

Rebel Funding Strategies and Conflict Dynamics in Africa

Dr. Beth Elise Whitaker
Department of Political Science
UNC Charlotte

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How do rebels fund their operations?

- Increasing attention to this question
- Wide range of possible funding sources
 - Natural resources
 - Criminal activities
 - External supporters
 - Voluntary contributions
- Implications for conflict dynamics
 - Extensive research on natural resources and conflict

Literature on Resources and Conflict

Stage	Citations	Possible mechanisms
Onset	Collier & Hoeffler 2002; de Soysa 2002; Fearon & Laitin 2003; Ross 2012; Weinstein 2005	Looting enables rebel mobilization and recruitment Resource dependence weakens state capacity Incentive for foreign intervention
Duration	Collier et al 2004; Fearon 2004; Lujala 2010; Ross 2004	Gives weaker side resources to continue Incentive to oppose peace settlement
Intensity	Addison et al 2003; Lujala 2009	Heightens competition over resource-rich areas Incentive for warring parties to cooperate in resource exploitation
Recurrence	Doyle & Sambanis 2000; Rustad & Binningsbo 2012	Disagreements over revenue distribution motivate rebellion

Conditional factors

- Resource characteristics
 - “Lootability” (Snyder 2006)
 - Geographic concentration (Auty 2001)
 - Alluvial vs. kimberlite diamonds (Lujala et al 2005; Ross 2006)
 - Oil as a special case (Fearon 2005; Ross 2004)
- Grievances as motivating factor
 - Interaction between greed and grievance (Asal et al 2015)
- Political institutions
 - Capacity to manage revenues (Snyder and Bhavnani 2005)

Limited data on resources & conflict

- Most studies rely on country-level data or case studies.
- Large-N studies typically examine only whether groups have *access* to natural resources.
- Existing studies ignore *how* rebel groups profit from natural resources.
- Existing datasets overlook other illicit funding strategies such as crime.

Rebel Contraband Dataset

- Rebel groups worldwide (1990-2012) by conflict dyad year
- Indicates *if* and *how* they profited from natural resources
 - Extortion
 - Smuggling
 - Theft
 - Booty futures
- Also includes non-resource-related criminal activities
 - Extortion
 - Smuggling
 - Theft
 - Kidnapping
 - Humanitarian aid
 - Piracy

Example: Democratic Republic of Congo

Group	Years Active	Resources	Strategies
Alliance of Democratic Forces for the Liberation of Congo-Zaire (AFDL)	1996-1997	Gold (1997); Alluvial Diamonds (1997); Copper (1997); Coltan (1997); Zinc (1997)	Extortion/Theft/Booty Futures
Rally for Congolese Democracy (RCD)	1998-2001	Timber (2001); Alluvial Diamonds (2000-2001); Gold (1999-2001); Coltan (1998-2001); Cassiterite (1998-1999)	Extortion/Theft
Movement for the Liberation of the Congo (MLC)	1998-2001	Alluvial Diamonds (1998-2001); Gold (1998-2001); Coffee (1999-2001); Timber (1998-2001); Tea (1998-2001)	Extortion/Theft
National Congress for the Defense of the People (CNDP)	2006-2008	Coltan (2008); Charcoal (2006-2008); Animal - cattle (2006-2008)	Extortion
M23 Movement	2012	Gold (2012); Minerals (2012); Coltan (2012); Cassiterite (2012); Animal – ivory (2012)	Smuggling

Some Research Questions

- How important are natural resources for financing rebellion compared to other revenue streams such as crime, state support, diasporas, etc.?
- Does exploitation of natural resources by rebel groups increase the severity and/or duration of conflict?
- Do rebel groups that exploit natural resources engage in more violence against civilians? Do they use more child soldiers?
- Does engagement in criminal activity by rebel groups increase the severity and/or duration of conflict?

Table 1: Top Ten Natural Resources (of 26 total)

	Number of Dyad Years	Percent
Opium	222	15.34
Timber ←	174	12.02
Cannabis	125	8.64
Coca	115	7.95
Oil	109	7.53
Gold	105	7.26
Agriculture-other	87	6.01
Drugs-other	81	5.60
Tea	80	5.53
Alluvial Diamonds ←	77	5.32
Total Dyad Years 1,447		

Table 2: Rebel Group Funding Strategies

Funding Strategy	Global	Africa	East Africa
Natural resources (any strategy)	46.5%		
Extortion	29.9%		
Theft	3.2%		
Smuggling	→ 33.1%		
Booty futures	0.5%		
Crime (any strategy)	→ 51.2%		
Theft	13.6%		
Extortion	37.5%		
Smuggling	13.6%		
Humanitarian aid	3.2%		
Piracy	1.6%		
Kidnapping	17.5%		
None of the above strategies	→ 35.7%		
Total group years	1,470		

Table 2: Rebel Group Funding Strategies

Funding Strategy	Global	Africa	East Africa
Natural resources (any strategy)	46.5%	34.1% ←	
Extortion	29.9%	23.2%	
Theft	3.2%	8.0%	
Smuggling	33.1%	13.5% ←	
Booty futures	0.5%	1.3%	
Crime (any strategy)	51.2%	32.1% ←	
Theft	13.6%	11.1%	
Extortion	37.5%	24.8%	
Smuggling	13.6%	8.4%	
Humanitarian aid	3.2%	4.9%	
Piracy	1.6%	1.5%	
Kidnapping	17.5%	7.7%	
None of the above strategies	35.7%	55.5% ←	
Total group years	1,470	452	

Table 2: Rebel Group Funding Strategies

Funding Strategy	Global	Africa	East Africa
Natural resources (any strategy)	46.5%	34.1%	24.6% ←
Extortion	29.9%	23.2%	16.1%
Theft	3.2%	8.0%	1.7%
Smuggling	33.1%	13.5%	14.8%
Booty futures	0.5%	1.3%	0.4%
Crime (any strategy)	51.2%	32.1%	25.0% ←
Theft	13.6%	11.1%	3.4%
Extortion	37.5%	24.8%	12.3%
Smuggling	13.6%	8.4%	7.2%
Humanitarian aid	3.2%	4.9%	8.1%
Piracy	1.6%	1.5%	3.0%
Kidnapping	17.5%	7.7%	5.1%
None of the above strategies	35.7%	55.5%	66.1% ←
Total group years	1,470	452	236

Table 3: Effects of Rebel Funding Strategies on Civilian Victimization in Africa

	Model 1	Model 2	Model 3
Any Contraband Strategy	1.99**		
Natural resources (any strategy)		2.21***	
Crime (any strategy)		-0.485	
Natural resource extortion			2.99***
Natural resource smuggling			1.64*
Criminal extortion			-1.58*
Criminal smuggling			1.51

Control variables: territorial control, foreign support, relative strength, level of democracy, population, GDP/capita

Table 4: Effects of Rebel Funding Strategies on Use of Child Soldiers in Africa

	Model 1	Model 2	Model 3
Any Contraband Strategy	.869 ⁺		
Natural resources (any strategy)		1.395*	
Crime (any strategy)		-0.513	
Natural resource extortion			1.84**
Natural resource smuggling			1.47
Natural resource theft			-3.06*

Control variables: territorial control, foreign support, relative strength, level of democracy, population, GDP/capita, unemployment

Table 5: Effects of Rebel Funding Strategies on Sexual Violence in Africa

	HRW data	HRW data	State Dept data	State Dept data
Natural resources (any strategy)	1.60***		0.304	
Natural resource extortion		2.13***		1.40*
Natural resource smuggling		-1.04		-3.55***
Abduction	1.87**	1.94***	1.72*	1.90**
Forced recruitment	0.39	0.45	0.571	0.341

Control variables: external support, territorial control, population, democracy, GDP/capita

Table 6: Rebel Funding Strategies and Conflict Termination (Global)

	Model 1	Model 2	Model 3
Natural resources (any strategy)	-0.39**		
Natural resource extortion		-.32	
Natural resource smuggling			-0.46**
Territorial control	-0.12	-0.12*	-0.17
Arms capacity	0.37	0.38	0.38

Control variables: mobilization capacity, ethnic fractionalization, diaspora support, coup d'état, democracy, population, GDP/capita

Conclusion

- Rebel groups find creative ways to fund their movements and rarely rely on one revenue source.
 - Funding strategies often change over time.
- Need more research on different natural resources and the ways in which rebels exploit them.
 - Distinction between smuggling and extortion
- Crime has often been overlooked as a common source of revenue for rebel groups.