Secondly, stabilisation initiatives, and particularly those dealing with the various armed groups and their access to mineral resources.

The DRC was the most significant component of the MDRP, with 50% of the entire budget being devoted to DDR-related projects in this country. The final report of the MDRP also revealed that the DRC segment accounted for 36% of all demobilised beneficiaries; 41% and 22% of reinsertion and reintegration beneficiaries.

The DDR process that unfolded in the DRC has been the most complex and multi-faceted programme ever implemented in Africa.
respectively; and four out of the five special projects for child soldiers were implemented in the DRC. In December 2003, the DRC government established an interdepartmental committee, the Comité interministériel chargé de la conception et de l’orientation en matière de DDR (CI-DDR) to oversee the National Program of Disarmament, Demobilisation and Reintegration (PNDDDR) (adopted May 2004). The Commission Nationale de la Démobilisation et Réinsertion (CONADER), with the support of UNDP, became the entity responsible for implementing the PNDDDR. Re-grouping Centres were set-up to implement the disarmament targets, while Integration and Training Centres were established for reintegration purposes. The DDR process in the DRC however, faced similar challenges to other African DDR processes, which included a lack of capacity, inefficiency, management, institutional rivalries and alleged corruption.

MONUC played a key role in the DDR programme, assisting with the implementation of the national programme, and focused almost exclusively on disarmament. The main focus, however, was the dismantling and disarming of foreign armed groups, particularly the FDLR, which was pursued via the UN Disarmament, Demobilization, Repatriation, Reintegration and Resettlement (DDRRR) programme.

DDRRR interventions often included armed peacekeepers, which provided protection and security to those combatants that were voluntarily seeking to abscond from an armed group. The reason for this is that such combatants may have been violently assaulted or killed by their fellow fighters if their efforts to desert the armed group proved unsuccessful. Following surrender to MONUSCO, the former combatants were transported to the transit centres in Uvira, Bukavu, Beni, Dungu, and Goma, where they were provided with clothing and food. After three days these individuals were repatriated to their countries of origin where they received reinsertion and reintegration support.

In 2009, 102,014 former combatants had received both demobilization and reinsertion support in the DRC.

The SMI was established in 2004, and was linked to the DDR system through national legislation, with combatants being provided with the option of either joining the FARDC or undergoing DDR. The following armed groups (and their combatants) were identified for integration into the FARDC: Forces Armées Congolaises (FAC) (former DRC government military); Forces Armées Zaïroises (FAZ); the three RCD factions, MLC; Mai-Mai; and a number of other armed groups. The first step of the SMI was that all combatants were assembled at FARDC-run centres de regroupement and then transferred to centres d'orientation, which were administered by CONADER, where combatants were required to select integration in FARDC or demobilisation.

In response to the teething problems associated with the operationalisation of the national DDR programme, an emergency initiative, the Désarmement et Réinsertion Communautaire (DCR) was created. It sought to disarm and pacify those armed groups that were not party to ceasefire/peace accords, and were considered to be a considerable destabilising force. The actions of armed groups were acutely problematic in Ituri, and consequently the focus of the DRC programme was in that region. The DCR contributed to the demobilisation of 15,811 combatants (which included 4,525 children). However, the reintegration support was described as “chaotic”, “half-hearted” and “problematic” due to prolonged implementation delays.

The national DRC DDR programme sought to provide ex-combatants with assistance to facilitate their transition to civilian life, which included ‘safety transition allowances’, and reintegration support. Various donor governments provided considerable financial and technical support, with a total of US$ 272 million being made available for DDR processes through the MDRP. Ex-combatants that underwent demobilisation received an initial payment of US$ 110 (for transport, food and other expenses), and thereafter a monthly allowance of US$ 25 for a year.

A variety of socio-economic support was made available to ex-combatants through non-governmental organisations (NGOs), international organisations and UN agencies, such as the International Labour Office (ILO), the FAO and Caritas. Targeted programmes for female ex-combatants and children were also offered. Reintegration training was provided in a variety of fields, including, but not limited to, agriculture, fishing, sewing/tailoring, woodwork, bricklaying, driving, and metal work.
The MDRP concluded all its activities in the greater Great Lakes region 2009. At this time, 102,014 former combatants had received both demobilisation and re-insertion support in the DRC, and 52,172 had received reintegration support.223 The TDRP, financed by the African Development Bank and a range of donor governments, has provided follow-up DDR assistance. In July 2010, UN Security Council Resolution 1925 (2010) extended the UN operation in the DRC, with MONUC being re-labelled the UN Stabilisation Mission in the DRC (MONUSCO). The resolution also reaffirmed the UN objective of DDR with respect to Congolese armed groups, and the DDRRR of foreign armed groups, particularly the FDLR, Allied Democratic Forces/National Army for the Liberation of Uganda (ADF-NALU), the Lord’s Resistance Army (LRA) and Forces nationales de libération (FNL).224 MONUSCO in cooperation with FARDC has made steady progress in its DDRRR efforts, despite the complexities and insurmountable odds confronted the various interventions, particularly the history of poor governance and ongoing violence and activities of armed groups in the eastern provinces. However, further achievements have been stymied by domestic political dynamics. For example, in December 2010 the UN Peace-building Fund allocated funds for the DDR of some 4,000 members of Congolese armed groups, but this programme was suspended by the DRC government, and consequently did not materialise.225

Between 2002 and mid-2011, the DDRRR section of the UN mission in the DRC repatriated more than 25,000 foreign ex-combatants (58% of total repatriated) and their dependants, and destroyed 1,435 arms and 46,006 rounds of ammunition. Rwanda was the destination of 80% of the total repatriated group. A strategic success was the facilitation of the demobilisation and repatriation of some FDLR officers, including FDLR liaison officers from North and South Kivu, which reportedly interrupted the recruitment, logistical support, and illicit trading by the armed group.

5.7 Reintegration and the informal sector: Ituri

In the eastern DRC territory of Ituri, the reintegration of former combatants into civilian life has been mixed, but generally there have been positive developments. The vast majority of former combatants, despite the socio-economic and security challenges in the Eastern DRC, have been able to pursue economically productive livelihoods. In the town of Bunia the most popular economic activity for ex-combatants appeared to be motorcycle taxi driving, with most motorcycle taxi drivers being ex-combatants. Outside of the urban centre, thousands generate an income as artisanal miners, mostly working gold concessions held by industrial mining companies.226

5.7.1 Motorcycle taxis in Bunia

There is one motorcycle taxi association in Ituri, called the Association des Chauffeurs du Congo/Moto-Ituri. There are however several hundred other motorcycle taxi drivers in Bunia that were not members of the association. The association began as an independent organisation, but became affiliated to the national association in 2005. The association claimed 2,475 members in Bunia town, which has an estimated population of 330,000. Members pay a US$ 20 joining fee, and then US$ 5 per year thereafter. 90% of the members are under 30, and in excess of 90% were ex-combatants. The association included ex-combatants from all the Ituri militias, as well as a number of deserters from the FARDC. According to the president and vice-president of the association,

“In our association, everyone’s objective is to earn a living. So we are not fighting each other. You see how that helps us mentally? Some of our members were colonels, or majors in the armed groups. But they are leaving behind their dreams of that, and are working to make a living…” 227

According to ex-combatants, part of the appeal of motorcycle taxi driving was that it requires no academic qualifications, nor any workplace skills except driving and courage. Few ex-combatants in Ituri attained academic qualifications, and consequently struggled to secure government or formal sector employment, where these qualifications are required. Another aspect of the appeal was:
“It is à la mode. Young women think you have good money if you drive a taxi, so we always have girlfriends.”

There were three types of taxi driver: those who work for themselves; those who work for others; and those who work temporarily (by contract). The association reckoned that among its members, half own their own motorcycles, 30% work for the motorcycle owners, and the balance work by contract. Owning a motorcycle was the most profitable of the three options, and those who do not own their own bikes are reported to aspire to do so. Those driving for others must remitted all their earnings to the motorcycle owners for the Monday to Friday trade, and were only permitted to retain Saturday's takings.

Virtually all the drivers drove Chinese motorcycles, which at the time of research retailed for US$ 600. These models were considerably cheaper than the Japanese motorcycles available for purchase, but drivers readily conceded that the Chinese motorcycles, when subjected to Bunia's poor roads, and those of the surrounding areas, and persistent over-loading, generally only lasted up to eight months. Drivers preferred the Chinese bikes nonetheless because of their allegedly superior carrying capacity, which meant they were more profitable to drivers despite their short lifespan. Although inexpensive compared to Japanese bikes, the cost of Chinese bikes far exceeded the amount given to ex-combatants for their demobilisation packages, and it appeared that very few, if any, ex-combatants used the packages to purchase motorcycles.

There seemed to be a strong association between motorcycle taxi drivers and artisanal miners in Ituri. The main reason, according to miners and taxi drivers was that ex-combatants dominated both economic activities. Additionally, artisanal miners used motorcycle taxis to travel between Mongbwalu and other digging sites to Bunia and back, and often invest their profits in motorcycles.

Like most Congolese entrepreneurs, Bunia's motorcycle taxi drivers considered themselves to be excessively taxed, though it seems they actually pay a lower proportion of their income than most economically active residents of the town. According to representatives of the motorcycle taxi association, operators must pay a US$ 6 tax to the mairie and a US$ 20 fee to the province annually. In addition, they were required to pay US$ 74 for insurance and US$ 85 for a vehicle licence each year.

Despite the popularity of motorcycle taxis among ex-combatants in Bunia, the involvement of international agencies distributing DDRRR kits in this and related activities was negligible. The UNDP gave motorcycles to a small number of ex-combatants, as did a local NGO called the Fédération des Mamans de l’Ituri. These interventions encountered problems, however, because the motorcycles were not donated to individuals, but to groups of ex-combatants, resulting in disputes between the members about who was entitled to use the motorcycles. As a result, before long, the groups disbanded and the motorcycles passed to individual owners. Due to the popularity of motorcycles among ex-combatants in Bunia, there has been considerable demand for motorcycle mechanics. A number of ex-combatants indicated that they would have chosen a mechanics had it been available as one of the reintegration support options.

5.7.2 Mining

Ituri is rich in gold, and gold mines have been in operation in the area since the early twentieth century. Ituri's gold mines were nationalised during the presidency of Mobutu Sese Seko, and the Office des mines d'or de Kilo Moto (OKIMO) established. Like other nationalised mines during the Mobutu era, poor management, and the excessive theft, which resulted in chronic under-investment, beleaguered OKIMO. As gold output fell, and OKIMO's ability to generate employment declined, artisanal gold mining increased, with output typically sold by diggers to négociants, who consolidated the material and then re-sold it. Most of the gold was then smuggled across the DRC's eastern borders, usually to Uganda and Kenya, and from there to Dubai.

Mobutu's government authorised artisanal gold mining in Ituri in 1982. By the turn of the century, industrial gold production had ceased entirely in Ituri, while artisanal gold mining had become entrenched, employing tens of thousands of people as diggers and crushers, and a smaller number as négociants and traders. International mining companies entered into joint ventures with OKIMO to revive the Kilo Moto gold mines in the early 2000s, and have since carried out extensive exploration, but none have yet started large-scale production.
The strong presence of ex-combatants among the artisanal miners of Ituri was extensively documented in a 2009 study, conducted by Channel Research. The study found that while some ex-combatant artisanal miners had been miners before the Ituri conflict, the majority turned to mining after the fighting, attracted by its ‘high risk and high return’ profile, which mirrored their military experience. The study further found that ex-combatant miners from different militia and different ethnic groups worked together on mining sites side-by-side without conflict. Importantly, the study also concluded that roughly half of all demobilised ex-combatants in Ituri were artisanal miners.232 Interviews confirmed the main findings of the Channel Research report. According to one NGO worker, who works with ex-combatants in Mongbwalu:

“Most of the demobilised in Mongbwalu are artisanal miners.”233

According to the Mongbwalu representatives of the Association des Orpailleurs pour le Développement et la Reconstruction de la Paix en Ituri (AODERPI):

“There are so many of us demobilised fighters in the mines. There is no other work for us to do.”234

AODERPI and NGO representatives working with artisanal miners agreed that members of different militia mined side by side without conflict. According to AODERPI:

“We have members all the militias in our association. UPC, FNI, PUSIC…but that is over. We have reconciled. Our hate was manipulated. I don’t think we will fight again. Some people have tried to stir us up, but they failed.”235

There was concurrence among AODERPI representatives and NGO workers that it was unfortunate that there had been no DDR kits for artisanal mining. According to one NGO worker:

“Because most of the demobilised round here are diggers, I proposed that the demobilisation kit system be adapted to this truth. It would have been a very good idea if there had been a kit for diggers. That would be adapted to the reality here. Instead, everyone round here just sells their kits. None of these miners want bicycles…”236

AODERPI and NGO representatives also concurred that most ex-combatants that had taken up artisanal mining had not disarmed, even though many had surrendered weapons in order to receive demobilisation kits. This consequently posed a risk to industrial mining companies, who were planning to evict artisanal miners from their concessions, in preparation for industrial development.237

In late 2010, OKIMO gave permission for its gold tailings at Galayi, about 50 kilometres from Mongbwalu, to be exploited by artisanal diggers. Despite poor transport connections between Mongbwalu and Galayai, and no mobile phone reception at the site, within only a few months hundreds of artisanal diggers had settled in Galayi. A small town emerged in the forest clearing, complete with bars, shops and brothels. By March 2011, there were, however, no schools or clinics. The site was controlled by CECOKI, which presented itself as a cultural association, though its detractors have claimed it is a front for the business interests of powerful politicians and military commanders.238 According to a CECOKI representative, more than half of the residents are ex-combatants.239

There were eleven négociants in Galayi, who buy the gold the diggers produce, which was then subjected to a 30% tax by CECOKI. According to Mapa Majo, the president of the Galayi négociants:

“I buy about 30 grams of gold a day. So far, I have had no security problems. There is no banditry. The military are invested in the pits here. That is why they do not bother us… None of the négociants here in Galayi are ex-combatants. I don’t know why, but that is how it is.”240

There are reported to be between 60 and 70 gold négociants in Mongbwalu. Very few of them, it seems, are ex-combatants:

“I have been a négociant here in Mongbwalu for 17 years. I am not an ex-combatant, and neither are most of the négociants here. There
are some though... I buy from the small négociants, since I am a big négociant. I then sell to the OKIMO comptoir here, or in Butembo. Sometimes I sell in Bunia. I also have a pit at Pili Pili\textsuperscript{241} where I have 346 ex-combatants working for me. I don’t care which militia they used to be in.”\textsuperscript{242}

As in Monbwalu, there are a few ex-combatants among the gold négociants of Bunia, though the majority are not, according to the Association des Négociants d’Or – Ituri (ANORI):

“There are 45 négociants, big and small, in our association. ANORI was created two years ago, after the wars here, to regroup négociants in a peaceful way, so that diggers can sell gold peacefully, regardless of their tribe. We have also disseminated the mining code, to persuade négociants to sell legally. It is thanks to ANORI that there are now two gold buying comptoirs in Bunia, though it is true that not all our members sell all their material to them. The problem is that the comptoirs’ prices are too low, and taxes are too high. This encourages smuggling.”\textsuperscript{243}

5.7.3 Economic impact of DDR kits

A range of Ituri’s recipients of DDR kits were interviewed, including people who received kits for bread baking, tailoring, shop keeping, fishing and hairdressing. Interviews were also conducted with government officials, and representatives of UN and non-governmental organisations responsible for distributing DDR kits. There were – unsurprisingly - marked differences in performance among the interviewees. Some of the businesses were flourishing. Others showed signs that they might be sustainable. Other businesses were stagnating and the remainder had either already failed or had never been initiated, with the equipment sold to cover the recipients’ day-to-day expenses.

HDR kits best succeeded when recipients were reentering professions they conducted before they were combatants.

Nonetheless, the DDR kits have added up to a significant recapitalisation of the Ituri economy. Money, livestock, seeds, foods and equipment (from the kits) was injected into the local economy in a widely dispersed manner into the province, and arguably has had a positive impact. For example, the kits that were sold were subsequently bought by others presumably better placed to make use of them. That said, the kits have been at their most effective when used by their recipients to start or re-start successful businesses, capable of generating incomes over not just the short but also the medium term. According to Dziju Malozi Jacqueline of the Fédération des Mammans de l’Ituri, a Bunia-based NGO founded in 2001, that has worked with large numbers of ex-combatants, and particularly women:

“Fewer women ex-combatants then men sold their kits. In my view, this is because the main responsibility for keeping households going falls on women, so they have had more motivation to keep the materials that were given them, and to make good use of them.”\textsuperscript{244}

Ms. Malozi complained that ex-combatant women had been unfairly discriminated against in the DDR process, and had consequently received fewer demobilisation kits then they should have:

“The circumstances of women ex-combatants were not taken into account properly during the process. To get the demobilisation package you needed to surrender a weapon. But women ex-combatants often did not have weapons. Where they had weapons, often their commanders took them off them, so they were unable to present a weapon at the demobilisation camps. And others did not have weapons to start with, since they were performing other tasks, such as carrying messages, providing sex, and cooking. Another issue was that with some women who did receive kits, their husbands or their families stole them.”\textsuperscript{245}

The most common complaint about the kits, voiced by nearly all interviewees, was that they were insufficient, providing too little money and equipment. NGO representatives also voiced frustrations that the kits they had distributed were inadequate, though some acknowledged that had the kits been more generous, the resentment of non-ex-combatants, most of whom had suffered greatly during the war at the hands of the very fighters apparently being rewarded for their violence, would have been far greater. A common theme
among interviewees was that DDR kits had best succeeded when recipients were re-entering professions they had conducted before they were combatants. Examples are outlined below:

Besica-Duku Tchekedis was the president of Encadrement des Jeunes pour le Développement de la Pêche (EJDP), an association of 25 fishermen in Kasenyi, on the western shore of Lake Albert. The EJDP’s membership included ex-combatants from several Ituri militia, but there have, reportedly, been no tensions or conflict between the ex-combatants. Tchekedis reported that the EJDP had received a boat with an outboard motor, a fridge and a generator from the UNDP, and its members had used their own kits to purchase a net and a motorcycle. The EJDP is a successful business, which according to Tchekedis was because:

“We were all fishermen before and know what we are doing. Fishing is not an easy business, and many of the ex-combatants who chose it had no experience in it before. They have all failed, while we have succeeded.”

According to representatives of the FAO in Bunia, it had been the same experience with recipients of farming DDR kits, with those who were farmers before the conflict proving more likely to succeed and make use of their kits then those who were not. Access to land for farmers, however, proved to be a constraining factor.

Similarly, obstacles affecting the fate of donor-assisted fishing projects for ex-combatants on Lake Albert included: poor road infrastructure between the lake and Bunia; no electricity in the lakeside settlements (caused by destruction of power lines during the period of armed conflict; and looting of replacement power lines after it); and increasingly problematic over-fishing in the lake, including in the fish breeding grounds.

Very few of those interviewed for this study made any use of banking services, though there appears to be considerable latent demand for them. In addition, there were numerous references to the lack of availability of affordable credit. Related to this, a common complaint among DDR kit recipients was that excessive taxation was damaging their business prospects. According to Tchekedis of the EJDP in Kasenyi:

“We pay so many taxes. You would be amazed. The FARDC takes two kilograms of fish from each of our boats, every day. That is illegal, but what can we do? Then we pay $25 per year tax on our motor, another US$ 25 on our boat, and then there is the tax we pay to the collectivité. We pay another tax on our fish. And another one for our fishing permit. Then there is the provincial tax, and a hygiene tax… This is why we are not progressing. We pay so much tax.”

5.7.4 Crime

The lack of disarmament among Ituri ex-combatants, and the high rate of economic insecurity in the territory, would appear to be a perfect recipe for armed criminality. Encouragingly, however, this does not appear to be the case. According to Bideko Murhabazi Juvenal, the Bunia police chief:

“When I arrived here 16 months ago, armed crime was a serious problem. After 6pm, no one was moving and there was always shooting at night. There were ten armed robberies a night. Now it’s more like one every three months… Much of this criminality was coming from ex-combatants, though there was also involvement of the FARDC and even police officers. But in collaboration with MONUSCO, we have controlled the situation, largely through extensive patrolling, and at this stage I would say Bunia is the most secure town in eastern DRC, particularly when compared to Goma…. I will not pretend there is no banditry. The criminals have been weakened but not defeated, and they have not surrendered their arms. They still use their weapons, but to threaten, not to shoot. These days you hardly hear any shooting.”

Other interviewees confirmed the police chief’s thesis, noting that armed criminality had greatly declined since 2009. There was a similar situation in Mongbwalu, where AODERPI representatives reported:

“People do fight sometimes but they don’t use arms for their fights. We don’t have a problem of armed criminality. In Bunia we hear that there is this problem, but not here in Mongbwalu.”
5.8 Reintegration and informal sector: South Kivu

In the South Kivu province, as with other provinces in the eastern DRC, thousands of ex-combatants have been demobilised since the late-1990s in successive waves of DDR interventions. The majority of these individuals have reintegrated into civilian society, albeit precariously, with many pursuing livelihoods in the pervasive informal sector. Examples of ex-combatant income-generating activities included: small market businesses; fishing cooperatives; cross-border trading; agriculture; cattle rearing; artisanal mining; and transport. A significant number of marginalised younger ex-combatants were, however, vulnerable to recruitment by armed groups.

Most ex-combatants, in pursuit of economic opportunities settled in the urban centres of Bukavu and Uvira, or in mining areas. In towns, former combatants often congregated and set-up homes in the same neighbourhoods. In Uvira, for example, the suburbs (quartiers) of Kilibula and Kalundu received a fairly large number of demobilised ex-combatants and their dependents.252 In mining areas ex-combatants, lived in squalid conditions.

5.8.1 Cooperatives and small businesses

Some ex-combatants used their DDR kits to enhance their income generating potential, while others sold the disposable components of the kits to invest in business ventures or for short-term consumption. A reintegration development has been that in some locations, former combatants, for a variety of reasons, established businesses and self-help cooperatives with individuals who did not have a military background. Limited assistance through the official DDR mechanisms was available to some ex-combatants, but was only supplementary in nature. Examples of some relatively successful business and cooperative venues are outlined below.

Former combatants established the Action Communautaire pour le Développement de Kalundu (ACDK) in Uvira in 2008. They subsequently approached several potential donors for financial and/or material support and eventually received support from CONADER, now the Unité Nationale pour le désarmement, la démobilisation et la réintégration (UEP-NDDR), through Caritas, an international NGO. This financial support enabled ACDK to buy fishing nets and a pirogue (canoe), which they used to fish on Lake Tanganyika. They would fish overnight and sell the bulk of their catch at the port of Kalimabenge (Uvira) the following morning. A small portion of the catch was reserved for family consumption, and was shared equally among the families.253

With the savings made from fish sales, the ACDK purchased an additional pirogue, lamps (used for attracting fish at night), and nets. ACDK also diversified its activities, and from January 2011 the members divided themselves into three categories: eight focusing on fishing; 15 on crop farming; and five livestock rearing. However, the cost of renting agricultural land was prohibitive to ACDK, and they subsequently only undertook small-scale ‘kitchen’ (subsistence) farming. At the time of this research, ACDK had 34 members (eight of which were not former combatants), of whom four were women and 30 men. ACDK’s daily fish sales were on average between US$30 and US$ 40.254

The ACDK also opened a bank account with a cooperative credit society in Kalundu, the Coopérative d’Epargne et de Crédit (COOPEC), into which they deposited their savings. The advantage was that COOPEC administered a micro credit facility that ACDK members could access on relatively favourable terms. The savings account also came handy during the Saison Ndenga time of a year when the moon is too bright to effectively fish at night. Consequently, fish catches are substantially reduced, with ACDK barely being able to acquire sufficient fish for their own subsistence.255

Ex-combatants in South Kivu have also sought to generate income through small businesses, with varying degrees of success. Most ACDK members, for example, established their own small businesses through the loans accessed from COOPEC. The businesses included the selling of petrol on the roadside (commonly referred to as ‘le Quadaffi’), welding, motorcycle transportation and kiosks. Others generated an income as dockworkers and porters. Two specific individual examples include:

- Mokili wa Bongo travelled to Bujumbura every Saturday to buy fuel so that he could resell it in Uvira for a profit. Mokili hired a motorcycle for US$ 20 and then transported two 20-litre con-
tainers of petrol from the Burundian capital. He made a profit of between US$ 35 and US$ 50 per 20-litre container.256 257

- Mafikiri ya Nzoni, accessed a loan from COOPEC, and set up a kiosk in Uvira. He used the bicycle he received as part of the reinsertion kit for transporting merchandise to his kiosk. He made a profit of between US$ 30 and US$ 40 USD per month.258

In Luvungi, Paul Mukeba, a former combatant, who, after being demobilised in 2005, established a small kiosk with a US$ 60 loan from his sister (who was employed as a tailor in Bukavu at the time) and sold cigarettes and beans. In 2007, he set up a second hand clothing business with Issa Kagera, a non-combatant neighbour in which they would buy clothing in Bujumbura and then resell it in Luvungi at a profit.259 The rationale for the joint venture was that Mukeba did not have the necessary identity document to cross the border into Burundi (due to his previous combatant status). Kagera on the other hand was able to travel to Bujumbura legally.

In 2008 two newly demobilised ex-combatants joined them in their business venue with contributions of the US$ 310 (which was part of the reintegration support), and kit provided by Caritas. Thereafter, a Caritas agricultural extension officer encouraged the four businessmen to create a self-help group that would open up their business to investments from more ex-combatants (including non ex-combatants). The motivation was that this would in turn enable them to diversify into other areas such as cattle rearing.

The entrepreneurs consequently established a self-help group called l’Initiative Locale pour le Développement de Luvungi (ILDELU). With a collective saving of US$ 1,500, the four bought three cows, and the remaining US$ 620 was reinvested in the trading business. The agreement under ILDELU was that heifers produced by the cows would be shared between the members of ILDELU, while the breeding cows remained the property of the association. At the time of this interview, ILDELU had a total of eleven members, with seven having received their share of heifers. The association also had a stock of second hand clothes, beans, corn and cassava estimated at US$ 3,400.260

In Kiliba location, 22 ex-combatants teamed up with 17 non ex-combatants in 2009 to form a self-help group called L’Action Communautaire pour le Développement Agro-pastorale de Kiliba (ACDAKI). According to Munyereza Alimasi, the chairperson of ACDAKI, the creation of the group was motivated by the successes of the ACDK. ACDAKI approached Caritas for support in the form of training and start-up capital.261 Caritas provided training on agriculture, including livestock keeping, after which it leased three acres of land in the Plains of Ruzizi to ACDAKI for a once-off single harvest period as a start-up package. The group grew maize, cabbages and beans, and generated US$ 3,280 in income from the first harvest.262

Another example of small business dynamics in South Kivu included: Lualua Josue, who was demobilised in Kitona in 2006 and used his reintegration package for short-term consumption, borrowed US$ 80 from his brother (who made a living baking bricks near Bukavu) in 2007, to start a sugarcane business. He then used the proceeds from his sugarcane enterprise to purchase a kiosk in Panzi location. He reportedly make a profit of between US$ 120 – 150 a month.263

However, the small business sector has been constrained by excessive bureaucracy and taxation. For example, female business owners have reported that they have been required to pay as many as 24 different taxes/fees to a variety of government officials and military personnel, from those responsible for overseeing local markets to the Administrateur du Territoire.264 The owners of businesses were taxed on their business income as well as their net profit. Small informal businesses were required to pay a site tax. Other taxes are levied at a variety of levels of government. There have also been numerous allegations of corruption associated with the system of taxation.265

5.8.2 Transport businesses

As with other towns in the eastern DRC, the motorcycle taxi sector in the urban centres of South Kivu is relatively vibrant, with similar characteristics to the motorcycle taxi enterprises in Ituri province. A number of ex-combatants, particularly young men, have derived an income from this trade. The experience of an ACDK member in this regard provides some insightful information.

Byamungu Kambaza benefitted from a COOPEC loan of US$ 600 and purchased a second-hand motorcycle,
which he subsequently used as a taxi to ferry people between Uvira and Baraka. In the dry season Kam-baza undertakes a return trip from Uvira to Baraka every day, a total distance of approximately 180km, in which he transports both passengers and cargo. He charged between US$ 10 and US$ 20 per trip depending on the size of cargo and the number of passengers. Passengers sharing the motorbike paid less compared to single passengers. In a week Kambaza made a profit of between US$ 60 and US$ 80. According to Kam-baza,

“The biggest threat to my business is the ambushes that armed groups such as the Mai Mai Yokutumba stage along the Baraka-Uvira road. Two weeks ago armed men attacked Lupofu, a motorcyclist friend of mine and took away his bike and the passenger’s goods. The mama and Lupofu were left to trek from Vitobola where the attack took place, to Lweba… I always fear for myself, but I cannot abandon the job, as it is my only means of survival. Twice, armed rebels have intercepted me. The first time by two people whom I thought were FNL elements from Rokoko swamp and another time by a group of Yokutumba rebels.”

To discourage ambushes, Kambaza and three other motorcycle taxi drivers made their trips in convoy. Unlike Kambaza who owned his motorcycle, his three colleagues were renting theirs from a local businessman. The agreement was that the drivers could retain all proceeds over-and-above the US$ 40 rental cost per day and fuel costs.

Ex-combatants have also been involved in water transportation. For example, in Mboko town, which is located in Tanganyika District, on the shores of Lake Tanganyika, ex-combatants have been operating boats to transport timber, minerals and other goods to Rumonge (Burundi) on the other side of the lake. One such ex-combatant business was comprised of eight Mai Mai former ex-combatants who voluntarily demobilised when their group joined FARDC. The group owned two canoes (one of which was motorised).

5.8.3 Mineral sector

The mineral trade is a key component of the South Kivu economy, with coltan, cassiterite and gold being actively mined (mainly in the Kahuzi-Biega National Park, and in the area south of Fizi), by artisanal miners. In addition, some of the main comptoirs, the trading houses that buy, sell and export minerals mined in the eastern Congo, are based in Bukavu. A significant number of former combatants have pursued a livelihood from mining, and their role in this sector has been diverse. The FDLR and armed groups in the mining areas have exploited some former combatants, while others have been fortunate to avoid the predatory activities of these groups. However, some ex-combatants have been implicated in human rights abuses and illegally taxing other miners.

Some ex-combatants have generated income from trafficking of minerals. As was the case with Claude Bulukwa and two friends who opted for demobilisation when the CNDP rebel group integrated into the FARDC. According to Bulukwa:

“Life of a demobilised soldier is the most difficult thing here. We can hardly get employment and therefore we have to fend for ourselves in any way possible. The easiest way out has been to revive our contacts with our friends who were reintegrated into FARDC, and who are deployed in mining locations [Shabunda, Mwenga and Walungu territories]. This way, they channel the minerals through us to the markets in Bukavu, Uvira and Bujumbura… However, the danger is that often we get intercepted by armed groups such as FDLR and Mai Mai and have to part with the entire ‘tola’ (pack of minerals, notably gold).”

5.9 Reintegration and the informal sector: North Kivu

The economic environment in North Kivu is similar to those in South Kivu, with some of the dimensions being more pronounced, particularly the linkages between demobilised ex-combatants, the mineral trade and criminality. Similar to the other provinces in the eastern DRC, ex-combatant livelihood decisions were informed by the omnipresence and activities of armed groups and the Congolese military.

It appeared that younger former rebel/militia members were more vulnerable to being recruited into armed groups and/or engaging in criminal activities. Such endeavours included: smuggling of gold; armed
robbery; drug trafficking; and gunrunning. Those for-
mer combatants with families/dependents opted for more legitimate and stable livelihood options, mainly operating small businesses (such as retail, fishing, transport and construction) and engaging in cross-
border trading. Those ex-combatants without the skills, networks and start-up capital for small businesses typically opted for livelihood options such as artisanal mining, subsistence agriculture and casual labour.

Some ex-combatants used the training and resources acquired from the DDR process to generate income in the civilian economy. Nonetheless, a number of former rebel/militia group members utilised the skills acquired (some of which were unsavoury), and personal networks that they had developed whilst operating as combatants, for livelihood purposes. These individuals typically deserted from the various armed groups, and did not receive any significant re inser-
tion/reintegration support. Below are examples of the livelihood options that have been pursued by a variety of former combatants.

There were three key observations from the research relating to ex-combatant livelihoods. Firstly, many ex-
combatants engaged in a variety of income-generat-
ing activities in order survive. Secondly, a number of entrepreneurial ex-combatants with meagre resources started modest businesses, which they subsequently expanded with savings and/or including partners/ investors. Thirdly, livelihood success for most ex-
combatants was primarily determined by individual persistence and perseverance. The examples below provide a micro-analysis of the livelihood choices and consequences for some ex-combatants in North Kivu.

5.9.1 Small businesses and cross border trading

The village of Kibumba is close to the border with Rwanda and is located on the slopes of the volcanic Mt Nyiragongo. However, Kibumba has perennial wa-
ter scarcity due to the difficulty in drilling boreholes through the multiple layers of lava that have formed as a result of frequent eruptions. Some ex-combatants in the area established businesses to address the demand for water. For example, Tumaini Hamisi, an ex-
combatant271 entered into business partnership with a friend to transport water from the Rwandan side of the border to Kibumba on his chukudu272. According to Tumaini, the pair would generate a daily income between US$ 10 and US$ 15, of which Tumaini would be paid an average of US$ 5 a day. Through saving, Tumaini was able to invest in other trading endeav-
ours and purchase additional equipment, steadily expand-
ing his business. At the time of the research he owned five chukudus of which he leased out four (at US$ 20 each per month) and operated the fifth himself. His monthly income reportedly ranged between US$ 100 and US$120.

Kambamba Makenga, an ex-FRF (Forces républicaines fédéralistes) combatant used the approximately two kilograms of gold he had amassed from the mines in Shabunda whilst a member of the armed group to finance a vieti (second-hand clothing) business. At the start he bought bags of used clothing from whole-
salers and hawked them around Goma until he se-
cured a trading space on a street corner. According to Makenga:

“Since I got this location in February 2010, I have built confidence in my customers be-
cause they know they can always find me here as opposed to when I used to roam around. In a week I get to sell between three to five bags, which earns me a profit of about US$ 50 week…I have two friends who handle the [three] chukudus…and they go out to look for businesses around those hardware stores and nearby market places…These chukudus are a lifesaver; unlike motorcycles and bicycles, they cost almost nothing to maintain, and don’t require petrol to run. If I make more money I will buy more of them.”

Maisha Bora, an ex-combatant from FDLR received six months of carpentry training at Tumaini centre273 as part of a DDR package. After graduating Maisha worked for nine months as a carpenter in Mabanga suburb of Goma, where he earned between US$ 30 and US$ 50 a month. However, according to him:

“When I got married I was compelled to look for alternatives, as the earnings from carpentry could not make my ends meet. I almost went back to the bush although dangerous, life was easier there with a gun. One day an old friend with whom we served in the war, informed me of his flourishing gold business.
He bought gold from old friends in Walikale and sold it in Rutshuru."

Bora subsequently used the US$ 150 he had saved from carpentry, and accompanied a fellow former combatant on two occasions to buy gold in Walikale. From the two trips (made mostly at night), he generated US$ 2,500. He discontinued his involvement in the gold trade after his colleague was shot and killed. Thereafter Bora bought a motorcycle in January 2011 at a cost of US$ 1,550 to use as a taxi. He then provided a taxi service along Rutshuru-Ishasa road (despite the activities of the FLDR rebels in the Virunga National Park), carrying two or three passengers a trip, for which he charged US$ 5 per passenger. According to Bora:

“In January [2011] when I bought the moteur [motorcycle] I used to make between US$ 20 and US$ 30 per day after subtracting fuel costs, but now there are too many moteurs, making the competition too stiff. Also, accidents are too many, which makes me fear all the time. I now make between US$ 15 and US$ 25 a day, which I still find better than carpentry and less risky than gold smuggling…”

From the profits generated out of the motorcycle transport, he opened a quaddaffi (petrol) selling point outside his house in Rutshuru town in March 2011, which his wife was managing, as well as selling cell phone vouchers. The quaddaffi business generated a weekly profit of approximately US$ 25. He indicated that these earnings provided him with the resources to pay school fees for his two children and meet the daily living expenses.

5.9.2 Armed crime

Katamba Bisheko, an ex-combatant, was operating a small trading business (with a chukudu) in Masisi territory at the time of the research. Prior to this he had served as a major in the FDLR and then surrendered to MONUC. He was then transferred to Centre d'appuis aux jeunes démobilisés (Centre for Demobilised Youth), where he was provided with clothing. At the Centre he was promised reintegration training, but this did not materialise, and Bisheko subsequently returned to his home village. Bisheko claimed there were little in the way of economic opportunities in the village, so he and two other ex-combatants formed an armed gang. The gang targeted gold smugglers and then sold the loot onto senior FARDC commanders. Katamba and his colleagues also trafficked in cannabis for soldiers and armed groups. According to Katamba:

“Soldiers exchange cannabis for ammunition and minerals with rebels, who occupy mines and possess plantations of cannabis in the high plateaux, deep in the forest. Everyone in the trade abides by the same rules, and betrayal is often met with death”.

Katamba spent eight months with the armed gang, until one of the gang members killed a motorcyclist who was childhood friend of Katamba’s. According to Katamba:

“If some form of economic support had been availed to me when I quit the rebel life, I could never have joined that murderous gang. Besides, people in my village know about my former affiliation with the armed groups and therefore treat me with a lot of fear…I had to struggle within my own means to get this chukudu in order to quit that criminal life. Although what I earn is pittance compared to life with a gun, I am much more at ease, and able to support my wife and child”.

5.9.3 Construction and fishing

Jacques Kaembe, also a Tumaini graduate established his own masonry business as he was unable to secure employment with construction companies. At the time of the research he was employing five other masons and in July 2011 they secured contracts to construct two maisonettes. For Kaembe, it takes an individual ex-combatant’s own initiative to break the legacy of the war and embark on economic progress.

Bahati Kahimbi and two ex-combatant colleagues sustained themselves by fishing on Lake Kivu after leaving the CNDP rebel group in 2009. They established a commercial fishing venture called the Kawaida Group, which is comprised of eight fishermen. They fished at night and then sold their catch to restaurants and hotels, and generated a daily average income of between US$ 120 and US$ 160. According to Kahimbi:

“This is a skill that we acquired during the war. We used to go fishing to supplement our food in the bush…We used to hijack civilian canoes including their catch…”
6 South Sudan

6.1 Level of human development

In 2010, Sudan was ranked 154th out of a total of 169 countries in terms of HDI. South Sudan achieved independence from Sudan in mid-2011, and therefore was not included as a separate country entry in the HDI rankings. South Sudan has historically been one of the most underdeveloped regions within Sudan, and hence it is conceivable that South Sudan would have a lower HDI ranking than the entire Sudan.

6.2 Economic overview

The South Sudanese economy is entirely dependent on oil, with on average 98.7% of total government revenue having been derived from oil since 2005. In 2008 oil revenue increased three-fold from the previous year due to Southern Sudan’s enhanced autonomy, then declined by 38% in 2009 due to the global financial crisis, and then increased by 37% in 2010. Only one-tenth of a percent of revenue is generated from personal income taxation. Agriculture is the main economic activity, but mainly takes place in “small, hand-cultivated units often farmed by women-headed households”. Sorghum is the main cultivated crop, with maize, cassava, sesame, millet, groundnuts and a number of other crops also being farmed. However, agricultural production is insufficient for domestic consumption, and the FAO estimated that there would be close to a 300,000 ton deficit of cereal crops in 2011.

Due to the historical economic marginalisation of Southern Sudan by the North, and decades of armed conflict, trade in South Sudan has been highly localised and predominantly sourced from Kenya and Uganda. In addition, the manufacturing sector was relatively insignificant, very little agricultural produce and livestock being geared for export. In essence, South Sudan was a net importer of goods. Between 2005 and 2010 there was a dramatic expansion of most urban economies in South Sudan, particularly Juba. Conversely, the size of the urban poor has also increased. The reason for this is that the formal economy has grown to meet the demands of the international donor/aid/NGO community and national government. Foreign businesses (mainly from Kenya, Uganda and Ethiopia) have largely met the demands of this sector, but most of the profits are not invested in South Sudan. It is important to note that no more than 10% of the South Sudanese derive an income from formal sector employment.

For South Sudan the key demographic, social and economic indicators in 2010 were as follows:

- The total population was estimated to be 8.26 million people.
- Half of the population was below the age of 18, with 72% under the age of 30.
- Less than a third of the adult population was literate, with the literacy rate for males being 40% and 16% for females.
- 83% of the population resided in rural areas, with the average number of members in a private household being seven.
- 79% of urban household owned their own housing, with 96% ownership amongst rural house-
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<th>Indicator</th>
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<tr>
<td><strong>Health</strong></td>
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<tr>
<td>Expenditure on health, public (% of GDP)</td>
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<tr>
<td>Under-five mortality (per 1,000 live births)</td>
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<tr>
<td>Life expectancy at birth (years)</td>
<td>58.9</td>
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<td><strong>Education</strong></td>
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<tr>
<td>Adult literacy rate (both sexes) (% aged 15 and above)</td>
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<tr>
<td>Combined gross enrolment ratio in education (both sexes) (%)</td>
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<tr>
<td>Expenditure on education (% of GDP) (%)</td>
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<td>Internet users (per 100 people)</td>
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<td>Mean years of schooling (of adults) (years)</td>
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<td>Expected Years of schooling (of children) (years)</td>
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<tr>
<td><strong>Income</strong></td>
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<tr>
<td>GDP per capita (2008 PPP US$)</td>
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<tr>
<td>GNI per capita (2008 PPP US$) LN</td>
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<tr>
<td>Household final consumption expenditure per capita PPP (constant 2005 international $)</td>
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<tr>
<td><strong>Inequality</strong></td>
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<td>Inequality-adjusted education index</td>
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<td>Inequality-adjusted income index</td>
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<td>Inequality-adjusted HDI value</td>
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<td><strong>Poverty</strong></td>
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<td>Multidimensional poverty index (k greater than or equal to 3)</td>
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<td>Intensity of deprivation</td>
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<td>MPI: Headcount (k greater than or equal to 3), population in poverty (% of population)</td>
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<tr>
<td><strong>Gender</strong></td>
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<td>Maternal mortality ratio (deaths of women per 100,000 live births)</td>
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<td>Population with at least secondary education, female/male ratio</td>
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<td>Gender Inequality Index (updated)</td>
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<td><strong>Composite indices</strong></td>
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<td>Multidimensional poverty index (k greater than or equal to 3)</td>
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<td>Inequality-adjusted HDI value</td>
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holds, most homesteads being constructed of wood.

- 53% of the working population were unpaid family workers, with 12% being paid employees.
- GDP was 30 billion Sudanese Pounds (equivalent to US$ 13 billion).
- Average consumption in urban areas was SDG 168 per person per month (of which 69% is on food) compared to SDG 88 per person per month in rural areas (of which 79% was on food).
- 10% of the population had access to electricity (of which 9.6% were in urban areas).

As with other post-conflict econ-
omies, a disproportionate share of the annual government budget has consistently been allocated to the security sector since the signing of the Comprehensive Peace Agreement (CPA). The rationale for the prioritisation of security spending was to “develop an efficient and effective armed forces, to safeguard security and implement the CPA.” Between 2006 and 2008, more than a third of the total budget was allocated to security, with an average 36% being allotted to the Sudanese People’s Liberation Army (SPLA) alone. The lion’s share of the funds was used for salaries. Security spending was also prioritised by donor agencies, receiving the third highest portion of aid after health and infrastructure.

In 2011, just over a quarter of the total budget was earmarked for security, which included the Demining Authority (0.006% of the budget), the DDR Commission (0.04% of the budget) and the SPLA and Veterans Affairs (27.7% of the budget). Despite the drop in the percentage of the security share in the budget, SPLA costs have actually increased by 33.6% compared to 2005. The change in percentage share is due to the increase in oil revenues. Other spending priorities included public administration (the majority of funds going to the Office of the President and the Legislative Assembly), infrastructure (particularly transport and roads), and the allocation of funds to the States (counties). Close to 80% of the budget was for salary and operating costs, with the remaining 20% assigned to capital expenditure.

Figure 7 provides a graphical depiction of the manner in which the South Sudanese budget was disbursed for the 2011 financial year.

### 6.3 Livelihoods support

In South Sudan 79% of rural households were reliant on subsistence crop farming, and 6% on animal husbandry as their main livelihood source. However, most households combined crop cultivation and livestock ownership in order to survive. In urban areas the foremost type of livelihood support for households were wages/salaries (44%), followed by crop farming (22%) and small business enterprises (12%), most of which operated in the informal sector.

As figure 8 indicates, the annual cereal crop output from subsistence agriculture has varied between 2004 and 2009, but FAO data reveals that on average crop production increased by 50% for the six years after the CPA (2005-2010) compared to the 2000-2005 period (when there were active armed conflicts). More than 95% of agricultural production is rain-fed, which makes South Sudan food production vulnerable to drought.

Cattle are widely regarded as wealth in South Sudan, and are linked to social status, as in many other parts of Africa. As detailed in figure 8, cattle ownership has increased significantly (by a third) since 2004. In 2010 it was estimated that there were 11.8 million cattle in South Sudan. In addition to the cattle, there were 14 million goats and 12.6 million sheep. If the total livestock population were evenly distributed amongst all South Sudanese households there would be 19 animals per household. Nonetheless, as with agricultural production,
livestock are vulnerable to drought (as it affects the availability of grazing) as well as to disease.

By the end of 2010 there were a total of 7,333 registered (formal sector) businesses in urban areas. Prior to 2005 there were very few formal businesses in existence, and a business registry was only created in 2006. As depicted in figure 8 over the past five years there was more than 2000% increase in the number of registered businesses being established in South Sudan. In 2010, more than a third (37%) of businesses are located in Juba, with 15%, 12% and 7% being in located in the smaller urban centres of Wau and Malakal and Rumbek respectively.

Table 6 provides more detail on the business types and activities in South Sudan, with majority being in the wholesale, retail and vehicle repair trade (more than two-thirds), followed by accommodation and food service. Accurate data on the number of type of informal sector businesses was unavailable, but anecdotal evidence has suggested that there has also been growth in the size and diversity of the informal sector since the signing of the CPA and an increase in urbanisation.

6.4 Constraints and barriers to the formal economy

Establishing a formal sector business, or converting an informal one into a formal sector business in South Sudan is challenging, especially as the costs and measures for setting up and registering a business are excessive. It takes 11 procedures, and could cost on average SDG 6,801 (US$ 3,077), which equates to 250.2% of income per capita. This made Juba the second most expensive commercial capital in the world in which to establish a formal business.

Juba is the second most expensive commercial capital in the world in which to establish a formal business.

Most communities have traditional rights to the land on which they reside. In many cases community members are entitled to transfer these rights, however, customary law governs such transfers, and typically accu-
rate records of such transactions are not maintained. Consequently, community members were not in a position to use land as surety to access credit through financial institutions to either invest in agriculture or business.  

In addition, South Sudan is “heavily under banked”, with only 42 banking service outlets in South Sudan and 76 microfinance institutions in 2010. Close to half of both institutions were located in Central Equatoria County, which includes the city of Juba. Only 1% of households in South Sudan had a bank account. Obtaining credit in South Sudan was exceedingly difficult, with only short-term credit on offer (three to six months) and relatively high interest rates being levied. Approximately 10% of loans were provided to small and medium sized businesses. The microfinance sector was small and only provides services to 5% of the clients in Juba.

The economy is severely constrained by trade restrictions and high associated costs. Most consumer goods are imported into South Sudan, and are transported through the country by road, river or air, with duties being levied on imports. For example, if a businessperson based in Juba uses Mombasa (Kenya) to import a standardised container of goods 11 official documents will be required; it will take 60 days to receive the goods; and it will cost US$ 9,420. Exports require nine official documents; take 52 days; and will cost US$ 5,025. In short, the import/export of goods in South Sudan is slower and more expensive than the sub-Saharan average.

In terms road transport, there are numerous checkpoints, which in most cases required fees or tolls to be paid. On average there are four checkpoints per 100km along major trade routes, while on northerly trade routes there are between six and seven checkpoints per 100km. Fees paid on internal routes can be as much as 15% of the value of goods transported, with close to 50% of the payments being un-receipted. Across all routes, waiting time was on average in excess of two hours per 100km, or 65% of driving time. These trade constraints have contributed to the increased costs of imports and exports in South Sudan, which not only has negative implications for livelihoods, but has also stymied post-conflict construction efforts due to the high cost of construction materials.

The nature of taxation in South Sudan has also contributed to the slow materialization of the formal sector. The CPA and the Interim Constitution (post-2005) provided the legal basis for three-level government taxation, namely: Government of National Unity; Government of Southern Sudan; and States/Regions. The implementation of this system became “uncoordinated and un-harmonized…rates are levied on an ad hoc basis…unauthorised revenue collection is rampant.” Other constraints included: inadequate protection for investors; the deficient enforcement of contracts and the difficulties involved in closing businesses.

Table 7 provides rankings of how Juba compares to 183 economies in terms of business regulation, based on data from the World Bank/International Finance Corporation’s ‘Doing Business’ project. The table reveals that in most categories, Juba is below the Sub-Saharan average, which is considerably more restrictive than many economies in Asia, Europe and North America. Consequently, most South Sudanese businesses are relatively small and operate in the informal sector.

6.5 Urban informal sector

As indicated above, the majority of people living in South Sudan’s urban areas interacted with the informal sector, including informal businesses, in order to survive. Most economically active people generated an
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income through a variety of strategies. A 2010 study undertaken by the United States Agency for International Development (USAID) identified the main means of income generation in the informal sector in Juba as being: laundry services; bread making/selling; selling of soft drinks; market stalls; grass collection; charcoal making/selling; artisanal quarrying and stone crushing; beer making/selling; domestic help; and casual labour in hotels and markets. In market places a wide selection of items are on sale, including prepared food, vegetables, beverages, hardware and household items, cooking utensils, electronic goods and cell phone vouchers. It is nonetheless important to note that formal sector unemployment in urban areas remains relatively high.

Operating a ‘boda-boda’ (motorcycle taxi) was a popular means to generate an income for young, able-bodied urban men, some of which served in the SPLA. ‘Boda-bodas’ are an essential component of the post-war informal urban transport system, ferrying workers between their homes, places of work and marketplaces (with an average fare being in the region of US$ 2). However, the industry was largely unregulated, other than drivers requiring a licence from the government to operate (which was SDG 30 in July 2010). On average, ‘boda-boda’ drivers could earn between SDG 30–60 (US$ 11–US$ 22) per day, after fuel and motorcycle rental costs have been deducted. In recent years ‘boda-boda’ drivers have been frequently accused by the authorities of being responsible for traffic accidents in Juba, which led to increases in regulation, as well as alleged harassment by the traffic police.

Relationships exist between types of income generation and gender. In very general terms, women typically engaged in marketplace activities, such as preparing and selling food and beverages, collecting grass, collecting/selling firewood and doing laundry. Men were often involved in charcoal making, jobs relating to construction, and driving ‘boda-bodas’. As in many other developing countries, some women have become the ‘bread winners’ for their families, either because the household was female-headed, or their husbands/partners were unemployed, or did not generate a stable, regular income.

Minimum earnings from market stalls, which involved the selling of food, drinks and other consumables, were between SDG 5 and SDG 30 per day, while the wages for casual labour in the markets were around

### Table 8: Livelihood activities and average wage rates

<table>
<thead>
<tr>
<th>Livelihood activity</th>
<th>Wage rate/profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firewood collection</td>
<td></td>
</tr>
<tr>
<td>Small bundle</td>
<td>SDG 5–7 (US$ 2–2.50)</td>
</tr>
<tr>
<td>Big bundle</td>
<td>SDG 20–25 (US$ 7–9)</td>
</tr>
<tr>
<td>Charcoal-burning</td>
<td>SDG 30–35 (US$ 11–13) per bag</td>
</tr>
<tr>
<td>Stone breaking</td>
<td>SDG 350–450 (US$ 130–165) per truck load</td>
</tr>
<tr>
<td></td>
<td>(One truck-load is equivalent to approximately seven tonnes or 1-2 weeks of labour)</td>
</tr>
<tr>
<td>Making bricks</td>
<td>SDG 30 (US$ 11) for 500 bricks</td>
</tr>
<tr>
<td>Smearing houses</td>
<td>SDG 20 (US$ 7) per day</td>
</tr>
<tr>
<td></td>
<td>(or approximately SDG 200 for 2 rooms)</td>
</tr>
<tr>
<td>Washing clothes</td>
<td>SDG 1 per piece (or approximately SDG 50 (US $18) for 3 days’ work)</td>
</tr>
<tr>
<td>Washing dishes</td>
<td>SDG 10 (US$ 3.50) per day</td>
</tr>
<tr>
<td>Charcoal retail</td>
<td>SDG 10 to 20 SDG (US$ 3.50–7) per bag</td>
</tr>
<tr>
<td></td>
<td>(Bags bought from charcoal-burners and sold at markets)</td>
</tr>
<tr>
<td>Food retail, tea-making and baking</td>
<td>SDG 10–30 (US$ 3.50–$11) per day</td>
</tr>
<tr>
<td>Vegetables</td>
<td>SDG 5–10 (US$ 2–3.50) per day</td>
</tr>
<tr>
<td>Alcohol brewing</td>
<td>SDG 10–15 (US$ 3.50–$5.50) per day</td>
</tr>
</tbody>
</table>
SDG 5 per day. See table 8 for further details on wages/profits from informal sector work. In comparison, wages/salaries in the formal sector were on a par with market stallholders (also known as the ‘table trade’), with police and prison personnel monthly remuneration being approximately SDG 350. Drivers and guards earned around SDG 400–500 per month.299

Most households spent their income on food, school fees, and medicine, with the costs of all three reported to be increasing annually, largely due to increases in transportation and tariffs/taxes.300 For example in 2010, a crude assessment of the average food costs for people of living in informal settles were as follows: 1kg of meat=SDG 12; 1l cooking oil=SDG 4; 1kg maize=SDG 4; 4 tomatoes=SDG 2; 200l of Nile water=SDG 5; live chicken=SDG 50; live goat=SDG 180; and a live sheep= SDG200.301

6.6 DDR programming

In January 2005, following two decades of civil war in Sudan, the CPA was concluded between, and signed by, the main conflicting parties, namely the Sudanese People’s Liberation Movement (SPLM) and the Government of Sudan. The CPA allowed for the establishment of an interim constitution, which was the legal basis on which the Government of Southern Sudan (GOSS) was established and granted a high degree of autonomy. The Agreement also made provision for a referendum on the independence of Southern Sudan.

In terms of the CPA, the Government of Sudan and the SPLM agreed to proportional reductions in the size of their armed forces, with DDR programming being the key implementation instrument. International donors and agencies were tasked with financing the DDR process, but the specific DDR objectives, orientation and strategies were unspecified.302 Following discussions and negotiations between the Sudanese Peoples’ Liberation Army (SPLA) and international donors, a DDR target figure of 90,000 was determined. However, this figure was based on loose estimates of the personnel size of the SPLA, as no accurate member record existed at the time.

After the finalisation of the CPA a National DDR Coordination Council and an Interim DDR Programme were established, under whose auspices a National DDR Strategic Plan (2007) was compiled. The fundamental aim of the plan was “to consolidate the peace process and to create an enabling environment to undertake the activities related to human security, reconstruction and development”. The specific objectives of the plan were as follows:303

- Reintegrating the targeted groups psychologically, socially, politically and economically into civil society
- Enhancement of peaceful coexistence among various groups of ex-combatants and their communities through psychological demobilisation
- Empowering ex-combatants to economically compete and to rely on themselves
- Supporting special needs groups (women and children associated with armed groups, disabled and elderly)
- Reducing and controlling small arms to create a peaceful environment and to enforce the rule of law
- Sensitisation of the targeted groups and host communities on issues related to HIV/AIDS, peace building and healing.

A number of target groups were identified in the plan, namely: voluntary demobilised combatants from the Sudanese Armed Forces (SAF) and the SPLA; ex-combatants identified as a result of downsizing as envisioned in the CPA; disabled and elderly combatants from the SAF and the SPLA; child combatants and children associated with armed forces and groups; and women associated with armed forces and groups.304

The National DDR Coordination Council was allocated the responsibility of policy formulation, oversight, review coordination and evaluation. Two DDR commissions, in Northern and Southern Sudan, were also created to facilitate the implementation of the Strategic Plan, through the design and execution of DDR processes and activities within their respective territories. Both of these commissions were comprised of a number of State (provincial) Offices, which were responsible for implementing DDR activities at the State (provincial) level.

The UN, especially the UN Mission in Sudan (UNMIS), the UNDP, UN Children’s Fund (UNICEF), as well as international organisations, a range of donor agencies and non-governmental organisations pro-
vided financial and technical support. The UN, for its part, taking into consideration the requirements of the UN IDDRS, sought to synchronize and implement its DDR activities via an Integrated DDR Unit.

The main rationale for the Interim DDR Programme, according to the National DDR Strategic Plan, was to “address the vulnerable groups normally left out in the DDR process and to lay the groundwork for subsequent development and implementation of a multi-year DDR program.” This Programme, however, did not progress beyond conceptualising, strategizing and planning, and was dogged by the complexities and challenges of implanting a DDR programme in a large, grossly under-resourced country. This state of affairs was exacerbated by the fragility of the peace agreement and considerable institutional rivalries between the main DDR stakeholders.

The Interim DDR Programme was subsequently replaced by the Multi-Year DDR programme in June 2009, which was predominantly geared to DDR implementation. With the benefit of hindsight, many DDR specialists lamented the lost opportunities of the 2005-2009 period, as the delayed implementation of the DDR programming was arguably to haunt the effectiveness of post-conflict peace building in South Sudan.

The Multi-Year DDR programme was to be underpinned by a Master List of 90,000 individuals identified to undergo DDR. The SPLA became entirely responsible for compiling the Master List, which was to be ultimately linked to a reduction in the salary component of the SPLA budget. Consequently, the SPLA became the key power broker within the revived DDR process. The UN, which was responsible for sourcing and disbursing funding for DDR activities, as well as providing technical support, initially endorsed this arrangement, as it coincided with a central principle of the UN IDDRS, namely that DDR processes should be ‘nationally-owned’.

A combination of political and security considerations led to this arrangement: the GOSS, which was concerned about the possibility of renewed military action from the North in the post-CPA period, and the existence of tensions in the border areas, delegated the responsibility of the Master List to the SPLA. This decision was arguably taken to minimise the possibility of institutional insecurity and low morale within the military organisation. The SPLA subsequently adopted a decentralised approach to the Master List with individuals being nominated at the State level by senior SPLA officials. However, there appeared to have been a lack of suitable checks and balances within the SPLA to verify the reliability of the information on the Master List. In addition, systems to independently and effectively authenticate the credibility of the Master List did not materialise. Given these challenges, the Master List was replaced by a less formal ‘names list’.

UN financial (through donor governments) and technical investment in the DDR processes was forthcoming, with the bulk of the reintegration workload either being undertaken by UNMIS or subcontracted to ‘implementing partners’, namely the International Organisation for Migration (IOM), FAO, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Bangladesh Rehabilitation Assistance Committee (BRAC). Further subcontracting to non-governmental organisations and the private sector also took place. UNICEF took the lead in facilitating DDR in relation to children.

The Southern Sudan DDR Commission achieved full autonomy from the National DDR Coordination Council, and with South Sudan’s independence in July 2011. The Southern Sudan Disarmament, Demobilization and Reintegration Commission Act was finalised in 2011, which renamed the Commission the Republic of South Sudan Demobilisation, Disarmament, and Reintegration Commission (RSSDDRC), and stipulated its post-independence mandate as “to provide for the establishment and governance of an independent Commission to expedite the process of disarmament, demobilisation, and reintegration of ex-combatants into other regular forces, and other civilian institutions and society, and certain issues related thereto”.

Conventional DDR programming was pursued in both North and South Sudan. In South Sudan, those identified by the SPLA for DDR were required to report to demobilisation sites, where they would be registered as beneficiaries. They were required to hand-in
firearms and ammunition (if in their possession) and undergo medical and/or disability screenings. These individuals were also required to attend information sessions on reintegration, and thereafter select a reintegration option. For these individuals, demobilisation equated to being discharged from the SPLA, as they were issued discharge certificates.309

DDR in South Sudan was divided into two phases, with 36,641 individuals from the special needs group (SNG) being earmarked to participate in phase I, and 53,400 SPLA personnel in phase II. Close to 1,000 women associated with armed forces were also identified to receive DDR benefits. A key drawback of the DDR process was that, by the time the practical DDR processes were implemented, close to three years had past since the conclusion of the CPA, and a significant number of the targeted DDR beneficiaries had already self-demobilised and returned to their home communities. These individuals were subsequently recalled by the SPLA to report to demobilisation sites / assembly areas in order to undergo DDR. Significant numbers did not report for disarmament and demobilisation registration, and numerous others who applied for DDR benefits were deemed to be ineligible.

Phase I of the reintegration strategy took an individualistic approach to reintegration, and focused on the reintegration of SNG. According to the 2008 GOSS and SSDDRC Strategy Document, by the end of the reintegration process, each ex-combatant was supposed to receive a package worth US$ 1,750 with USD 1,500 being sourced from international donors and US$ 250 coming from the GOSS.310 The budget for reintegration in both North Sudan and South Sudan was USD 105 million.

After demobilisation, discharged individuals received a reinsertion package, which was comprised of a selection of the following: clothing, food rations (sorghum, beans, oil and salt), soap, cash (SGD 860), mosquito nets and a variety of other items. These packages were a transitional arrangement to provide stopgap livelihood support for beneficiaries and their dependents for the period between the end of demobilisation and the initiation of reintegration support.

Reintegration programming took the form of training, with subsequent material support and technical advice being provided. The implementing partners (mentioned above) initiated a variety of reintegration training options, with the main categories being: agriculture production and livestock rearing; small business and entrepreneurship; vocational training; and education.311 Approximately 80% of the reintegration beneficiaries chose the small business and agriculture/livestock options. In addition to the individual reintegration options, projects were established, and support provided, in those communities that would receive demobilised individuals. Examples included women and youth empowerment initiatives.312

By the end of the disarmament and demobilisation components of phase I of the Multi-Year Programme (April 2011), 12,525 of the targeted 90,000 individuals had received disarmament and demobilisation support. In addition, 12,282 had received counseling; 9,575 were registered with DDR implementing partners; 5,033 had completed formal DDR training; and 4,459 received material DDR packages.313 The completion of the reintegration component of phase I was scheduled for December 2011.314

6.7 Reintegration dynamics

The under-performance of the DDR process in South Sudan is undeniable and has been widely criticised. In September 2011 the Small Arms Survey Sudan Human Security Baseline Assessment released a report claiming: “by any criteria, phase 1 can be judged as having largely failed…[and that] the programme had no discernible impact on human security in South Sudan.”315 No detailed assessment or substantial evidence was, however, provided to validate such a bold deduction. Other critiques have been more nuanced, and the STHLM Policy Group, for example, in its evaluation of the DDR process in December 2010, concluded that the DDR process was:

“More of an expensive livelihoods support program for a limited group of people than a relevant contribution to peace and stability in southern Sudan…[and that] the DDR has not been effective in terms of contributing to the reduction of military capability, military expenditure, nor to confidence building measures.”316

It is important to note that the outcome of the DDR process in South Sudan was fundamentally shaped and curtailed by dynamics within the SPLA, and the relations between the SPLA, UN agencies responsible
for supporting DDR, implementing partners and the DDR Commission in South Sudan. Security considerations could also not be discounted. The South Sudan government, particularly the SPLA, concerned about armed conflicts in the border regions, and anticipating the strong possibility of military action from Khartoum, did not actively prioritise DDR. In short, the DDR process in South Sudan was undertaken in an acute environment of adversity. The STHLM Policy Group further suggested that:

“The CPA, which is de facto a ceasefire, was an insufficient basis for an actual process of demobilisation of active-duty combatants… [and that] there is quite a strong feeling among many of the older SPLA members that the current design of the DDR does not provide them and the people they fought side-by-side with, sufficient support.”317

Given the abovementioned considerations, the SPLA, from a military perspective, earmarked its least valuable members for DDR. This group included certain disabled and wounded members, as well as women and children, and became more widely referred to as the SNG. There were also indications that SNG individuals were chiefly drawn from militia/armed groups who had previously been integrated into the SPLA, whose loyalty to the SPLA was unclear, many of which were not directly benefiting from SPLA salary payouts. SPLA members identified as ‘War Veterans and Wounded Heroes and Heroines’, which were widely respected within the SPLA, were not targeted for DDR.

The effectiveness of UN DDR work was also seemingly undermined by alleged inter-agency rivalries and tensions; not only within Juba; but also between Juba and Khartoum; as well as between UNMIS and UN Headquarters in New York. The UN also kept a tight rein on the financial resources allocated for DDR in South Sudan, which provided UN agencies with considerable leverage in determining the type, content and manner of support provided as well as the organisations and agencies that would be contracted to implement the processes and activities.318

The dominant role of the SPLA in the DDR equation, sanctioned by the UN and donor agencies, effectively diluted the ability of the DDR Commission to fulfil its oversight mandate. As the DDR process matured, the Commission increasingly found itself restricted to coordination, donor liaison and public relations roles. Since 2009, the majority of its activities have involved: the hosting information and sensitization workshops; strategy, stakeholder and donor meetings and conferences; research; presiding over DDR ceremonies; distribution of public education material; and press conferences.319

Relations between the Commission and the SPLA, as well as between the UN and the Commission were consequently strained on occasion.320 For example, an acrimonious disagreement between the Commission and UNDP over the management of the DDR process, and the manner in which financial resources were allocated (and associated transparency) was widely reported in the Sudanese print and electronic media.321 At the time, the Chairperson of the Southern Sudan DDR Commission, William Deng Deng, was reported as saying: “There has been no boss [of the DDR process]. Who is the boss? Is it the UNDP? Is it the donors? Is it the government of South Sudan? It must be the government of South Sudan because this is a government project”.322 Added to this, the SSDDRC was of the view that a number of donor agencies that provided financial support to the demilitarisation process were at times inconsistent in terms of prioritising DDR support.323 For the beneficiaries of DDR support, the Swahili proverb, ‘when elephants fight, the grass gets hurt’ appeared to have had some resonance.

6.8 Informal sector and the impact of reintegration support

6.8.1 Overview

A 2010 study commissioned by the World Bank, African Development Bank and Southern Sudan DDR Commission found that 80% of the 3,000 sample participants from the DDR process defined themselves as unemployed.324 Taken at face value this finding would suggest that the DDR process should be considered a fiasco (in line with the Small Arms Survey’s conclusion). However, a more nuanced analysis of reintegration in South Sudan indicates that there ap-
pears to be some surprisingly positive developments.

Similar to CAR and the DRC, there was the prevailing view among the majority of former combatants, that employment was synonymous with receiving a monthly salary or wage. This was reinforced in two ways. Firstly, following the CPA, SPLA members were provided with salaries and other benefits, although the regularity of payment varied. Over the past five years the salaries of the lowest ranking SPLA members have ranged between US$ 300 and US$ 500 per month. Secondly, certain government officials and senior SPLA officers, when informing the SPLA rank-and-file of the DDR process, allegedly embellished the benefits that would be provided to demobilised SPLA members. Many were left with the impression that lucrative employment (and other remuneration) would await those who were demobilised.

Nonetheless, as indicated in the section on the economy of South Sudan, formal sector employment was extremely limited, even in government ministries and agencies. Such employment generally requires individuals to be literate, numerative, and be conversant in English. These were skills that the vast majority of rank-and-file ex-combatants and SNG individuals did not possess, due to decades of war, and a dysfunctional and largely ineffective education system.

However, despite these expectations, commonly held views on employment, and a lack of education, significant numbers of SNG and ex-combatants were able to pursue civilian livelihoods in post-war South Sudan. The greatest successes were in small informal businesses in urban areas, as well as in the subsistence agriculture, predominantly in rural areas. An assessment of the reintegration of only 53 former combatants by the Small Arms Survey in 2010/2011, suggested even though many ex-combatants had been able to pursue civilian livelihoods, this had been achieved prior to reintegration support being provided. The report therefore questioned the design and rationale of the South Sudan DDR process. Some DDR implementing partners, such as GIZ and FAO, appeared to have been aware of this dynamic, and sought, where possible to use reintegration support to enhance the livelihood endeavours of former combatants.

GIZ reported in June 2011 that 64% of the beneficiaries that underwent GIZ-sponsored training were self-employed (majority) or employed. Most of self-employed DDR beneficiaries were involved in informal small businesses, selling fruit, bread, soft drinks, and managing restaurants/cafes. In addition, a highly successful fishing cooperative, which operated throughout the entire value chain, had been established. These successes appeared to due to ‘opportunity and partnership mapping’ being undertaken in the areas where GIZ support was being offered; appropriately targeted training (small business, vocational activities and agriculture); a comprehensive selection process of beneficiaries; and regular monitoring and evaluation.

Interviews in Juba with ex-combatants and SNG individuals who had been beneficiaries of SNG support revealed that the training support had assisted them in either becoming self-employed or finding employment in the informal sector. Some beneficiaries had even been able to establish multiple small businesses. In some cases, ex-combatants had expanded their small businesses to include other ex-combatants/ SNG individuals or family members. Many ex-combatants indicated that they were remitting a significant portion of their income to their families, including spouses and children, most of whom were living in rural areas. Some of the beneficiaries of vocational training support were working within the UN system on short-term contracts (six to eight months) as carpenters, plumbers, electricians and welders. These individuals earned between SDG 40 and SDG 60 per day.

6.8.2 Small businesses

In terms of income generation, those interviewees who operated informal sector businesses in Juba’s main markets indicated the following:

- Small restaurants owners could earn a daily profit of between SDG 100 and SDG 500
- Juice bar vendors could generate an approximate income of SDG 100 per day
- Tea/coffee stalls made a profit of about SDG 60 on market days
• Vegetable/fruit sellers often earned in the region of SDG 30 pounds daily
• The tailoring business brought in an average income of SDG 30 per day
• Phone card vendors could earn up SDG 200 daily.

The majority of fresh produce (especially fruit and vegetables) sold in the urban markets of South Sudan was imported from neighbouring countries. The former combatants/SNG individuals interviewed reported that their profits were negatively affected by poor road infrastructure and numerous checkpoints (which delayed the delivery and affected the quality of the produce), as well as transport/import taxes (which increased the cost of the produce). Insufficient cold storage, business/market taxes and poor access to credit were also indicated as constraints to business. DDR beneficiaries who were in vocational trades, and employed by the UN, expressed concern about job insecurity, given that they were only employed on short term contracts.332

6.8.3 Rudimentary income-generating activities

Former combatants without skills or entrepreneurial competencies in urban areas have had to pursue more rudimentary income generating options, such as the manufacture and sale of charcoal, artisanal quarrying, stone crushing, grass collection and casual labour.333 One demobilised former SPLA soldier described the charcoal trade as "not very profitable and requiring a lot of energy".334 Some former combatants earned a living operating 'boda-bodas'.

6.8.4 Subsistence agriculture and animal husbandry

In rural areas, ex-combatants and SNG individual primarily resorted to subsistence agriculture and livestock rearing. The FAO, as well as other implementing partners, provided considerable reintegration support in this regard. The FAO provided training in these sectors to 1,883 beneficiaries in the following enterprises: field crop production; vegetable growing; ox plough; poultry; bee keeping; fisheries; small ruminants (goats). Beneficiaries were encouraged to be trained in multiple enterprises in order to have the option of diversified livelihood support. The most popular were: ox plough; field crop production; and small ruminants. The livestock options were particularly popular due to the high cultural value attributed to these animals (particularly cattle).335

At the time of the interview, the FAO had undertaken follow-up visits with approximately 20% of beneficiaries, and indicated that there had been mixed results in terms of achieving sustainable reintegration. Some beneficiaries had improved their standards of living through using the training and material support provided by FAO and other organisations, whilst others had been less successful. The key determinants of success were previous experience/skills with agriculture and livestock, and natural inclination towards entrepreneurship.336

6.8.5 Community reintegration

In addition to livelihood reintegration, there were indications of some progress towards community reintegration. For example, an understated finding of the 2010 World Bank, African Development Bank and Southern Sudan DDR Commission socio-economic study of the reintegration ex-combatants into communities of return was that "more community leaders and individuals perceive the engagement of DDR participants in community affairs as normal, rather than low or non-existent."337 However, the reintegration process to date, for all intensive purposes, is a prelude to a far more substantial DDR process that will be launched in the latter part of 2011. The objective of the new DDR phase is to disarm, demobilise and reintegrate 80,000 active SPLA/South Sudan Armed Force (SSAF) in addition to 70,000 former SPLA personnel that were absorbed into the South Sudan Police Services, the Wildlife Service and Prison Services and Fire Brigades from 2005. Therefore the total number of individuals that are targeted for DDR totals 150,000.338
Part III

Comparative Analysis
Comparative analysis -
Reintegration of former combatants and the informal economy

Taking into consideration the analytical framework, a comparative analysis of the key observations and findings from the three case studies are outlined below.

7.1 Human development

All three case study countries were defined as having low human development, and were in the bottom 10% of all countries listed in the HDI, lower than the sub-Saharan HDI average since 1980. In addition, poverty was endemic in all three countries. The implications were that ex-combatants had been confronted with a severely limited bouquet of individual development options and livelihood choices at the time they started the reintegration process. The low levels of human development had also informed the design of the reinsertion and reintegration support.

7.2 Economic conditions

In all three case studies, governments primarily generated revenue through the export of primary commodities, such as oil, minerals and agricultural produce. Nonetheless, only a small fraction of export earnings were reinvested in the national economy. This left most key sectors underdeveloped, with the majority of the population sustaining themselves through low-level, informal economic activities; most food was produced through subsistence agriculture. Consequently, the informal economy eclipsed the formal economy.

The dominance of the informal sector was perpetuated by the undersized nature of the commercial banking sector in all three countries, with very little limited credit being available for informal sector enterprises. In some cases microcredit was available, but this was dependent on the availability of assets that could be provided for surety. Where ex-combatants had access to credit, as was the case with the fishing cooperative in South Kivu, businesses were expanded and operating risks reduced. The inadequate availability of credit also negatively affected the agricultural sector, where farmers were restricted from developing their subsistence crop and animal husbandry livelihoods into more commercial/profitable ventures.

Ex-combatants who required credit typically borrowed money from family members, friends and relatives – in most cases to start a business. Others acquired investors or business partners as a means to grow their businesses. In mining areas, impoverished artisanal miners who were unable to access credit were required to lease mining equipment from middlemen in order to generate income. The relationship varied from being supportive in some case to exploitative in others.

Dilapidated road networks and related infrastructure restricted the ability of ex-combatants to enhance their livelihoods particularly through income generation and agricultural production. The reason for this is that in all three countries, the poor system of transport infrastructure made it exceedingly difficult for farmers to ferry their produce to urban markets, and inflated the cost of imported goods. Formal sector import and export business was beyond the reach of most ex-combatant entrepreneurs due to the excessive cost of importing/exporting cargo containers.

The dominance of the informal sector is perpetuated by the undersized nature of the commercial banking sector in all three countries.
Consequently, most trading businesses were small, with ex-combatants transferring their goods on their backs, bicycles, *chukudus* (as in the case of North Kivu) or motorcycles. Conversely, this state of affairs presented profitable prospects for entrepreneurial and intrepid ex-combatants who were able to exploit a gap in the market by initiating transport businesses, and/or addressing a key consumer demand that the inadequate infrastructure created (such as the ex-combatant water business in North Kivu).

### 7.3 Governance

A key paradox of the three post-conflict countries was that despite being characterised by weak governance and underdevelopment, the economy was regulated by unwieldy and sluggish bureaucratic systems and processes. The World Bank has rated all three countries as being amongst the most challenging and expensive globally in which to do business. In such circumstances, as the case studies reveal, most business ventures, including those of ex-combatants, were small and confined to the informal sector. That is the costs and procedures associated with transitioning a business from the informal to the formal are generally prohibitive. Economic growth and improvements in GDP per capita, living standards and vital infrastructure are consequently undermined.

In all three case studies, a significant number of ex-combatants with commercial ventures bemoaned the rate and complexity of taxation. Most often taxes had to be paid to numerous levels of government, and taxpayers received minimal benefits and services in return. In many instances, ex-combatant businesses did not comply with government regulations, which made the business owners (and their employees) vulnerable to exploitative behaviour by corrupt government officials. Ex-combatants tended to regard the tax system as excessive, and at times predatory. High rates of taxation reduced the amount of available resources that ex-combatants could reinvest in or improve their businesses. Some businesses therefore sought to avoid paying formal tax (where possible) or paid informal taxes or bribes to officials, which were typically lower than the official tax.

In all three countries, most ex-combatants with cross-border trade enterprises encountered numerous checkpoints when ferrying goods between the source and the market (consumers). Not only were a variety of fees required to be paid, but significant delays were also encountered. This usually increased the price and reduced the quality (in the case of fresh produce) of the goods.

Areas outside of governmental control in all three case studies presented both opportunities and risks for ex-combatants. Where the ungoverned space corresponded with mineral wealth (as in the case of the DRC and CAR), opportunities for significant income generation through informal sector activities were enhanced. However, such activities were usually illegal and involved a high degree of risk on the part of the ex-combatant. Violence was often a feature of such an environment, with ex-combatants being both the victims (artisanal miners, gold smugglers) and perpetrators (member of an armed group/militia, criminal gang). In addition, armed groups, militias or government soldiers often taxed ex-combatants who were engaged in economic activities. These militarised groups then used these tax revenues to reinforce and perpetuate their control of the mineral areas.

### 7.4 Security

Outside of key urban centres, personal security remained a key concern for most ex-combatants and civilians alike in all three countries. Such conditions negatively affected ex-combatant livelihood choices, particularly the investment in activities that would improve food security and living conditions, as well as contribute to economic growth. The reason for this is that rural populations were often at risk of attacks and looting by militias and bandits, particularly in the CAR and the DRC.

At times such armed groups and militias took control of important transport routes in areas outside of the ambit of government authority. This meant that transport-related businesses, including those run by ex-combatants, were susceptible to theft or disruption by such armed groups. In the mining areas, personal security was low in most cases due to the poor and unsafe working conditions in the mines and the potential for abuse at the hands of armed factions.

### 7.5 DDR programming and support

The manner in which ex-combatants used the reinsertion or reintegration material support, especially the kits that were provided to them, varied. Some used them directly for income generation activities, such
as establishing a small business or trade. A significant number sold the kits, with some using the proceeds for short-term consumption, while others invested the funds in economic ventures which they felt were more appropriate to their personal circumstances and those of the local economy.

Some former combatants were able to use the skills they had acquired through the reinsertion/reintegration capacity-building process to directly generate an income. In this regard, there appeared to have been a correlation between the successful utilisation of the DDR training and aptitude and skills of the ex-combatant prior to the provision of DDR support. This was particularly the case in South Sudan and the DRC. However, a number of ex-combatants reported that they had not received any significant reintegration support. Some former combatants employed their skills and expertise acquired from conflict or prior to the conflict to generate income in the post-conflict environment.

There was some criticism of the DDR support, especially in CAR and the DRC, in that no further follow-up support was provided to address the problems encountered with reintegration activities and enterprises, such as to counter livestock diseases. There also appeared to have been disparities in the allocation of DDR resources and support in terms of gender. In CAR and the DRC some female ex-combatants alleged that they had been discriminated against (in comparison to male ex-combatants) in the allocation of DDR resources, as reintegration support was often linked to the possession of a firearm, which did not apply to most women. Conversely, in South Sudan, female ex-combatants (as well as children and disabled ex-combatants) were prioritised in the DDR process, primarily due to strategic considerations and the implementation approach of the DDR programme.

In some cases reintegration support was not provided for certain economic activities that were more relevant for ex-combatants, such as artisanal mining and motorcycle taxis. These diluted the effectiveness of the support. Nonetheless, despite the absence of such support, ex-combatants were able to pursue livelihoods in these sectors.

### 7.6 Personal circumstance and networks

The availability of personal/support networks that ex-combatants could utilise for economic purposes was essential to securing sustainable livelihoods. These networks tended to be comprised of other ex-combatants, who then pooled resources and combined their expertise to establish informal sector business enterprises. These ex-combatant networks were also used to access certain markets, as was the case of the gold trade in the eastern DRC.

Where opportunities existed and it was mutually beneficial, ex-combatants entered into business arrangements with individuals and networks that did not have military backgrounds. Ex-combatants also made use of family/relatives networks for both borrowing money and accessing employment opportunities.

The manner in which the surrounding communities where ex-combatants resided and pursued livelihood options (both urban and rural) responded to the ex-combatants influenced ex-combatant livelihood choices and the sustainability thereof. Where communities were accepting or indifferent towards ex-combatants, the livelihood choices appeared to be more sustainable. However, the opposite applied in situations where communities were suspicious or hostile towards ex-combatants.

There appeared to be a correlation between ex-combatants livelihood choice and marital/family status. It seemed that in most cases if a male ex-combatant was married and had children then the livelihood option was often stable and legitimate. A similar dynamic existed for female ex-combatants, particularly those who were unmarried and had to provide for their dependents. In the case of young male ex-combatants riskier livelihood options were often pursued, such as artisanal mining, mineral smuggling and the motorcycle taxi sector. Some resorted to criminal activities or joined armed/militia groups.

There appeared to be a correlation between ex-combatants livelihood choice and marital/family status.

In all three countries ex-combatants often undertook a variety of income generating activities in order to save funds and provide for themselves and their families. In some cases ex-combatants were running multiple small businesses, usually employing in family members to assist.

In a large number of cases ex-combatants had sought
to improve their socio-economic status by changing and adapting the manner in which they generated an income. For example, some ex-combatants started working in menial jobs, accumulated savings and then invested in more profitable ventures. There was often a positive, upward spiral process. It was frequently observed that those ex-combatants with ambition and a flare to succeed in their economic ventures were the most successful in the process of economic reintegration.

### 7.7 Ex-combatants and types of economic activities

The case study research has revealed that ex-combatants undertook a wide variety of economic activities in the informal sector in order to sustain themselves and generate an income. There were many commonalities between the countries and the environments in which ex-combatants resided, particularly small business, cross border trading and agriculture. The differences were primarily determined by external conditions. That is, forests and mineral deposits in CAR and DRC provided livelihood options that were not available for ex-combatants in South Sudan.

In some cases, former combatants were drawn into dubious and criminal activities, while other were recruited into armed groups and militias. Figure 9 is a depiction of the main types of income generating activities available to ex-combatants in the three case studies.

### 7.8 Gender and DDR

There were some similarities and differences in the gendered aspects of DDR in the three case studies. It was suggested in some cases that there had been a prioritisation of male ex-combatants by means of the DDR selection criteria, with a number of female ex-combatants particularly in CAR and the DRC, advocating for a “fairer” allocation of benefits. However, the study was not able to accurately determine the nature and extent of actual discrimination against female ex-combatants (if at all). In addition to conventional DDR programming, financial, material and capacity-building support for female ex-combatants and other ‘special needs groups’, was provided, especially in the DRC and South Sudan. In South Sudan, for example, due to the institutional challenges of implementing conventional DDR, women that had been associated with the armed conflict became the principal group to benefit from reinsertion and reintegration support.

It was alleged that discrimination against female ex-combatants was prevalent within most armed entities in all the cases under study. This discrimination was arguably entrenched by economic and cultural biases in the communities in which women resided, which some respondents suggested contributed towards undermining the ability of women to access DDR resources. In the eastern DRC there was the added dimension of heightened insecurity and the prevalence of sexual violence, which had a negative impact on the reintegration of female combatants and females associated with the armed conflict.

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**Figure 9: Categories of informal sector income generation**

<table>
<thead>
<tr>
<th>Small business &amp; trading</th>
<th>Agriculture, hunting &amp; fishing</th>
<th>Forestry/timber</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smuggling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Armed groups &amp; crime</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing &amp; construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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68
Conclusion

This research report has provided insights into the manner in which ex-combatants have interacted with the informal economy in post-war contexts. It has revealed that the viable livelihood options for ex-combatants in the three case-study countries were almost entirely within the informal economy, but were restricted by low levels of human development, extreme poverty and insecurity, which had primarily been brought about through decades of poor governance and a legacy of war. Consequently, the types of reintegration support that was offered to ex-combatants were limited in variety. Some respondents suggested that there were disparities between men and women in the allocation of DDR resources, with men receiving preferential treatment. However, in the absence of sufficient data it was not possible to accurately assess gendered components of DDR.

Nonetheless, DDR material and training support generally assisted the beneficiaries in the three cases studies, both directly and indirectly, to supplement or enhance their livelihoods. However, there were a significant number of incidences where ex-combatants, particularly in the DRC and South Sudan, sold their reinsertion/reintegration kits. In many such instances, the proceeds of the sale of the kits were not squandered on short-term consumption, but were rather used to invest in more appropriate livelihood options for the individuals concerned.

Numerous ex-combatants were resourceful in sustaining themselves economically and/or generating income. The majority of ex-combatants have pursued reputable livelihoods, replicating those individuals who did not have a military background, such as subsistence agriculture, animal husbandry, operating small businesses and trading enterprises. There were some generational differences with respect to livelihood choices. For example, some types of economic activities were clearly popular amongst younger male ex-combatants, such as motorcycle taxis and mining. In the eastern DRC, for example, young male ex-combatants were highly conspicuous in both sectors. Small numbers of former combatants of this generation had also engaged in criminal activities or had been recruited into armed or criminal groups.

Some ex-combatants established cooperatives and joint business ventures, which seemed to have been relatively successful, as such informal sector entities, compared to individual enterprises, had greater access to capital and labour from its members or partners. In some cases, these economic arrangements enabled those associated with the entity to access credit from banks. These arrangements also tended to provide an economic safety net for its members or partners.

Despite the persistence and ingenuity of ex-combatants in pursuing viable livelihoods in the face of adversity, conditions in the local economy severely restricted sustainable economic reintegration. The lack of key infrastructure, and overly bureaucratic and exploitative approach of local authorities were key problem areas. Building and repairing transport infrastructure is essentially a long-term process. However, key domestic economic reforms, such as the professionalization of the tax system, and concerted government support for emerging economic enterprises has the potential not only to be highly beneficial for ex-combatants, but also for ordinary civilians.
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An artisanal gold mining site on Anglo Gold's concession, a few kilometres from Mongbwalu.

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Tumaini Hamisi fought on the side of RCD-Goma during the 1998 war and later for the CNDP in 2008 and did not receive any DDRRR support.

A chukudu is a wooden, non-mechanised means of cargo transportation. It resembles a large wooden scooter, and is arguably the backbone of the urban informal economy in North Kivu. The symbolic importance of chukudu is immortalized in a golden statue located on Boulevard Kanyamuhanga in the centre of Goma.

Tumaini Centre is located in the Commune de Karisimbi, in Goma. It offers training to child-ex-combatants. The centre is the only one of its kind in North Kivu Province. However, due to overwhelming demand, the centre also offers training even to adult ex-combatants in search of skills.


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Small business development involves brief training in the following fields: tea and coffee, airtime card vending, juice bar, peanut butter making, vegetable growing, and vendor kiosks. Vocational training involved tailoring, driving, auto mechanics, carpentry and joinery, plumbing and pipefitting, welding and metal fabrication, construction including bricklaying and concrete practise, food processing and electrical installation.

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