

## Part 5

---

# Poverty, Economic Recovery and Empowerment



Refugee camp, May 2001

---

J.D. Rogers

*Deputy Minister of Development and Economic Planning*

There are compelling reasons why poverty eradication, economic recovery and empowerment should be of immeasurable concern to the government and people of Sierra Leone at this time in our socioeconomic and political development. Poverty dehumanises people and makes them lose their self-esteem, self-respect and dignity. Economic recovery and empowerment are needed to enlarge people's choices and provide opportunities to realise their full potential.

The theme of this paper is 'a failure of imagination'. This derives from the simple fact that extreme poverty characterised by *inter alia*, the high and increasing number of people who go to bed hungry every day, innumerable numbers of children and adults who die from easily curable diseases, high maternal and child mortality rates, could have been avoided with a little bit of imagination.

The grim situation of poverty and extreme suffering is succinctly echoed in the words of a 15-year-old girl:

I see the world gradually being turned into a wilderness, I hear the ever approaching thunder which will destroy us too; I can feel the suffering of millions, and yet if I look into the heavens, I think that it will come right that this cruelty too will end.

In Sierra Leone the human development and social indicators, including illiteracy, primary school enrolments, life expectancy, maternal deaths, malnutrition, and child mortality rates, suggest that there is extreme human suffering. The infant mortality rate (IMR) is about 182/1000, while life expectancy at birth is about 38 years compared with 45 years for Sub-Saharan Africa. The adult literacy rate is estimated at 30 per cent, while the population with access to safe drinking water is about 34 per cent. Endemic diseases, especially malaria and HIV/AIDS, loom as a new menace. More than 80 per cent of the population lives in absolute poverty, below US\$1 a day.

Macroeconomic indicators show that a high GDP growth rate of 5.8 per cent in the decade following independence (1961–70), gave way to a slower growth rate of 1.5 per cent in the 1970s. By the 1980s GDP growth was virtually zero and negative by the early 1990s. Shortage of basic commodities and high inflation further undermined economic growth. The gains of the early years of independence were systematically eroded by poor

government and reckless economic management characterised by indiscriminate plunder of the national treasury and patronage by political leaders of the poor populace that kept people silent.

Fashiole Luke describes the relationship between political leaders and their constituents as a patron-client or neo-patrimonial relationship:

Within this relationship, the constituents are willing to tolerate their leaders to remain in office, as long as reciprocal returns are provided to the people in the form of jobs, scholarships and so forth, even though they are aware that their representatives are part of an exploitative and kleptocratic elite.

Luke maintains that such relationships 'are the foundations of dictatorship and a reflection of the institutional fragility of the post-colonial nation state in Africa'.

Poverty in Sierra Leone, mainly attributable to several years of bad governance and economic mismanagement, is endemic and pervasive. It is not surprising, therefore, that the country has systematically ranked at the bottom of the Human Development Index since 1990. The ten-year civil war has further exacerbated the depth and severity of poverty.

This state of affairs has been exacerbated by the continuing negative impact of the war. The internal and external displacement of at least 3 million of the approximately 4.7 million people has further worsened both the incidence and severity of poverty. The situation has further impoverished vulnerable groups, especially the rural poor, low-income urban families, and small-scale farmers. A significant category among this group is the women of Sierra Leone.

Given the pervasive and deepening poverty facing a greater segment of the population, the government's key objective is to fight poverty and improve the living conditions for the most vulnerable population in the near term. In working towards the attainment of this goal, the government is committed to forging strong partnerships with the private sector, civil society groups and the donor community.

The main evidence of poverty in Sierra Leone includes:

### **High Unemployment and Under-employment**

A survey of businesses in 1998 showed that the modern sector had narrowed significantly. This is largely due to the shrinkage in public sector employment and the destruction and closure of many private sector establishments. While some of the

redundant formal sector workers have sought refuge in the informal sector, mostly as petty traders, they lack the skills and qualifications required to re-enter formal employment when the situation improves. Currently, it is estimated that the informal sector accounts for at least two-thirds of the labour force and over 70 per cent of the urban labour force. Prospects for rapid employment growth in the modern sector are extremely limited and a growing proportion of the labour force will be compelled to seek employment in the informal sector.

### **Lack of Access to Social Services**

A large proportion of the population do not have access to social services, education, health care, etc., in spite of recent increases in government's budgetary outlays in these areas.

### **High Debt Burden**

This has been evidenced by the high budgetary expenditure on public debt, including external debt service and interest payments. This accounted for about 29 per cent of total recurrent expenditure in 1999 compared with 24.4 per cent for social services during the same period.

### **Increased Vulnerability from the Civil War**

The adverse impact of the civil war on the macro-economy and disruption of economic activities in the rural sector, especially agriculture and mining, has deepened poverty. The increased uncertainty and risk associated with the conflict not only eroded investor confidence, leading to drastic decline in both public and private investment, but also decreased the presence of our development partners in the country. Consequently, the protracted conflict ruined and damaged both economic and social infrastructure.

The government's poverty strategy primarily focuses on addressing the immediate challenges of the transition from war to peace. The strategy emphasises the continued implementation of sound economic policies to attain macroeconomic stability within an overall framework of good governance. A stable macro-economy will also underpin the sectoral and other more specific interventions that would be designed through participatory processes involving consultations with civil society.

In the transitional phase, the strategy will focus on rebuilding the war-ravaged economy, and addressing the urgent and basic needs of war victims will remain government's utmost priority in the transitional period. In this regard, emphasis would be placed on the restoration of security for life and property including the protection of human rights,

relaunching the economy, and the provision of basic social and economic services to the most vulnerable groups as well as enhancing access to productive assets.

The resolution of the conflict remains an important first step in any programme designed to address the poverty needs of the population. In this regard, the government has demonstrated its unwavering commitment to the principal provisions of the Lomé Peace Agreement, which represents a broad framework for cessation of hostilities and establishment of sustainable peace.

The second priority is to relaunch the economy. In this connection, government recognises that the maintenance of macroeconomic stability is a prerequisite for the attainment of sustainable and higher economic growth, essential for reducing poverty. The government's short- and medium-term macroeconomic strategy would seek to sustain the gains already achieved in reducing macroeconomic imbalances in the economy by continuing to implement sound fiscal and monetary policies, while ensuring the prudent management of financial resources.

Government's key objective is to reduce the debt overhang, which crowds out private investment as well as public expenditure in the social sectors. Hence the country's debt strategy will remain an integral part of both the macroeconomic and poverty reduction strategy.

In this connection, government will seek maximum debt relief under the Enhanced Highly Indebted Poor Countries (HIPC) Initiative. Any relief obtained will be utilised as additional resources to finance critical poverty alleviation activities. Also government will ensure that all new borrowings are highly concessional with a grant element of at least 35 per cent. The government is committed to targeting new loan resources to basic social and economic activities.

The third priority is to focus on some key sectoral programmes including activities to improve food security, increase access to basic education and health facilities and provide community-based counselling and support to the most vulnerable war victims. In this regard, the government is reviewing the roles of key sector line Ministries *vis-à-vis* their relationship with civil society and other stakeholders in budget formulation and implementation to ensure better and effective delivery of services.

In the meantime, in tandem with the implementation of these key priority activities, government has continued to work with various partners to implement emergency poverty implementations. To this end, the Social Action and Poverty Alleviation (SAPA) programme, funded by the African Development Bank (ADB), has made tremendous strides in the areas of poverty reduction and reconstruction of community

infrastructure facilities in the education and health sectors. It has also played a key role in the government's micro-credit programme.

The Community Re-integration and Rehabilitation Project (CRRP) which seeks to address the short-term post-conflict needs of ex-combatants, refugees, Internally Displaced Persons (IDPs) and the communities to which beneficiaries return, was successfully launched in March 2000 in Freetown (Western Area), in Bo (Southern region) and in Kenema (Eastern region). Insecurity and hindered access precluded launching in the North. Notwithstanding, sub-projects implementation in the North has been initiated. The CRRP has two components: the Economic Recovery Support Fund (ERSF) funded by the World Bank and the ADB and the Training and Employment Programme (TEP). The ERSF will facilitate the recovery of communities through the restoration of basic economic and social services via demand-driven community oriented projects that target IDPs and refugees. The TEP supports social and economic reintegration of ex-combatants through counselling, training and employment initiatives.

The Economic Rehabilitation and Recovery Credit (ERRC) is a World Bank quick disbursing loan in the amount of US\$30 million that will help finance the 2000/01 slice of the NRRP. It provides critical balance of payments and budgetary support to finance part of the foreign exchange and budgetary costs of the programme to establish peace



Women are the main agricultural producers

and security. These funds also contribute to the transitional safety net allowance for adult ex-combatants and the settlement plan of domestic arrears in the private sector.

The Preventive Development Project (PDP) funded by the UNDP focused on the resettlement and reintegration of the conflict-affected population, including ex-combatants, by means of community-based initiatives and reintegration programmes linking emergency and humanitarian assistance to long-term development. The programme was, however, disrupted by the events of January 1999. However, available resources were converted to the Quick Impact Action Programme (QUAP) to respond to the humanitarian crisis presented by the rebel incursion of the Western Area.

The successor programme to the PDP is the Support to Resettlement and Reintegration Programme (SRRP). The project will seek to link emergency and development assistance in the restoration of an environment that will permit the resumption of peaceful and sustainable reintegration.

Government's priority is to ensure access to relevant, reliable and timely socioeconomic information on the poverty situation. In the transition period, the Strategic Planning and Action Process (SPP) Technical Committee, in consultation with the Central Statistics Office (CSO), would carry out surveys to establish benchmarks regarding the current poverty situation. In the medium term, priority will be given to building a comprehensive information base for poverty analysis and monitoring.

An important activity in this direction will be to conduct a population census in 2002 that will provide information about the geographical distribution and characteristics of the people. The census would also provide a basis for comprehensive household income and expenditure surveys or living standard measurement survey.

Presently, the Central Statistics Office, in collaboration with various donor agencies, has concluded the Multi-Indicator Cluster Survey. The report was first launched in the Western Area in 2001 and will soon be launched in the provinces.

Added to this, a major objective of the UNDP-funded project, the Integrated Approach to Aid Coordination (IAAC), is to conduct baseline surveys on external aid inflows. The results will provide updated information on some of the statistics required for measuring and monitoring the poverty situation and addressing gender disparities in the country.

As part of the efforts to strengthen the CSO, government intends to transform it into an autonomous statistical institution. The legislation to do this will be enacted by parliament during 2001. The Act will advance the planning, production, analysis, documentation, storage, dissemination and use of social and economic statistics.

In support of further reforms and efforts to stabilise the economy, the International Monetary Fund (IMF) approved an economic programme in the context of the Emergency Post Conflict Assistance Facility in December 1999. The World Bank also approved the Economic Rehabilitation and Recovery Credit to assist government in restoring protective and economic security. Other donors, including the Islamic Development Bank (IDB), the Department for International Development (DFID) UK, and the European Commission (EC), have provided ongoing emergency recovery assistance, including budgetary support, to enhance government's capacity to fund critical programmes and enhance its capacity to deliver services.

A further evidence of the government's commitment to poverty alleviation has been the increased social sector expenditure in the face of a severe dwindling of revenues. The share of social sector expenditure in total recurrent expenditure rose from 15 per cent in 1990/91 to 21 per cent in 1995/96. Despite high security and external debt interest payments, the share of social sector expenditures has averaged 26 per cent in the last five years. The government has also demonstrated the importance it attaches to poverty reduction by supporting a programme of disarmament, demobilisation and reintegration (DDR) of former combatants. The DDR programme is being implemented concurrently with the Reconstruction, Resettlement and Rehabilitation (RRR) programme, whose major objective is reconstruction and poverty reduction.

In Sierra Leone, women account for about 51 per cent of the total population and contribute to most of the household food requirements, including carrying out domestic chores and caring for the aged and children. This notwithstanding, they are marginalised in society and lack adequate access to productive assets including land, credit, training and technology. With limited access to formal sector employment (less than 10 per cent), women resort mainly to food production and petty trading to earn a living for themselves and their dependents where the earnings are generally low.

Government has also accorded high priority to gender equality and mainstreaming of gender in policies and programmes. In this regard, the government has established special national machinery for gender- and children-related activities including the creation of a Ministry for Gender and Children's Affairs. A national gender programme in development policy has also been formulated. The formulation of this policy demonstrates the commitment of government to the principles of social justice and equity. The focus of the Ministry will be to create a vision of hope for women and children, the disabled, marginalised and disadvantaged.

Presently, the Ministry, through various women's NGOs, has embarked on strategic actions dealing with the poverty of women and children. The main thrust is to empower particularly women and young persons in rural and depressed urban areas through

capacity-building and employment creation. In the case of women, government will enhance their access to all essential productive resources (including credit and appropriate skills training), as well as their participation in decision-making at national, provincial district and local levels. Constraints to women's access to resources, customary laws, will also be reviewed. For children, their empowerment will be facilitated by the enactment of appropriate bills in accordance with the UN Convention on the Rights of the Child. Government has also recently approved the creation of a National Agency for War-Affected Children.

The challenges facing us are monumental. In taking on these challenges it is important to note the great opportunities that the country provides, including:

- ◆ Strong family and religious background demonstrated by the powerful individual, family and community coping capacities that have absorbed extraordinary difficulties and pressures imposed by the ongoing conflict.
- ◆ The existence of strong will and determination on the part of the government to end the war, and facilitate the democratisation process, leading to multi-party presidential and parliamentary elections.
- ◆ The existence of sectoral policies and action plans that would be of value in the design of programmes.
- ◆ The huge potential in human, mineral and agricultural resources, and opportunities that exist for change of attitudes and adoption of new ideas and approaches for restructuring and modernisation of the socio-economic and political systems.
- ◆ Strong support for the NGO community, some of whom have had a long history of assisting disadvantaged communities/groups in Sierra Leone.
- ◆ Strong international commitment, particularly from donors represented in Sierra Leone, to work with the United Nations not just on the peace initiative but in the mobilisation of resources required for reintegration, rehabilitation and reconstruction of war-affected areas.

These opportunities are a source of hope, and must be used to the fullest extent possible in addressing the problems currently facing the country.

Claudius Thomas

*Lecturer, Department of Economics, Fourah Bay College, USL*

### Introduction

The economy of Sierra Leone has undergone a series of downturns since the early 1970s, from which it has not yet recovered. Negative growth rates were particularly noticeable in the national economic statistics in the 1980s. An oft-quoted statement by policymakers and the citizenry alike is the fact that Sierra Leone was a richer country in per capita terms in 1961 when it attained its independent status, than at its fortieth anniversary of independence in the new millennium. The economy revolves around agricultural and mining activities, which accounted for nearly two-thirds of GDP in the 1990s.

### Trends in the Macroeconomy (1990–99)

The negative trend in the 1980s continued during the 1990s, though the reasons for the decline were not necessarily the same for the two periods. A look at the macroeconomic trends in the past decade reveals discouraging statistics of economic performance.

According to the tables provided in the Annex A, Table 5.1 shows a decline in real GDP from US\$1,227.19 million in 1990 to US\$674.74 in 1999. Agriculture and related activities account for 47 per cent, Services 25 per cent, Industry 24 per cent, and



FAWE training centre, Grafton Village: 'employment is a means to financial independence'

Electricity and Water Supply less than 1 per cent of GDP for the decade, respectively. Average inflation was 43 per cent, but with treble digit inflation rates on an annual 'year-on-year' computation in the first two years of the decade. The interest rate, i.e., the commercial banks' prime lending rate, was 34 per cent on average for the decade, as in Table 5.2. Government's budget as portrayed in Table 5.3 shows Defence, 18.6 per cent, Foreign Interest Payments 15.0 per cent, Education 14.1 per cent, and Health 6.0 per cent, as percentage share disbursements for the average period. With reference to Table 5.4, government's finance recorded a persistent deficit throughout the decade except in 1998. Likewise the Balance of Payments shows payment deficits, apart from 1991 as recorded in Table 5.5.

The official Exchange Rate (period average, mid-rate), spiralled from Le148 to the US dollar in 1990 to Le1818.1 to the US dollar in 1999, as reflected in Table 5.6. The gap between the official mid parallel markets widened in 1999. Also Gross Reserves improved towards the end of the decade, from US\$ 4.8 million in 1990 to US\$ 37.6 million. Total External Debt was averaging US\$1,222 million and remained more or less stable for the review period, as shown in Table 5.7. Also in that Table, Public Debt had grown significantly in money terms from Le10,642 million in 1990 to Le231,667 million in 1999.

Table 5.8 provides Memorandum Items and attention is drawn to three key items. The first is that real GDP annual growth rate was basically negative. The second is that Domestic Debt as percentage of Fiscal Revenue was high. The third is that Total External Debt to GDP ratio was increasing towards the end of the decade and was twice as much as the ratio at the beginning of the decade. Official Development Assistance (ODA) is seen in Table 5.9. The years 1993 to 1996 attracted the highest donor support, averaging nearly US\$50 per person. In terms of allocation of external assistance, Table 5.10 shows a preference for Investment Project Assistance. This item accounted for 35 per cent of all assistance for the selected years. The Bumbuna HEP Project particularly and the Electricity Power Sector generally, were a primary source of allocation for that item (see Annex A for Tables 5.1–5.10).

### ***Main Reasons for Economic Decline***

The question to ask is, 'Why has the country's economy continued to slump?'

According to the *Action Programme for the Development of Sierra Leone, 2001–2010*, prepared for the Third LDC (Least Developed Countries) Conference in Brussels, May 2001, the factors that impeded socio-economic growth and development, are identified as being basically structural and include:

- ◆ low level of human development and technology use;
- ◆ low productivity of labour, especially in agriculture;

- ◆ inadequate infrastructural facilities;
- ◆ acute shortage of skilled manpower;
- ◆ high population growth rate;
- ◆ low status of women;
- ◆ high dependence on the external sector;
- ◆ small domestic market.

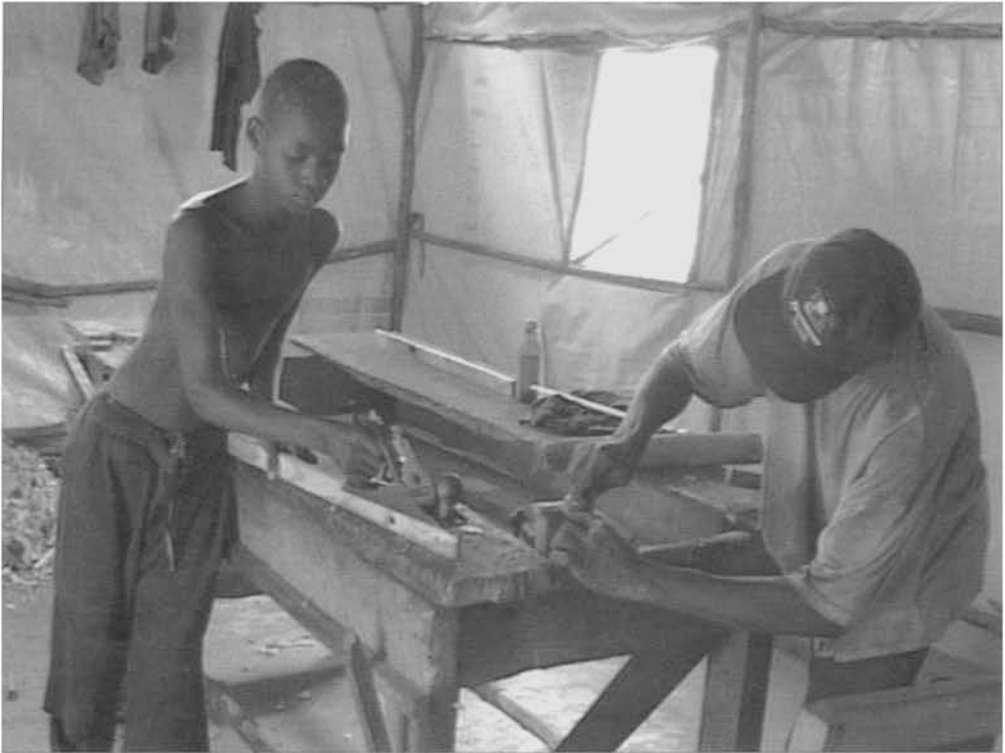
These may be acceptable as far as an economic explanation can be advanced. There are, however, two main political-economic reasons, which should complement the factors given above. The first of these is that of bad economic and political governance. Sierra Leone had its first spate of political instability with a military coup in 1967. Since the imposition of one-party rule by the All People's Congress (APC) government in 1978, the country has experienced an era of civilian and military dictatorships, except for brief periods between 1996 and May 1997, and also from March 1998 to the present, apart from a rebel invasion in 1999. Economic management in those 'undemocratic periods' has been characterised by reckless and widespread public corruption. This resulted in over-expenditure and 'cost-overruns', as well as the extra-budgetary financing of public debt.

The second and more marked reason, on hindsight, has to be the incidence of the Rebel War from March 1991 to the present. The impact of the war has profoundly damaged the economic infrastructure. What it did was not only to prevent economic recovery that was already on the decline in the 1980s, but imposed unbearable hardships on an already impoverished nation.

Finally, other causes, which are worth mentioning, are the Hosting of the Organisation of African Unity (OAU) Summit in 1980 and the 'shocks' of the two 'Energy Crises' of 1973 and 1979. The combined effect of these economic landmarks was the total drain of foreign reserves, leaving the country in a state of bankruptcy and a proportionately sizeable external debt situation.

### ***Debt Burden***

The country has a small economy, but has incurred a relatively large external debt over the years. The beginning of the debt crisis in Sierra Leone has its origins in the oil crises of the 1970s and the Hosting of the Organisation of African Unity (OAU) Summit in Freetown, 1980, as stated above. Reserves, which were at a precariously low level because of the increased oil bills, were used to ensure that the OAU meeting was hosted without any hitches and the event presented as a 'national showcase'. Economic mismanagement was also blamed for the lack of foreign exchange needed for the



Providing quality skills-training for young people

---

repatriation of profit by foreign-owned concerns. This untenable situation caused a number of closures of foreign businesses. There was also a 'cash-strapped' economy in the mid-1980s as inflation soared. The high inflation rate necessitated the institution of a floating exchange rate regime in 1986, which reflected the true value of the Leone and did not require foreign exchange reserves to maintain a 'par value'. External borrowings were needed to finance imports for misconceived and reckless investment projects. As a result, Sierra Leone became blacklisted as a debtor country by the IMF at the end of the 1980s and had to accept IMF conditionalities through the Structural Adjustment Programme in 1989.

Table 5.7 and 5.8 show the status of public debt. In Table 5.8, Total External Debt /GDP (per cent) had increased from 97.4 per cent in 1990 to 182 per cent in 1999. Two factors were at play. The total debt stock and the falling GDP levels were the causes of this movement or trend. The secondary impact was definitely war-related. First, there was a need to finance the war and, second, low national productivity (GDP) resulted because of war constraints on economic activities. Efforts at debt reduction paid off, through

rescheduling under the Paris Club Accords of 1992, 1994 and 1996, and the successful debt buy-back operations in 1995. These initiatives reduced the debt stock from US\$1,346m in 1993 to US\$1,142m in 1998, thus clearing arrears with the African Development Bank (ADB), European Investment Bank (EIB), the UN International Fund for Agricultural Development (IFAD), and International Bank for Reconstruction and Development (IBRD). A total of US\$245 million of debts were rescheduled between 1994 and 1996. A commitment was made under the Policy Framework Paper 1995-98, not to embark on any new external borrowing on non-concessionary terms.

It has been fully agreed by the World Bank and other international development experts that 'unsustainably high external debt has also become a key constraint on development' for many LDCs in the last quarter of the twentieth century.

## **Poverty in Sierra Leone**

Sierra Leone has been categorised as the very last of the least developed countries, according to the UNDP's Human Development Index, for the last five years. This index comprises per capita income levels, education and health indicators.

### ***Profile of Poverty***

The poverty profile for Sierra Leone 1995, using 1989/90 data, indicates that 75 per cent of the total population is poor and more than two-thirds is absolutely poor. Spatial distribution shows that the Northern Province has the highest incidence of poverty at 85.8 per cent. The Southern Province has relatively the best circumstances with 77.5 per cent. Both the Western Area and the Eastern Province have approximately the same situation, with 80.8 per cent and 80.0 per cent, respectively.

### ***Gender Dimension***

The poverty profile for Sierra Leone also acknowledges that women are poorer than men. The sectoral overview of the 'Integrated Approach to Aid Co-ordination' (IAAC) report (February 2001), confirms that at the time of the survey (1989/90), the poorest females relative to males were recorded in the Bonthe District (53.2 per cent). The males in Kono were the poorest (55.9 per cent). Table 5.13 demonstrates a predominance of poor male-headed households. The female-headed households are very small in percentage terms—only 2.3 per cent, as compared with 97.7 per cent for their male counterparts, but recorded better standards of living. The reason seems to be that 'these households mainly have a significant proportion of the female population' (viz. Draft I-PRSP Report, 2001).

### **Occupational Dimension**

Table 5.14 (see Annex A) addresses the occupational disparities in the incidence of poverty. The revelation is that occupational groups, which are thought to be better off in nominal income terms, were proved not to be the case. Professional/technical personnel, for example, are the poorest, whilst production/transportation and agriculture/forestry workers are the relatively better off. This is shown in Table 5.1 at 0.660, as against 0.529 and 0.535, respectively.

In Table 5.14, 'Poverty Indices for Selected Years', the non-income components, basic health and education figures, are given for the more qualitative aspects of poverty. The life expectancy in Sierra Leone is 38 compared to 45 for Sub-Saharan Africa as a whole. Infant and child mortality, as well as maternal mortality rates, are among the highest in the world. Only about three in ten Sierra Leoneans can read and write.

One fundamental aspect of poverty relates to food intake. Malnutrition (underweight children) is recorded in the Multiple Indicator Cluster Survey (MICS), 2000, as 34 per cent of under-five children. Only 2,035 kcal and 44 gms of protein constitute an average daily diet for Sierra Leoneans. The comparable figures are 2,663 kcal and 67 gms of protein for other Sub-Saharan (SSA) countries. This new MICS Report 2000 is giving a grimmer profile of the state of poverty in Sierra Leone. One deduction that can be easily reached is the fact that the country is progressively worse off now than in the 1960s.

### **Causes of Poverty**

Many diverse causes of the poverty situation in Sierra Leone can be put forward. However, the Draft I-PRSP Document 2001 suggests the following:

- ◆ lack of access to social services;
- ◆ increased vulnerability from the rebel war;
- ◆ bad governance and economic management.

The sum total of the causes of the incidence of poverty, however, cannot be also divorced from low productivity due to the poor state of the human capital of Sierra Leone. A brief natural resource survey will readily disclose that the country is endowed with mineral resources such as diamonds, gold, rutile, ilmenite, bauxite and iron ore in economically exploitable quantities. There is also evidence of platinum, lignite and oil. It also has a fair percentage of agriculturally cultivable land and forest resources, a good fishing ground, and adequate water resources. There is also the possibility for mini-hydroelectricity development, because of the presence of numerous sites that could be exploited for power production.

## **Economic Reform**

Serious economic reform to address the decline of the economy can be traced to the Structural Adjustment Programme (SAP) of the International Monetary Fund (IMF) and World Bank. The agreed objectives of the programme were:

- ◆ to achieve and maintain a stable macroeconomic environment;
- ◆ to redefine the role of the public sector while restoring the government's capacity to provide basic services;
- ◆ to create an economic environment conducive to private sector development with a predictable, transparent, and fair regulatory framework.

The strategies emanating from the above objectives were as follows:

- ◆ liberalisation of trade and exchange rate;
- ◆ de-regulation of process;
- ◆ strengthening of fiscal management and domestic resource mobilisation;
- ◆ elimination of subsidies (especially on petroleum products, and the staple food, rice);
- ◆ streamlining of the civil service;
- ◆ divestiture of state-owned enterprises.

According to the 'Action Programme for the Development of Sierra Leone, 2001–2010' (2001), 'these objectives and strategies still constitute the basic framework of Government's economic reform policy.'

## **Addressing Poverty**

Poverty concerns in economic policy lean on two pillars. The first is a reaction to the harsh consequences of instituting the Structural Adjustment Programme. The second is aimed at ameliorating the ravages of the rebel war.

The SAP elicited intervention not from within the policy environment, but introduced as a general response to the worldwide programme by the international development agencies. The World Bank Group and the African Development Bank (ADB) supported the establishment of SAPA, Social Action for Poverty Alleviation programme in 1993. It gave out small community and personal grants/loans to the 'adversely-affected' as a result of SAP programme implementation. After assessing the state of development in LDCs at several key meetings, such as that for the Highly Indebted Poor Countries (HIPC), the World Bank Group stressed a poverty focus as the new development strategy to be adopted by LDCs, entitled a 'pro-poor growth strategy'.

The idea of a Poverty Reduction Strategy Paper (PRSP) was therefore conceived, thereby setting poverty-reduction in the centre of international development strategy. The increasing globalisation portrays more evidently that only a few wealthy nations and multinational companies consume the greatest proportion of the world's resources, leaving in their wake untold billions of the poor. Such a novel approach attempts to bridge this great divide to more acceptable proportions.

To quote IMF staffers, David Andrews et al., the imperatives of the PRSP approach are as follows:

The adoption of the mutually owned Poverty Reduction Strategy Paper represents a new paradigm for integrating poverty reduction efforts through coherent macroeconomic policies, structural reforms, and social policies consistent with this overarching goal. The international community must now move rapidly to support the country-specific implementation of PRSPs.

The second policy reason for addressing poverty is related to the war. Poverty through bad economic governance was blamed for the start of the rebel war. The associated reason is to deal with the poverty exacerbated by the rebel war, in post-war rehabilitation activities. The target groups are not just ordinarily poor citizens, but the ex-combatants, the displaced, the refugees, the war-injured (amputees), the war orphans and other such categories of persons.

The policy blueprint to address this area is the Draft Interim Poverty Reduction Strategy Paper (I-PRSP) within the context of an IMF/IBRD lending programme, called the Poverty Reduction and Growth Facility. However, already in place is the National Resettlement Rehabilitation and Recovery Programme (NRRRP).

This current programme of support is subdivided into a number of other programmes such as:

- ◆ The Disarmament, Demobilisation and Reintegration (DDR) Programme. A welfare programme for ex-combatants;
- ◆ The Community Reintegration and Rehabilitation Programme (CRRP). A programme designed in two components to give economic recovery support in a fund, and the training and employment of ex-combatants;
- ◆ Economic Rehabilitation and Recovery Credit Programme (ERRC). This is described as a 'quick disbursing credit' for B.O.P., law and order, social and economic infrastructure;



Income-generating activities are needed for self-reliance

---

- ◆ The Integrated Rural Development Project (IRDP) financing provided for medical and other supplies for displaced persons;
- ◆ European Commission Sierra Leone Resettlement and Rehabilitation Programme (EC/SLRRP). Multidimensional programme for community infrastructural development;
- ◆ The Reconstruction Resettlement and Rehabilitation Programme (RRRP). This programme is aimed at consolidation of the on-going peace process.

#### ***Donors/Partners***

Table 5.15 gives a self-explanatory guide to the major donor/partners and their contribution. It is pertinent to note that some of these funds are loans, albeit soft ones, while others are grants, which need not be repaid. This is significant in resolving our debt problems, thereby releasing more funds for economic development.

Other key macroeconomic stabilisation and support programmes are the Economic Recovery and Rehabilitation Credit Programme (ERRC) I and II (World Bank), the Structural Adjustment Credit (SAC) II (ADB) and the Programme Aid (DfID).

## **Empowerment**

Because of the sad experiences of the rebel war and the general political instability that pervaded the country for the last twenty odd years, good governance principles need to be encouraged. The SLPP government took its cue from the international community to instil qualities of good governance for economic, political and social progress. For example, the British government hinged development assistance for Sierra Leone on the good governance record of the NPRC military regime in 1992, forcing it to recognise the importance accorded to the principles in the Western donor community and the United Nations.

A 'National Strategy for Good Governance' was produced in February 1997. It stressed five broad areas of concern, given as follows:

- ◆ national formulation and analysis of policy;
- ◆ local government and decentralisation of authority;
- ◆ civil society awareness and empowerment;
- ◆ public sector reform;
- ◆ rule of law and human rights.

Institutionally, a Governance Secretariat has been established within the present Ministry of Presidential Affairs. Sub-programmes include *inter alia*:

- ◆ the nomination of an Ombudsman;
- ◆ the appointment of an Anti-Corruption Commissioner;
- ◆ expansion of the Mass Media (nation-wide broadcast);
- ◆ support to the police, parliament, political parties and local government;
- ◆ establishment of the National Commission for Democracy and Human Rights.

Of particular importance is the attention given to women's rights and gender sensitivity. A Ministry of Gender and Children's Affairs was established (later combined with the Social Welfare Ministry), following the country's participation in the Nairobi, Abuja, Dakar and Beijing Conferences on women. Two significant national policy documents on the advancement of women and gender mainstreaming, were produced in 2000.

In terms of national policy and public sector management, there have been opportunities for civil society participation in rather impressive ways. Two important national Consultative Workshops were called in 1995 to seek advice on political courses

of action. A host of other National Consultative meetings were conducted in a similar vein, which included, *inter alia*:

- ◆ The National Consultative Conference on the Power Sector (June 2000);
- ◆ The National Consultative Conference on Privatisation of Public Enterprises (October 2000);
- ◆ The National Consultative Conference on Education (November 2000).

The widespread consultative strategy has been developed into an approach now dubbed the Strategic Planning and Action Process. A Technical Committee, comprising public servants, periodically runs surveys on the civil societal preferences, appreciation, national development priorities and public service delivery. This bottom-up approach to development planning was adopted for the preparation of the March 2001 National Long-term Perspective Studies (NLTPS, Vision 2025).

The formulation of the Interim Poverty Reduction Strategy Programme, the country Paper for the Third LDC Conference in Brussels Belgium, May 2001, the preparation of a National Indicative Programme for EU intervention, all went through the SPP system of nationwide civil society participation. The idea that such a document must be 'owned' by the people of Sierra Leone has gained currency.

Of a more important empowerment-enhancing civil society programme relating to poverty and gender is the Medium-Term Economic Framework (MTEF) process and the National Budget 2001. From the premise that public sector corruption, as evidenced in numerous commissions of enquiry, has created or increased the levels of poverty, efforts are presently being made to address this national malaise. Indeed, the SPP Technical Committee conducted a survey between April and June 2000, captioned, 'Regional Focus Group Validation of Development Priorities and Medium Term Strategies of Poverty Reduction and Economic Recovery in Sierra Leone'. Of the six most important policy priority areas chosen by the civil society, the rankings in order of importance are given in the Table 5.16 in Annex A.

It should be noted that after security, good governance (particularly regarding corruption in the public sector), was deemed to be of high priority.

On the instigation of the IMF/IBRD the MTEF Process was introduced in public sector management in the Budget Speech of the Minister of Finance in December 2000. The Minister stated that:

In order to improve the budget process and enhance application of existing tools and improve their effectiveness, Government has approved and adopted the new

Medium-Term Expenditure Framework (MTEF). The MTEF takes a multi-year planning perspective and focuses attention on the monitorable outcomes of the budget (example, number of primary pupils enrolled) rather than on the budget expenditures alone.

On Monitoring Budget Outcomes and Service Delivery, the Minister advised on the use of the SPP framework, 'to enhance monitoring of public expenditures and the delivery of basic services to the rural communities on a periodic basis'. He concluded by stating that:

To this end, the budget has been designed to ensure greater beneficiary involvement in the delivery of services and more emphasis on results with a role for the MTEF Technical Committee in sensitising civil society in budgetary oversight.

The MTEF Committee has been set up and has conducted its first nationwide sensitisation exercise. The sum of the exercise has been to encourage civil society as the targeted beneficiaries of public funds, to be more vigilant in monitoring service delivery in the public sector. This approach received nationwide support from civil society. Finally, an on-going programme is the 'State of the Nation's Symposium', which is a public forum where there are opportunities for civil society members to question and comment on the workings of line Ministries. The respective Ministers make public progress statements and lead a panel of their officials that respond to public queries.

## **Conclusion**

A cursory glance can be taken on strides made and some preliminary assessments. Poverty in Sierra Leone is endemic and has been found to be deepening because of the political instability of the rebel war. Alleviation of poverty is strongly linked to agricultural production. The agricultural sector engages some 70 per cent of the work force (I-PRSP Document, 2001) and contributes 47.3 per cent to GDP (1990–2000) (LDC Doc. 2000). Approximately half of the country's land area was under the control of the rebel RUF. Over two-thirds of the population is either internally displaced or live as refugees in neighbouring countries. The brain-drain resulting from insecurity has effectively depleted the small quantum of human capital that is needed to form the 'critical mass' for improved economic productivity.

Economic reconstruction is essential to reestablish production, create employment and stabilise prices. A number of such programmes have been launched, some with emergency implications like the Quick Impact Action Programme (QUAP), the Emergency Post-Conflict Facility (EPCF) and the Ninety-day Action Plan. Others are short to medium-term, like the Structural Adjustment Support Programme (SASP) and

the Medium-term Expenditure Framework. Yet others are poverty-focused such as the SAPA and the Poverty Reduction and Growth Facility. The major partners have been identified above, but UNICEF and many NGOs that operate in communities have spearheaded poverty-focused development. These institutions have propped up the economy in a number of ways, but more importantly, for social service delivery. The needs of reconstruction are indeed very great, when stock is taken of the enormous destruction to the physical and social infrastructure of the nation. A massive inflow of funds is ideal, reminiscent of the Marshall Plan by the US to Germany after the Second World War. Obviously, such funds cannot be raised quickly within the economy. A lot of external assistance is needed, but may not be forthcoming, and therefore proper planning and allocation of available funds for maximum impact is mandatory, if the reconstruction is to have any meaningful results. A more functional donor policy by the Ministry of Development and Economic Planning (MODEP) is now in place, to assist in the coordination of NGO support. Again, a blueprint in a 25-year vision is also in the process of being developed in the hope that a sense of direction is derived for the nation's economic development.

Empowerment has taken roots, as the efforts of public awareness programmes appear to be paying some dividends. Culturally, women have not been given equal status as men. The problems and issues are well known, but perhaps it is fair to say that there is more public acceptability of women in this society than 20 years ago. The governance programme is funded from without and is in no danger at present of being scuttled by lack of funds. The people have been decisive over their democratic freedoms as demonstrated under the AFRC Regime (May 1997 to February 1998), with a campaign of civil disobedience. The demonstration at the residence of the Revolutionary United Front's (RUF) leader on 8 May 2000, was another landmark event that immortalised 22 martyrs, who gave their lives for the cause of democracy. Open media debates attest to the growing participation of civil society in national affairs.

The question of political leadership and strong political will has always been overshadowed by the spectre of war. Poverty and economic development will have to be taken by the 'boot strings'. A concerted effort is needed, so that Sierra Leoneans can say to poverty what they have said to coups, 'No, never again!'

### ***Bibliography***

Baseline Service Delivery Survey Report-Government of Sierra Leone

Bank of Sierra Leone Bulletins, Various Issues

Government Budget and Statement of Economic and Financial Policies for 2001  
Government of Sierra Leone

Human Development Report 2000, United Nations Development Programme

IAAC Baseline Survey Report on Seven Sector/Thematic Areas (2000)

Labour Force Survey Report 1988, Central Statistics Office, Ministry of Development and Economic Planning

National Action for Poverty Alleviation, August 1996, Republic of Sierra Leone

National Education Master Plan, 1997-2000, Ministry of Education, Republic of Sierra Leone

National Environment Action Plan, Vol. 1, Department of Lands, Housing and the Environment, October 1994, Republic of Sierra Leone

National Policy on the Advancement of Women, Ministry of Social Welfare, Gender and Children's Affairs (2000)

National Policy on Gender Mainstreaming, Ministry of Social Welfare, Gender and Children's Affairs (2000)

National Symposium 2000, Second State of Nation's Report (December 2000)

Public Investment Programme, 1997-1999, Republic of Sierra Leone

Sierra Leone National Security Policy Paper, the National Security Adviser's Office

Survey Report on the Status of Women and Children (MICS II), Government of Sierra Leone