

Remarks by H.E. President Ellen Johnson Sirleaf
At Panel Discussion on “Inclusive Growth in Africa”
New York, Wednesday, September 22, 2010

Prime Minister Rasmussen;
UNDP Administrator Clark;
Fellow Panelists;
Excellencies;
Distinguished Ladies and Gentlemen:

As our country emerges from the state of economic collapse and institutional decay, the notion of “inclusive growth” is not just an abstract concept; it must become a reality in order for a secure future to take hold.

In Liberia, this is no easy feat. Our comparative advantage and our hope for economic growth over the next decade rest in our rich natural resources. But as we well know, the rents from resource extraction are the hardest to share equitably, especially before mature state institutions are built. Moreover, nearly two decades as a failed State has taken a serious toll on our people. As a result, we face capacity constraints in both the private and public sectors. High transportation costs, minimal electricity generation, shortcomings in educational provision, and fledgling state institutions present major challenges in furthering a diversified economy.

The combination of our inherited the socio-demographics and external shocks of the global market – which limits the scope of our domestic economic policy – means that without careful interventions, Liberia runs the risk of returning to the difficulties of its

past. We must thus create the social and economic opportunities that will restore our people's dignity and self-worth."

Our reform agenda aims at accessible and inclusive growth, as demanded by the people in a robust consultative process of town-hall meetings at the district, county and regional levels.

We know that our education and health sectors require massive overhauls, and we have worked to deliver improvements in those areas. We seek to provide access to learning for all segments of the population and improve the quality of teaching and learning at all levels. We have instituted free and compulsory primary education. We have built new schools in under-served areas, provided learning materials relevant to contemporary Liberia emphasizing gender parity, and de-wormed sick students.

We aim to improve health and equity by focusing on maternal and childhood mortality as well as malaria prevalence. We have implemented a basic package of health services, improved health infrastructure, and coordinated partnerships to strengthen investment in human resources at the frontline of care.

In our growth agenda, we have attracted private capital and invested in our natural resources at terms and conditions more favorable to the Liberian people. We have become the first country in Africa to become compliant under the Extractive Industry Transparency Initiative, and the second in the world. This means that the revenues from our natural resources are closely monitored to ensure transparency, accountability and efficiency in allocating that use.

Our people, particularly the youth, require jobs. Our focus on the agricultural sector – which represents three-fifths of GDP and provides income and employment for 70 percent of our population – is motivated in part to create an engine for jobs and inclusive growth.

We are also in the process of land reform to stimulate agriculture and ensure that Liberia's land is used for the benefit of Liberians. A new labor law will ensure that the kinds of labor violations that afflicted the workers in our rubber plantations cannot occur in the future.

A significant part of our inclusive growth will come from small and medium-sized enterprises. Their success is dependent on government policies and processes. To date, our reforms, such as reducing corporate and other taxes, and getting rid of red tape, have focused on increasing investments by small businesses. We have also undertaken reforms in the financial sector, and are proud to say that micro-finance banks are now operating successfully in our country, which is both evidence *and* auguring of small business formation.

Inherent to the success of all of these policies is sound infrastructure, and nowhere were the people in the town-hall meetings more in agreement than when they said they wanted roads! We are working to improve those roads, allowing farmers' produce to get to market even during our rainy season. We are working to improve energy-generation capacity and access, which now reaches less than one percent of the population. We are gradually improving access to clean water and sanitation, a sector that had virtually shut down over the last 20 years. To expand spending on infrastructure and

reach our targets, we look to investors and partners to complete the \$250 million per annum gap.

Each time we develop policies, each time we build bridges, each time we change our legislation, not only are we transparent, not only do we only hold public hearings and meetings with civil society, we also keep asking Liberians in the villages whether this or that measure will make their lives better. In so doing, we guarantee that our development strategy is thoroughly and iteratively written by our people.

Importantly, we have undertaken these reforms while working towards a competitive economic environment where investors – both Liberian and foreign – will choose to come to our shores to do business. Of course, we will learn from others who, in time, have built the kinds of social and economic systems we aspire to attain. My friend and colleague Mr. Rasmussen presides over what may be the most developed economy in the world. Denmark is very much a competitive nation. Its companies generate wealth and ideas far in excess of what one might predict from the country's small population of 5.4 million. Yet, it is a just society, with one of the most equal income distributions in the world.

Liberia cannot become a Denmark overnight, or even over the next generation. Reforms in education – even when we have begun our work with diligence – take more than a generation as today's pupils need to become tomorrow's teachers. Other reforms, like social security and targeted cash transfers, cannot even be considered in earnest until our nation has escaped its underdevelopment.

Dear Friends, if you leave here thinking that Liberia has solved the many challenges it faces, I will not have been honest with you. When

a country is rich, to be inclusive is a question of values and desire, the kinds of values demonstrated by the citizens of Denmark. When a country is poor, it is also a question of resources. Our people want to be the engineers and the planters and the business owners that will

rebuild Liberia. But they lack the training to build the mines, good roads that lead to their farms, or capital to start a business.

On our own, we cannot provide all that. Moreover, our imperative to grow the economy will mean that we have to build broadband connections while some of our people are still without clean water. Our partners can, and are, helping us to push hard on all fronts so that our trained farmers have roads, our graduating students have jobs, and our entrepreneurs have a good business environment as well as capital. Only when we have made extensive progress on multiple fronts can inclusive growth become self-reinforcing.

I thank you.