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New Africa

Liberia: Governance and its Socioeconomic Impact.

This paper will show that governance is a critical factor in the stability or instability of a country. It helps create a world view and loyalty in the populace. Economic management, inclusion, education, health, security, nutrition, social nets, representation in government, anti-corruption, and transparency are some of the basic functions that governance entails. The way governance deals with these as well as other socio-economic issues determines the future success of a state.

Ali Mufuruki, an entrepreneur, businessman, leadership coach, and citizen from Tanzania, stated at the 2016 Camden Conference on Africa that the fight against corruption, the lack of transparency, and the need for better governors were among the most important areas for the continent going forward. He further stated that corruption contributes directly to the systematic weakening of states' institutions that are supposed to check its spread, including the judiciary, police, anti-corruption agencies, revenue authorities, and other regulatory bodies. This causes ordinary Africans to lose hope for a better future for their lives.

Liberia has natural resources which include rubber, iron ore and land that is suited for agriculture. These resources have been both an economic boon and a curse. The theft of these economic resources by a privileged few, politically powerful elites has created tension with the majority who are denied access or benefit from them. These resources have been coveted not only by the powerful elite but by other nations as well. Having watched with indignation as a small group of governing elites have filled their plates up to overflowing for one helping after another, giving much away to strangers and scraping much into the garbage bin, the poor and starving minority can stand the status quo no more and the unrest that follows is understandable. The only thing that is hard to understand is what took them so long to rise up and claim their fair share.

Liberia had a growth rate of over eleven percent in the 1950's. They were number three in the world in iron ore production and were the major rubber producer. This economic windfall was mismanaged, stolen, given away, and wasted by poor governance that not only failed to include the native population in the economic boom but failed to use the capital to invest in its own production facilities, education, and infrastructure. Short term goals were based on a few elites and their constituents getting as rich as possible as fast as possible. International companies got ninety percent of the profits while the interior "have nots" were getting nothing but angrier. Civil war was, as Greg Mills stated in his book *Why States Recover, "*… less a civil war in terms of contest of ideologies than it was about looting and mayhem, the opportunities for plunder it afforded" (269-270). One must look at the past events and their outcomes in order to get a reliable perspective on the future and to see the lessons that were sometimes learned over and over again.

Liberia was settled in 1822 by American free-born blacks, freed slaves, Caribbean blacks, and mulattoes. The native population living in present-day Liberia did not want these new arrivals on their lands and there were many conflicts. In 1847 these black settlers proclaimed Liberia a republic and gave it its name. These settlers, referred to as Americo-Liberians, refused to integrate with the native population or allow the natives to become citizens and did not even consider the natives to be Liberians. The native people had been trading spices, gold, ivory, and even slaves, who at one point became their number one product. In return they received alcohol, cloth, horses, and weapons (Kraaij, 14).

The Americo-Liberian political leaders enacted a “Ports of Entry” law in 1864 to control trade into and out of the country. They traded at only six designated ports in the country and the other parts of Liberia were closed to trade. The point was to monopolize the trade as well as to keep English merchants from sidestepping the import/export duties. Many native people relied on a lively trade with the Europeans and when it became illegal they rose up and rebelled. This was the first unofficial civil war of Liberia. Trade was down due to the new trade law. Armed conflict with the native populations was expensive so the added spending and reduced trade led to a rapid decline in the economy. If not for the intervention by the U.S. Navy on numerous occasions, the mere five percent Americo-Liberian population might have had their rule overthrown early in the colonization process. Liberian settlers should have integrated the native population into their society instead of excluding them. The irony of people fleeing exclusion and discrimination to start a free county only to discriminate and exclude people themselves is not lost.

Once the social unrest was reduced, the Firestone Tire & Rubber Company invested heavily in Liberia in 1926 and was relied on as the major source of revenue until 1951 when another American company, the Republic Steel Company, engaged in iron ore production (Kraaij, 34). With these investments and the accompanying social stability, many other foreign companies invested in Liberian resources. In the 1970's Liberia was the biggest exporter of iron ore in Africa and the third biggest in the world (Mills, 270). Soon Germany and Switzerland joined the investment frenzy in Liberia. By the late 1970's Liberia's foreign investments were over one billion U.S. dollars and, thanks to a flag of convenience policy, they had the largest registered fleet of merchant ships in the world. This success did little for the interior and its native population. Until 1960 the interior parts were separated by lack of roads and virtually no communication. The interior did not even have the same laws as the coastal Americo-Liberians and had no political power.

Rubber was forty percent of the Liberian GDP and when the commodity prices dropped during the 1970's so did the economic viability of Liberia. Although Liberia had over one billion USD in foreign investment, the country did little to diversify and expand their economy. There were no production facilities for the raw iron ore and no factories for finished rubber products. Raw materials were shipped out to factories in better developed countries and the profits were heavily in favor of the investors. There was no government oversight and no institutions in place or being created to manage Liberia's economic well-being. Liberia paid around 100 million USD per annum to cover foreign labor costs and to use foreign capital (Kraaij, 63). The leadership again failed to use this financial boon to Liberia's advantage. To make matters worse, Liberian rice production fell during this time because most of the investors' workers were taken from the agriculture sector. Rice was being imported on an ever larger scale. The agricultural leaders in government did not bother to address this staple food shortage or the ever-increasing agricultural imports (Kraaij, 87). In 1979 riots over rice prices led to the overthrow of the Americo-Liberian government by native forces. The president and twenty-six members of his cabinet were executed and this effectively ended the 133 years of Americo-Liberian governance.

Samuel Doe, a member of a small native ethnic group called the Krahn, led the rebellion and gained control of the government after the coup. Doe previously had been a member of the Liberian army and during that time was trained by the U.S. special forces. He wasted no time establishing good relations with the U.S. government. Doe was given aid by the U.S. and in return he protected the financial interests of the U.S. and acted against the Cold War interests of the Soviet bloc. Once again Liberia gained financial resources due to a mutual defense pact with the U.S. Ports were open to western Europe, Canada, and of course the U.S. This once again brought huge foreign investment, much of it from shipping interests that enjoyed the Liberian tax-free atmosphere. Doe began to lift the censorship of the press, released political prisoners, and declared amnesty for his opponents. Again poor governance created an atmosphere of divisiveness and ethnic unrest. Failure to build infrastructure, produce agriculture, create production jobs, invest in education or training, and failure to curb corruption were some reoccurring issues of history.

Because of internal unrest and fear of another coup, this time against him, Doe became gradually more repressive. Newspapers were shut down, reporters were jailed, and political opposition of all types was banned. Doe had members of his PRC party eliminated if they challenged him or if he even perceived a challenge. He began installing his trusted ethnic Krahn people in key areas of power within the government and this was a major area of popular anger against him. These actions by the Doe government incited opposition, which in this in turn caused Doe to further consolidate power. These totalitarian measures and the economic downturn caused his once popular support to decline dramatically. Again the leadership failed to realize the ramifications of poor governance and to learn lessons from history. The lack of support by the people forced Doe to reluctantly agree to elections, but they were plagued with rigged voting and many in the opposition were terrorized, intimidated, and murdered by Doe and his cronies. Over fifty of Doe's opponents were killed during the run-up to the elections. When the elections were over on October 15, 1985, Doe had won the election with a purported 51% of the vote. The international observers quickly declared the elections fraudulent, and opposition members who did win seats refused to take them. The U.S. defended the election process by admitting that it was not a perfect process but at least it was a step in the right direction for democracy. A good example of the U.S. attitude at the time came from comments by Chester Crocker, Assistant Secretary of State. He explained during Congressional testimony that African elections were notorious for being rigged so it was to be expected.

Now it was the U.S. and the international communities who practiced poor governance oversight. The international community ignored the fraudulent elections. The election results should and would have been removed if not for the U.S. protecting their man Samuel Doe. The elections could have been rescheduled and monitored by international observers if a minimum amount of pressure had been applied by the U.S. The international community could have insisted on new elections and ignored, persuaded, or embarrassed the U.S. into cooperating. Legitimizing the elections put Doe back in power and his preferential treatment from the U.S.

The tension and unrest was not alleviated but further inflamed. Two months before Doe was to be sworn into office, an attempt was made to seize power by Thomas Quiwonkpa, one of Doe's generals who had previously been at odds with Doe and fled the country. Quiwonkpa entered Liberia through Sierra Leone with five or six hundred men and attempted to seize control from Doe (Dickovick, n.p). Quiwonkpa was captured and killed in the attempt (Ellis, 57). Doe exacted revenge for the failed coup by killing over three thousand members of Quiwonkpa's ethnic tribe in his home county of Nimba. This ethnic killing caused ethnic rivalries and fears of genocide and was the catalyst for Liberia's first Civil War. Charles Taylor and Prince Yormie Johnson initially cooperated in attacking Doe and his forces but later split into two separate factions. Both factions continued to attack Doe. Doe was eventually captured by Prince Johnson, tortured, and killed, all while being videotaped to be broadcast around the world (Ellis, 1-16).

The Economic Community of West African States (ECOWAS) sent their intervention force, the Economic Community Monitoring Group (ECOMOG), to Liberia to help establish a temporary government and ensure the safe evacuation of foreign citizens. The ECOMOG force was led by Nigeria and involved non-members, including Tanzania and Uganda. From 1989 to 1997 the strife continued to devastate the country. Hundreds of thousands were killed and many fled the country. Rebel groups fought the troops of the interim government, UN troops, regional African peace force, and each other. Many rebel groups split apart and formed opposing groups. Liberia was a sea of violence and chaos. In the summer of 2003 Charles Taylor, the "sometimes" ally of Prince Johnson, finally resigned and went into temporary exile in Nigeria. A chance of better governance was at hand.

The UN moved into Liberia and a two-year peace agreement was enacted to provide time for Liberia to transition to presidential and legislative elections scheduled for October 2005 (Mills, 271). Violence for the most part had finally ended and new leadership and hope was at hand. Ellen Johnson Sirleaf was elected president in a run-off election and became the first African female president in 2006. Johnson Sirleaf is well educated and ambitious, and she appears to be genuinely interested in rebuilding Liberia for the people and not in obtaining office for attaining political goals or personal wealth. The Johnson Sirleaf administration faced many obstacles in the wreckage of post-war Liberia. State institutions were in disarray without competent staff or equipment needed to operate them effectively and there was a serious lack of financial capital. Airports, bridges, roads, and public buildings were in need of repair or rebuilding all together. There was no central power production or distribution for the 3.1 million residents that were still living inside the Liberian borders. Getting around the capital city of Monrovia was extremely difficult and venturing to populated areas outside of the city was impossible. The port was blocked by debris and a sunken ship so access to the quay was not possible.

When President Johnson-Sirleaf took office, Liberia had an operating budget of a mere 80 million dollars. Security needs were met by the United Nations with a 2006 authorized force of 15,250 U.N peace keepers who were providing internal security and ensuring security from external forces as well (Mills, 267). There was and remains much work ahead. With good governance in mind and a historical perspective, Ellen Johnson-Sirleaf, with advice and consultation regionally and internationally, both governmental, and non-governmental, began the daunting task of rebuilding Liberia from the ground up, both politically and socially. Gregg Mills states in his book *Why States Recover*, "History teaches however that the period of recovery for states from failure is at least as long as the period of decline" (8).

The Johnson-Sirleaf administration initiated a 150-day plan that included getting electrical power up and delivered to key parts of the capital, Monrovia. Infrastructure was rebuilt and technical/vocational training was started for a small number of students. Programs were enacted to bring back skilled workers and executives to create superior civil service infrastructure as well as training others to become civil servants. Antoinette Sayeh, who had previously worked as World Bank country director for Benin, Niger, and Togo and also as an economist for Pakistan and Afghanistan, was hired as the new finance minister of Liberia. There was work to reduce the staggering debt through the Heavily Indebted Poor Countries (HIPC) plan. Liberia's 4.9 billion U.S dollars in debt required an IMF supported financial plan. The World Bank was lobbied to cancel 400 million dollars' worth of debt and the African Development Bank cancelled another 250 million (Mills, 272). With the crippling debt being addressed, Johnson-Sirleaf turned to her country's resources, including iron ore, palm oil, and rubber production. Deals on mining and palm oil were negotiated with better rates of returns. Diamonds were certified as non-conflict. Security concerns were being addressed by training 2000 army troops, mostly by the U.S., and 4000 police officers by the United Nations Police (UNPOL) (Mills, 274).

Liberia has drastically improved under the governance of the Johnson-Sirleaf administration. There are still areas of concern that are either being worked on or need working on. Some of the historical reasons for unrest are differences between the haves and have nots as well as lack of inclusion of all citizens in the political process. Corruption is another issue that has historical precedence and has never really been dealt with or lowered to more normal levels. Education lags behind with low literacy rates. Of 25,000 applicants who took the college entrance exam in 2013, the University of Liberia claimed that no prospective students received a passing grade. There is a huge income gap when parliamentarians are earning a salary of between 10,000 and 20,000 USD per month with huge expense accounts in a country where a police officer earns 100 USD per month (Mills, 274). Agricultural production is abysmal with huge imports that cancel out the rubber production profits. The meager medical facilities and services were no match for an outbreak of Ebola in 2014. Ebola wreaked havoc on an economy that was already dealing with low international commodity prices. A 2015 press release on Liberia from the World Bank stated, "The fear associated with the outbreak has considerably slowed down economic activities; large concession companies have suspended their investment plans and relocated a number of their expatriate staff to other countries" (The World Bank Group, n.p). The effects are still being realized today.

Liberia has struggled with governance and its effects since freed slaves from America arrived on its shores. They were not welcomed by the prosperous natives who were living in the area and, in hindsight, for good reason. These new arrivals, through poor governance, further ostracized the native population by restricting their trade and by not sharing ownership or political power with them. The natives rebelled and attacked the so-called "Americo-Liberian settlers", which in turn caused economic turmoil. These historical lessons in the importance of governance would need to be re-learned several more times throughout Liberian history. Civil War was seen as a way that the poor, downtrodden, and powerless could get what they considered their fair share in the process. The country was never theirs anyway, not while the elites were in power. This lack of ownership has done little to promote loyalty or patriotism.

Liberia is a country with massive wealth in such natural resources as diamonds, rubber, palm oil, and iron ore. There is ample rain and fertile land that is awaiting the planting of seeds in order to feed its people. Although challenged by a devastating Ebola outbreak, low commodity prices, unsustainable population growth, and huge shortages in food production, Liberia has the chance to learn from the past and progress forward toward prosperity and true independence. The future must address such vital issues as better practices in governance, transparency, productive education, sustainable agriculture, corruption controls, and innovative new forms of employment to ensure economic stability. The Liberian people must take an active role in the political process and insist on good governance. The leadership cannot be allowed to hold office to amass wealth while the people stand idly by. There must be major consequences for acting against the will of the people. Leaders who are chosen by the people to govern Liberia must be rewarded for good governance and replaced post haste if governance is found lacking. They must work honestly and diligently for the people, all the while knowing someone else is waiting to take their place promptly should the need arise. Although some types of outside assistance are welcomed, it can be only assistance. The major lifting has to be done by the Liberian people themselves; there is no substitute. Good governance does not have to be perfect; it only has to be good and sound for all Liberians.

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