

**Statement by H.E. President Ellen Johnson Sirleaf
On “The Challenges of Transformation in a Fragile State: The Case of Liberia”
In Columbia University’s World Leaders Forum
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*(Delivered extemporaneously and transcribed.)***

President Lee Bollinger;
Members of the Board of Trustees;
Faculty, Administrators, Students;
Distinguished Guests;
My Compatriots here;
Ladies and Gentlemen:

I want you to know that the reputation of Columbia’s sessions like this precedes you. The activism that you show in these meetings, we’re very well aware of, so I’m looking forward to that interactive session once I’ve completed my statement.

Let me first introduce to you those who are with me and are part of my delegation: our Senior Senator, Jewel Howard-Taylor; Minister of Justice, Christiana Tah; Minister of Planning and Finance, Amara Konneh; Chief of Protocol, David Anderson; Director of Communications, Shirley Brownell; Minister of Education; Minister of Information, Culture and Tourism; and the Deputy Protocol Officer. Right back of them there’s an Assistant Minister of Information, the Press Secretary, and independent press people.

We bring you greetings from the Government and people of Liberia, and, I’d like to thank you for this opportunity to be here.

Had you invited me to speak about Liberia less than a decade ago, our discussion would have centered on what is today described as “a failed state.” As recently as 2003, our country was the poster child of failed statehood, having reached the point where Liberians travelling abroad were ashamed to carry our passport. Today, thanks to the resilience of our people, their hard work and our commitment to move forward, Liberia has turned the corner. To get to where we were today, we received much appreciated support from the international community, enabling us to embark upon the transformative agenda that is now under way.

Looking at our own recent history, the topic of the conversation today is how do you move from a failed state to a fragile state, and from a fragile state to a competitive state in the process of transformation.

As you well know, a failed state is one where governing mechanisms which provide the well-being of the people have broken down; the security apparatus meant to protect them is dysfunctional; the economy is at the mercy of predators; and social services have crumbled. That’s where we were.

The transformative process for Liberia started with the Accra Peace Accord in 2003. We had then three years of a transition period of mixed results; successful in maintaining the peace, in starting the operation of institutions, but hardly moving the country much further because of the interplay of those that were part of the transition, representing those that came from different factions, all having to collaborate to be able to move toward a modern state.

From the transition, when this administration came into power in January 2006, we started what we called the period of stabilization, and one of the key things we did was to establish four pillars under the Poverty Reduction Strategy. The pillars were: peace and stability; economic reconstruction; governance and the rule of law; infrastructure and basic services.

Under the **peace and security sector**, we had to deal with an army that largely comprised people from different warring factions. And so it meant disbanding the entire army, starting all over, setting admission criteria which would allow only those with a certain level of education. With the support of the U.S., that process has now produced a 2,000-person well-trained, professional new army. It also meant the rest of the security sector, such as

the police, the immigration and others, putting them through rigid training programs to enable them to prepare themselves to protect the security of the state. At the same time, we had a UN peacekeeping force, one of the highest in the world at the time, 14,000; today, down to 7,000 and, in the period of drawdown, within 3-5 years, will see them depart and, at that time, hopefully, we'll be in the position and have the capacity to take it on ourselves.

Under **economic revitalization**, being a natural-resource-rich country with mining, agriculture, forestry, fishing potential, we went for mobilizing private capital, our own resources being limited. We were able to mobilize some US\$16 billion in foreign direct investment in all of these sectors – operations which are just getting started, with the results to be seen.

Putting our fiscal regime in order, ensuring that we subscribed to a balanced budget, a cash-based budget, so that we would not have these huge fiscal deficits and the result that they bring in inflation. We entered the HIPC Program, and under HIPC we were able, in what we call record time of about three years, to cancel, essentially, a US\$4.9 billion external debt that had not been serviced for 20 years.

Making sure that we opened up the economy required the infrastructure that it takes to make them move. And so schools, clinics, roads, electricity, water system – all of those things lacking in terms of public service – were things that we got started.

Governance and the rule of law. Just building those basic institutions, with the capacity constraint that was faced, and getting those dysfunctional institutions working again.

Law reform. Over the years, duplicated laws, complicated laws, laws that require amendments, repeals, to bring them to current conditions, were things that we had to do. I mentioned institutional development. The capacity issue because most of those trained had left the country over the years, the brain drain had affected these institutions. As a matter of fact, the concentration of power in the center, the presidency that was so domineering, that we had to build the institutions to be able to move some of that power in decision-making away from the center, which was ruling by fiat, ruling by discretion.

The pillars of integrity. That meant strengthening our General Auditing Commission, which we moved to do; creating an Anti-Corruption Commission. We subscribed to the Extractive Industry Transparency Initiative, and I'm proud to say that we were one of the first African countries to become compliant under that. Just developing policies, formulating the strategies and policies in all of our sectors and guide us toward our agenda.

Rebuilding our relationships with our neighbors. As you know, in those years of war, Liberia was the epicenter of a regional war, and so mending fences with our neighbors became very important.

Renewing and getting our bilateral and multilateral relationships back, so that having solved the debt problem, having built the institutions, having set the policies, we had access to the normal facilities that countries would have. Our diplomatic relationships, our international relationships with international organizations – all broken down over those years – meant fixing those.

At the end of the six years, we conclude that our stabilization period is in place. Liberia's growth rate for the past six years that has averaged 6.5 percent. This year, 2012, the estimate of the IMF is that it will be 8.8 percent. That's not enough, we know that; but that's where we are, and our institutions are functioning again; capacity is growing.

Now we enter the period that we call truly a transformation period. What does our transformative agenda consist of? In the first instance – and we give credit to our Minister here [Amara Konneh] who led this effort – is to develop a long-term perspective, a development agenda that goes beyond the normal cycle. We've already formulated what is called "Vision 2030". By the year 2030, this is what we want to achieve. And that particular ultimate goal is to become a middle-income country by that year.

To do so means you must also take into account what people of the country want, not a desktop review and formulation of a vision. But because for too long people have been left out of the process of formulating their vision, this required a two-year process of robust consultations all over the country; down, down into the community levels where one begins to see. This also required formulating this vision to determine what were the root causes of the problems that we faced. Why did we degenerate into wars? Why were we not able to sustain our development, given the fact that we are so natural resource rich?

That Agenda, that new Vision, attempts to go into that and describe it, and it comes from the people themselves, their own views of what the problem is and what the solutions ought to be.

We have now gone from an annual budget cycle to a Medium Term Expenditure Framework (MTEF), and under that it enables us to continue to mobilize private capital, private investment, to shift resources from recurrent to investment because you now have a longer-term framework when with that investment you know that there is sufficient budgetary allocation to be able to complete investment that may cover more than a period of a year.

Infrastructure. One of our major constraints, and that basic economic infrastructure that makes a difference in whether you continue to reach your growth targets.

Power. Today, the country, with 21 megawatts of power, resulting in the cost of electricity at over fifty cents per kilowatt hour. Compare that with, say, hydro power, where the cost is about seven cents per kilowatt hour. You can see the big gap that exists. Part of our transformative agenda is to rehabilitate our hydro plant; to be able to examine alternative sources of energy – whether it's solar or windmill or biomass, all of those possibilities of trying to do that.

Our road system. We are in the rain forest, where the capital cost of building roads is so high, and there's only a limited period when construction can take place because, for six months, we have rain. And today, the effects of climate change are real; we feel it, because farming patterns are changing; the rains are excessively heavy. We have to figure out how do we address that, and not forgetting the fact that social infrastructure is also important.

Education. For so many years, many of our young people were bypassed by education. Many of them were child soldiers who, all they knew, was how to destroy, how to kill. Today, as we go into the tenth year of peace, you can see the transformation in them, but you can also see the anxiety in them, sometimes even the anger in them, that they've been bypassed, that they're part of a lost generation. And how does one respond to their needs very quickly, before that dissatisfaction turns into something else? And so education, although some of them are too old for that.

Skills training, vocational training to enable them to have the means whereby they can have a livelihood. And so youth development is part of this new transformative agenda. How do we put them to work? How do we manage their raised expectations? How do we transform them into productive, creative, contributing students?

I mentioned **capacity**, and I'll come back to that. There are so many things, so many achievements that could have been much more but for our own limitations of capacity. We have tremendous support from partners, but we can't let them do it for us completely. Technical assistance, yes; training, yes; but we've got to be able to do it ourselves, and that means that there will be limitations in the achievements, in the success, in the results.

As we begin, our own people begin to take on the responsibility of getting things done. We have lots of special programs to deal with the capacity issue. We have support, for example, from the Open Society Initiative, the topping off of salaries for a certain period of time to enable us to repatriate professional, capable Liberians from the Diaspora and bring them home to take this responsibility. Getting scholarship programs ourselves, some of them coming from universities like Columbia and others, where we are training people in specialized skills but at the same time building our own institutions, which is the real answer.

Getting them quality education at all levels. We started with the lower levels; we made primary education free, we extended it to middle school in public schools, free and compulsory, and it's starting to work. But it is still is not sufficient because mothers still send their children to sell on the streets because that's how they survive; or take them to the farms to help them to drive the birds from the rice farms because that's what they are accustomed to. How do we change all of that? We've got what we call the President's Young Professionals Program, bringing young graduates from the University and putting them under mentoring programs with some of our professionals so that they may be able to grow in their professions. All of those are part of the combination of trying to address that.

Reconciliation. The many years, starting from our 1980 coup d'état, to the wars of the different warring factions and the different political competitions and strife, makes reconciliation a major issue. How can we reach and cross that bridge? It's not today; it starts from a cleavage that started from our very beginnings, when you had emancipated slaves go back to our country, and met the indigenous population and refused to give them the same kind of equality. And so that cleavage, that breach that started way there, has never really been resolved and it came to the place where it manifested itself in a coup d'état. That coup d'état itself did not solve it, and so that transformed into a war, and the war brought more factions, more divisions. To tackle reconciliation, we've been working on a roadmap that's going to be validated by the public, along with the *Vision 2030*, in early November when those two documents, having already come from a robust process of consultation with people, will be even

validated, we hope, by a larger group of people coming together in what we hope will be a national conference, to be able to look at those particular issues.

Part of the transformation is **judicial reform**. Our judicial system is patterned after the United States in every way. Most of our laws and our statutes are patterned after the United States, as well as our Constitution. There will be a constitutional review because they've got certain elements in the Constitution that are totally incompatible with today's requirements. Discriminatory processes that have been in there; how do we make sure we can begin to deal with the judiciary.

Government rationalization. We've got too big a government, and we've got to be able to slim down the government. The government must do only those things required of government so that the private sector can be placed at the center of our growth agenda.

Concessions review. I'm quite sure that many of you have read of the US\$16 billion that we talk about. A lot of them have problems of land. That's because we've given large tracts of land to mining concessions, to agriculture concessions, but it hasn't worked very well because we now have a community rights law in which we say communities have the right to their land, and community rights must be protected. So you have this contradiction that we have to sort out – how do we ensure that we bring in the investment, because if the investment brings infrastructure development, the investment brings jobs, the investment brings per capita income increases, but, at the same time, make sure that the right of the community is protected so that the farming system is in place.

The oil sector. I'm sure many people know that Liberia today is prospecting for oil. We won't see a drop of oil in my administration, thank God, so I won't have to deal with that. But if we do not take the measures that protect future generations, then we stand the chance that Liberia, too, becomes a nation with the resource curse. And so we must make sure that we put in the structures, the laws, the systems; we must use the example of other countries that have done it well, that have made sure that these resources indeed translate into programs that benefit the majority of the people, and that they are secure for future generations. You've seen the plight of our forestry sector.

And, finally, how do we change the mindset – I call it **values system reordering**. That, I think, is the most difficult part of all. Young people, old people, subjected to deprivation for a period of two decades, who have survived mainly by their wits any way they could, whether it was a resort to extortion, or resort to violence, or resort to dishonesty,

they had to survive; it was a survival mentality, and that affects the mindset of people. How do we change that, so that everybody becomes the owner of their own society, the protector of their destiny, that they, indeed, can determine their fate and know that their country only grows by their participation, by their ownership, by their contribution? That's the biggest of it. The moral rearmament is something that I don't have any answer to. We look to others – the social scientists and others who can help to deal with that.

But we still say, with all the challenges, with all the progress, Liberia still remains today a nation of hope. And if there's anything that we've been able to accomplish, is to have given our people hope: hope for the future; the promise of a better life; the promise that, indeed, tomorrow, they can be what they want to be, on the basis of their own industry and their contribution.

We are determined that in ten years, Liberia will not have to take foreign aid; that we can do it on the basis of our resources. We are determined, when I talk about the *2030 Vision*, that come the year 2030, we will be a middle-income country. That's our commitment to our people; that's our people's commitment to themselves.

Thank you for the opportunity.