

# Sierra Leone @ 50

Confronting Old Problems and Preparing for New Challenges<sup>1</sup>

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The number 50 tends to enjoy much reverence in the public imagination. The celebration of a 50 year event in most parts of the world evokes the high sounding phrase "golden jubilee"—with the word golden depicting all that is bright in the history of the person, institution or activity. In this type of celebration, individuals and states share one important thing in common: at 50, a person can no longer blame his or her parents for failures associated with choices during the life cycle; the person may have started life with a weak foundation that can be traced to parental circumstances, but at 50 that person is assumed to be mature and is expected to bear responsibility for at least some of the outcomes in choices made. The same goes for a state. When a state celebrates 50 years of independence, it cannot place all the blame for its failure or backwardness on its former colonial master, even though the colonial encounter may have imposed constraints on the life of the new state. The big question such a state will face, especially from its citizens who did not experience colonial rule, is: what did our leaders do to overcome the constraints of colonialism, improve our lives, and justify our quest for independence?

On the other hand, 50 years is a small step in the life of a nation. An individual at 50 is often said to have seen the best part of his or her productive life. Conservation, not risk-taking, may define the life of a 50 year old. This, however, is not the case for a state, as 50 years is a very short part of a country's history. Indeed, many countries count their history in millennia. Seen from this perspective, a 50 year old state has many advantages. It can correct mistakes, however terrible they may have been, and get on a different trajectory that will lead to better outcomes. In other words, a 50 year old state still has the energy and ingenuity of a child to adapt, learn, experiment and progress. It may lack the advantage of long historical wisdom, but is not burdened by inflexibility and aging. Indeed, even demographically speaking, Sierra Leone is a youthful nation. The overwhelming majority of its population is under 50. What all this suggests is that if we get our priorities right and resolve to correct our bad ways of conducting the affairs of state, we can catch up very rapidly with countries that have

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developed. In doing this, we do not have to rediscover the wheel and we have the vibrancy of youth to make things happen.

The history of newly industrializing states indeed suggests that it is possible to transform our economy and society within a generation. Take a country like Malaysia, which was not very different from Sierra Leone or Ghana or Nigeria in 1960 in terms of per capita income, poverty levels and resource endowment. Malaysia succeeded in attaining middle income status and drastically reduced its poverty rate within a time scale of 30 years. In Malaysia, manufacturing employment expanded rapidly from 7 percent in the 1960s to about 28 percent in 2000. Whereas 55 per cent of Malaysians earned a living from agriculture in the 1960s, this share fell to 16 per cent by 2000. Poverty fell from about 50 per cent in 1970 to less than 6 per cent in 2004 (UNRISD 2010; Khoo, 2012). However, overcoming backwardness requires a frank and dispassionate look at how we spent our last 50 years, and a strong commitment to confront old problems and prepare for new challenges. It is to these that I now turn.

## Political and economic trajectories

One of the compelling lessons of Sierra Leone's development in its last 50 years is how strongly our political trajectory tracks our economic development. We entered statehood with a boom in the world economy. This was a period that development policy analysts have come to describe as a golden age of capitalism. We registered a moderate level of growth during the first 10 to 15 years of independence. We had confidence in the ability of our new leaders to transform our society and make the very limited but fairly well-functioning state deliver the benefits of independence to everyone. We also had a fairly robust multi-party system, which in 1967 set a record in postcolonial Africa as we became the first country on the continent to change a government through the ballot box. Unfortunately, that democratic change was almost immediately thwarted by the military. After the winners were restored in 1968, we then entered within a few years a long period of authoritarian, corrupt and repressive one party rule, which degenerated into further military and thuggish rule as well as a brutal civil war in the 1990s. These series of reversals at the political level correlated with economic decline and, if I may add, institutional decay, from which it has been very difficult to recover. We regained democratic life in 1996, and, except for the one year of military usurpation of power in 1997, we have enjoyed in the last decade or so some moderate level of growth. However, as most development policy analysts know, it is easy to restore growth when the fighting stops, but much more difficult to improve the lives of people, restore institutions and make them work for citizens.

The key lesson from our history is that authoritarian rule and economic development are incompatible in our terrain, even if they correlated well in other countries such as those in East Asia. We always make progress, however limited, when our politics are democratic; and regress, and sometimes really badly, when we allow a single party, big men or warlords to lord it over us. Indeed, it has been shown for the period 1991-2004 that growth nose-dived into negative territory when there were major rebel attacks (1992, 1995, 1999) or a coup (1997) and rose rapidly when civil democratic rule was restored (post-2000) (World Bank, 2009; Sierra Leone Government 2003). However, our history also suggests that democracy alone will not generate the kind of growth that will transform our economy to the benefit of all citizens and prevent us from sliding back to dictatorship and conflict. We need to build additional sets of

institutions, policies and strategies to direct our growth and sustain our democracy and make both growth and democracy work for everyone.

## Old and persistent problems

I would like to focus on three issues that I have characterized as old problems, but which have continued to make it difficult for us to attain our full potential. These are how to harness our abundant natural resources for economic growth and transformation that will improve living standards; how to rebuild and expand our highly degraded human capital; and how to rework our politics to make it serve an agenda of economic and social transformation. I would then use the remaining time to address a few challenges we are likely to confront in the coming decades, which are climate change and global pressures for a green economy. My basic message is that we cannot confront the new challenges if we are unable to deal with the old and persistent problems. So, I will start with the old problems.

#### Harnessing resource wealth for economic and social transformation

The story of our resource endowment needs no recapitulation. Our resources include diamonds, bauxite, rutile, iron ore, and gold; and there are strong prospects for oil, which, when realised, will produce a sea change in terms of revenues. We are also blessed with rich marine life, lush forests, and arable land. It is difficult to put a value on these resources, but it is clear that if we only harness them well, even the goal now being set by the government of attaining middle income status looks modest. Small mineral-rich countries can jump several stages in the world income classification by simply earning rents from their products. We know that this is what Equatorial Guinea, which is now a high income country, has done. But this corrupt, wasteful and largely dysfunctional country is not what I believe should be our development model. We want a transformation that can be judged not just in terms of economic growth but that also translates into real incomes and supports sectors where the majority of people work. Such a transformation should stimulate and create real value and improve productivity across the economy. In other words, we should be aiming for a world income status that allows for substantially improved yields to the national economy, that cuts capital flight or wealth repatriation by local elites and foreign companies, that transforms our agricultural sector so that we can feed ourselves, that boosts industrial production so we can stop being a nation of imported second hand products, and that transforms our urban informal sector of petty traders into real producers of value. In short, such a transformation should connect agriculture, industry and services productively. This kind of transformation will not happen without strategic planning, coordination and discipline.

It is an established fact that mineral resources are often difficult to control and the resource curse tends to define the lives of many mineral-rich poor countries. Even the colonial power, Britain, had problems controlling our mining sector, as it was forced to make deals with chiefs in mining areas who appropriated state transfers and rents for their own benefits. However, even though the colonial mining companies reaped most of the benefits and transferred them overseas, the problem of mass leakage of revenue from the formal state sector was not extensive. The colonial state also had very limited ambitions in developing the country as it administered Sierra Leone and other colonies on the cheap. As a colonial state, we were allowed to spend only what

we could generate as revenue: less revenue generation meant less expenditure. Our people therefore did not expect much from the colonial power.

It is, however, a different matter when the state has lofty ambitions or expectations are raised through slogans about independence delivering prosperity for all. The most important change in the way our revenues were harnessed occurred between 1973 and 1985, which also marked our rapid descent into authoritarian rule, large scale corruption and, subsequently, economic decline. It is important to grasp two key issues in this change as they came to define the path that transformed us into a failed state in the 1990s.

The first was the failure to develop a healthy and productive relationship between the state and the budding business elite for economic growth and transformation. Concerned primarily about political survival and illicit accumulation of rents from our natural wealth, the political elite distrusted indigenous African entrepreneurs and refused to cultivate them as partners in the lucrative mining sector that would have provided a foundation for investment in other sectors of the economy. Instead, Lebanese businessmen, who were perceived as apolitical and therefore nonthreatening to the political elite, became the state's partners in the production and sale of our natural resources. The American political scientist, William Reno (1995), provides data on licensed diamond dealers, which show that whereas in 1968 African dealers accounted for 85% of the licenses and Lebanese dealers only 15%, by 1973, the Lebanese had become the dominant players, accounting for 78% of the licenses and Africans only 22%. Now, the unfortunate thing about this development is that the same state that favoured Lebanese enterprise in the mining sector had (and indeed still has) a racist citizenship law that discriminated against this key business group. The Lebanese were thus given free reign to exploit our resources and make money, but the citizenship laws were such that this group did not have the incentive to invest that money locally in productive sectors; and nor did the state, which was now run by a kleptocratic elite, compel members of the group to do so despite the enormous patronage given to them. Compare this experience with Malaysia, which is also a multi-ethnic state. Even though the Malay were considered indigenous, the citizenship status of the Chinese, who dominated business, was never questioned; and the Chinese joined the Malay (even if as unequal partners) in forming the political coalition that governed the country and advanced the project of economic transformation.

The second development that formed the basis for economic decline and state collapse was the informalization of our economy and public sector. The institutions established during colonial rule and the first decade of independence to manage our resources were systematically dismantled after 1973. The transnational mining company, the Sierra Leone Selection Trust, was rendered ineffective; and the state-dominated company, the National Diamond Mining Company, was stripped of its monopoly in carrying out mining operations on its rich diamond deposits and export activities. Individuals with strong patronage links with the state took control of the mining sector. The end result was a concentration of the national wealth in the hands of a few powerful individuals (the most well-known being Jamil Mohamed and Tony Yazbeck) but without state incentives and sanctions to channel such wealth into the productive sectors. By 1980, Reno reports that the official mining company, the NDMC,

accounted for only 29% of legally produced diamonds, compared to 94% in 1973. The informalization of the mining sector was extended to other sectors, such as the produce marketing board and a host of parastatals, such as the ports (Luke, 1984) and the trading, hotel, transport, communication, banking and utility sectors. Government revenue dried up very quickly, debts mounted, especially after the organization of the extravagant Organization of African Unity Summit in 1980 that was estimated to have cost USD200 million, and the state became highly dependent on foreign aid. All of this occurred in an international environment that was now highly unfavourable, as terms of trade for primary commodities deteriorated. Informalization of the economy and the public sector meant that the state even lacked the discipline to implement IMF reforms in the 1980s, leading to a triple pain for the nation: austerity that further reduced living standards, more debt and no growth.

What does all this mean for nation building and economic transformation today? We have surely made important strides since the war in rolling back informalization, as can be seen in the increase in domestic revenue and value of exports that pass through official channels, as well as efforts to revive the agricultural sector and improve our infrastructure and energy supply. However, we are still a long way from combating the problem. The indictment of a large number of public figures by the Anti-Corruption Commission and emergence of new cases underscore the point that the private interest continues to trump the public good when individuals are entrusted with public office. Indeed, the challenge of effective resource management and dangers of informalization, corruption and capital flight are even more acute today because of the exponential growth of our resource base and rise in global prices of mineral resources. And the danger of a few players monopolizing our resource wealth and colluding with political and administrative elites for ridiculously high tax concessions, low royalties, and to transfer wealth illicitly overseas is still real. The recent decision to renegotiate mining contracts, in response to pressures from donors and civil society advocacy groups, and attempts to rush through new mining legislation in parliament without proper debate, send conflicting signals. They buttress the point that there are still huge governance problems on matters relating to resource management.

Controlling the resource curse and informality is not rocket science, as there are successful models around the world to learn from. Even if we ignore the experience of high income Norway (and I would recommend that we seriously study that experience and engage their researchers and policy makers), there a number of positive examples of resource management in developing countries that we can learn from. Mineral-rich Botswana adopted policies that discouraged exchange rate overvaluation, as well as fiscal strategies that set targets on government spending, and created special funds that stabilized mineral revenues. Through such measures, the government has consistently maintained a stable macro economy that has avoided the resource curse (Siphambe 2008). However, its success in governing its economy has not translated into broad-based and diversified growth. The share of agriculture in GDP has fallen drastically since 1960, but per worker output in agriculture has not increased. The diversification of the economy into manufacturing has not been seriously pursued since the share of manufacturing in GDP has declined as well. Levels of unemployment, inequality and poverty remain high.

However, the story is different in mineral-rich Malaysia and Indonesia. These two countries, which are among the top 10 developing-country exporters of manufactured products, have fared much better in transforming their economies from minerals to manufacturing. In these countries, the resource sector was not treated as an enclave, but was firmly anchored in, and supported, the primary goal of industrial transformation. Although informality and corruption existed in the two countries, they adopted variants of East Asian industrial strategies, by building strong and effective states, which were able to influence investment decisions of foreign and domestic entrepreneurs, forcing them to adopt labour-absorbing and export-oriented manufacturing strategies.

Sierra Leone cannot become another Malaysia or Indonesia or Korea. It will have to chart its own development path. But building strategic and enforcement capacity will be vital in the search for that path and in supporting state-business relations that will deliver agricultural and industrial transformation.

#### Rebuilding and expanding human capital

No country can develop without strong and sustained investment in human capital. The value of human capital—principally education and health—in promoting growth, improving wellbeing and reducing inequality is now widely acknowledged in development circles. An educated and healthy workforce contributes to economic growth by improving skills and labour productivity, which in turn leads to improved incomes and life chances. To talk meaningfully about a transformative agenda in the context of Sierra Leone is to take human capital formation and its expansion seriously.

Educationists, historians and social sector analysts (Sumner, 1963; Fyle, 1993; Beckley, 1993; World Bank, 2009) have over the years documented the major trends and challenges in our educational and health sectors. My reading of what they say can be summarized into a few basic points. We entered statehood with severely limited health and educational services that touched the lives of just a fraction of the population. The literacy rate was just 9 percent (Beckley, 1993) and we had only 52 doctors and a little over 1,000 hospital beds for a population of 2 million (Fyle, 1993). Most services were concentrated in Freetown, rural towns performed better than villages, and women had less access to these services than men. The new state had a big ambition to provide education and health for all, but could not match its policy rhetoric with concerted action.

Spending on education and health as a proportion of the national budget increased but was insufficient to meet the very real and high levels of need. Economic crisis in the 1980s and implementation of market reforms in a highly disorganized and corrupt political environment plunged the education and health sectors into protracted crisis. The funding share of education and health in the national budget remained largely stable even when the economy experienced crisis. But this stability disguised the uselessness of the allocations in real terms as the value of the Leone depreciated dramatically and inflation skyrocketed. Salaries lost their value and could not even be paid on time; primary and secondary school teachers and nurses moved out of the middle class as they struggled to make ends meet; books, drugs and other supplies could not be bought; school and hospital infrastructure experienced decay; class sizes expanded; and standards of instruction and delivery of health services collapsed. This

happened well before the civil war in the 1990s, which plunged the sector to further decay, from which it is slowly recovering.

One important point stands out in this story of human capital degradation. The first one to two decades of independence could be characterized as a period in which a limited and uneven social sector had centres of excellence, not only in Freetown, but also in the provinces. I am referring to the good primary and secondary schools that produced students who could compete anywhere and were the envy of our African neighbours. Indeed, these schools and the university -the oldest in the region--trained many public servants and academics in Nigeria, Ghana, Gambia and other African countries. Significantly, at independence, the state assumed an active role in sustaining these schools. Indeed, during my time, only those considered as underachievers or could not compete in what was then called "common/selective entrance examination" for admission into these schools attended private schools. Today, even though more schools have been built and more children are enrolled in school, we seem to have lost these centres of excellence that offered opportunities to children from poor backgrounds with good grades to rise to the ranks of the modern middle class. Instead, a very pernicious two track system has developed in which the really rich parents send their children to private schools, which now clearly out-perform these former great schools, and children from poor backgrounds are condemned to very poor schools or none at all.

Rebuilding and expanding our human capital requires a focus on several fronts, many of which have been articulated by our educationists and those concerned with human capital development in poor countries. A major report on educational reform dubbed "The Professor Gbamanga Report" was also recently submitted to the government. There is clearly a need to build new schools and renovate existing ones in order to ensure that all children who are supposed to be in school are in school at both primary and secondary levels. Indeed, progress has been made in the building of new schools and enrollment levels have risen sharply. But building schools or tackling infrastructural deficits and raising enrolment levels is only one part of the solution. The other is the software part. What is put in the schools in terms of books, modern teaching aids or equipment, keeping the schools clean with properly functioning toilets, and class sizes manageable; motivating teachers through training and retraining, decent salaries and housing; providing feeding programmes to keep children healthy and mentally alert; and quality control constitute the other vital part of reversing the human capital degradation and moving the country up on the skills ladder. It is the quality of the software that will keep children and teachers in school and motivate them to achieve good grades.

An often neglected part of human capital development is extra-curricula reading and the value of public bookshops and libraries. There is need to balance the explosive interest in popular music by our youth with a reading culture that is not tied to textbooks. In the 1960s to 1980s, many young people had easy access to, and read, popular magazines, books and comics, such as *Reader's Digest, Drum, Spearman*, *West Africa*, and most of the African Series novels, such as *Things Fall Apart, No Longer At Ease, A Man of the People, Weep Not Child, The Beautyful Ones Are Not Yet Born, Mine Boy* and *Passport of Mallam Ilia* even before proceeding to university. We memorized interesting passages to impress each other about our knowledge of

these books, and adopted the names of key characters as guy names, such as Okonkwo, Lans Spearman, Rabon Zolo, and Mallam Ilia. Compare this to the preference for more war-like names today among our youth, such as Bomb Blast, Leather Boot and 555. There is a strong need to restore and deepen the culture of extra-curricula reading through production of interesting reading materials and incentives for their absorption by youth.

Rebuilding our human capital obviously requires substantial funds. World Bank (2009) estimates suggest that households are the main contributors (44%) to the funding of education, followed by the government (35%) and donors (22%); and that households' contribution is half of total expenditure at the primary school level and 60% at the secondary school level. Given the low incomes of most households, it is clear that the burden of financing human capital formation for transformative change cannot rest on them. Education at the primary and secondary levels has a high social return and should be collectively funded through the state. A strong case can be made to tie some of the revenue collected from the goods and services tax to education and health, as Ghana has done; and to also pursue the possibility of including a social tax in mining contracts that will support these two sectors. Part of the tax proceeds can also be used to finance our tertiary institutions, which also require massive investment in infrastructure and facilities and decent renumeration for those who work in them.

#### Politics of transformation

Let me now turn my attention to the problem of how to rework our politics for economic and social transformation. Perhaps, our biggest problem is how to engineer our politics to achieve the high goal of transformation we have set ourselves since the war. Kwame Nkrumah once famously said that Africans should first seek the political kingdom, by which he meant political independence, and "everything else will be added on to it". We now know that the struggle for progress is more complicated than this. Africans can mess up their independence through bad politics, which can retard economic development. We have only really enjoyed 21 years of plural and relatively stable competitive politics in our 50 year life—and those 21 years were interspersed with a long period of one party and military dictatorship, and a brutal civil war. Part of the reason for our failure to consolidate democratic rule is our inability to manage our ethnic divisions in ways that are inclusive, transparent and respectful of difference. We have also been unable to embed our political parties in broad movements or organizations concerned with welfare or redistributive issues. And we have taken delight in infusing thuggery into our politics. Indeed, thuggery, which involves recruiting sections of the poor and marginalized into the security wings of parties, compensates for our failure to make our parties meaningful to the aspirations of the poor.

Before I address these issues, let me state that there is one area of public life that we have done extraordinarily well as a nation—that is in the sphere of religious tolerance. I recently watched the wedding video of one of my nieces and I was pleasantly surprised that even though it was a Muslim wedding, during the opening part of the ceremony when the leader of the bridegroom's group was doing the rituals of greeting and paying tribute to the bride's relations and friends, which is often done with gifts in envelops, he had an envelop for an anonymous Christian representative. Small gestures like these reinforce my belief that ordinary people can handle social divisions

if they are not manipulated by power-seekers. And I want to add that even though our politics seems to be polarized along ethno-regional lines, there is a lot of intermarriage across ethnicities and regions and people get along socially when the politicians and elites who are greedy for power, resources and positions keep out of their lives.

But we should take our ethno-regional division seriously. In the two elections when power was transferred from one political party to another (in 1967 and 2007), the margin of victory was very small, and voting tended to mirror, though not absolutely, ethno-regional lines (Foray, 1988; Kandeh, 2007; Bangura, 2000). Such sharp divisions may cause winners to monopolize state power and exclude individuals from regions that belong to opposition parties from government jobs. Individuals from opposition regions in turn may withdraw support from the government even if it is doing well in the development front. This may lead to multiple and competing publics. When this happens, political parties may only be credible to one segment of the public at best. And if some parties want to be credible across the ethnic divide, voters may be less flexible, rewarding primarily parties that are perceived to be led by kinsmen and women. The vote may thus lose its significance as a sanctioning device against bad performance. Politicians may perceive the ethnic vote as a vote bank that cannot be claimed by rival politicians or parties from other groups, making electoral politics unlikely to work for development and the poor (Bangura, 2007). A government that functions on the basis of an ethnically-bifurcated public is also deprived of all available talent to implement a transformative agenda. Indeed, it may become captive to less talented or less capable ethnic entreprenuers who may perceive inclusiveness as a threat to their access or control of posts, power and resources. The state then performs below optimum and fails to deliver on its promise of transformative change. It may also run the risk of militant opposition from excluded groups and regions.

No democracy can embark on transformative change if it fails to pursue a policy of inclusiveness. Indeed, many of the laudable programmes, such as tapping the savings and talents of the diaspora through the Diaspora Office, and developing a long-term plan of economic development that transcends the electoral cycle, are unlikely to work without elite consensus across ethnic groups and regions. Developing a depoliticized and professional army and police force is also difficult without consensus that cuts across ethnicities and regions. We also need to think seriously about a programme of national service that is targeted to the youth. But this will not work without political consensus that allows individuals from all regions and ethnicities to feel included in the national project.

The solutions have been recounted many times and in many places. They can be summarized in two parts. The first is to ensure that cabinet and other top level government appointments, including the bureaucracy, reflect the ethno-regional make up of the country. In Nigeria today, no government can be formed that does not include at least one minister from each of the 36 states. And the rule of power rotation adopted by the governing party ensures that no region can now dominate politics indefinitely if the rules are followed. The composition of the federal executive also tends to reflect the ethnic make-up of the federation. Where I live, Switzerland, which has three major groups-- German (74%), French (21%) and Italian (4%) --the executive council is composed of seven members (at least two should be French and

one Italian); the presidency rotates every year among the seven members, so that someone of French or Italian origin can also become president within a seven year cycle; and the federal bureaucracy is amazingly balanced in terms of the representation of the three groups (Linder and Steffen, 2006).

The second policy is to transform our political parties into multiethnic parties. The real test of our success will come when the average person in Bo and Makeni can walk into a polling booth and is not held hostage to the perceived ethno-regional identities of the candidates' parties. There are a number of rules that can help to bring this about. Today, the leading political party in Nigeria, the People's Democratic Party, is highly multi-ethnic. The series of electoral reforms introduced in the last 30 or more years has led to a situation in which Nigerian politics has been transformed from ethnic competition "between parties" to ethnic competition "within parties". There are a number of rules that can be adopted if we want our parties to become truly multi-ethnic. These include primaries of the US type, threshold rules of vote shares across regions for declaring winners of presidential elections, and the alternative vote that ranks candidates, all of which may force candidates to appeal to voters outside of their ethno-regional strongholds in order to win elections; and power alternation among the key ethno-regional clusters.

However, ethno-regional elite pacts are not sufficient to drive economic and social transformation. The masses need to be brought into the bargain. Pacts that address the interests of popular sector groups are needed in order to filter out non-developmental, predatory elites in the political system. If the political elite are to be made to take development seriously, elite bargains need to be complemented with development bargains between governments and citizens involving the participation of groups in agriculture, the informal sector and industry. This will help to set the country on a trajectory of growth that will deliver jobs and equity. One positive point to note here is that in Sierra Leone, many economic activity-based groups are non-ethnic. Even in cases where they are ethnic, encouraging groups to scale up for effective bargaining may ultimately weaken the ethnic dimension for collective action.

Unfortunately, rather than meaningfully incorporating the poor into the political and economic system, sections of the poor have instead been allocated the task of doing the dirty work of political parties. They guard politicians and party offices; and are fed, drugged and given money to intimidate opponents or unleash violence during election rallies or when parties are dissatisfied with election outcomes. During the 2007 elections, both parties used ex-combatants with a history of marginality as security insurance. With a huge youth bulge and high levels of underemployment, this kind of popular sector incorporation into parties can be very destabilizing. One danger in incorporating individuals with a propensity for violence into the security wings of mainstream parties is that even if a party does not want to provoke violence, the self interest of those who serve as security guards will be to provoke violence in order to remain relevant and keep their jobs. Political parties and the government must find better ways of keeping these young people productively engaged if they are serious about a transformative agenda.

### **New challenges**

I have spent considerable time on our old problems because I believe that our success in meeting new challenges depends on how well we are able to tackle the old problems. In the limited time that remains let me quickly address two big challenges we are likely to face in the coming decades. These are climate change and global pressures for a green economy.

Many would agree that two of the biggest challenges we are likely to confront in the coming years are climate change and increased global pressures to make our economies less dependent on resources, technologies and production systems that are carbon-intensive. Sierra Leone, like other poor countries, faces a triple injustice, as one speaker described the problem in a recent conference on the subject organized by UNRISD. Because of our underdevelopment, we are less responsible for carbon emissions, but because of our location, we are likely to pay a higher price than the countries responsible for the pollution if the planet warms up; and our underdevelopment makes us less resilient to cope with the catastrophe when or if it happens. Most of the emissions were, and are still, caused by the industrialized countries, with fast-growing, energy guzzling China now the biggest polluter in the world. In this crime against nature, Sierra Leone's contribution is really insignificant. In one estimate, Sierra Leone ranks 192 out of 214 countries in terms of carbon dioxide emissions per capita—spewing only 0.2 metric tons of carbon per capita between 1990 and 2006. However, much of our coast, from Kambia to Pujehun, hardly rises above sea level. If global temperatures rise, the seabed will also rise, and large parts of our coastal towns and villages will be submerged and become part of the Atlantic Ocean. The world is already witnessing the gradual disappearance of small islands in the Pacific. We lack the infrastructure, resources and organization to cope with a disaster of such magnitude.

Two issues inform the global debates on climate change: mitigation and adaptation. It is clear from my analysis of our old problems that we can only be successful in adapting to climate change if we manage our resources and economy well, improve our human capital and system of social organization, and develop an inclusive political system. Mitigation on the other hand refers to measures that can slow down or reverse climate change, and it involves targets on, and strategies for, reducing global emissions generated from various aspects of human activities. The details are complex and should not detain us here. But one issue I would like to address and which is likely to profoundly affect us is pressure to adopt green technologies, production systems and habits. Again, this is a very complex subject that is likely to dominate debate at the Rio plus 20 Summit next year. One thing seems clear: despite strong opposition from business sectors that benefit from carbon-intensive industries and fossil fuels, many industrial countries, including China, are already investing heavily in alternative, low carbon energy and technologies. The world may not get rid of old industrial and consumption practices in the next 50 years, but it is quite possible that much progress could be made in this area, rendering old energy sources, methods of production and habits illegitimate. I should add here that part of the reason Sierra Leone's and many poor countries' economies are not in recession, as they often tend to be when Western economies stagnate, is largely because of high growth in China and other emerging economies. Such growth is fuelled by rising consumption of raw materials from poor countries. It is doubtful that this demand can be sustained

when these countries complete their industrial transformation and join the ranks of rich countries.

These developments have serious implications for a resource-rich country like Sierra Leone. It underscores the need to move up the value chain in industrial and agricultural development. I think it was the famous Guyanese historian, Walter Rodney, who said that the African farmer entered colonialism with a hoe and left colonialism with the same hoe. A similar point can be made about our natural resources. Since we started mining diamonds and iron ore and exporting them in their raw form during colonialism, we have not moved from this very basic level of specialization that devalues our effort and offers higher value to foreign companies and lands. There is a strong case for a bold and systematic strategy, coordinated with our neighbours—Guinea and Liberia who are also rich in minerals—for better bargains to be struck that can allow for processing of our minerals and adding real value to our domestic economies. We should not wait to manage the negative consequences of other countries' transitions to the green economy. We should actively strategize to shape the transition to our benefit.

The drive for green energy in industrialized countries is also having one big effect on us—land grabbing. There is a big rush by Western and Asian companies to control African land. This land is needed to grow crops, such as sugar cane, sweet potatoes, cassava, and corn, which can be processed as ethanol fuel for use in automobiles. High global food prices are also pushing some emerging economies with less arable land, such as those in the Middle East, to buy African land and grow crops to feed their population. And there is the speculative side to this new development. As the financial crisis deepens and interest rates become unattractive in Western economies, investors shift to African lands, which can be acquired very cheaply. Such land is often not put to productive use, but held in reserve for speculative purposes. As the value of land transactions is often very low, investors believe that land prices can only go up in future, thus providing huge gains if they want to sell back the land. The net effect of these developments is likely to be higher food prices. Africa is the site for land grabs because it is believed that it is the only continent with surplus, or underutilized, land, which is priced very cheaply. Given the system of shifting cultivation practiced in many countries, in which land is left to fallow for many years before reuse, it is doubtful whether much of the land being grabbed, including in Sierra Leone, is actually free.

The danger of future land scarcity, pressure on rural livelihoods and missing the goal of food security should be taken seriously. External investments in agriculture can stimulate growth and bring benefits to rural producers, but such investments need effective scrutiny and regulation to ensure that the benefits are real and that the investments do not end up crowding out our poor farmers from their land, and that they are not in conflict with the primary goal of food security.

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