

AFRICA UNIVERSITY

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**AN ANALYSIS OF THE ENFORCEMENT OF SUBCONTRACTING
POLICY IN PRIVATE SECTOR IN LOCAL SHUNTING TRANSPORT IN
KATANGA**

BY

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
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Abstract

The local shunting transport service providing is very strategic in the mining and extractive sector in Katanga where it has been the fastest growing socioeconomic domain in the Democratic Republic of Congo since 2002. The mining and extractive sector in the DR Congo supported its National Gross Domestic Product (GDP) growth of 5.7% in 2025. However, there has been no transparency, no balance, no fairness, no equity, no equilibrium in the distribution of subcontracting works among local nationals SMEs by main and foreign contractors as recommended in the subcontracting policy. Even if the financial and technical capacity among local nationals SMEs were inadequate, in order to enhance the participation of local entrepreneurs and the rise of local expertise through priority access to subcontracting contracts, the Government of the Republic introduced the mandatory subcontracting policy.

However, complaints on the operation and implementation of the policy were raised to push the researcher to undertake this study aimed at reviewing and analysing the enforcement of the subcontracting policy in private sector in the local shunting transport service providing in Katanga mining sector. At the end a framework that can help increase local SMEs participation has been suggested. The review of legal existing documentation and literature, the conducted semi-structured interviews administered, lead to finding challenges, deficiencies and constraints in the subcontracting policy implementation. Throughout this study, it was established that without drastic intervention from the government to stop favouritism, tribalism, nepotism, bribery, and big firm from taking decision in isolation, the subcontracting policy, will remain unenforced and unsustainable. Its performance shall be evaluated unsatisfactory in the private sector in local shunting transport service providing in Katanga in particular and in the country in general. In view of the above, to address the challenges faced by local nationals' contractors and subcontractors in the business sector, it is important for the government to review and evaluate the policy with regard to capacity building of both the regulatory bodies and the local nationals' entrepreneurs. Based on the findings, a framework putting SMEs at the centre of actions and which would enhance local participation in subcontracting activities in the mining sector was developed. The model is suggested to work under closer assessment of the works to subcontract by the government, the ARSP with the regulatory bodies and expert from the Divisions of transport and the customers.

Keywords: Enforcement, implementation, subcontracting, policy, private sector, mining and extractive, contractors, Katanga.

Declaration

I declare that this dissertation is my original work except where sources have been cited and acknowledged. The work has never been submitted, nor will it ever be submitted to another university for the award of a degree.

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Students' Full Name



Signature (15 October 2025)

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Dedication

To the Almighty God, all the glory.

To my wife and daughter.

To all local entrepreneurs proudly struggling to get access to local shunting transport subcontracting businesses in the mining sector in Katanga.

To my Supervisors, Lecturers and the Dean at the College of Business and Management Sciences. To the United Methodist Church, to Impala Terminals DRC staff and management, for allowing me to learn a lot from you. To all the interviewees, participants, friends and family, thank you for being part of my journey.

This dissertation is yours.

List of Acronyms and Abbreviations

DRC	Democratic Republic of Congo
SMEs	Small Scales and Medium Size Enterprises
ARSP	Authority for the Regulation of Subcontracting in the Private Sector
KYC	Know Your Customers
KPI	Key Performance Indicators
PPP	Public Private Partnership
GDP	Gross Domestic Product
DGI	Tax General Department
FPI	Funds for Industrial Development

Definition of Key Terms

A contract: A contract is an agreement between parties that creates mutual legal obligations. A contract is an agreement between two private parties that creates mutual legal obligations for the parties to the contract. It specifies rights and obligations related to goods, services, money, or promises. The basic elements required for a legally enforceable contract include mutual assent, consideration, capacity, and legality. Contracts can be in an oral or a written form (Corbett, J., 2025).

Subcontracting: Subcontracting is a business arrangement where a company (the subcontractor) agrees to perform a specific task or provide a particular service for another company (the main contractor). The subcontractor is hired to complete specialized tasks that cannot be done internally. Subcontracting is common in industries with complex and time-consuming projects, such as construction and information technology. A subcontractor is a person or business which undertakes to perform part or all of the obligations of another's contract, and a subcontract is a contract which assigns part of an existing contract to a subcontractor (Kiekbusch, J., 2023).

A general contractor, prime contractor or main contractor may hire subcontractors to perform specific tasks as part of an overall project to reduce costs or to mitigate project risks. Subcontractors are independent contractors who provide specialized services to various industries.

Contractors: Contractors manage the entire project, and subcontractors handle specific tasks with certain insurance requirements for legal compliance (Kiekbusch, J., 2023).

Choosing a subcontractor involves verifying references, confirming licenses/insurance, and evaluating experience and expertise.

Contracts: Contracts are part of everyday dealings in most individuals' lives, that understanding the rules and elements governing contracts to ensure a contract is valid is very important. Such elements must include an offer from part A to part B, an acceptance of the offer stating that B accepts A's offer, a promise to perform that mentions B says they will perform, a valuable consideration that states amount X shall be paid for the Y goods and/or services, a time or an event when the performance must be made mentioning Y goods/services in exactly 2 weeks from now, terms and conditions for the performance stipulating that goods/services must be of such nature, and the performance ending as Y goods are delivered, and B is paid amount X. The above are the basic elements that are required for any contract. All contracts must have a legal purpose and cannot be entered into for illegal purposes. For example, contracting to commit a crime, such as hiring a hitman, is illegal. With a contract, there must be a mutual agreement made between the parties. As a mutual agreement to refer to, one of the parties must have made an offer to another party for acceptance. Acceptance typically means agreeing to the terms of the offer for a contract cannot be considered as a gift (Corbett, J., 2025).

Client: The client in a contract is the party who hires another party to provide services or goods and of which he/she is the prime funder. The client can be a person, a customer, a firm, a corporation, an entity or a business organization that has the plan, vision, and role in describing what the service provider will do, approve the concept, and fund the project. The client agreement is a legally binding contract that sets out the rights, obligations, expectations, and payment terms of both parties. The key roles a client plays include, ensuring that management arrangements are in place for the project, select a resourced and competent Principal contractor, ensure there is enough time and

resources available for all parts of the project and facilitate co-operation between their employees and contractors (Adewumi, M., 2021).

Shunting: Shunting refers to the process of moving cargo or goods, particularly vehicles, within a terminal or port using their own wheels. It involves the manoeuvring and repositioning of cargo from one location to another, either within the same terminal or between different terminals within the port. In the context of rail transportation, shunting also refers to the sorting and arrangement of rolling stock, such as train cars, into complete train sets or consists, or vice versa. The purpose of shunting is to efficiently organize and manage the movement of cargo or rolling stock within the port or railway system or between different terminals, ensuring smooth operations, facilitating loading and unloading processes, and optimizing the utilization of available infrastructure and resources (FreightAmigo, 2025).

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CHAPTER 1 INTRODUCTION

1.1. Introduction

This chapter outlines the background to the study and provides the statement of the problem. The background covers, the role of the transport sector within the mining sector in the Katanga region, the mining code reinforcing the subcontracting in the DRC and the policy encouraging foreign companies operating in the mining and transport sectors to subcontract local community-based firms. The chapter further provides the research objectives, the research questions, the hypothesis and assumption, the significance of the study, also the delimitation and the limitation of the study.

1.2. Background of the Study

1.2.1 The role of the transport sector within the mining sector in the Katanga region

Katanga region remains an important economic hub in the country for its rich mineral resources and strategic location giving ways toward the southern and eastern African regions (Takpara, M. M., Djiogap, C. F., Kouty, M., Sawadogo, B., 2024). The Democratic Republic of Congo's struggle to develop, implement and enforce efficiently policies and durably build sustainable transport infrastructure is still to be won in this 21st century. The transport sector within the region of Katanga and especially the local shunting transport services, plays a critical role in ensuring the movement of mining goods (Damania, R., Barra, A. F., Burnouf, M., & Russ, J. D., 2020) and final products from mining production sites to their internal warehouses and from either or both structures to transiting warehouses belonging to their partners or those that are being utilized or those that have been assigned by their partners to receiving such goods.

The government of the DR Congo, in recognizing the importance of such local activities, especially the daily shunting transport of different goods and material, vital to plants running, has promulgated and implemented a subcontracting policy to regulate and control the private sector's involvement in this strategic domain of activities, in order to enhance local nationals' community-based entrepreneurship, the economy growth and the development.

The policy ensures that private companies operate in accordance with national economic goals, which fosters fairness, competitiveness and transparency in assigning businesses to local providers of shunting services who are small-scale and medium sized companies. Such operators have become focal points in subcontracting policy for they essentially keep mining warehousing structures busy and push the local economic activity move forward (Dahlia, M. B., 2024). Nevertheless, the efforts to foster the implementations of such policies seem to be hindered because of inefficiencies, corruption, and absence of regulations monitoring or failure to comply with legal established standards.

Hence, the subcontracting policy came to establish clear regulatory frameworks that encourage responsible business practices within the sector. The Policy national economic goals are to promote local entrepreneurship, create jobs, uplift local nationals' capital investments and turnovers, and ensure that big foreign enterprises operating in the country collaborate to contribute to local economic sector growth and development (Dahlia, M. B., 2024). But, the enforcement of such policies remains a complex challenge, given the political instability, the inadequacy of legal frameworks, and the weak institutions that characterize the country (World Bank Group, 2023).

1.2.2 The mining code reinforcing the subcontracting in the DRC

After the first democratic elections in 2006, the Democratic Republic of Congo, DRC developed a series of policies among which the Policy No. 17/001 of 08 February 2017 laying down the rules applicable to subcontracting in the private sector (Leganet, 2017) and the revised Policy No. 18/001 of 09 March 2018 amending and supplementing Policy No. 007/2002 of 11 July 2002 on the Mining Code reinforcing the subcontracting surveillance in the private sector (Leganet, 2018) in order to provide room for Congolese Capital Investment companies, mainly the small scale and medium-sized ones have access to business, stop loss of revenues to the public treasury, promote local employment, local workforce emergence and national expertise rise.

Despite all these efforts, the country does not capture improvement, but noted that all expectations were at stake that the government in its 38th meeting of the Council of Ministers held on Friday January 28, 2022, raised great concerns on the impact of these policies, asking the Minister of State, Minister of Entrepreneurship and Small and Medium-Sized Enterprises to present an implementation full report which at the end was negative with a the development of illegal mechanisms for circumventing the law to the detriment of the local workforce, the country revenue and of the local small scale and medium sized start-ups (Copperbelt Katanga Mining, 2022).

In 2023, for same reasons, the government accounted losses in terms of billions and millions in 2024. These issues obviously indicate gaps in public policy enforcement, private sector compliance leading to an analysis of the enforcement of the policy in the mining sector. Despite the policy's intentions to enhance local entrepreneurships, concerns about its enforcement are still persistent, with some alleging that foreign companies circumvent the law to avoid

compliance. The effectiveness of the enforcement mechanisms, as well as the participation level by local businesses in subcontracted work, remains a significant and palpable concern.

1.2.3 The policy encouraging foreign companies to operate in the mining and transport sectors subcontracting local community-based firms

The Democratic Republic of the Congo (DRC) promulgated a policy encouraging foreign companies to operate in the mining and transport sectors and to subcontract local community-based firms for services such as transport. This provides opportunities for job creation and enhance economic growth in the local community (Leganet, 2017). However, despite the policy's potential, its enforcement has been inconsistent that, its impacts on local businesses remain underexplored, underdeveloped and underused for the sake of local nationals.

Obviously, after the economic boom in the mining sector particularly, the Democratic Republic of Congo, (DRC) legislators found it better since 2017 to put into agenda, a legal framework that would govern, pave and build a legal environment and levy a control over the relationships between clients, contractors and sub-contractors in the great socio-economic landscape of the country, obliging big firms and lobbies that invested their wealth to give business access to local nationals rather than keeping them internally for their favourites only.

Five years after the law has been promulgated and implemented in 2024, colossal amount of money evaded from the State revenue plate that it became urgently crucial and critical to question how powerful is the law under implementation, monitoring and evaluation in terms of assigned goals, objectives and expected final results.

In the context of this Analysis of the Enforcement of Subcontracting Policy in the private sector in Local Shunting Transport in Katanga, a contract is an agreement between parties that creates mutual legal obligations. It specifies rights and obligations related to goods, services, money, or promises. The basic elements required for a legally enforceable contract include mutual assent, consideration, capacity, and legality. Contracts can be in an oral or a written form (Corbett, J., 2025).

Subcontracting is a business arrangement where a company (the subcontractor) agrees to perform a specific task or provide a particular service for another company (the main contractor). The subcontractor is hired to complete specialized tasks that cannot be done internally. Subcontracting is common in industries with complex and time-consuming projects, such as construction and information technology. Subcontractors are independent contractors who provide specialized services to various industries (Kiekbusch, J., 2023).

Contractors manage the entire project, and subcontractors handle specific tasks with certain insurance requirements for legal compliance (Kiekbusch, J., 2023). Choosing a subcontractor involves verifying references, confirming licenses/insurance, and evaluating experience and expertise. Contracts are part of everyday dealings in most individuals' lives, that understanding the rules and elements governing contracts to ensure a contract is valid is very important.

Shunting refers to the process of moving cargo or goods, particularly vehicles, within a terminal or port using their own wheels. It involves the manoeuvring and repositioning of cargo from one location to another, either within the same terminal or between different

terminals within the port (FreightAmigo, 2025). In the context of rail transportation, shunting also refers to the sorting and arrangement of rolling stock, such as train cars, into complete train sets or consists, or vice versa. The purpose of shunting is to efficiently organize and manage the movement of cargo or rolling stock within the port or railway system or between different terminals, ensuring smooth operations, facilitating loading and unloading processes, and optimizing the utilization of available infrastructure and resources (FreightAmigo, 2025).

One of the main objectives of the subcontracting policy is to reduce the dominance of big foreign firms in the local economy, encouraging local entrepreneurship advancement and workforce development and uplifting (Leganet, 2017). In local shunting transport services providing in the Katanga region, the policy's enforcement is crucial to ensuring that Congolese businesses pro-actively takeover in order to benefit fully from the increasing demands for transportation in the region's mining and logistics environment.

Additionally, local businesses may lack the capacity or financial resources to compete with foreign companies, and this, despite the policy's intent to promote equitable subcontracting opportunities. As a result, local shunting transportation services are often dominated by foreign firms, which undermines the policy's goal of fostering local community economic growth and development (Copperbelt Katanga Mining, 2024).

1.3. Statement of the Problem

The government of the Democratic Republic of Congo and the members of the parliament acknowledged the critical and vital need to control and regulate the subcontracting sector

in order to mitigate adverse effects on local nationals' businesses and put in place such policies. However, it looks like the policy is not fully applied. The instruments and the bodies designed and assigned to control, monitor and evaluate the effectiveness of the policy in achieving the intended goals, and the final expected results remained unclear and silent. Regrettably, the country experienced negative impacts on revenues, local workforce expertise and small scale and medium sized companies and local community development. Despite the existence of regulatory frameworks such as the subcontracting policy supported by the mining code policy in the private mining sector below are the negative results being endorsed by the DRC government and the local entrepreneurs and this, more particularly in the Katanga region where local shunting transporters are targeting mining companies to do businesses with.

In the investigation, it has been reported that the Government lost, by evasions, colossal amount of money due to the State Revenue: A total of 8 Billion US Dollars loss from 2018 to 2023 after a thorough evaluation (MULEGWA, P., 2023) of the policy impact in Katanga.

Eighty percent (85%) of local shunting transport service providers, based in Katanga, were also great losers. They were supposed to earn 535 Million US Dollars in 2024, but lost the complete amount. And after some investigations and a lamp evaluation in 8 mining companies in Kolwezi, Likasi and Lubumbashi, fake Congolese local companies active in shunting transport services providing, registered with disguised Congolese shareholders performed the jobs and earned the money to the detriment of local national entrepreneurs based in Katanga (LePotentiel, 2024).

The 8 billion represented 40% of the 2023 budget and the 535 million represented 3% of the 2024 budget indicating weaknesses in policy implementation and lack of policy

enforcement assessment in the private sector and more particularly in local shunting transport service providing to mining companies in Katanga (Likasi, Kolwezi, Lubumbashi).

The socio-economic landscape is regressing with the bypassing of legal regulations by mining companies in Katanga that local national shunting transport suppliers such as:

Local Companies with 100% Congolese Capital Investments were supposed to be contracted; or 51% Congolese owned shares and 49% foreign shares Capital Investments Companies were supposed to be contracted in local shunting transport service providing.

Access to markets by Local National Companies is being hampered – that Capitals turnovers invested are not rotating, Local Employment is not being enhanced, Local Community Development is at Stake (Leganet, 2017) as well.

Despite the promulgation of the Subcontracting Policy, there are big concerns about its effective enforcement in the private sector, particularly in the local shunting transport sector in Katanga. Many local businesses, particularly in the transport sector, remain marginalized due to insufficient enforcement of this policy. It is unlawful that foreign companies continue to dominate the market, often bypassing the subcontracting requirements. This problem raises questions about the adequacy of the policy enforcement mechanisms, the role of government institutions, and the capacity of local shunting transport businesses to engage with large multinational corporations.

These weaknesses attest that there is no comprehensive assessment on policy enforcement, suggesting straight away that existing policies are not stopping illegal practices and not mitigating the persistence of informal and fraudulent networks in the private mining sector.

Without effective enforcement, there will be continuity of adverse effects due the lack of policy mechanisms and tools efficiency, monitoring, evaluation, and reformulation. The effective enforcement of the policies will promote human capital capacity, and legal

institutions strengthening, the socio-economic development of local entrepreneurs and their base-communities. So, this research aims to fill in such gaps by evaluating the enforcement of the existing policies and practices on the ground. By addressing such critical issues, this research will contribute to the growth of measures that can be used for sustainable policies enforcement and practices that balance equity, fairness, transparency, and competitiveness in local businesses.

1.4. Research Objectives

The purpose of this study is to critically analyse the enforcement of subcontracting policy within the private sector, specifically in the context of local shunting transport in Katanga and suggest measures that can enhance the enforcement of such policies.

The following are the major objectives for this study:

- a) To analyse the rationale behind subcontracting policy enforcement in the private sector in the former Katanga province;
- b) To examine the enforcement of the subcontracting policy in the private sector in the former Katanga province;
- c) To explore the challenges encountered in the enforcement of the subcontracting policy;
- d) To suggest measures that can be put in place to enhance the enforcement of subcontracting policy.

1.5. Research Questions

This research aims to answer the following questions:

- i. What is the rationale behind and the strategic factors influencing the enforcement of the Sub-Contracting Policy in the private sector in Katanga?
- ii. How currently effective are the enforcement mechanisms of the Subcontracting Policy in particularly promoting the local shunting transport businesses in Katanga?
- iii. What are the challenges that local shunting transport companies face in complying with the subcontracting enforcement policy in Katanga?
- iv. What measures can be implemented to improve the policy enforcement in the Subcontracting sector?

1.6. The Study Hypothesis

1.6.1 The Null Hypothesis

There is no significant relationship between the implementation of policy instruments and the control of the subcontracting policy in the DR Congo and more particularly in Katanga.

1.6.2 The Alternative Hypothesis

There is significant relationship between the implementation of policy instruments and the control of the subcontracting policy in the DR Congo and more particularly in Katanga.

1.7. The Assumptions

- 1) It can be assumed that if the policy is enforced this will influence the change of private sector behaviour by contributing consistently to the government revenues.
- 2) Based on the loss of colossal amounts that the DRC is incurring from the mining sector, it can be assumed that the mechanisms of policy enforcement are inadequate.
- 3) The other assumption could be that if the subcontracting policy is enforced, this will foster the local capacity building.

1.8. Significance of the Study

The significance of this study is in its prospective capacity to deliver valuable insights into the challenges of enforcing the Subcontracting Policy by:

- a) Enabling policymakers to better design and implement strategies into business creation in order to alleviate the existing gaps in the policy enforcement.
- b) Building local community participation with practical recommendations which will improve policy implementation and good governance;
- c) Improving the economic outcomes of the local small scale and medium size enterprises to accelerate capital investments rotation;
- d) Contributing to the academic world in identifying measures which can be suggested to the industry for effective fostering of policy enforcements in order to encourage the growth and the investments.

1.9. Delimitation of the Study

The study is geographically confined in the Katanga region, and in some mining companies established around the cities of Lubumbashi, Likasi and Kolwezi. Its sector of focus is only

the private sector in which local shunting transport is an activity which is sub-contracted. It considers only the shunting transport services exclusively captured from 2021 to 2025.

1.10. Limitation of the Study

This study aims to provide a comprehensive assessment and understanding of policy effectiveness in addressing the subcontracting in private sector in local shunting transport services which constraints can be the limited access to government records and official reports on policy implementation. As this may affect data collection, the study will utilize multiple data sources to overcome the resource constraints. The study may be limited by time and financial resources required for extensive field research and data collection.

CHAPTER 2 REVIEW OF RELATED LITERATURE

2.1. Introduction

This chapter reviews existing literature on subcontracting policies in the private sector. A particular focus is on the transportation sector and some enforcement mechanisms employed to ensure compliance with the country regulations. The chapter examines the specific context on how local dynamics such as governance, infrastructure, and socio-economic factors, shape the implementation of the policies. The socio-economic model has been used in this study as the major theoretical framework. The chapter outlines the relevance of this theoretical framework to the study. Some other related literature to the study were highlighted and the chapter also provided the summary.

2.2. Theoretical Framework

The theoretical framework of this study is guided by the socio-economic model. The theory says or posits that, human potential associated to technical and financial capital, classical accounting, working conditions within organizations, the productivity, costs, and dysfunctions must be considered in order to manage revenue and build capacity for accountable and fair service delivery in a country (Katoka, B., 2019). David Gorton (2025) says that social economics, also known as socioeconomics, is a branch of economics that examines how social behaviour and economic activity influence each other within a society. It explores how different social groups or socioeconomic classes make economic decisions and interact. Socioeconomics aims to create awareness of income inequality and economic mobility, often resulting in policies and influencing society by shaping financial behaviours, government policies, and corporate policies (Gorton, D., 2025). Marc Bonnet, Amandine Savall, Henri

Savall, and Véronique Zardet (2018), added on to emphasize that the socioeconomic approach to management, disseminated first in 1974, has been elaborated to better address the dynamic cycle of value creation and destruction processes in capitalist societies as well as the cyclical resurgence of these phenomena (Bonnet, M., Savall, A., Savall, H., & Zardet, V., 2018). They said that founding hypotheses of socioeconomic theory are:

- ✓ The human potential which is the only active factor of value-added creation, with technical and/or financial capital being precious tools but still sterile until activated by human potential.
- ✓ The imperfections of the classical accounting model which can be reduced and the relevance of decision-making improved through socioeconomic dynamic modelling.
- ✓ The organizations that create visible costs needed for production (e.g., materials, labour) of goods and services.
- ✓ The organizational productive activities can also create dysfunctions (e.g., poor working conditions) that engender hidden or implicit costs (e.g., absenteeism, staff turnover) that produce financial consequences (e.g., excess salary, overtime costs).
- ✓ Crises emerge at all levels of analysis (unit, organization, nation) when hidden costs are high and impede effective organizational development and change.
- ✓ Hidden costs can be harnessed and hidden human potential can be released by identifying and overcoming dysfunctions.

Social economics applies traditional economic theories to social issues, assuming that individuals make rational choices based on incentives, treating decisions as economic transactions influenced by costs and benefits. Socioeconomics is closely tied to the role of institutions—laws, customs, and social norms—in shaping economic behaviour. Social economics builds on institutional economics by focusing more deeply on how those norms and institutional practices affect different social groups. Socioeconomics can impact society by

influencing behaviours, policy decisions, and resource access (Gorton, D., 2025). For example, the subcontracting policy came into business creation in response to alleviate and facilitate local national entrepreneurs have access to business in the mining sector in Katanga. This requires government financial training programs that teach management, budgeting, saving, and credit management to SMEs operators and contractors.

Practitioners of socioeconomics claim that the uniqueness of their approach lies in the definition of more realistic assumptions about human action and a capability to adequately recognize the relevancy of influences from other spheres of social life, such as culture, politics, technology and social relations on the economy and their relevancy for the explanation of economic phenomena. Economic action, while obtaining a specific meaning from the fact that it pursues the actor's interest in material gain, is not understood or explained in disregard of the multifacetedness of human preference-formation and decision making (Hellmich, S. N., 2015).

This model is used in this study to analyse the effectiveness of policy instruments in controlling how the impacted sector comply to established policies. It provides a comprehensive framework to evaluate the enforcement of the subcontracting policy in the private sector in the local shunting transport services in order to make sure the behaviour in daily operations of such private companies have been adapted or influenced through the policy enforcement. This socioeconomic model questions as well the weakness side of a policy due to shortfall in roles at government, institutional, organizational, managerial and individual levels.

2.2.1 The relevance of the theoretical framework to the study

The theoretical framework provides the foundation for understanding the phenomena under investigation, and so, guiding both the research design and the interpretation of findings. The context of this analysis has become a central focus that it plays a pivotal role in grounding the study's approach to the political, economic, and governance dimensions of subcontracting in the local shunting transport sector. This model is useful to this study because it can help to detect the enforcement of the policy at managerial level, individual level, interpersonal level, organizational level and at the community-based level. This theory will be supported by other two theories in order to enforce the theoretical framework. The two theories are, Enforcement Challenges in Policy Implementation pioneered and developed by Pressman and Wildavsky (1984), complemented in 2019 by Bob Hudson, David Hunter & Stephen Peckham and the Local Shunting Transport Services theory presented by Bing Li, WenyaoQu, Hua Xuan, ChunqiuXu, Xueyuan Wang, and Yifei Geng in 2020.

The theoretical framework serves as essential tools for understanding how and why such policies are implemented, their effectiveness, and the implications for governance and development (Pindyck, R.S., & Rubinfeld, D.L., 2017). This study will assist to discover the benefits of the subcontracting policy to the country when it is enhanced and improved for the economic participation of local enterprises and job creation opportunities. It will promote the efficiency of resources management in various sectors, including transport, and typically local shunting with mining and logistics companies. However, its enforcement in the private sector, particularly within the local shunting transport services in Katanga, presents challenges that the theoretical framework can help to analyse with the support of the other two theories presented above.

2.2.2 Critics of the Theoretical Framework

The relevance of the theoretical framework, as a tool in analysing the multifaceted challenges faced in enforcing the subcontracting policy in the local shunting transport services sector of Katanga, encompasses the interaction between various governance actors, the local economic dynamics, and the institutional contexts to be understood through two theoretical lenses. When employing such theories, this study can systematically assess how enforcement mechanisms are designed, the obstacles to their success, and the role of both formal institutions and informal practices in shaping the outcomes reaching and objectives achievement. They provide a solid basis for understanding whether the policy achieves its intended purpose of empowering local businesses and improving service efficiency in the transport sector, or if it exacerbates existing inequalities and governance issues. In Katanga, where the transport sector is often informal, the challenge of enforcing subcontracting policies becomes even more pronounced, thus, necessitating a nuanced understanding of the institutional contexts through this study.

2.3. Other related literature

2.3.1. The Local Shunting Transport Services theory

The Local Shunting Transport Services theory is helpful in exploring the dynamics within the private sector where weak regulatory enforcement, informal institutions and practices often emerge to circumvent formal regulations. This theory allows the study to investigate how private transport operators might adapt to or resist the subcontracting policy. It provides insights into the back-and-forth between formal and informal institutional frameworks in the local transport industry. Such theory focuses on how governments regulate industries to promote efficiency and prevent market failures (Clemons R. S., & McBeth M. K., 2020), Furthermore, it helps explain the extent to which regulation is perceived as a tool for economic

development, as well as its effectiveness in achieving the intended outcomes in the local shunting transport services providing.

As provided by Ben Katoka, PhD in 2019, that in the Democratic Republic of Congo (DRC), donors have significantly invested to help the country recover from the impact of two devastating wars (1996–1997 and 1998–2003) and build resilience but the enforcement of subcontracting policies within the private sector in the DRC is often hindered by several challenges, including weak regulatory frameworks, corruption, limited technical capacities, informal practices vis-a-vis contract compliance (Katoka, B., 2019).

2.3.2. The Local Shunting Transport Services in the DRC

The DR Congo continuous efforts to streamline and formalize its economic structures are still struggling. (McGuirewoodsLLP, 2017) says, the subcontracting has emerged as a critical policy tool targeting at facilitating fast economic growth, increasing local participation, and improving efficiency within various sectors, including transport services (McGuirewoodsLLP, 2017). In Katanga area where significant industrial activities are implanted, local shunting transport services is pivotal in supporting all movements of goods, despite the fact that challenges related to policy enforcement persist.

The exploration of studies on the effectiveness of subcontracting policies by (MOSOLO, G. E., 2024) and (McGuirewoodsLLP, 2017) highlights the framework that encompasses Supply Chain (SC) strategy, business constraints, adoption of information technology, uncertainties, and capabilities impacting the four core activities of SC performance: bidding and selection of subcontractors, subcontract management, operations management, and monitoring and evaluation of subcontract works. Adopting such framework's principles under subcontracting policy will cause a push towards fairness, symmetric information and dependency, mutual trust,

and continual improvement efforts along the SC value chain, resulting in the overall growth and competitiveness of the sector. Both the benefits and challenges of policy implementation in developing countries constitute the core value (Hailu, H., & Makgopa T., 2024) but in DRC, such advantages, challenges and added value are underscored by the political and institutional hurdles that affect the enforcement of the policy (MOSOLO, G. E., 2024). Moreover, instead of enhancing local participation and economic empowerment, they raise concerns about the potential for exploitation and corruption (U4 Helpdesk Answer, 2020).

While subcontracting policies in the DRC aim to promote local business participation, their enforcement faces significant challenges. The enforcement is analysed through the challenges in implementing the policy and the theory on shunting which is the operational field from which relevant variables pertaining to this study shall be captured to explain the issues being faced with the policy. These theoretical perspectives will provide a comprehensive understanding of various factors that influence policy enforcement and the behaviour of key stakeholders on the ground. Issues such as weak governance structures, corruption, and the dominance of informal practices hinder the effectiveness of the policy case under study.

2.3.3. The Local Shunting Transport Services in Katanga

The local shunting transport services that cater to the mining industry in Katanga, have been central to the region's economic infrastructure (Katoka, B., 2019). Katanga is known for its rich mineral resources, relies heavily on an efficient transport system to facilitate the movement of goods between mining sites and processing plants. The government has emphasized the importance of ensuring that local businesses can access subcontracting opportunities in the transport sector.

By focusing on operational practices, the Local Shunting Transport Services theory helps understand how small scale and medium size companies are left with little room to compete against foreign contractors and larger firms with significant capital and resources. However, despite policies aiming at increasing local business participation, the region's shunting transport services remain largely dominated by foreign contractors or larger Congolese firms that owns big capital and resources. The local shunting transport services sector is marked by a high level of informality, which poses a barrier to the effective implementation of subcontracting policies. And making such strategic sector informal is dragging national resources away.

Many transport operators in Katanga, particularly those providing local shunting services, are small-scale entrepreneurs who may not be fully aware of or compliant with the regulations designed to promote subcontracting. Further research indicates as well that local shunting transport services are often monopolized by large companies, leaving limited room for smaller players to compete for subcontracting opportunities with mining and logistics firms (Sunio, V., Argamosa, P., Caswang, J., & Vinoya C., 2021).

2.3.4. Challenges faced in enforcing the subcontracting policy

(Katoka, B., 2017) says that the regulatory quality (RQ) is the indicator which captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. This author highlighted that the policies should meet the following regulation steps. If a policy does not meet the mentioned steps, the enforcement will be nil. The RQ indicators include:

- (1) regulations and administrative requirements for starting, operating, and closing a business; (2) investment licensing requirements; (3) the extent to which the government supports uncompetitive industries through subsidies; (5) the complexity and efficiency of the tax system; (6) labour market policies; (7) the prevalence of trade barriers; (8) the strength of the banking system and legal regulations in the banking sector; and (9) the existence of a policy, legal, and institutional framework that supports all life sectors inclusive of the rural or agricultural sector (Katoka, B., 2017).

Seo (Seo, J.K., 2014) found out that when everything looks positive, the policy is formulated, all participants agree on the overall goals, the specific public plans undertaken, and the employment plan is set in place, financial allocations are arranged. Implementation of the policy is only a matter of technical details, failure begins when delays are experienced during the implementation process. Delays piling-up must be managed vis-à-vis any management change to avoid any deteriorating enthusiasm to keep up the implementation and avoid funding exhaust to partner agencies.

Since one of the subcontracting policy goals is providing jobs to local nationals, enforcement compromise is a requirement to avoid any eventual or complete failure. The policy aims at reducing dependence on foreign contractors, increase local value addition, and create more jobs in local industries. However, its enforcement has often been inconsistent due to governance challenges, insufficient institutional frameworks, and the lack of effective monitoring mechanisms (Seo, J.K., 2014).

2.3.5. The rationalization of subcontracting policy in the private sector

According to (Broek, R. W. , 2017), local shunting consists of service site scheduling and dispatching from a depot assigned in a last-in-first-out track. The scheduled trips function under a dynamically monitored programming of arriving trams to tracks (Broek, R. W. , 2017). It is that dispatching to run and cover on a daily basis that constitutes the business the

subcontracting policy advocates prior access to local community entrepreneurs who own small scale and medium size companies with major national capital investment. Failure to abide to the last-in and first-out contributes to the lack of policy enforcement.

For (Li, B., et al, 2020), the shunting theory is about placing-in and taking-out strategies in the supply chain sector that road and railway transportation modes receive considerable attention, because finished or bulk material must be moved from production sites to where they are needed for consumption. Local shunting transport services become important in such economic environment because of vast territory, large population, and huge demand for materials. The development of platforms optimizing the placing-in and taking-out in logistics operations serve as a response to the growth of the world economy, and that is why government need subcontracting policy to make sure local entrepreneurs find access to fair, equitable and competitive businesses (Li, B., et al, 2020).

2.3.6. The implementation of the subcontracting policy in the private sector

The implementation requires a strategic approach to integrate new processes within existing frameworks by emphasizing adaptability and understanding. The enforcement stresses the importance of oversight, control, and sometimes the use of authority and power with punitive measures to maintain adherence to the processes (Dahlia, M. B. R., Lixin G., 2024).

Pressman and Wildavsky (1984), highlights the challenges and complexities involved in translating policies into action. Issues with governance, corruption, and weak enforcement mechanisms are key factors that hinder the success of the subcontracting policy. Understanding these challenges through the lens of enforcement challenges in policy implementation theory

gives a nuanced examination of why the policy may be failing or succeeding in its enforcement (Pressman, J. L., & Wildavsky A., 1984). With the subcontracting policy, customers and contractors are called to adapt their operations behaviour and align with legal regulations.

2.3.7. The measures to be put in place to enhance the enforcement of subcontracting policy

Marc and François (Pilon, M., 2022) highlight that a “narrow conception of accountability, focused on resource dependence, public interest and agency theories, can be seen as a functional process (“how”) to meet the imposed requirements (“for what”) of upward principals (“to whom”)”. In contrast, a broad conception of accountability, focused on stewardship, democratic, and stakeholder principles, can be seen as a strategic process (“how”) to provide information that is based on felt responsibility (“for what”) to downward stakeholders (“to whom”) (Pilon, M., 2022).

Tawanda and Nhema suggest that Public-Private Partnerships (PPP) and Policy Synergy can tie together for enforcement sustainable results. They say that the concept of Public-Private Partnerships (PPP) also provides a relevant approach to sustain the enforcement of the Subcontracting Policy.

PPPs are increasingly seen as a mechanism to develop infrastructure on a cost effective and sustainable basis. If properly managed, PPPs have a potential to unlock the much-needed financial resources to fund projects on electricity, telecommunications, transport, water, education and the health sectors. A PPP involves collaboration, co-operation, between government agencies and private entities to deliver public services or infrastructure (Zinyama, T., & Nhema A. G., 2015).

2.3.8. The Enforcement Challenges in Policy Implementation

The Enforcement Challenges in Policy Implementation is one of the theories which was postulated by Pressman and Wildavsky (1984). Such theory of public policy implementation, highlights the challenges and complexities involved in translating policies into action. So, this theory is relevant to this research as it assists the main theoretical framework in portraying and shedding light on the difficulties associated with the enforcement of the subcontracting policy in the transport sector and more particularly in the shunting transport services providing. Issues with governance, corruption, and weak enforcement mechanisms are key factors that may hinder the success of the subcontracting policy. Understanding these challenges through the lens of enforcement challenges in policy implementation theory allows for a nuanced examination of why the policy may be failing or succeeding in its enforcement.

2.4. Summary

The enforcement of the subcontracting policy in the local shunting transport services in the Katanga is a multifaceted issue that can be better understood through the application of relevant theoretical framework. This chapter will use the socioeconomic model as its theoretical framework. The study found this model relevant because it will help detect the enforcement of the policy at different levels of private sectors. These levels are managerial, individual, interpersonal, organizational and the community based. This theoretical framework will contribute to unpack the political, economic, and institutional dimensions of policy enforcement and will provide critical insights into the factors that drive to the success or the failure of policy implementation in a complex environment.

In terms of implications for the policy enforcement in Katanga, the theoretical frameworks, will be supported by other two theories in order to enforce its applicability to the study. The

theories, leading discussions in this research, highlight several key factors influencing the enforcement of the subcontracting policy in the shunting transport providing sector. A part from the theories that the study will look into, the chapter will also analyse some writings from other authors in order to enable a comprehensive understanding and a robust analysis of the enforcement of the subcontracting policy in the DRC and in Katanga region in particular.

CHAPTER 3 METHODOLOGY

3.1. Introduction

A comprehensive methodology ensures that the research is academically rigorous in providing valid, reliable, and meaningful insights (Bryman, A., 2016). This study will employ the qualitative method research design approach. The data collection instruments will include semi-structured interview guiding into structured questionnaires (Flick, U., 2018) in order to deepen interesting answers. This approach will help provide ways to understand, not only the level of compliance with the DRC's subcontracting policy, but also the enforcement mechanisms, challenges, and the perspectives of stakeholders in the local shunting transport providing sector in Katanga. The chapter also presents the population from which a sample size of the participants derived in order to assist with data for the study. The chapter highlights also the sampling procedures which are purposive and convenient to be used for the selection of the participants to the study. It outlines the Data Collection Procedure, Analysis and Organization of Data and the Ethical consideration.

3.2.The Research Design

This study adopts a qualitative method approach as its research design. The research design is crucial for structuring the dissertation and ensuring that the study is conducted systematically, with clear steps on how the research will be executed, analysed, and interpreted. They will enable a comprehensive analysis of the subcontracting policy enforcement from multiple perspectives. This approach aligns with Creswell's (2014 – Published in 2019 by Isthtiaq) suggestion that qualitative methods are ideal to uncovering the nuanced, context-specific issues in policy enforcement (Ishtiaq, M., 2019).

Nick Jain (2023) says that qualitative research design is defined as a type of research methodology that focuses on exploring and understanding complex phenomena and the meanings attributed to them by individuals or groups. Like socioeconomics framework model, qualitative research is concerned with capturing the richness and depth of human experiences, beliefs, attitudes, and behaviours. It aims to go beyond simple statistical analysis and uncover insights that quantitative research may not be able to capture. Qualitative research design typically involves gathering data through methods such as interviews, observations, focus groups, and analysis of documents (Jain, N., 2023). Muhammad Hassan says (2024) says that qualitative research is a method of inquiry that seeks to understand human experiences, behaviours, and interactions by exploring them in-depth. Unlike quantitative research, which focuses on numerical data, qualitative research delves into meanings, perceptions, and subjective experiences. It is widely used in fields such as sociology, psychology, education, healthcare, and business to uncover insights that are difficult to capture through numerical data (Hassan, M., 2024). Such designs allow the researcher to collect detailed, descriptive data about participants' knowledge, opinions, perspectives, experiences, and contexts in mining sector, especially in local shunting transport providing service in Katanga, and as stated by Nick Jain (2023), using some key characteristics that are inclusive of:

- ✓ Contextual understanding, to emphasize subcontracting policy understanding within their social, cultural, and historical contexts, as these factors shape individuals' experiences. This helps the researcher acknowledge the participants availability and ability to communicate their opinions and experiences in an articulate, expressive and reflexive manner to critically examine their role in shaping the research process and outcomes.
- ✓ Convenient and purposive sampling of 40 participants as qualitative research often involves selecting participants who can provide rich and diverse information relevant

to the research questions. The researcher targeted a population of 240 people from 10 Private Transport Operators, Government Regulatory Authorities, Subcontractors and Industry Experts & Policy Analysts within the former Katanga province.

- ✓ In-depth data collection that allows the researcher spend considerable and consistent time with participants, collecting detailed and nuanced data, often through open-ended interviews, observations, or analysis of texts.
- ✓ Iterative data analysis to constantly refining again and again as qualitative analysis involves optimizing coding, categorizing, and interpreting data to identify patterns, themes, and relationships with the phenomena of interest. This process is often iterative, with the researcher revisiting and refining the analysis as new insights emerge. (Jain, N., 2023)

This design will help explore the dynamic factors that facilitate or hinder the effectiveness of the policy enforcement. This design will involve in-depth interviews with key stakeholders, including local transport service providers, some government officials, and policy experts to provide insights into the perceptions of the enforcement process and any challenges faced. Interviews will be conducted with a selected group of key informants who have direct involvement with or knowledge of the subcontracting policy and its enforcement in Katanga's transport services.

In terms of type of qualitative research design, to critically analyse the enforcement of subcontracting policy within the private sector and especially in the context of local shunting transport providing by SMEs to mining companies in Katanga, this research, uses semi-structured interviews and policy documents and reports analysis on subcontracting in local shunting transport service providing in Katanga mining sector.

- ✓ The semi-structured interviews as primary data, to allow for flexibility while ensuring that key themes related to policy enforcement, challenges and perceptions are addressed, will involve interviews with a range of stakeholders, including:
 - Local shunting transport private operators, owners of and managers of SMEs;
 - Government officials and regulatory authorities for subcontracting in the private sector and policy enforcement;
 - Subcontractors employees within local shunting transport companies operating in Katanga;
 - Subcontracting policy analysts and local shunting transport industry experts;
- ✓ As secondary data, the policy documents, regulatory frameworks, government reports, and other related publications if any, will be analysed to understand their intended scope, objectives, and enforcement mechanisms of the subcontracting policy. This secondary data will provide insights to the research into the official objectives and strategies for policy enforcement.

In short, the identification of research questions, the determination of the research approach, the development of the research plan, the selection of the participants, the collection of data, the analysis of data, the interpretation of findings, the drawing of conclusions to generate insights, and the communication of final results are part of the process to build a comprehensive and impactful qualitative research for this study.

3.3. Population and Sampling

3.3.1 Population

The targeted population for this study will involve 240 people from 10 Private Transport Operators, Government Regulatory Authorities, Subcontractors and Industry Experts & Policy Analysts within the former Katanga province. This population is crucial for ensuring the research's validity and reliability, helping to identify key stakeholders and elements that significantly influence the enforcement process as developed by Bryman (Bryman, A., 2016).

The primary stakeholders include, the Private Transport Operators or contractors which are logistics companies or individuals providing local shunting transport services within the Katanga region to the mining companies. These operators are directly affected by the subcontracting policy as they are required to comply with regulations stipulating the percentage of work to be subcontracted to local enterprises. Followed by the Government and Regulatory Authorities which is a group that includes government officials and agencies responsible for enforcing the subcontracting policy and regulating the transport sector in the Katanga region. Thirdly, the Subcontractors which are local enterprises that enter into agreements with primary transport operators or contractors to carry out shunting transport tasks under the subcontracting framework. These subcontractors are key to understanding how the policy is being implemented at the operational level. And finally, the Industry Experts and Policy Analysts will be scholars, professionals, practitioners or consultants who have the expertise in public policy, governance, and transport sector regulations. Their inputs and insights will provide a macro view level of the policy's enforcement and its implications on local economic growth, development and governance in Katanga.

This population is geographically defined within the Katanga region, which has traditionally been and still is one of the DRC's most economically important regions, primarily due to its mining and logistics activities developing fast these days and mainly around three big cities that are Lubumbashi, Likasi and Kolwezi.

3.3.1.1 Sample size

A sample size of 40 participants will be selected from the above population from the three major cities (Lubumbashi, Likasi and Kolwezi). The 40 participants will be constituted of four (4) key informants to be selected from staff members of the Federation of Enterprises who are in the transport private sector and who are the most concerned by the subcontracting enforcement in Katanga, fifteen (15) staff from subcontractors who are directly engaged with transport operators in the Katanga region. Ten (10) from Private Transport Operators or Contractors will be selected from a comprehensive list of registered transport operators in the region. Six (6) Government and Local Government and Regulatory Authorities. And five (5) Industry Experts and Policy Analysts.

3.3.2 Sampling procedure

Given that the study is of qualitative nature, purposeful sampling and convenient sampling procedures will be used to select the participants to the study.

3.3.2.1 Purposeful Sampling

Lawrence A. Palinkas, Sarah M. Horwitz, Carla A. Green, Jennifer P. Wisdom, Naihua Duan, & Kimberly Hoagwood (2016) say that purposeful sampling is a technique widely used in qualitative research for the identification and selection of information-rich cases for the most

effective use in research. This involves identifying and selecting individuals or groups of individuals that are especially knowledgeable about or experienced with a phenomenon of interest which in this study is an analysis of the enforcement of the subcontracting policy within the private sector, especially in the context of the local shunting transport service provided to mining companies in Katanga. In addition to knowledge and experience, they note the importance of availability and willingness to participate, and the ability to communicate experiences and opinions in an articulate, expressive, and reflective manner by the individuals or group of individuals. In contrast with probabilistic or random sampling used in quantitative methods to ensure the generalizability of findings by minimizing the potential for bias in selection, purposeful sampling in qualitative methods are intended to maximize efficiency and validity to achieve depth of understanding (Palinkas, L. A., et al, 2016) for the research findings.

Purposive sampling will be one of the sampling procedures to be used in this study. As highlighted by Tiffy Machado Blanchflower, PhD, citing Leavy P. (2017) on his paper that purposive sampling is a sampling procedure constructed on the principles of looking for the very good participants to the research with the purpose of producing the very best data (Blanchflower, T.M., 2018). Other scholars such as Paul D. Leedy (Leady, P. D., 2019) and Morse (Morse, M. J., 2010) and Patton (Patton, M. Q., 2015) look at the purposeful sampling as a strategic approach to be used in order to gain data that inform the aim and the questions of the study. The researcher will use this sampling procedure with the aim of gaining much information from participants who are aware of the topic understudy for generating rich data.

Purposive sampling will be used for the selection of participants from Private Transport Operators, Subcontractors and Industry, Government Regulatory Authorities and Experts &

Policy. The justification for using this sampling strategy for the mentioned groups of participants is that these are the principles stakeholders in the enforcement mechanisms of policies in the local shunting.

3.3.2.2 Convenience sampling

The convenience sampling will be used to select participants from the government regulatory authorities and experts and policy analysts. Authors such Hesse-Biber and Leavy (Hesse-Biber S. N., & Leavy P., 2010) as well as Dooley (Dooley, D., 2001) define respectively offering a step-by-step approach to collecting, analysing, designing and interpreting qualitative research and convenience sampling as a strategy used to select participants based on their availability to the researcher. Given that government regulatory authorities as well as experts and policy analysts might be busy with their different busy schedules, the researcher will rely on their availability for carrying interviews with such groups of participants.

3.4. Data Collection Instruments

This study will use two research instruments which are guided interviews and questionnaire. The primary data collection instruments will include semi-structured interviews, and document analysis (Bryman, A., 2016) will be the secondary one. Structured interviews will be the primary qualitative data collection tool. This tool allows flexibility in exploring in-depth perspectives from key informants, including government officials, policy makers, transport company owners, subcontractors, and employees involved in the local shunting transport services in Katanga. They will explore stakeholders' views on policy enforcement, challenges faced, and potential improvements. These instruments aim to capture the different facets of the policy's enforcement, its impact on local transport services, and its interaction with regulatory frameworks.

Main themes for the structured interviews can be the same but not limited to the awareness and comprehensive understanding of the Subcontracting Policy, the implementation process of the policy in the private sector, the challenges encountered in enforcing the policy in the local transport sector, the perceived advantages or benefits and as Sekaram and Bougie say, the weaknesses or drawbacks of the policy on local transport businesses and the economy (Sekaram, U., & Bougie R., 2016).

The structured interview format advantageous side is that it enables the researcher to probe responses, explore unexpected insights, and adapt to the flow of the interview conversation. The interview guides will be developed to ensure that all relevant themes are covered but room and time shall be left for interviewees to share their experiences, opinions, and insights.

3.5. Data Collection Procedure

The researcher will meet the participants in their respective cities. The researcher will start with the participants from the city of Lubumbashi, then Likasi followed by the city of Kolwezi. The researcher will meet these participants from their different working places and conduct guided interviews with them in order to collect their views and perceptions to build the qualitative data of the study. The data collection process will be thoroughly organized to ensure that the research adheres to ethical guidelines and is conducted in accordance to, and efficiently.

The researcher will use purposive and convenient sampling techniques in order to select the participants from government officials, policy experts, transport business owners, including the drivers and subcontractors who are affected by the policy. Informed consent, as part of ethical guidelines, will be obtained from all participants at that level already before data collection

begins. Participants will be informed of the purpose of the study, the voluntary nature of participation, and their right to withdraw at any time without penalty (Leady, P. D., 2019).

In terms of Data Collection Process, the interviews will be scheduled in advance, and the researcher will conduct them in-person, by phone, or via video conferencing if mutually agreed and depending on the availability and preferences of the participants. Interviews will be recorded with consent, letter-perfect transcribed and under strict verbatim virtue for analysis.

Secondary data sources will involve reviewing policy documents, reports from the Ministry of Transport and Communication based in the Katanga Region, and any academic literatures related to the effectiveness of subcontracting policies in similar limits. Relevant documents, if required, will be formally asked and obtained from the government agencies, transport associations, and other official sources. The researcher will examine these documents to extract data concerning the design, the goals, and the operationalization of the subcontracting policy.

3.6. Analysis and Organization of Data

The data will be analysed using thematic analysis, which will help identify recurring themes, patterns, and categories within the qualitative data. As advised by Muhammad Hassan (2024) the analysis will be conducted through the following steps:

- ✓ Familiarization: The researcher will immerse in the data by reading through interview transcripts, focus group notes, and documents.
- ✓ Coding: Key concepts and themes related to policy enforcement and compliance will be coded.
- ✓ Theme Development: Emerging themes will be categorized and compared across different data sources.

- ✓ Interpretation: The final step will involve interpreting the findings within the context of the literature on public policy enforcement, governance, and transport sector dynamics. (Hassan, M., 2024)

Qualitative data analysis will be organized by themes. Data will be evaluated, as advised by Alan Bryman, using thematic analysis to identify common patterns, themes, and insights from the interview data, allowing a clear presentation of the levels of compliance with the subcontracting policy and an understanding of the factors affecting enforcement (Bryman, A., 2016). The researcher will work on the transcripts to identify key themes and patterns that emerge in relation to the enforcement of the subcontracting policy, as well as its impacts on local transport services.

On Qualitative Analysis, the thematic analysis of interview data will be used to gain from stakeholders' insights on policy enforcement challenges and effectiveness (Leady, P. D., 2019). It is in this way that this study will explore the gathering and the organization of data in order to effectively analyse the implementation and the impact of the subcontracting policy.

In Data Organization, thoroughly organizing the data will be the crucial aspect to ensure a deep and coherent analysis. The data to be collected are to be organized into thematic categories that are directly related to the research objectives which are the policy enforcement, the private sector compliance (Sekaram, U., & Bougie R., 2016), and the socioeconomic impact on local transport services entrepreneurs, and on the local communities that dwell in their lands such mining activities that require subcontracting (Katoka, B., 2019).

3.7. Ethical Consideration

The Ethical Considerations is of high importance that it will be a key aspect of the data collection process. All participants will be provided with a clear explanation of the study's purpose, procedures, and any potential risks. Confidentiality will be preserved by anonymizing participant responses, and data will be stored securely. Where required, as advised by Paul D. Leedy, ethical approval will be sought from the relevant institutional review board or ethics committee before the commencement of data collection (Leady, P. D., 2019). The ethical principles to adhere to, will be the informed consent through which all participants can be informed of the study's purpose to voluntarily give their free consent to participation, the confidentiality shall assure participants that their responses will be confidential and data will be anonymised, the right to freely withdraw will be guaranteed to participants. They can withdraw from the study at any time without consequence.

3.8. Summary

The chapter presented the research design of the study which is qualitative method. The qualitative aspect of the research bases itself on structured interviews with key stakeholders, including government officials, transport company managers, subcontractors, and workers within the transport sector. The use of interviews will enable the researcher to identify barriers to compliance, the deep understanding of the policy among actors, and the informal practices that persist despite formal regulations. In terms of Policy Implications, the methodological approach suggested in this study can allow the identification of specific challenges in policy enforcement, including the lack of training and evaluation, the inadequate monitoring, and the persistence of informal practices in the sector. This analysis strong belief on findings is that while subcontracting policy is a necessary step towards formalizing local shunting transport services in Katanga, its success is obviously contingent and conditional upon stronger

institutional support, better coordination between state government agencies, and the provision of incentives for compliance in Katanga combined.

The chapter presented the population of the participants to be used in this study, the sample size of 40 participants as well as the sampling procedures which included purposive as well as convenience sampling procedures. The chapter also outlined the ethical consideration and the way data will be organized and analysed.

CHAPTER 4 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Introduction

The chapter is presenting, interpreting and analysing data collected from the field of study. It focuses on the research findings as gathered from the field work. Data was collected from the first source and the second source. The first source constituted the semi-structured interviews with participants who accepted to participate into the study. And the second source was made up of review of policy documents and reports from the Ministry of Transport and communication. This chapter is therefore, divided into three major parts constituting the presentation, the analysis and the interpretation of data collected from the first source. Secondly, the presentation, the analysis and the interpretation of data collected from the second source. Finally, the chapter ends with the summary. Data is being presented, analysed and interpreted thematically according to the objectives assigned for the study.

4.2. Response rates

The invited participants for interviews	The participants who participated in the interviews	Completed responses
40	38	36

100% of participants were invited to participate into the study, 95% availed themselves to be part of the study.

4.3. Data Presentation

Data collected is presented into two sections, which include, data collected from the first source and data collected from the second source.

4.3.1 Data collected from the first source

4.3.1.1 Understanding the Subcontracting Policy and its Enforcement in Local Shunting Transport Service Providing

Participants defined the subcontracting as to “employ a firm or a person outside one's company to do work as part of a larger project”. Subcontracting policy in local shunting transport sector was described in 3 different ways. Firstly, as a memorandum of understanding (MoU) between two parties providing logistics and freight services, whereby Party A, appoint Party B to handle part or all services on his behalf to fulfil a contract signed with his client. In this particular case, participants explained that, Party B has no direct contract with Party A’s client, however, Party B must comply to client’s terms and conditions of delivery and payment. The risk of the job to be done is transferred to Party B; who undertakes the operations. This can be illustrated with the answer from Participant F who said that:

“The Subcontracting Policy in general have been created in order to promote local companies which are under Congolese ownership. In the Transport sector, it is opening a door to local transporters to operate and move the goods which are produced in DRC”.

Ans also by participant G who said that:

“La loi relative à la sous-traitance dans le secteur privé en République Démocratique du Congo a été mise en place pour promouvoir les entreprises congolaises, notamment les PME. Le transport local, y compris le transport de marchandises et de personnel, doit être exécuté par des entreprises à capitaux majoritairement congolais, Les entreprises étrangères doivent donc sous-traiter à des entreprises congolaises pour les opérations locales. C’est une mesure pour protéger les acteurs locaux et encourager le développement des PME congolaises.”

Meaning:

“The law regarding subcontracting in the private sector in the Democratic Republic of Congo has been established to promote Congolese companies, particularly the small scales and medium sized enterprises (SMEs). Local transportation, including the transport of goods and personnel, must be carried out by companies with a majority

Congolese capital. Therefore, foreign companies must subcontract to Congolese companies for local operations. This is a measure to protect local players and encourage the development of Congolese SMEs.”

Secondly, the participants alluded that, the above-mentioned memorandum of understanding can also engage the client with a third-party company to perform the transport service on his behalf when the client doesn't have enough expertise, manpower or equipment in that particular area. Subcontracting becomes the best option to have the job done efficiently and faster. This has been emphasized by participant M who said that:

“As a government program, the law has been put in place to create employment for local population through contracts granted by principal companies to local companies - called subcontractors. Hence, the principal company is not allowed to provide some services as listed in a decree which much be strictly reserved to subcontractors.”

Thirdly, the participants highlighted that, the Subcontracting as a government program has become compulsory on the private sector and particularly in Katanga mining sector where big firms are demanded to make sure registered and certified local company of the area, are established in, are used in order to create employment for local population, through contracts granted by principal companies (contractors) to local companies called subcontractors. Hence, the principal company is not allowed to provide some services that are listed in the decree and which much be strictly reserved to subcontractors for delivery.

Responses collected from the study established that, the law on subcontracting in the private sector in the Democratic Republic of Congo was established to promote Congolese businesses, particularly the small scale and medium sized enterprises (SMEs). Local transport, including the transport of goods and personnel, must be carried out by companies with a majority of Congolese Capital Investment. Foreign established companies must therefore subcontract to

Congolese companies for local operations. This has been raised by participant E who declared that:

“La loi sur la sous-traitance favorise les nationaux et l’émergence des entreprises congolaises particulièrement celles qui sont dans le transport local, ayant des capitaux congolais mais elles doivent aussi être compétitives.”

Translated as:

“The subcontracting policy or law favours nationals and the emergence of Congolese companies, particularly those involved in local transport, having Congolese capital investments, but must also be competitive.”

Participants said that, the law on subcontracting in the private sector in the Democratic Republic of Congo was a measure to protect local players and encourage the development of Congolese SMEs. So, the subcontracting policy is consistent across all sectors that local companies are to be prioritized, specifically those that are at least 51% Congolese-owned shares. This is illustrated by participant E who mentioned that :

“Afin de promouvoir les petites et moyennes entreprises locales, le législateur congolais a adopté la Loi n°17/001 du 8 février 2017 pour encadrer la sous-traitance des activités dans le secteur privé en RDC.

La loi sur la sous-traitance en RDC vise à promouvoir le développement économique local en encadrant les relations entre donneurs d'ordre et sous-traitants dans divers secteurs, y compris le transport local au Katanga qui est un secteur où le potentiel minier est réel et que les ressources sont abondantes, il persiste un besoin d’investissement, en privilégiant les entreprises congolaises.

Cette Loi est applicable dans le secteur privé, y compris le transport local dans le Katanga. Elle stipule que les entreprises sous-traitantes doivent être à capitaux congolais et avoir leur siège social en RDC.

La loi vise à rendre obligatoire la sous-traitance des activités annexes et connexes de l’activité principale et à la réserver, quelle que soit sa nature, aux entreprises congolaises à capitaux congolais en vue d’en assurer la promotion et favoriser ainsi l’émergence d’une classe moyenne congolaise.

Elle poursuit la protection de la main-d’œuvre travaillant dans les entreprises de la sous-traitance, la création de l’emploi pour les nationaux et l’élargissement de l’assiette fiscale au profit du Trésor public.”

Translated as:

“In order to promote local small and medium enterprises, the Congolese legislator adopted the Law No. 17/001 of February 8, 2017, to regulate subcontracting activities in the private sector in the DRC. The subcontracting law in the DRC aims to promote local economic development by framing the relationships between contractors and subcontractors in various sectors, including local transport in Katanga, which is a sector where mining potential is significant and resources are abundant; there remains a need for investment, prioritizing Congolese companies. This law applies to the private sector, including local transport in Katanga. It stipulates that subcontracting companies must be Congolese-owned and have their headquarters in the DRC. The law aims to make the subcontracting of ancillary and related activities to the main activity mandatory and to reserve it, regardless of its nature, for Congolese companies with Congolese capital in order to promote it and thus foster the emergence of a Congolese middle class. It seeks to protect the workforce working in subcontracting companies, create jobs for nationals, and expand the tax base for the benefit of the public treasury. The participants established that, in the local shunting transport sector in Katanga, the preference was to be given to transport firms that are legally registered in the DRC and majority-owned by Congolese nationals.”

Although the law on subcontracting in the private sector in the Democratic Republic of Congo was fully in existence, the participants explained that, there was not enough training on the policy awareness. There was also lack of adequate expertise, competitively. The culture to conducting business lawfully was also mentioned as big handicap to the policy awareness training. Participants further highlighted the lack of control, of monitoring and evaluation of the implementation of the policy on the ground was a huge setback for the policy awareness to the local players.

They also said that, the local regulatory bodies were failing to understand the move to be used by mining companies in order to transport their goods, products and material from one point to another and this failure was considered to be one of the big hindrances in the local companies that are able to do the shunting in order to get access to the business. This has been underlined by participant D who said that:

“Certaines entreprises étrangères continuent à exécuter directement des activités de transport local, contournant la loi. Le faible contrôle sur le terrain, les complicités

locales, ou le contournement via des "fausses" sociétés congolaises. Les entreprises congolaises agréées n'ont pas toujours les moyens techniques, logistiques ou financiers pour répondre aux exigences des gros clients. Par ailleurs certains marchés sont attribués par affinités personnelles ou moyennant des arrangements financiers, au détriment de l'équité entre sous-traitants."

Translated as:

"Some foreign companies continue to directly carry out local transport activities, hence circumventing the law. There is a weak on-ground control, local complicities, or circumvention through 'fake' Congolese companies. Licensed Congolese companies do not always have the technical, logistical, or financial means to meet the demands of large clients. Furthermore, some contracts are awarded based on personal connections or through financial arrangements, to the detriment of fairness among subcontractors."

4.3.1.2 The Effective Implementation and Enforcement of Subcontracting Policy in Local Shunting

Participants mentioned that the subcontracting policy is implemented but still not fully felt, not really enforced in the local transport industry because foreign transport companies still own the majority of the fleet of trucks that are used in this industry. Some of the participants indicated that:

Local transporters must reinforce their fleet capacity to be able to make the subcontracting policy work efficiently and effectively to be competitive amidst the market.

Les entreprises congolaises ou a capitaux congolais n'ont pas assez de moyens pour faire face aux demandes des investisseurs et aussi l'Etat ne les accompagne pas ni ne les encadre.

Translated as:

"Congolese companies or those with Congolese capital investment, do not have enough resources to meet the demands of investors, and the State does not support or guide them."

Other participants raised even more concerns:

“Financially: Some local companies are not financially able to perform the jobs;
Expertise: Some local companies do not have enough expertise in the area they request for a contract;
Competitiveness; Rates and prices are not always competitive in the market;
Taxes and Fees: Too many taxes and toll fees to be paid especially for transport service providers;”

The professionals, managers, active directors in the private sector in the shunting transport, were of the same view, that the enforcement is still far from empowering and helping them in jobs creation.

Nevertheless, a group of participants pointed to the positive aspects about the presence of the ARSP, defined as the regulatory authority for subcontracting in the private sector, that they have observed in the Katanga mining sector. The participants mentioned that the Regulatory Authority for Subcontracting in the Private Sector (ARSP) has increased its visibility in mining areas since 2022-2023, with control visits, seminars, and reminders. There was some gradual awareness among mining companies which have been organised that some larger companies have started to comply with legal obligations by effectively subcontracting to Congolese SMEs for activities such as transport, warehousing, transit, security, catering, etc.

This view was also supported by a certain small group of professionals, managers, active directors in the private sector in the shunting transport whose responses were that some companies were doing well in terms of enlightening them on the enforcement of the subcontracting policy in the local shunting transport service providing. This can be illustrated with the suggestions from Participant B who highlighted that,

The political patronage and media used by the Congolese government and particularly the Ministry of SMEs and the ARSP, are putting more pressure on foreign companies to comply. The implementation of subcontracting policies in Katanga’s local transport sector is partially effective because its

enforcement is still not efficient. The ARSP plays a role by levying a percentage on subcontractors' invoices and conducting occasional audits. However, this financial oversight does not necessarily guarantee full compliance in practice.

Participants highlighted that, local companies being so limited in resources, do not participate enough in shunting transport services. The lack of their participation proves that there is little that the local companies can do in order to facilitate the enforcement of the subcontracting policy. The participants alluded to the fact that most local enterprises and start-ups in the DR Congo do not possess enough financial means to perform the job, deliver within the scheduled timing and address investors' needs. The state does not help and accompany them in such noble tasks. Because of this lack of financial supports, local companies cannot pre-finance primary cost like levies, maintaining their equipment, pay drivers and toll fees to run their trucks. On the other hands, some licensed Congolese companies do not always have the technical and logistics resources, and financial means to meet the demands of larger clients. This has been emphasized by participant A that in the local shunting transport sector in Katanga, local shunting transporters must:

- Have a long experience in the transport and logistics (Minimum 3-5 years);
- Own a well-maintained and in good operational condition fleet of trucks;
- Have their fleet insured, covering hold or loaded goods, vehicles, staff, and fire valid insurances at all time;
- Be well equipped with fast performing systems to track the trucks any time;
- Have professional teams (in operations, finances, QHSE, administration, maintenance) to meet the client's requirements, standards, and deadlines;
- Be financially capable to handle the project and pre-finance it where and when required;

4.3.1.3 Government Responsibilities

Responses from the participants suggested that the DR Congo government does not regulate enough to help commercial banks trust local subcontractors in terms of credits which can support them apply for, compete for, obtain and snatch big contracts. The participants

highlighted that, the market is very often invaded by foreign firms directly on local shunting which is unlawful not only to local nationals' businesses but also to the state tax base and revenue collection and particularly to the efforts of reducing unemployment in the country. Some local companies faced extortion, illegal taxes by fraudsters and experienced late delivery of their official documents that they could not tender for subcontract in local shunting transport services in due time. Participants found out that, the lack of government support is too challenging to cause and deepen the gap between the law and the on-ground practices. For example, participant A said that,

“Some mining companies do award local shunting contracts to foreign transporters without complying with the law. This often happens with the complicity or the inaction of public authorities. Additionally, excessive taxation and numerous levies on local businesses hinder the development of start-ups and young local companies.

And participant B highlighted that:

“There is no fiscal incentive policy to support their growth. Besides, mining companies connive with some local authorities to impose their own favourable terms on contracts that banks don't grant credits to local start-ups because of short duration contract (3-6 months), hence, hindering their long-term investment and at the end, they fail off quickly because of heavy tax burdens on them, favouritism and lack of impartiality on eligibility criteria, bureaucratic red tape and harassment while road infrastructures are so poor to make the operations inefficient.”

Participants alluded that, the current policy does not support the interest of contractors and their subcontractors. They suggested the following:

- The government grant them subsidies to cover them obtain from bankers the access to low rate of interest credits in order to enable them increase their capital investments, handle well the contracts they can be given. This will help them to acquire more expertise and equipment, and have means to insure and maintain their vehicles.

- To reduce toll fees charges and the number of taxes that are asphyxiating local transport companies for them to be masters of the local shunting transport market.
- To provide infrastructures and opportunities to local nationals training for the rise of local expertise and qualified manpower workforce availability in terms of logistics and transport operations. This will facilitate, the use and acquiring of management software, projects management, risk assessment of capital investments that worth a lot of money.
- To reinforce the monitoring and evaluation on subcontracting contract awarding so that long term contracts are given to local nationals in order to ensure bankers trust them for long range credit in support to such businesses.
- Instead of accentuating on the exception clause of the policy to hire foreign subcontractors, the government is requested to take strong measures that can stop foreign transborder transporters. Firstly, to never access mining production sites after offloading goods they brought on import. Secondly, to look at ways to build offloading infrastructures at borders of entry into the country, to allow local nationals' companies to have at 100% inland local shunting transport business market totally. Thirdly, to compel local commercial banks to prefinance local transporters at lower rate of interest for them to be more competitive on the markets. Fourthly, to put in place very strong measures to punish principal companies and prevent them from hiring foreign transporters to do inland shunting transport service providing operations in Katanga. Fifthly, ARSP (The Regulatory Authority for Subcontracting in the Private Sector or in French, L' Autorite de Regulation de la Sous-Traitance dans le Secteur Prive), or the regulatory authority for subcontracting policy in the private sector and more particularly in local shunting transport services, should not only regulate by certifying a selected group of companies. Instead, it has to assure and monitor that local nationals' companies are vetted enough in terms of expertise, technicity, technology shift and

software acquisition, workers and assets safety and all equipment maintenance. Sixthly, the government is expected to build infrastructures, schools or colleges, and training centres that can provide Transport & Logistics Management and Technical Teaching & Systems that can stand out as innovative and efficient solution. Seventhly, the ARSP must enforce the subcontracting policy by ensuring its fair, equitably and competitive market for local carriers in identifying and optimizing logistics operations to be subcontracted and awarded to local nationals. Eighthly, the government must, compel big firms to delegate shunting transport activities to local experts needs with ARSP close monitoring. Ninthly, the ARSP must make sure local nationals' companies have access and do sign subcontracting contracts and provide required certified expertise to conduct the work to totally complete the allocation they obtained to avoid potential drawbacks. Tenthly, the ARSP to reinforce the policy to ensure bias are avoided among clients/customers and main contractors, so that they are not left alone when it comes to select subcontractors. Also, the ARSP must reinforce the awarding of subcontracts to avoid that poor rates are not allocated to works to be subcontracted.

4.3.1.4 The Regulatory Authority for Subcontracting in the Private Sector (ARSP)

The study revealed that, the regulatory body is failing to upgrade DR Congo local nationals' company's expertise to secure enough workforce when needed in local shunting transport service providing. The role of the ARSP is to oversee subcontracting activities in DR Congo, and to ensure contracts conclusions comply with established policies.

The participants mentioned that the ARSP is the legal implementer of sanctions in case of law circumventions. The ARSP is the authority certifying legal nationals' subcontractors per field

of activities in DR Congo. However local shunting transport companies owned by local nationals are not offered rooms to train, prepare and raise expertise to meet the business needs.

The responses collected from the participants show that the Subcontracting is exclusively for local nationals' investment enhancement but ARSP rushes at applying the close of exception to that exclusivity whenever it is asked for outsourcing foreign expertise. In the meantime, no follow-up is put in place to make sure local manpower shall be availed after to fill in the gap. So, ARSP cannot only be the authority to regulate subcontracting but also to create upfront conditions to allow DR Congo local nationals companies to have expert manpower ready for the tender calls with capacity resources to take-up the business.

Participants stressed that ARSP is the civil, political and operational responsible for the enforcement of the policy on the ground market. To make it apparent and smartly practical, ARSP is demanded to,

- Establish a rigorous and transparent process for verifying ownership of subcontracting companies and ensure that only companies with verifiable Congolese majority on shares ownership qualify for local shunting subcontracts.
- Come up with strict criteria in order to define what qualifies a "local" subcontractor, particularly in terms of fleet ownership, employee nationality, and tax registration.
- Introduce periodic third-party audits of company ownership and operations to validate compliance independently of political influence.
- Enforce the know-your-customer or KYC type of process reporting with economic operators using subcontractors with systematic auditing of the operators to make sure due diligence process is conducted on regular basis and nationals' certified subcontractors are properly vetted in the businesses of local shunting service providing.

- Support local carriers through training, grants, and access to credit and ensure transparency in the awarding of subcontracting contracts to local nationals' companies that benefitted above advantages with defined percentages of volumes or quotas for contracts reserved to 100% certified Congolese companies and those that have 51% at least of invested shares.
- Create an official database of approved and accessible subcontractors lists to raise awareness among local stakeholders (transport and logistics companies, regulatory bodies and all authorities, etc.) about the policy and its benefits.

Participants explained that companies are vetted through KYC (Know Your Customers) process which must include shareholding structures of the counterparties. They said that this process was in place prior to the law therefore there was need for an adjustment of the process in order to enforce the subcontracting policy in private sector in the shunting transport service providing. Participant G suggested that,

The challenge may be to not be able to work with companies that clients, customer or contractors would have selected in the past as subcontractors. It may be challenging as well for the regulatory authorities to make sure the Congolese shareholding is actually owned by actual business people rather than through arrangement with individuals against a small financial compensation.

And participant I mentioned that:

“The Subcontracting Policy in general has been created in order to promote local companies which are under Congolese ownership. In the Transport sector, it is opening a door to local transporters to operate and move the goods which are produced in DRC.”

So, while ARSP is struggling to put in place a clear KYC process, the needs to run the operations continue to rise and the pressure from large foreign companies put them in position

to refuse to fully comply and go about or just seek for exemptions. At that time the lack of awareness on policy among local nationals do drive them away from their rights.

Participants also stated that it would be difficult to achieve the objective of empowering and creating jobs for the local contractors if main contractors were left alone to engage subcontractors. Those who preferred nomination by clients stated that it would enhance fairness and reduce the cases of main contractors buying off subcontracts whilst pretending to have subcontracted. That is why participant M mentioned that:

“Subcontracting policies are not fully implemented in the local transport industry because foreign transport company still own 90% of the fleet of trucks that are used in this industry. Local transporter must reinforce their fleet capacity to be able to make the subcontracting policies work efficiently and be competitive in the market.”

And participant O raised that:

“The DRC government is not fully involved to accompany the subcontractors. The lack of trust from commercial banks towards subcontractors. Principal companies do not trust Congolese subcontractors when its comes to big project.”

They further argued that work allocation has to be done by the Engineer/Consultant at the design stage instead of the foreign or main contractors. The main reason forwarded was that of removing bias from the main contractors during work allocation and to prevent foreign contractors allocating poor rates to works they know will be subcontracted out. The subcontractors indicated that they needed to be involved in the work allocation process. This means that the client must keep a register of subcontractors and their specialisations so that the list is used for the allocation of works and for group discussions, inductions and workshops.

The participants also pointed out that the main contractors were well aware of this weakness and that of low pricing on works that would be subcontracted out and ridiculously allocate high

rates on the works that cannot be done by subcontractors against financial arrangements which is clearly a kind of corruption indeed.

The participants showed that, the enforcement is being undermined as well because of significant political interference by the government authorities. They stated that, since the authority overseeing subcontracting (ARSP) is politically influenced, there is no fair bidding and impartial compliance processes. Participant C stated that,

There is a lack of transparency in ownership of shares checking. This becomes difficult to counter verifying that the selected subcontracting companies are genuinely 51% Congolese-owned. In high-value contracts, it is common to see proxy arrangements or front companies acting as intermediaries. Corruption remains a major issue that documents or certificates, confirming such company is entitled to subcontract, do often require 'facilitation or corruption' at the ARSP level, opening the door to informal payments and reducing to nil the policy credibility.

And participant P stressed it that:

“To Improve the subcontracting sector, for me I believe we need to check and confirm if we have companies run by Congolese businessman and they should have a capacity to run the company without failure. If there is a lack of fund, they should recommend bankers to accompany them.”

While Participant D, highlighted the issue of corruption and favouritism.

Favouritism and Political Influence hinder that certain companies are favoured due to political or personal connections, creating unfair competition. And corruption matters a lot that decision-making processes and approval mechanisms at regulatory levels remain vulnerable to corruption, which hinders transparency and fair enforcement.

To eradicate favouritisms and corruptions, participant N raised that:

“Foreign transporters should not be allowed to access the mining sites, to give instead more business to local transporters.”

“Foreign transporters should offload their cargos at DRC Borders and only local companies should be allowed to transfer the goods from border to final destination, cities or towns in the region.”

And participant O to raise:

“Toll fees should be alleviated for local transporters to make them more competitive on the market.”

“Commercial Banks should finance local transporters projects and encourage them by applying a lower interest rate.”

“Principal companies should stop hiring foreigners transport for shunting operations in the Katanga Province.”

Participants also encoded the closeness to bad practices, such as the lack of clarity in ownership structures of ‘fake’ local companies, which becomes complex in determining the real actual majority ownership, especially with nominee shareholders. The cost of compliance to meet all registration, audit, and documentation requirements, adds administrative and financial burdens on local nationals. It was also pointed out that there is some regulatory ambiguity in observing the ARSP. The procedures are not always transparent, making compliance unpredictable. The market distortion by political influence is that well-connected companies often secure contracts regardless of compliance status, discouraging genuine efforts from and by local firms.

The participants demonstrated that foreign companies continue to directly carry out local shunting transport activities, bypassing the law. According to them, there is a weak control on the ground, which is covered with the local complicities. The avoidance through fake Congolese companies hinder local start-ups development and growth because the business is driven away from them. Furthermore, the participants mentioned that, some contracts are being awarded on the basis of personal connections or through down-table financial arrangements, to the detriment of merits, competition, fairness and equity among subcontractors.

4.3.1.5 Key Components of the Subcontracting Policy in the Local Shunting Transport Sector in Katanga

The participants mentioned that, the subcontracting policy in the Katanga region is guided by the broader national framework established under the Policy No. 17/001 of 08 February 2017 laying down the rules applicable to subcontracting in the private sector (Leganet, 2017) and the revised Policy No. 18/001 of 09 March 2018 amending and supplementing Policy No. 007/2002 of 11 July 2002 on the Mining Code reinforcing the subcontracting surveillance in the private sector (Leganet, 2018).

The responses proposed by the participants were such that, the key components included: Congolese Ownership Requirement - Companies engaging in subcontracting must be at least 51% Congolese-owned. Local Registration and Compliance - Subcontractors must be registered with the ARSP and compliant with national tax and labour laws. Sector Prioritization - In sectors such as mining and transport, subcontracting is encouraged to promote local participation in the value chain. Monitoring and Oversight - The ARSP is mandated to oversee contracts, ensure proper registration, and enforce penalties for non-compliance. Promotion of Local Economic Inclusion - Preference is given to companies that employ local labour and operate with locally nationalized owned fleets.

The participants said that, the province like Katanga, where the mining sector is rapidly expanding, transport is a strategic backbone for the shunting of mining products from one point to another. Therefore, integrating Congolese nationals into this sector is essential and regulating subcontracting by enforcing the policy on it, is more than crucial. The unfortunate reality on the ground is that the policy is often poorly enforced, to hinder the growth of local

shunting transport operators. Its practical application is sometimes discouraging as pointed out by the participants.

The participants were of the views that, the subcontracting policy in local communities and their business in local shunting transport service providing in the Katanga province had not much impact because the communities were not aware of such policies. On the other hand, a group of participants highlighted that some companies were aware of the new policy n°17/001 on Subcontracting in the Private Sector in the Democratic Republic of Congo that has been enacted on the 8th February 2017 by the President of the Republic after its prior adoption in parliament in January 2017. It regulates subcontracting economic activities in the Private sector in Democratic Republic of Congo. Though it seems still to be ineffective, after getting to know it, participant L mentioned that there were some weak points such as:

“The Lack of Clarity in Ownership Structures: Determining the actual majority ownership can be complex, especially with nominee shareholders.”

“The Cost of Compliance: Meeting all registration, audit, and documentation requirements adds administrative and financial burdens.”

“The Regulatory Ambiguity: The procedures at the ARSP are not always transparent, making compliance unpredictable.”

“The Market Distortion by Political Influence: Well-connected companies often secure contracts regardless of compliance status, discouraging genuine efforts by local firms.”

The participants were aware of the duration of a policy implementation or entry into force, which was 30 days after its publication in the official or legal journal of the country. They mentioned that such duration allows the respect to transitional provisions, within twelve months from the date of the policy entry into force. All foreign companies, holding subcontracts, had to create and register a company incorporated under Congolese rights in order to fulfil the execution of the contracts they hold. Within the same timeframe, companies incorporated under Congolese rights that hold on-going subcontracts, were requested to align

them to provisions of the new act. Though some companies in the country would ignore such policy implementation because the authorities did not oversee how to support local nationals to grab the business. Hence participant H testified that:

“There are no efficiency as Congolese companies are subject to same rules like foreign companies. For your guidance, local companies are paying the road toll at the same rate with trucks coming from other countries, secondly, we don’t have sufficient Congolese companies and the one we have are owned by foreigners.”

And participant J added that the business would be under threats for:

“Risk of Front Companies: Without proper controls, non-local entities can disguise themselves as local through nominal Congolese partnerships. “

“Inflated Costs: When subcontracting is used as a formality, actual costs may rise without corresponding efficiency or capacity improvements.”

“Uneven Development: Benefits may be concentrated among a few politically connected companies, rather than broadly distributed.”

4.3.1.6 Strategies to Enhance the Enforcement of Subcontracting Policy in Private Sector in Local Shunting Transport Service Providing

On strategies to enhance the enforcement of subcontracting policy in private sector in local shunting transport service providing, participants provided different opinions and views. These opinions were consolidated by the researcher so to come up with the best strategies to be suggested for the enforcement of subcontracting policy in private sector in local shunting transport service providing. Below were strategies suggested by various participants:

Participant A said that the Congolese state must properly take care of and support Congolese companies with Congolese capital for a good and effective follow-up of the policy implementation.

Participant B advised that the State must compel customers and principal contractors to subcontract solid and long-term with 30% at least upfront payment to allow local SMEs pre-finance their operations and handle the contract execution within the deadlines.

Participant C mentioned that it is crucial that the State ensures better awareness and training of stakeholders in the sector regarding the provisions of the subcontracting policy, establishes a more effective monitoring and controlling system, and strengthens collaboration among the various stakeholders.

Participant D said it is mandatory to the government and the ARSP not only to encourage the creation of local SMEs but also to push customers/clients to use them by determining as well the market rate and not just aligning with prices that traders are refereeing or imposing.

Besides, Participant E added that, road toll rates must be lower for local SMEs and higher to non-locals as a way to give advantages to national entrepreneurs grab totally the local market.

Participant F recommended that ARSP applies deterrent sanctions against all policy offenders by imposing higher fines, activity suspensions, or license cancellations on foreign and Congolese companies that circumvent the law to discourage and stop illegal practices.

Participant G stressed that ARSP regulatory guides must free subcontracting process from opacity in selecting nationals' SMEs to enhance competitiveness amid entrepreneurs. The sole domain foreign companies can be expected should be the technology transfer to push local teams to evolve towards greater performance and autonomy.

Participant H mentioned that adopting modernized legal frameworks that establishes key performance indicators (KPIs) clauses on subcontracting awarding to real local nationals' enterprises, can prevent clients/customers primary contractor and foreign transporters from market monopoly.

Participant I added that transparency in subcontracting shall always boost the economic multiplier effect for Congolese SMEs. The transfer of technology and knowledge shall upgrade national skills development and stop dependence.

Participant J substantiated the idea that the development of targeted public-private partnerships (PPP) for the modernization of infrastructures shall boost local shunting transport services providing in Katanga.

Participant K recommended that the ARSP establishes a "Certified Local Carrier" label to guarantee compliance to the law and provide access to some benefits (priority in markets, tax exemptions, etc.). Avail periodical training modules on business management, road safety, taxation, and legal compliance, legal clinics to uplift local carriers' level to negotiate contracts.

Participant L underlines that ARSP must create funds of guarantee for local carriers to allow SMEs to finance the purchase of trucks, build workshops for maintenance, and train its workforce. Such fund can be financed by a tax on subcontracting contracts. ARSP can strengthening on-site control with regular and unannounced inspections in mining and industrial areas, using technology (QR codes, digital records) to trace contracts and subcompanies being used.

Participant M mentioned that the government found investment banks aimed at supporting Congolese entrepreneurs in order to create true subcontracting companies with predominantly Congolese capital, compliant and verifiable regarding the shareholding for the emergence of Congolese middle class. Such bank can favour the national transporters' access to financing in forms of loans repayable at very low and incentivizing interest rates.

Participant N said that the ARSP should initiate systematic control on mining companies, their primary contractors and all subcontracted companies after their submission of financial statements to identify the destinations of dividends from final and closed fiscal year reports.

Participant O advocated that the government through the ARSP establishes a rigorous and transparent process for verifying ownership of subcontracting companies. Ensures that only companies with verifiable Congolese majority ownership qualify for local shunting contracts. All local shunting trucks should be registered in the DRC, and not just contracted or temporarily imported.

Participant P spoke that enforcement must be practical and traceable, including real audits and field inspections of assets and operations. Enforcement must go beyond paper compliance. It should include proof of local fleet ownership, use of locally recruited employees, and visible operational presence in Katanga.

Participant Q mentioned that transparency in contract awarding processes and public reporting of penalties for noncompliance would help establish credibility and fairness in the market.

Participant R stressed that physically control on the fleet of companies declared as Congolese must regularly be conducted. Establish a mandatory quota of at least 50% of the products volumes entrusted to real local carriers.

Participant S underlined that granting toll exemption to real Congolese carriers to reduce the competitiveness gap can preserve the local market to national entrepreneurs. Have ARSP seriously sanction companies that circumvent the policy through false partnerships.

Participant T mentioned that the law alone will not be enough but the economic support is needed like preferential interest loans to expand local fleets, customs facilitations for importing trucks, and regular monitoring involving the FEC (Federation of Enterprises in Congo), the Ministry of Transport, and the Ministry of Economy.

Participant U raised that the ARSP should be reinforced in capacity to become the real and stronger regulatory body in subcontracting enforcement since the policy no.17/001 of 08 February 2017 establishing the rules applicable to the subcontracting in the private sector; the

decrees No.18/018 and No.18/019 of 24 May 2018, as amended and supplemented by decrees No. 20/024 and No. 20/025 of 12 October 2020, respectively regarding the implementation measures of the law as well as the creation, organization and functioning of the ARSP itself are more than enough or revisit and regularly audit it.

Participant V sustained that it will be necessary to determine exclusive quotas for real Congolese companies. Before awarding a transportation contract to a foreign company, ARSP and Transport Divisions to ensure that there is no Congolese company capable of meeting the need. It will also be necessary to think about improving overall road safety. Even in this scenario, there would not be much variation since the sector is almost in the hands of foreign companies, locals not being many to conquer the market.

Participant W added that the government must organize follow-up commissions for policy implementation, but above all, improve the business climate for Congolese citizens by easing access to capital through investment banks at competitive interest rates and, and in addition, supporting players by strengthening their capacity in this sector.

Participants X underlined that the state makes decisions with international carriers from the border by establishing dry ports with large receiving warehouses for all products coming through imports so that domestic market is reserved solely for nationals.

Participant Y advised that the ARSP and local transport divisions act as supporting and monitoring bodies of the subcontracting law by branching out into mining sites to confirm that the transport of raw products to production plants and the transport of finished or semi-finished products to internal warehouses or to finishing production units is well-managed by local entrepreneurs, and throughout the entry ports of the country.

Participant Z alluded that official professional training and expertise certificates are granted to local nationals' workforce.

Participant AA said that the ARSP and the Ministry of Transport monitor and evaluate the subcontracting awards to primary contractors who in return must select local subcontractors.

4.4. DISCUSSION AND INTERPRETATION

4.4.1 Understanding the Subcontracting Policy and its Enforcement in Local Shunting Transport Service Providing.

Based on the answers provided by the participants, it can be discovered that they understand the meaning of Subcontracting Policy and its Enforcement in Local Shunting Transport Service Providing. The participants define the Subcontracting Policy as the act of employing a firm or a person outside your company to work as part of the main project. They even provided the three major components which constitute the subcontracting policy, which are: firstly, as a memorandum of understanding (MoU) between two parties providing logistics and freight services. Secondly, the above MoU gives room to engage the client with a third-party company to perform the transport service on his behalf when the client discovered that they do not have enough expertise, manpower or equipment in that particular area. Finally, subcontracting policy has been made to be compulsory in the private sector and particularly in Katanga mining sector. The answers provided, showed that the participants were aware of the subcontracting policy that is promoting SMEs in the DRC. The illustrations below support the understanding of the Subcontracting policy by the participants.

Participant F highlighted that,

“The Subcontracting Policy in general have been created in order to promote local companies which are under Congolese ownership. In the Transport sector, it is opening a door to local transporters to operate and move the goods which are produced in DRC”.

While participant B, stated that,

(“La loi sur la sous-traitance favorise les nationaux et l’émergence des entreprises congolaises particulièrement celles qui sont dans le transport local, ayant des capitaux congolais mais elles doivent aussi être compétitives.”).

This translates as:

“The subcontracting policy or law favours nationals and the emergence of Congolese companies, particularly those involved in local transport, having Congolese capital investments, but must also be competitive.”

The mining and extractive industry has been one of the fastest growing industries in Katanga. It accounts for more than half of the country’s GDP, which is around 31.6 trillion Congolese francs, roughly 10.9 billion U.S. dollars per year. However, the major issue was the imbalance in the distribution of works between local and foreign contractors. Due to inadequate financial and technical capacity among local contractors, foreign contractors were almost sharing over 80 percent of the works contracts of the sector. In order to enhance the capacities and participation of local contractors in mining sector, the initiative by the DR Congo government to promote policies that promotes SMEs, was for the first time legally enacted in 2017, limiting to 40% of a contract’s total value and involves the main contractor engaging another company under a contract to fulfil specific obligations of that contract (MOSOLO, G. E., 2024). In Zambia, the Government of the Republic introduced a 20 percent mandatory subcontracting policy in 2012 (PHIRI, F., 2016) in the construction industry and for the same disproportion and inequality reasons.

Such practices support theories developed by (MOSOLO, G. E., 2024) and (Hailu, H., & Makgopa T., 2024) which ascertain that the benefits and the challenges of policy implementation should be accentuated by the political and institutional prints, thus enhancing the local participation and the rise of economic empowerment for local nationals’ business and avoiding exploitation and corruption.

Interpretation

The responses provided by the participants surely, certainly demonstrate that the DRC government has put in place a very positive policy that, if observed and respected it will promote greatly the local communities through SMEs. The local business into transport shunting operating will be highly promoted and developed especially in the Katanga province, given that, this province remains the home of many different mining companies.

Findings from the study demonstrate that, the local shunting transport service providing within the Katanga province is pivotal and part of the supply chain in mining production (McGuirewoodsLLP, 2017). It supports all movements of goods that the local participation of nationals' companies constitutes a strategy targeting to the moving forward of the economy, hence the enforcement of the subcontracting policy in private sector in local shunting transport service providing. Professor. Daniel Djedi, PhD paper on Subcontracting Policy in the Mining Industry in the DRC, in Katanga region especially and the Local Participation, which explored the role of the legal and regulatory framework in shaping local participation within the mining industry in the DR Congo (Djedi, D., 2023). The article addressed the gap between the policy intentions and its practical outcomes, pointing to the needs for effective enforcement of subcontracting policy to ensure impactful and meaningful local involvement in the sector's global activities for the best livelihoods of communities and the rise of purely local SMEs owned by certified Congolese shareholders.

This study findings highlight as well that local shunting transport services are part of the Supply Chain strategies that require strict observation of transparency impacting the four core activities of the supply chain performance which are the bidding and selection of subcontractors, the subcontract management, the operations management, and the monitoring and evaluation of subcontract works.

The participants highlighted that, the government needs to keep their regulating bodies on permanent track of key components of the subcontracting policy in the local shunting transport sector in Katanga. Such key components to strictly follow and respect include,

- The Congolese Ownership Requirement, where companies engaging in subcontracting must be at least 51% Congolese-owned shares.
- The Local Registration and Compliance, in which subcontractors must be registered with the ARSP and stay compliant with the national tax and labour laws.
- The Sector Prioritization, in sectors such as mining and transport, local subcontracting is encouraged to promote local participation in the value chain.
- Monitoring and Oversight, the ARSP is mandated and must invest itself to oversee contracts, ensure proper registration, and enforce penalties where applicable for non-compliance.
- The Promotion of Local Economic Inclusion, where preference is given to companies that employ local labour and operate locally their owned fleets.

4.4.2 The Effective Implementation and Enforcement of Subcontracting Policy in Local Shunting.

The findings from participants show that the subcontracting policy is being implemented but it is facing a lot of challenges. The local shunting transport is one of the departments that is being mostly affected by those challenges. These challenges are mainly financial, lack of expertise and also corruption in the system just to mention a few. For example, one of the participants pointed out that,

“Financially: Some local companies are not financially able to perform the jobs; in terms of Expertise, some local companies do not have enough expertise in the area they request for a contract. Taxes and Fees: Too many taxes and toll fees to be paid especially for transport service providers;”

To support the above view, the other participant stressed that,

“Congolese companies or those with Congolese capital investment, do not have enough resources to meet the demands of investors, and the State does not support or guide them.”

“Local transporters must reinforce their fleet capacity to be able to make the subcontracting policy work efficiently and effectively to be competitive amidst the market.”

This can also be argued with the challenges faced in the shunting transport companies in Nigeria where local nationals are experiencing their business portion being diverted, hence reducing their expected revenue. Zidan, Zizi Hassan & Faajir, Avanenge say that the transportation is an important part of human activity. It forms the basis of all socioeconomic interactions. In many developing countries, the lack of transport facilities often hinders economic development and a good transport system is essential to support economic growth and development of local community and national entrepreneurs' businesses (Zidan, Z. H. & Faajir, A., 2016). Onokala, Chinyelu Patience and Olajide, Chidinma Joy argue that the major result of the predominant use of road transportation over all the other modes are environmental problems of road transportation and high frequency of road traffic accidents on Nigerian roads. The problem of inefficiencies at the ports of Nigeria, bad roads and fleet poor maintenance, has led to missed opportunities for receiving more imports at the Nigerian seaports from other countries as well as goods meant for Nigerian ports being diverted to other ports along the coast of West Africa (Onokala, P. C. & Olajide, C. J., 2020).

Interpretation

Findings from the study clearly highlight that there are challenges faced in the effective implementation of the policy, especially in the local shunting. Thus, if the policy was

effectively implemented, it would have developed a lot of SMEs, from the local communities in the area of shunting transport services providing.

(Pressman, J. L., & Wildavsky A., 1984), emphasized that, the enforcement of the subcontracting policy in the private sector and more particularly in the shunting transport services providing in Katanga would never be challenge free as long as businesses are permanent, revenue generative for the state and the people. Such challenges must be addressed as the policy is translated into actions through monitoring and evaluation processes as advised and the enforcement of the policy must be the power tool.

Findings in this study agree with Phiri's that, in terms of challenges, it is difficult to grow capacity of subcontractors using the subcontracting policy if contractors limit work allocation to simple ones. Allocating higher value works has been hampered by weak business structure, low financial status, inadequate equipment, lack of skilled workers, and insufficient managerial skills.

For the subcontracting policy enforcement to work successfully in terms of capacity and expertise development, measures such as advanced technical education and manpower training, affirmative action by government and local research and development have to be considered (PHIRI, F., 2016).

4.4.3. Government Responsibilities

Findings on the Government's responsibilities in enforcing the subcontracting policy on local shunting suggest that the government is not doing much. Although the policy has been well drafted, the implantation remains a very big problem. The findings from the study highlighted that, the government is not really respecting the policy. Illustrations below from participants

point out the deficiencies from the government in the effective implementation and enforcement of the subcontracting policy in the local shunting.

“Some mining companies do award local shunting contracts to foreign transporters without complying with the law. This often happens with the complicity or the inaction of public authorities. Additionally, excessive taxation and numerous levies on local businesses hinder the development of start-ups and young local companies.

And participant B highlighted that:

“There is no fiscal incentive policy to support their growth. Besides, mining companies connive with some local authorities to impose their own favourable terms on contracts that banks don't grant credits to local start-ups because of short duration contract (3-6 months), hence, hindering their long-term investment and at the end, they fail off quickly because of heavy tax burdens on them, favouritism and lack of impartiality on eligibility criteria, bureaucratic red tape and harassment while road infrastructures are so poor to make the operations inefficient.”

The MexicoHistorico journal talks about similar inefficiencies in the implementation and enforcement of subcontracting policy that were noticed in Congo-Brazzaville where the government could not involve its local population in the economic growth in local transportation issues that were being faced. It says the transportation sector in Congo (Congo-Brazzaville) stands at a critical juncture, grappling with a myriad of challenges that hinder its development and efficiency. Considering the community needs and engagement not only strengthens the relationship between the government and citizens but also leads to the development of more effective and relevant transportation solutions in local sector. It concludes by underlying that addressing the transportation crisis in Congo-Brazzaville requires a multifaceted approach that encompasses investment, innovation, policy reform, and community involvement. By leveraging public-private partnerships, embracing technological advancements, implementing sound policy frameworks, and engaging local communities,

Congo-Brazzaville can pave the way for a more sustainable and efficient transportation future (MexicoHistorico, 2025). Same applies in Katanga for, allocating the mining companies subcontracting activities to foreign firms without considering the local players shall never uplift the socioeconomic level in the community. Same practices were also registered in Rwanda where the strong and big companies existing already were being allocated the local transport at the expense of starters of the local communities which could have benefited more with job creation. MAERI ONDERI DAVID, in his study, showed that though the government of Rwanda deployed some efforts at different layers to streamline the local transport sector without troubles, implementing a framework they already had set up on local transport through the Ministry of transport; one of the challenges they faced was that the law was not an inclusive policy from what has been discovered since its implementation in August 2013. This was so apparent, in that it considered only strong foreign companies that were already installed, and pushed out all small and starter companies from allowing them to operate. This in turn brought down the degree of engagement between the Rwandan people and decreased money flow hence affecting other related jobs (DAVID, M. O., 2014).

Interpretation

The ministry of transport being an arm of the government dealing with the subcontracting policy in the local shunting, seems not to be doing much in terms of implementation and enforcement of the policy. As alluded in the previous paragraphs, the policy is in existence but its implementation and enforcement are a big challenge. Corruption seems to be preoccupying the policy implementers. Thus, the policy remains on paper practically, the foreign big firms are benefiting in the shunting transport services providing as compared to the local companies.

Financially, the government seems not to be doing much in order to promote and assist the local companies which are struggling to have enough capitals, adequate expertise of the manpower, and enough equipment to facilitate the operations in the local shunting transport service providing. Government seems not to be convincing the local banks for adequate loan programs to the local companies at a lower rate of interests in order to boost their operations.

As stated by Pressman and Wildavsky (1984), the law is always powerful that nobody can be above it or withstand it. There are always challenges and complexities in translating policies into action. Feeble governance, corruption and weak enforcement mechanisms are factors that hinder the success of the subcontracting policy enforcement. Big companies need to abide by the law that their adaptability and understandings constitute a must. (Pressman, J. L., & Wildavsky A., 1984).

This is why Dahlia and Lixing (2024) say the enforcement stresses the importance of oversight, control, and sometimes the use of authority and power with punitive measures to maintain adherence to the processes (Dahlia, M. B. R., Lixin G., 2024).

4.4.4 The Regulatory Authority for Subcontracting in the Private Sector (ARSP)

The findings got from the study suggest that ARSP is in existence, and it is considered to be a legal implementer of sanctions in case of those companies that would want to escape the law. The participants recognize ARSP as an authority in charge of certifying legal nationals' subcontractors in different fields of activities within the country. Based on the findings, it was discovered that the local shunting transport companies owned by Congolese nationals seem not able to afford enough rooms to train, prepare and raise expertise to provide the necessary needed for the business running. The ARSP is considered to be the civil, political and

operational framework for the enforcement of the policy on the ground market. As explained by the participant I,

“The Subcontracting Policy in general has been created in order to promote local companies which are under Congolese ownership. In the Transport sector, it is opening a door to local transporters to operate and move the goods which are produced in DRC.”

Despite, having the regulatory body put in place, to some extent it can be discovered that this body is failing to uplift the Congolese local nationals' company's expertise. It is challenging for these companies to secure enough workforce that is needed in local shunting transport service providing.

Such challenges could be compared with what happened in the implantation of such regulatory body in Zambia. The regulatory body for subcontracting in the Republic of Zambia, would provide over 80 percent of the works contracts to foreign companies and leaving out the local companies (PHIRI, F., 2016).

Interpretation

The findings state that the role of the ARSP is to oversee subcontracting activities in DR Congo, and to ensure contracts conclusions comply with established policies. Nevertheless, it can be established that the ARSP is not being fully active to implement and enforce the policy in the local shunting transport service providing in Katanga mining sector.

The illustrations below from the participants allude to the fact that the foreign transport companies, still own the monopoly of the business in the market as compared to the local

companies. The DRC banks do not trust the local transport companies for them to be provided with bank loans in order to boost up their businesses.

Participant M explained that,

“Subcontracting policies are not fully implemented in the local transport industry because foreign transport company still own 90% of the fleet of trucks that are used in this industry. Local transporter must reinforce their fleet capacity to be able to make the subcontracting policies work efficiently and be competitive in the market.”

Participant O raised that:

“The DRC government is not fully involved to accompany the subcontractors. The lack of trust from commercial banks towards subcontractors. Principal companies do not trust Congolese subcontractors when it comes to big project.”

The other below illustration demonstrates the deep weakness of the ARSP as a regulatory body in the subcontracting, local shunting transport company industry. Most companies being local as well as foreigners do not comply to the law. The audits and inspections of the assets and operations must be regularly carried out. For example, participant X highlighted that,

All local shunting trucks should be registered in the DRC, not just contracted or temporarily imported. They argued that enforcement must be practical and traceable, including real audits and field inspections of assets and operations. In terms of additional, the findings alluded the fact of going beyond paper compliance. Compliance to the law must include, the KYC process associated with audit for proof of local fleet ownership and shares; the use of locally recruited employees, and visible operational presence in Katanga. Also, transparency in contract awarding processes and public reporting of penalties for non-compliance. If the above-mentioned items would be observed, this will help to establish credibility and fairness in the market.

Therefore, for the local shunting transport to be successful and effective, the ARSP must be reinforced, all the players in the business, being foreigners as well as locals must respect and abide by the law. The ARSP must be clearly explaining the content of the policy to the transporters in order to avoid some regulatory ambiguity it carries. This, because, it was discovered that, the procedures were not always transparent. To avoid the market distortion by political influence. There is need to make it apparent and smartly practical.

ARSP must establish a rigorous and transparent process for verifying ownership of subcontracting companies and ensure that only companies with verifiable Congolese majority on shares ownership qualify for local shunting transport subcontracts.

It must introduce stricter criteria in order to define what qualifies a “local” subcontractor, particularly in terms of fleet ownership, employee nationality, and tax registration. Introduce periodic third-party audits of company ownership and operations to validate compliance independently of political influence. Enforce KYC type of process reporting with economic operators using subcontractors with systematic auditing of the operators to make sure due diligence process is conducted on regular basis and subcontractors are properly vetted.

Support local carriers through training, grants, and access to credit and ensure transparency in the awarding of subcontracting contracts to local nationals’ companies that benefitted above advantages with defined percentages of volumes or quotas for contracts reserved to 100% certified Congolese companies.

Create an official database of approved and accessible subcontractors lists to raise awareness among local stakeholders (transport and logistics companies, regulatory bodies and authorities, etc.) about the policy and its benefits.

4.4.5 Key Components of the Subcontracting Policy in the Local Shunting Transport

Sector in Katanga

The findings from the study show that the subcontracting policy in the local shunting transport sector in the Katanga province is guided by the broader national framework established under the Policy No. 17/001 of 08 February 2017 laying down the rules applicable to subcontracting in the private sector (Leganet, 2017) and the revised Policy No. 18/001 of 09 March 2018 amending and supplementing Policy No. 007/2002 of 11 July 2002 on the Mining Code reinforcing the subcontracting surveillance in the private sector (Leganet, 2018).

This is a good framework which gives at least the 51% ownership to the Congolese companies. All the Subcontractors have to register with the ARSP, and the priority should be given to the mining and transport sectors. The subcontracting is encouraged to promote the local participation in the value chain. So far, the findings had proven that there was not much in clarifying the ownership structures of the transport companies. There was ambiguity in the system. As it was stated by one of the participants that,

“The Lack of Clarity in Ownership Structures: Determining the actual majority ownership can be complex, especially with nominee shareholders.”
“The Cost of Compliance: Meeting all registration, audit, and documentation requirements adds administrative and financial burdens.”

All these show the inefficacy in the implementation and enforcement of the framework. These findings simply clarify the framework doesn't have much impact on the local communities and their business in transport delivery services in the Katanga province.

Such weakness was observed in the framework used in Kenya for shunting transport companies whereby the communities were taken off of their duties. Kenya West says that the competition authority of Kenya (CAK) launched investigation into allegations that multinational companies are abusing their dominant market position in the country's transport and logistics sector,

potentially stifling local competition and discriminating against Kenyan business. Multinational companies are accused of discriminatory practices that effectively lock out local firms from lucrative contracts (West, K., 2025).

Interpretation

Findings from the study demonstrate that the key components of the Subcontracting Policy in the Local Shunting Transport Sector in Katanga is theoretical well known by the actors in the industry. The challenge comes with its applicability. Reason why, much progress has not been made in promoting the SMEs at the grassroots level. The findings show that the subcontracting policy in local communities and their business in local shunting transport service providing in the Katanga province has little impact on the local communities.

This highlights the ignorance of the importance of policies at the community level as well as by policy implementers and enforcers. This argument can be supported with the views from the participant L who outlined the weaknesses of the regulatory instrument and its applicability:

“The Regulatory Ambiguity: The procedures at the ARSP are not always transparent, making compliance unpredictable.”

“The Market Distortion by Political Influence: Well-connected companies often secure contracts regardless of compliance status, discouraging genuine efforts by local firms.”

Views from participant J can be used in order to buttress this argument on the softness and ignorance of the regulatory framework. Participant J added that the business would be under threats for:

“Risk of Front Companies: Without proper controls, non-local entities can disguise themselves as local through nominal Congolese partnerships. “
“Inflated Costs: When subcontracting is used as a formality, actual costs may rise without corresponding efficiency or capacity improvements.”
“Uneven Development: Benefits may be concentrated among a few politically connected companies, rather than broadly distributed.”

As per different views collected through the findings, the key components of the Subcontracting Policy in the Local Shunting Transport Sector in Katanga are not fully utilized for the benefice of the local communities.

4.4.6 Strategies to Enhance the Enforcement of Subcontracting Policy in Private Sector in Local Shunting Transport Service Providing

Various suggestions provided by different participants clearly highlighted that there is need for serious works by the government through the Ministry of transport as well as the ARSP in order to enhance the enforcement of subcontracting policy in private sector and particularly in the local shunting transport service providing.

Most of their suggestions were pointing to what the government and ARSP must do. For example, the major suggestions were mainly based on the support and the duties of the state as well the ARSP towards the strengthening of the local SMEs. This can be underscored with suggestions such as:

- The state must support Congolese companies with Congolese capital. It must compel customers and principal contractors to subcontract solid-long-term with 30% upfront payment allowing local SMEs to operate. The state should promote the awareness and the training of stakeholders. The government and the ARSP should push customers/clients to use local SMEs by determining the market rate. Also, the government should promote field inspections in order to trace the practicability and the real audits of assets and operations.

Through their suggestions, the participants also alluded to the adoption of the modernized legal framework that can establish key performance indicators (KPIs) clauses, as well as the transfer of modern technology and knowledge which can help to upgrade the national skills development.

Interpretation

It can easily be determined that, even if participants underlined the understanding of the use of the policy No. 17/001 on subcontracting in the private sector, the regulations by ARSP and the relevant decrees related to local content and the sectoral compliance, the current policy does not totally support the interest of contractors and their subcontractors.

The state as well as the regulatory ARSP still have a lot to do in order to enforce the compliance with the Subcontracting Policy in Private Sector in Local Shunting Transport Service Providing. The views and opinions provided by the participants assisted the researcher to come up with a framework which can be used for the success of the enforcement of the subcontracting policy in private sector in local shunting transport service providing.

4.5. Summary

This chapter presented the data collected from the field of study. The findings were discussed and interpreted thematically. The findings revealed that, the enforcement of the subcontracting policy in private sector in local shunting transport service providing is still very challenging in the DRC particularly in the Katanga province. The government through the ministry of transport and the ARSP have provided the policy but the policy seems to just be applicable on paper. These findings agreed with what other scholars' theories had pointed out on

subcontracting policy implementation, through the enforcement in local shunting transport service providing. In Katanga, the regulatory bodies, the ARSP and the government officials need to empower the local SMEs, the local nationals' operators in terms of capacity building in subcontracting.

CHAPTER 5 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

In this chapter, three parts are essential. The first part is devoted on the summary of the dissertation. The second part covers the major findings of the research study, and the last or third part provides various recommendations from the researcher on how to enforce the implementation effects of the subcontracting policy in private sector in local shunting transport providing in Katanga in the mining sector in particular for the enhancement of the local SMEs, the rise of local expertise, the growth of local communities, the development of the country socioeconomic level and the enlargement of the state treasury revenue collection.

5.2. Summary

To sum-up this dissertation, four chapters have been developed after which the fifth one is concluding the entire dissertation. The first chapter provided the background to the study, the statement of the problem, the objectives plus the questions, the hypothesis plus assumptions, the significance, the delimitation and the limitation of the study. The threshold covered the role of the transport sector within the mining sector where the subcontracting policy has been reinforced by the mining code encouraging big firms to subcontract local community-based small firms.

The second chapter presented the leading theoretical framework for the study, which is the socioeconomic model. This model was developed by Ben Katoka, PhD in 2019. This model unpacks the political, economic and institutional dimensions of the policy enforcement. It provides critical insights into factors that drive the success or the failure of the policy implementation to the rising of its effective enforcement or not. The chapter reviewed also

existing literature on subcontracting policies by examining local dynamic specific contexts such as governance, infrastructure and other socioeconomic factors. These factors shape the implementation of the policy.

The third chapter presented the methodology used for the study which is qualitative design method. This design was appropriate for the study given that, it prompted participants to provide their views and opinions on the enforcement of the subcontracting policy in local shunting in transport services. This approach provided ways to understand levels of compliance with the subcontracting policy, the enforcement mechanisms used, the challenges faced by actors in the subcontracting sector of local shunting transport providing services. Forty (40) participants were selected amid the active population or actors of the local shunting transport service providing, mining companies, members of divisions of transport and experts of the sector. Through semi-structured interviews, these participants provided enough insight to the study on the subcontracting policy enforcement.

The fourth chapter presented, analysed, and interpreted the data collected and gathered from the field of the study. Two sources of data collection have been used. The first one was the semi-structured interviews and the second one was the review of policy documents and reports from the Ministry of Transport and Communication. The data collected and gathered from the first and second sources, have been thematically analysed and interpreted in this chapter according to the objectives assigned for this research.

The findings over the enforcement of the subcontracting policy in the private sector and more particularly in the local shunting transport in Katanga concluded by the need to build capacities of both the official and the established regulatory bodies, the need for the involvement of contractors and their customers or clients, that of subcontractors are higher. In agreement with what other scholars pointed out, findings have revealed that, the enforcement of the

subcontracting policy is still very challenging in the Katanga province, in the mining sector where big firms operate. The policy provided seems to just be applicable on paper. The findings underlined that there is a sound need to empower all local SMEs, the ARSP and the government officials and all local national operators in terms of capacity building to enforce the subcontracting policy. Chapter five, outlines the summary of the dissertation, its conclusions and recommendations in accordance with the objectives which were set out in chapter one.

5.3. Conclusions

The subcontracting policy is mandatory in the private sector in the DR Congo. It was promulgated to economically bridge-up the gap between principal investors, main contractors and the DR Congo nationals' contractors called subcontractors. The study established that ARSP is the authority institution that is legally empowered to control and regulate the subcontracted local transport service providing industry in mining companies in Katanga.

Findings in this study established that the current subcontracting policy has deficiencies as far as achieving the policy objectives is concerned. The defects and flaws started from the policy implementation follow-up and regulatory bodies. After raising its awareness, the policy implementation follow-up slowed down because of limited deployment in capacity of workforce for ARSP to absorb a large number of work and thereby achieve the objectives of the policy in mining companies.

The study findings established that there is need to evaluate, strengthen and enforce the subcontracting policy by empowering regulatory bodies including the principal contractors, the contractors and subcontractors active not only in local shunting transport service providing in

the mining sector but also in other subcontracting industries or sectors. The study raised also that the local subcontractors lacked the capacity to participate in huge tenders and they were not given the rights of the last refusals. Need be to remind that the main objectives of the subcontracting policy was to empower local SMEs, create jobs for the citizens and create capacity among local contractors and subcontractors so as to contribute to sustainable development of local communities and broadening the state treasury revenue collection. The state must advocate with banking and finance institutions to pre-finance certified subcontractors by giving them access to credit at low interests' rate.

This study found that the state must increase in number the ARSP members in order to appoint monitoring teams in each mining sites for surveillance of level of final produced volumes vis-a-vis the allocation signed for subcontracting. Mining companies and contractors must not be left alone by regulatory bodies to referee and decide what volumes to allocate for uplifting to local nationals' SMEs that have been awarded subcontracting. The regulatory bodies must also be looking at the rate that is being contracted to subcontractors to make sure it covers their costs and charges so that the business is mutually profitable to all parties inclusive of the state through the established revenue collection authority. If the business is not profitable to local nationals, no social responsibility functions can be exercised if they do not make profits. It has been established as well that the regulatory bodies must make sure that local nationals' subcontractors are given long term contracts with good bills of volumes to uplift.

Findings in this study established that, the successful achievement of the subcontracting policy objectives depends on good relationship between the main contractor and the subcontractor and in most cases, the relationship must be built on a long-term basis. But due to regulatory bodies weaknesses, the management of subcontracting processes were ineffective that foreign

contractors cannot be trusted on their own to build capacity of local contractors and subcontractors. Building such capacities is the government responsibility via the regulatory bodies or ARSP. ARSP must look at building local nationals' capacity to boost competition on business. The government must raise a plan for the training and building of capacities of local contractors and subcontractors to achieve the subcontracting policy objectives.

This study established that foreign companies discuss local business outside of the country that the tendering process becomes a formality and accessing bigger contracts in the country is almost pre-arranged. The government cannot purposely help local nationals' companies until such inclinations do change. Findings disclosed that the policy cannot meet most of its intended objectives if the government does control what foreign trucks do in the country after offloading the imports they have brought. So, if the government cannot take drastic measures to protect the local shunting transport business in the Katanga mining sector, the subcontracting policy cannot meet its intended objectives.

The lack of a government or ARSP framework on how management, transport, logistics, projects, risk assessment, financial, operational and planning capacities of local nationals' enterprises members would be upgraded disadvantaged the local subcontractors. The government needs to deliberately enforce the policy by investing in training of professionals and practitioners. The government can invest in construction of infrastructures for the lack of dry ports and warehouses to offload imports at the inland's entry borders constitute a must. Such strategies can stop foreign trucking companies from grabbing internal markets and business away from local SMEs. Making such frameworks would help enforce the subcontracting policy in the private sector in local shunting transport providing services and

would enhance employment creation and capacities of local contractors in Katanga in particular and the country wide in general.

Henceforth, without drastic intervention from the government, the subcontracting policy, will remain unenforced and unsustainable. Its performance shall be evaluated unsatisfactory in the private sector in local shunting transport service providing in Katanga in particular and in the country in general. In view of the above, to address the challenges faced by local nationals' contractors and subcontractors in the business sector, it is important for the government to review and evaluate the policy with regard to capacity building of both the regulatory bodies and the local nationals' entrepreneurs. Although the findings in this study recognized that some local companies have achieved little success but, they are already negatively impacted and affected in perception because they are very often short in terms of capacities and financial means.

Therefore, this study suggested a framework for the subcontracting policy enforcement in the local shunting transport service providing. This framework is original and unique based on findings provided from the field of study.

5.4. Model framework for the enforcement of the subcontracting policy in local shunting transport service providing

The framework below illustrates that the Government posits the policy. The Government uses the Authority Regulating Subcontracting in the Private Sector (ARSP) and the Ministry of Transport and Communication to implement and enforce it in the Private Sector which comprises Mining Companies in this study. The Government provides subsidies through Banking and Financial Institutions to cover Subcontractors who apply for low rate interests

credits to finance their subcontracted operations. Mining Companies use the main contractor to subcontract SMEs and avail 30% upfront payment to SMEs through the banking system.

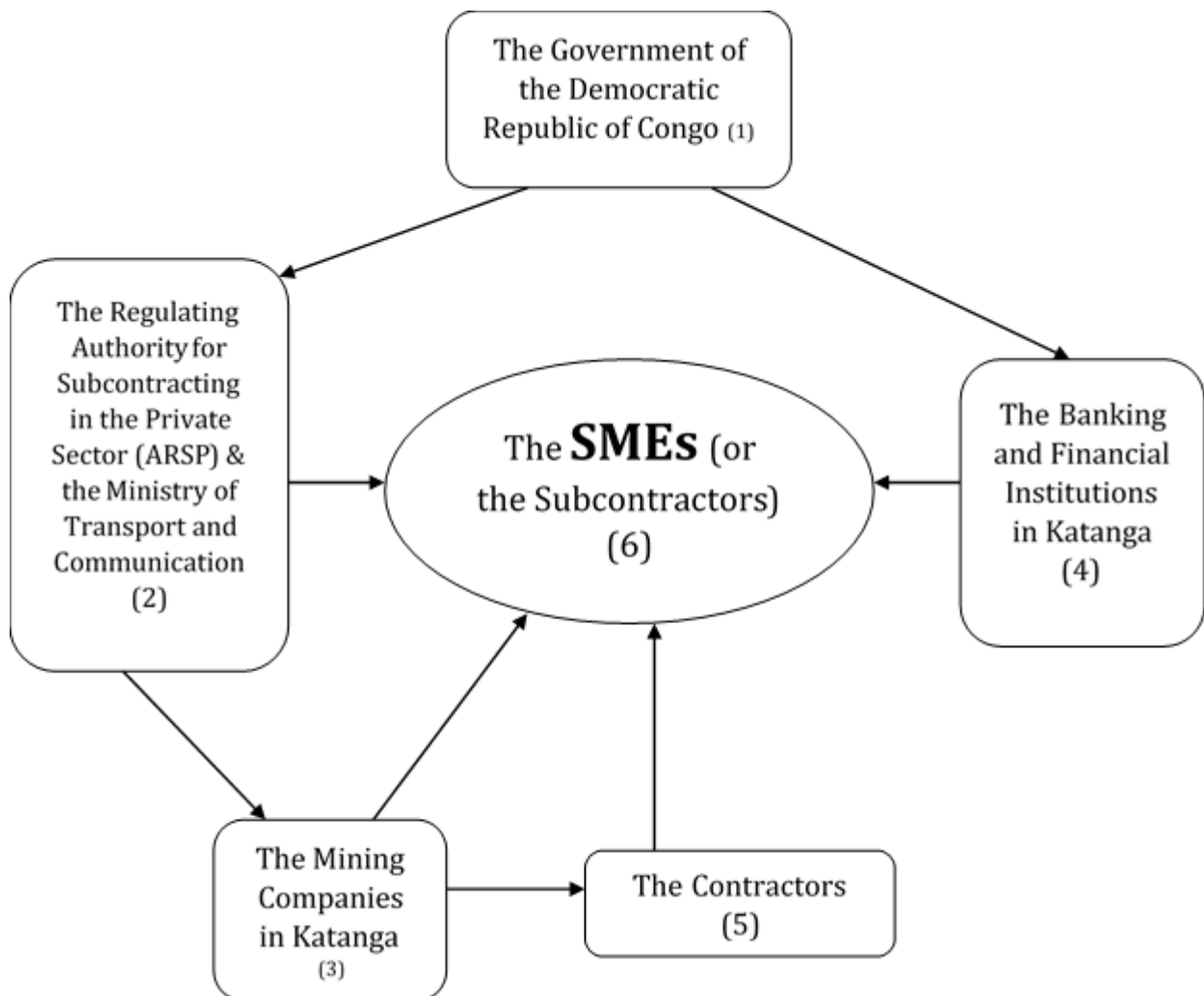


Figure 5-4: Subcontracting Enforcement Framework in local shunting Transport sector

From the framework above, the numbers represent:

- (1) The Government
- (2) The Authority Regulating Subcontracting in the Private Sector
- (3) The Private Sector the comprises the mining and extractive companies
- (4) The banks and financial institutions
- (5) The main contractors
- (6) The Small Scale and Medium Size Enterprises

The subcontracting model shown above illustrates how the subcontracting policy can be enforced, followed-up, monitored and evaluated. Key stakeholders from public, private or quasigovernment actors, local nationals transport experts, main contractors and the subcontractors suggested to model this framework with clear steps and KPIs.

The model is suggested to work under closer assessment of the works to subcontract by the government, the ARSP with the regulatory bodies and expert from the Divisions of transport and the customers. Such combination of expertise shall allow transparency, equity, fairness and accountability. Equal chances shall also be given to all certified subcontractors in the local shunting transport service providing in the mining sector in Katanga.

5.5. Implications

This study results' implications were so obvious in exposing in facts the non-effectiveness and the non-enforcement of the subcontracting policy in the private sector. Mitigating adverse effects such as, the mismanagement of natural mining resources, tribalism, nepotism, bribery, corruption, favouritism, is compulsory. If not eradicated, the lack of sanctions, of monitoring and evaluation, in controlling and regulating the subcontracting policy in the private sector and particularly in the local shunting transport service proving, shall never promote growth among local entrepreneurs and the socioeconomic development of local communities. Findings in this study exposed many aspects and factors that failing to address these issues by enforcing it, the policy implementation shall remain on paper. Without effective policy enforcement, there will be continuity of such adverse effects. And these, due to the lack of policy mechanisms, adequate tools to use and do the follow-ups, capacity reinforcement at all levels for efficiency, and overlooking for reformulation of the policy where applicable.

Transparency, fairness, equity, legal but best practices and the participation of SMEs operators in the process of allocating subcontracts, will raise trust and enhance the policy enforcement, hence the suggested framework. The ARSP cannot leave big firms and main contractors alone to referee who to subcontract and what to allocate to SMEs but, SMEs should be given the right of the last refusals. Selection criteria, an official registry accessible by all SMEs operators, clear and strong verification of local capital investment ownership, proof of operation and fleet ownership in Katanga, DR Congo are required and have been stressed by all participants.

5.6. Recommendations

The following were recommendations provided to different stakeholders by this study:

5.5.1. To the Government of the Democratic Republic of Congo:

- Strengthen the financing of local SMEs with subsidies via the FPI (Fonds de Promotion de l' Industrie) which is a funding institution for the industrialization promotion of local Entrepreneurship and through the creation of a New Investment and Financing Bank with DRC capital investments.
- Ensure the protection of local SMEs against foreign competition by significantly reduce local taxes of the DGI (Direction Generale des Impots) Tax General Department, which strangles local entrepreneurs, from 40% to 10%, like in other countries such as Angola 10%, Tanzania 15%, Ivory Coast 12%, Uganda 15%, Kenya 16%. These countries have fewer natural resources than the DRC but, attract more investors while the DR Congo represses its own wealth creators with abusive taxation and a complete lack of vision despite having more waters, energies and arable lands.

- Put in place strong enforcement mechanisms with semester audits, follow-ups, monitoring and evaluation by empowering assigned regulatory bodies on duties.
- Eradicate bad practices such as corruption, nepotism, favouritism for best economic recovery shooting in the sector.
- Promote local employment, local workforce emergence and national expertise rise by protecting the local workforce working in subcontracting companies in order to increase the creation of new jobs for nationals. For instance, local shunting transporters can be levied only 50% of global road taxes and tollgate fees.
- Build warehouses at each border of entry for all imports offloading and allow only local nationals SMEs to take over the inland traffic.
- Broaden the tax base for the benefit of the public treasury with numerous local SMEs and plenty employees in.

5.5.2. To the Authority Regulating the Subcontracting in the Private Sector:

- Encourage the promotion of employment for Congolese by sanctioning any practice that can hinder the emergence of national expertise.
- Protect local workforce working in subcontracting companies to increase the creation of new jobs for nationals, and broaden the tax base for the benefit of the public treasury.
- Create tools that regulatory bodies can be acting with to enforce the subcontracting policy implementation.
- Rise with measures of control to stop big firms from impeding local nationals' SMEs to prosper and progress economically, create more jobs, have their team members trained and specialized, rise and secure local expertise.

5.5.3. To Foreign Investors and Owners of big firms:

- Stop carrying out both the main activities and the activities that are ancillary or related, neither alone or through foreign companies recruited by them.
- Adapt the level of enforcement with the ARSP in the mining sector where local shunting is very strategic.
- Operate in a way to transfer the technology innovating systems of logistics and transport management to local national firms, so that they can have their turnover increased with business access and keep their assets maintained.

5.5.4. To Local Entrepreneurs in Private Sector and Owners of SMEs:

- Stop being spectators but stand together, the country must stop killing its own local entrepreneurs since a country without SMEs of its own, has no future.
- It is time to say STOP officially, rally through symposiums, conferences and colloquiums or meetings, and push for the change of rules in place.
- Evaluate the policy implementation and adapt the level of enforcement with the ARSP through workshops, discussion groups, commissions and caucus meetings gathering to emphasize more on the awareness and strategic interest of the policy.
- Create tools that regulatory bodies can be acting with to enforce the subcontracting policy implementation and enforcement.
- Ask the legislator to revisit the subcontracting policy implementation and enforcement deeply.

- Have access to subcontracting business, and help stop loss of revenues to the public treasury.

5.7. Suggestions for Further Research

Further studies are suggested on:

- The monitoring and evaluation of local shunting transport subcontracting for local SMEs socio-community responsibilities enforcement.
- The criteria and design setting for capacity building and development amidst local nationals SMEs.
- The capacity building packages development for expertise rise among local SMEs.
- The creation and function of an investment and financing bank for local wealth creation.

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Appendix

Appendix 1 : AUREC approval letter



AFRICA UNIVERSITY RESEARCH ETHICS COMMITTEE (AUREC)

P.O. Box 1320 Mutare, Zimbabwe. Off Nyaanga Road, Old Mutare-Tel (+263-20) 60075/60026/61611 Fax: (+263 20) 61785 Website: www.africau.edu

Ref: AU3417/25

8 August, 2025

NDEMBO KAFEKO
C/O Africa University
Box 1320
MUTARE

RE: AN ANALYSIS OF THE ENFORCEMENT OF SUBCONTRACTING POLICY IN PRIVATE SECTOR IN LOCAL SHUNTING TRANSPORT IN KATANGA

Thank you for submitting the above-titled proposal to the Africa University Research Ethics Committee for review. Please be advised that AUREC has reviewed and approved your application to conduct the above research.

The approval is based on the following.

- a) Research proposal
 - **APPROVAL NUMBER** AUREC 3417/25
This number should be used on all correspondence, consent forms, and appropriate documents
 - **AUREC MEETING DATE** NA
 - **APPROVAL DATE** August 8 2025
 - **EXPIRATION DATE** August 8, 2026
 - **TYPE OF MEETING:** Expedited
After the expiration date, this research may only continue upon renewal. A progress report on a standard AUREC form should be submitted a month before the expiration date for renewal purposes.
 - **SERIOUS ADVERSE EVENTS** All serious problems concerning subject safety must be reported to AUREC within 3 working days on the standard AUREC form.
 - **MODIFICATIONS** Prior AUREC approval is required before implementing any changes in the proposal (including changes in the consent documents)
 - **TERMINATION OF STUDY** Upon termination of the study a report has to be submitted to AUREC.



Yours Faithfully

MARY CHINZOU
FOR CHAIRPERSON
AFRICA UNIVERSITY RESEARCH ETHICS COMMITTEE

Appendix 2: Informed Consent Guide:

My name is NDEMBO KAFEKO, a final year (Public Policy and Governance) student at Africa University. I am carrying out a study on AN ANALYSIS OF THE ENFORCEMENT OF SUBCONTRACTING POLICY IN PRIVATE SECTOR IN LOCAL SHUNTING TRANSPORT IN KATANGA. I am kindly asking you to participate in this study by answering this interview guide/filling in 10 minutes.

a) What you should know about the study:

Purpose of the study:

The purpose of this study is to critically analyze the enforcement of subcontracting policy within the private sector, specifically in the context of local shunting transport in Katanga. You were selected for the study because you are a key player, and in position to provide accurate knowledge and information that is relevant to the study.

b) Procedures and duration:

If you decide to participate you will be required to make yourself available for an interview. It is expected that it will take about 10 minutes.

c) Risks and discomforts:

The foreseen risk and discomforts in this study is related to the fragility of information generated that is associated with the investigation and any refrain or psychological trauma among public when such information is not well managed. However, the researcher will treat every information acquired or obtained from the participants with high level of confidentiality.

d) Benefits and/or compensation:

No benefits or compensation will be given to participants, however, data cost and airtime in case of needs will be provided.

e) Confidentiality:

Participant's details (names) and information provided during the data collection will be treated with confidence and if there should be a need of disclosure, I will seek your consent.

f) Voluntary participation:

Participation in this study is voluntary. If participant decides not to participate in this study, their decision will not affect their future relationship with the Local Government Area. If they chose not to participate, they are free to withdraw their consent and to discontinue participation without penalty.

g) Offer to answer questions:

Before you sign this form, please ask any questions on any aspect of this study that is unclear to you. You may take as much time as necessary to think it over.

h) Authorization:

If you have decided to participate in this study, please sign this form in the space provide below as an indication that you have read and understood the information provided above and have agreed to participate.

Name of Research Participant (please print)

Date

Signature of Research Participant or legally authorized representative

If you have any questions concerning this study or consent form beyond those answered by the researcher including questions about the research, your rights as a research participant, or if you feel that you have been treated unfairly and would like to talk to someone other than the researcher, please feel free to contact the Africa University Research Ethics Committee on telephone (020) 60075 or 60026 extension 1156 email aurec@africau.edu

Name of Researcher:

Appendix 3: Data Collection Instruments:

3.1 Interview guide for the selected key informants

- a) Can you briefly describe your understanding of the subcontracting policy in the transport sector and particularly on local shunting transport in the Katanga?
- b) What challenges or barriers have you observed in the enforcement of subcontracting policies?
- c) Have there been any penalties or sanctions applied for non-compliance with subcontracting policies? Please provide examples or details.
- d) What measures or actions do you think should be taken to improve the enforcement of subcontracting policies in the local shunting transport industry in Katanga?
- e) Are there any additional comments or recommendations you would like to share regarding the subcontracting policy and its enforcement in the local shunting transport sector?

3.2 Interview Guide for selected participants

- a) How effectively are subcontracting policies implemented in the local transport industry in Katanga and at what extent do you think they are enforced?
- b) What are the main challenges you face regarding the enforcement of subcontracting policies?
- c) What are the perceived economic benefits or challenges brought by subcontracting in the local shunting transport sector? (Please provide details)
- d) Are there any specific rules or regulations you believe should be introduced or modified to improve subcontracting policy enforcement in the region?
- e) What additional measures should be taken to improve the enforcement of subcontracting policies and ensure a fair and competitive shunting transport market?

3.3 Questionnaire for selected transport company managers, some government officials and experts:

- a) What are the key components of the subcontracting policy in the local shunting transport sector in Katanga?
- b) What are the challenges that are faced by private transport companies in Katanga when complying with the subcontracting policy?
- c) How do variations in volume correlate with changes in the enforcement of subcontracting policies in local shunting transport? Are there any noticeable shifts in volumes when enforcement levels are higher?

- d) What are the impacts in local communities, the economic benefits and drawbacks of implementing subcontracting in the local shunting transport sector of Katanga?
- e) What are the legal frameworks and recommendations that can support the enforcement of subcontracting policies within the private transport sector in Katanga?

Appendix 4 : Data Collection Instruments (with questions translated in French):

4.1 Understanding the Subcontracting Policy and its Enforcement in Local Shunting – To be answered by Team on daily Shunting Transport OPS:

- a) Can you briefly describe your understanding of the subcontracting policy in the transport sector and particularly on local shunting transport in the Katanga?

Pouvez-vous décrire brièvement votre compréhension de la loi de sous-traitance dans le secteur des transports, en particulier concernant le transport local dans le Katanga ?

- b) What challenges or barriers have you observed in the enforcement of subcontracting policies? Quels défis ou obstacles avez-vous observés dans l'application de la loi de sous-traitance ?

- c) Have there been any penalties or sanctions applied for non-compliance with subcontracting policies? Please provide examples or details. Y a-t-il déjà eu des pénalités ou des sanctions appliquées en cas de non-conformité a la loi de sous-traitance ? Veuillez fournir des exemples ou des détails.

d) What measures or actions do you think should be taken to improve the enforcement of subcontracting policies in the local shunting transport industry in Katanga? Quelles mesures ou actions pensez-vous devraient être prises pour améliorer l'application de la loi de sous-traitance dans l'industrie du transport local au Katanga ?

e) Are there any additional comments or recommendations you would like to share regarding the subcontracting policy and its enforcement in the local shunting transport sector? Quels commentaires ou recommandations supplémentaires aimeriez-vous partager concernant la loi de sous-traitance et son application dans le secteur du transport local ?

4.2 The effective implementation through Enforcement of Subcontracting Policy in Local Shunting – To be answered by Managers and/or Responsible of local shunting transport services:

a) How effectively are subcontracting policies implemented in the local transport industry in Katanga and at what extent do you think they are enforced? Quelle est l'efficacité de la mise en œuvre de la loi de sous-traitance dans l'industrie du transport local au Katanga et dans quelle mesure pensez-vous qu'elles sont appliquées ?

b) What are the main challenges you face regarding the enforcement of subcontracting policies? Quels sont les principaux défis que vous rencontrez concernant l'application de la loi de sous-traitance ?

- c) What are the perceived economic benefits or challenges brought by subcontracting in the local shunting transport sector? (Please provide details)
 Quels sont les avantages économiques perçus ou les défis apportés par la sous-traitance dans le secteur du transport local ? (Veuillez fournir des détails)
- d) Are there any specific rules or regulations you believe should be introduced or modified to improve subcontracting policy enforcement in the region? Y a-t-il des règles ou des réglementations spécifiques que vous pensez devraient être introduites ou modifiées pour améliorer l'application de la loi de sous-traitance dans la région ?
- e) What additional measures should be taken to improve the enforcement of subcontracting policies and ensure a fair and competitive shunting transport market? Quelles mesures supplémentaires peuvent être prises pour améliorer l'application de la loi de sous-traitance et garantir un marché de transport local équitable et compétitif aux transporteurs locaux?

4.3 The Usefulness of Subcontracting Policy in Local Shunting Transport Services

– To be answered by company Founders, Directors, and/or some government officials and experts:

- a) What are the key components of the subcontracting policy be in the local shunting transport sector in Katanga? Quels sont les éléments clés de la loi de sous-traitance dans le secteur privé lié au transport local dans le Katanga ?

- b) What are the challenges that are faced by private transport companies in Katanga when complying with the subcontracting policy? Quels sont les défis auxquels sont confrontées les entreprises de transport privé au Katanga pour se conformer à la loi de sous-traitance ?
- c) How do variations in volume correlate with changes in the enforcement of subcontracting policies in local shunting transport? Are there any noticeable shifts in volumes when enforcement levels are higher? Comment est-ce que les variations de volume à transporter corréleraient-elles avec les changements dans l'application de la loi de sous-traitance dans le transport local ? Y a-t-il des changements notables en volumes lorsque les niveaux d'application et de mise en œuvre sont plus renforcés ?
- d) What are the impacts in local communities, the economic benefits and drawbacks of implementing subcontracting in the local shunting transport sector of Katanga? Quels impacts sur les communautés locales, les avantages et inconvénients économiques observez-vous de la mise en œuvre de la loi de sous-traitance dans le secteur du transport local dans le Katanga ?
- e) What are the legal frameworks and recommendations that can support the enforcement of subcontracting policies within the private transport sector in Katanga? Quels cadres juridiques et recommandations, selon vous, peuvent renforcer l'application de la loi sur sous-traitance dans le secteur du transport local dans le Katanga ?