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Forum: Congo - fact and fiction

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Alain Akouala, communications minister for the Republic of Congo, in his June 11 article in the Commentary pages of The Washington Times, made an interesting stab at defending the indefensible.

For those who have not followed the story, here is a quick summary. The Republic of Congo (not to be confused with the former Belgium Congo next door) is an oil-rich nation, but the people are kept dirt poor by a corrupt and incompetent government as officially described by the English courts.

The Congo government is run by President Denis Sassou-Nguesso, who was also just elected president of the African Union. The country is trying to obtain debt relief from the International Monetary Fund, World Bank, and Western creditor countries. As a condition of debt relief, it is supposed to clean up its books, get rid of the rampant corruption, and start protecting human rights.

The Congo government has hired a number of former IMF officials, a leading Washington law firm, and "people of influence" to make its case for debt relief. Some of the private creditors who hold substantial amounts of Congo's debt have also hired law firms and "people of influence" to press Congo to enter into negotiations to settle the private debt before any public debt relief is granted. As one who has not been paid by either side but has followed the issue and written a couple of commentaries for this newspaper on the Congo situation, I will try to separate fact from fiction, particularly regarding some of Mr. Akouala's comments.

Mr. Akouala complains about the Congo's heavy debt burden but fails to mention that virtually all of this debt was accumulated under his boss, President Sassou-Nguesso, who has been in power *23 out of the last 28* years as a result of both coups and rigged elections. The government has been *unwilling* to account for a large portion of the revenue received during Mr. Sassou-Nguesso's reign, and much of what was budgeted was spent on old Soviet planned projects or just disappeared.

Because of the nature of Congo's production-sharing agreements and the rise in world oil prices, Congo's oil revenues have grown fourfold in the last two years. But in discussing the debt burden, Mr. Akouala gives revenue figures that are several years old. Mr. Akouala says the audit is on their Web site. But the auditor, KPMG, referring to the 2003 audit (the latest available) said the accounts were not "certifiable... or even auditable."

The creditors, albeit acting in their own self interest, uncovered many of the corrupt practices among self-dealing government officials. Rather than being "bogus claims" as Mr. Akouala charges, English and American courts ruled in favor of the creditors based upon the overwhelming evidence of corruption in the Sassou-Nguesso government.

What we have here is a fine illustration of how private markets work better than the governments. The private creditors had an incentive to uncover the fiscal mismanagement because it is their money being stolen, while the official agencies (the IMF, World Bank, U.S. and other governments) had little incentive to uncover the truth because it was only the taxpayers' money being stolen.

In addition, the Sassou-Nguesso regime has been charged with a steady stream of serious human rights' abuses by reputable organizations and governments. Mr. Akouala claims the regime is now cleaning up its act and, therefore, deserves debt relief. But promises are easy. Given the 23-year track record of Mr. Sassou-Nguesso's rule, would it not be reasonable and responsible for the IMF and the World Bank to insist the reforms be largely finished before relief is granted?

Decades of laxity in dealing with corrupt regimes have only encouraged more corruption and more human rights' abuses. The time for tough love is long overdue. The IMF and World Bank should say, "If you want debt relief, OK. But first tell us where all the money went, provide us with totally transparent books, establish a responsible financial controls' system, make a reasonable settlement with your private creditors, and stop abusing your own citizens. Then we can talk."

RICHARD W. RAHN

Richard W. Rahn is director general of the Center for Global Economic Growth, a project of the FreedomWorks Foundation.