A Monopoly of Taxation Without A Monopoly of Violence: The Weak State’s Trade-off Between Taxation and Safety

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Key Contributions

- We developed a database of armed group violent operations in South and North Kivu.
- Using this data set, we show that Forces Democratique de Liberation du Rwanda (FDLR) attacked the same villages they once protected following Kimia II, an operation conducted by the Congolese military against the FDLR in 2009.
- Although through Kimia II, the state attempted to assert an exclusive right to tax, without a monopoly of violence, this inadvertently led to an increase of violence in the region.
- This suggests that without advanced mechanisms for demobilization of combatants and the ability to deter violent crime, a disruption of a monopoly of taxation can incentivize violence.

The Kivu Conflict

Following the downfall of the Rwandan government responsible for the Rwandan genocide in 1994, over two million Rwandans fled into the Kivus, some of whom formed a predecessor organization to the FDLR and began launching attacks into Rwanda. In 1996, the Rwandan government launched a military campaign in the Kivus to address this insurgency, sparking the First Congo War (1996-1997). The Rwandan coalition installed a new president in the D.R.C., but failed to defeat the insurgency. Conflict between the Rwandan government and the new Congolese government led to the Second Congo War (1998-2004), in which the Rwandan government backed a rebel group which took control over much of the Eastern half of the D.R.C. Following the end of the Second Congo War, the Congolese State was unable to establish control of the Kivus, so the FDLR and other militias continued to fight for control of the region.

We sampled:

- 1,537 randomly selected households
- from 133 villages in South Kivu
- and 136 villages in North Kivu
- including 144 households from 18 villages in the Basile Chiefdom

This data includes detailed descriptions of attacks on villages since 1995, detailing:

- The armed group affiliation of the attack perpetrators
- Purported motivations behind the attack
- Actions the perpetrators took during the attack

To collect this data, two field researchers spent a week constructing histories of each village sampled. They identified people in the village who are particularly knowledgeable of local history and had them reconstruct the history of violent attacks in the village post-1995. Additionally, the researchers randomly selected households, and randomly selected adult respondents within the household to conduct ethnographic surveys with. These sources were cross-referenced to record the dangers of state-building by force.

Conclusions

Our findings suggest that anti-insurgency operations can have negative welfare consequences for citizens of the affected regions if the state is unable to assert a monopoly of violence. In contrast, state-building strategies based on bargaining with armed actors rather than disrupting their territorial control does not induce this trade-off. This complements a broader literature on the dangers of state-building by force.

Findings

- We validate that Kimia II successfully removed the FDLR from Basile state villages.
- We also document that this transfer of territory was not accompanied by attacks by the Congolese.
- Further, Kimia II was associated with 267% rise in FDLR attacks in the former FDLR state. Thus, Kimia II successfully made it impossible for the FDLR to tax, and has a large positive association with attacks by the FDLR on villages they previously controlled.
- We hypothesize that this result reflects a shift in incentives for the FDLR following Kimia II, which leads them to replace lost tax income with income from violent theft. We find:
  - Kimia II has no predictive power for attacks perpetrated in the former FDLR state by other armed actors.
  - The rise in attacks by the FDLR in their former territory is driven by theft operations.
  - 3.2 pillage events yield the same value as one year of taxation, making violent theft highly profitable.
  - We find that Kimia II led to a rise in attacks on rich households. The FDLR often had spies in the villages they attacked, enabling them to identify which households would be more profitable to attack.

Figure 1: Map of the D.R.C.

Figure 2: Map of the Basile Chiefdom

Figure 3. Frequency of FDLR attacks

The Data Set

Kimia II

Around 2005, the FDLR gained control of the Chiefdom of Basile. There, the FDLR protected villages from attacks by other militias and collected a variety of taxes. Each household paid around 25.5% of p.c. income in taxes to the FDLR. As part of Kimia II, 30,000 Congolese and UN soldiers were deployed against at most 6,000 FDLR soldiers. Because the FDLR was massively outnumbered, there was little resistance to Kimia II. FDLR soldiers swiftly retreated from the villages they controlled, and those that controlled Basile retreated into the neighboring Itombwe forest, where they began attacking the villages they used to protect.

Figure 3. Map of the Basile Chiefdom

Figure 4. Map of the D.R.C.