

**Speech by H.E. President Ellen Johnson Sirleaf**

**“The Challenges of Post-War Reconstruction**

**– the Liberian Experience”**

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It's good to be back in Chatham House, and a hearty good afternoon to all of you. The reception we receive here is always so welcome.

As you know, conflict still afflicts too many of our countries and we still, as nations and as an international community, have much to learn about how we move forward from conflict. The more we can share experiences, the more we can spread ideas about how to do it, how to move from conflict to peace, the more we are prepared to face these challenges, will enable us to meet our national goals. In this regard, I don't have to tell you that Liberia has some important lessons of experience.

I'd like to speak about Liberia's journey: where we started, how we have succeeded, and where we have failed. My main message is that Liberia is eight years into a two-decade process. We have cleared enormous hurdles in the past eight years, but it's the challenges that await us that perhaps are most important. We have learned lessons, we have changed the way we do things, and we have received a lot of assistance and support for the successes that we have. Liberia, like many other countries, has experienced the same catastrophe, and we all hope never to experience it again.

### **Liberia's Challenges**

We start with the abyss that was Liberia when my government came into office. Speaking about post-war reconstruction is difficult in Liberia's case because it involved everything: the economy, security, basic services, governance, national status and national healing. What we faced was almost total destruction, and therefore the need for total reconstruction, of both state and society.

On the economic front, our problems started a long time ago. Having peaked in 1979, Liberia's GDP went into a steady decline. It went into free fall when the war started in 1989. Our GDP fell by 90 percent between 1989 and 1995 – one of the fastest drops in history. By the elections in 2005, average income was a quarter of what it had been in 1987, one-sixth of the 1979 level. In nominal terms, GDP per capita was \$160. Government revenue had fallen to less than \$80 million a year. Worst still, years of mismanagement left a colossal external debt, a result of borrowing, spending and payment defaults. Liberia's total debt in 2005 was a startling \$4.5 billion, about 800 percent of GDP.

The economic statistics are themselves disturbing, but we faced challenges perhaps more profound in other ways. More than 250,000 Liberians had been killed, and over 500,000 forced to flee their homes as internally displaced people or refugees in neighboring countries. Families were shattered; entire communities uprooted; social, political, economic, and governance systems were destroyed; commercial and productive activities collapsed as investors fled; infrastructure was completely destroyed. More importantly, our human infrastructure was in ruins. Just a small example: we went from 800 practicing doctors in 1989 to just 50 by the year 2003. Most of our best and brightest from all professions had left the country.

Where do you start, when faced with such a daunting task? Liberia had been called the land of a thousand priorities. For a new government, the urgency and scale of the challenges could easily have been paralyzing. When we came into office, we recognized the scale of the task, and we knew that we had to act quickly to address the challenges. We executed a 150-day plan, followed by an Interim Poverty Reduction Strategy. These were essential measures to guide our actions and allow us to introduce basic measures. It gave us the breathing space that we needed to put together a proper plan.

In 2008, when we wrote our Poverty Reduction Strategy, we grouped our task into four areas, or pillars.

Our most immediate challenge was peace and security. We risked returning to conflict, as the record has showed in so many other countries, because the most fundamental component of any society – the rule of law and a basic sense of safety – had been destroyed. Thousands of non-combatants were yet to be demobilized, and the country was still home to thousands of small arms. We had no functioning army and police.

The presence of the UN peacekeeping force, UNMIL, was a decisive factor. The international community is understandably very wary of intervention in sovereign nations, and Liberia had, at one point, suffered the consequences of that caution. But the presence, since 2005, of around 10,000 soldiers – now reduced to 8,000 – guaranteed the most basic ingredient of safety for our country. A vital lesson is inherent in this: Positive intervention, even military intervention when positive, can work.

Since 2005, we have made strides in developing our own security sector. We now have a 2,000-person-strong national army, properly trained, professionalized. Liberia is no longer listed as a U.S. “danger post” or a UN “hardship duty station.” But we still have a lot of work to do: to expand and retrain our army, most of all to develop the police’s capacity to address the low-level crime and disorder that affect people’s quality of life and their sense of safety and security. For the longer term, police and judicial reform is crucial as we plan the successor to the Poverty Reduction Strategy.

Our next challenge was to revitalize the economy. The economy was in ruins, but the stake was high. The combination of a decimated economy, lack of jobs, and a young and restless population, the lack of an open, democratic election, open democratic society, made for a cocktail of challenges. The only thing we felt that would address that, the only way our expectations went, was to ensure the resurgence of growth.

I’m glad that we can cite some of our proudest successes. As I said, we started with a \$4.5 billion external debt in 2005, a national budget of \$80 million, and a per capita GDP of \$160. Since 2005, we’ve raised the national budget to \$368 million. We have attracted over \$16 billion in foreign direct investment. We’ve been able to improve our reserves from the \$5 million inherited to over \$300 million today. Income per capita has risen by approximately one third. We have wrestled with inflation, and brought it 20 percent down to single digits, despite the 2009 global financial collapse. Our GDP has averaged 6.5 percent. Today, Liberia is projected to be one of the world’s 20 fastest growing economies.

Biggest of all, and probably the achievement that we are proudest of, is our debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative. We have been able to do this, in a three-year program, by relentlessly pursuing public financial management under a rigorous program with the International Monetary Fund and the World Bank.

The priority for our future is to create jobs. There are simply not enough jobs for our young people – although Liberia is not alone in this regard. This means

more value-added, more labor-intensive industries, more small business, more vocational training, and a doubling of efforts to raise our educational standards.

Our third challenge was governance and the rule of law. The war destroyed the institutions that protect these principles. We had to rehabilitate, promote freedom of speech – the most essential right – and an idea that it could be defended and used through a free media and open courts.

The big issue in governance – one often talks about Liberia – is corruption, a perfect example of the combination of ideas and institutions. Decades of deprivation and bad governance corroded the norms and value system in our country and created a culture of rent-seeking behavior. Battling corruption is, firstly, for us, a battle of ideas, a change of mind-set, a reform in values, convincing people that the days of “take all you can” are over and that it makes sense to think long-term, in terms of the impact on our agenda for growth and development. Our approach has thus had been systemic and preventive, and we have made progress.

We sought to strengthen the principle of transparency. Liberia recently became the first country in West Africa to pass a Freedom of Information Act. We also became the first country to become fully compliant with the Extractive Industries Transparency Initiative. We have strengthened and reformed procurement and financial management laws, and assured higher national benefits with corporate responsibility in awarding of concessions for exploitation of our natural resources.

We sought to strengthen the principles of fairness and professionalism by increasing salaries so government employees have less incentive for graft.

We tried to strengthen the principles of accountability by restructuring and strengthening our General Auditing Commission and establishing an Anti-Corruption Commission. We have submitted a Whistleblower Act to the Legislature and issued an Executive Order to protect people of conscience who want to report corruption.

As a result, recently Transparency International showed that Liberia had moved up 41 places on the Global Corruption Index. More recently, it moved 10 places, from 97 to 87, but there’s more to do, especially concerning prosecution. The punishment part of fighting corruption remains a missing link. Here the challenge is enormous, and it has to do with a judiciary that has been dysfunctional for so long that it will take tremendous reforms to make it work. We therefore plan to devote our energy, in the coming months and

years, to judicial reform, a review of our jury system, as well as the prosecuting powers of our institutes of integrity.

Our final pillar was to build vital infrastructure and restore the basic services of government. It almost goes without saying that our infrastructure was non-existent.

Here, again, we can count successes. We have started to rebuild roads, hospitals, clinics; we have restored lights and water – all missing in the capital city for over decades. We are now involved in trying to rehabilitate, expand and modernize our airports and our seaports, both of them so vital for the economic activity that will come out of the investment that we've been able to mobilize. A major one in this is the rehabilitation of our hydro, as power remains one of the major constraints to our desire to move into an agro-industrial state.

Finally, we had to address a country still traumatized. Our national spirit, our identity, our communal trust had been undermined. At the beginning, our partners helped us to undertake the disarmament, demobilization and reintegration of thousands of mostly young men who had no alternative – men who training and education had been bypassed, over two decades, the ones who became the child soldiers, those called, in many ways, the “lost generation”.

But that requires a process of national healing and reconciliation. Our process has not been perfect, nor is it complete, but we are convinced that we have made the necessary first steps in this process, and our young people are now ready to embrace the return to school, the return to training, the return to peace and the return to productive endeavor.

### **Lessons from Liberia**

We've been through much, and we've learned many lessons, and the first lesson that was so important to us: Reconstruction that does not address the underlying causes of war will not succeed. Liberia's Truth and Reconciliation Commission process is vital because it is intended to help to heal the wounds. But our conflict went deeper. Some of you know that it goes back to our history of inequality and exclusion between minority settlers and a majority indigenous population.

More importantly, the root cause is an economic problem. We need to address the realities of poverty, exacerbated by fourteen years of war. It is therefore not enough to achieve growth. We must grow our economy in such

a way that it creates a new, fairer distribution of wealth, and sufficient access to opportunity to satisfy a population with ever greater access to information.

But above all, Liberia's progress depends on a system which assures the peaceful transfer of power through the exercise of choice. That is why this year's election is so important. It puts to test all the work we have done to build a strong society, an open society, a democratic society. It puts to test a public grasp of democratic principles, a multi-party system and a credible, independent judiciary. These are the *sine qua non* of sustainable progress in a post-conflict country.

Our second lesson of experience is that doing 80 percent is better than planning 100 percent. The Poverty Reduction Strategy was comprehensive and generated through an inclusive process. This new consultation was essential, and our plans involved civil society throughout. This was a strong emphasis.

However, the best plans in the world are only as good as you can achieve them. And unless one realizes the limitations and capacity, you can fall short of your goals. And so, in retrospect, we know that we have to prioritize clearly, but we've learned that one needs more than that, that one needs to assess the ability, the timing, the sequencing and the capacity if you are going to achieve your goals.

Our third lesson experience is: Get the right help, and get the help right. When we set out, as I said, we had neither capacity nor our own resources. We needed some time to source and locate that capacity outside of our government, to learn from it while we were getting ourselves prepared.

We have benefitted from this vital assistance. To just take the economic sphere, we worked very closely with the international institutions, particularly the International Monetary Fund and the World Bank. They provided technical support to our Ministry of Finance and our Central Bank. Individuals from U.S. and other partnership countries worked long hours to strengthen our capacity and our implementation abilities.

Our fourth lesson is that in a post-conflict government, you must own the strategy and let donors follow – the ownership factor that is talked about so much. It is both a blessing and a curse to have so many organizations working with you. Analysts claim that we need more donor coordination. It is clear that major donors will coordinate with one another and with government's priorities. But how is it really possible for us to coordinate

hundreds of organizations undertaking thousands of interventions in so many activities? We would need an information machinery to do that.

In truth, rather than donor coordination per se, our need is to be clear in where we are going in our goals, and focus in our determination to get there, to empower our implementing agency to form strategic partnerships in critical areas important to achieving our development goals.

Finally, our most important lesson of experience: Be patient. We were all impatient when we said to the Liberian people that we were going to make it work in six years. We've made progress, no doubt, but we're not there yet. We have misjudged some of the obstacles; we've fallen short on our implementation. We needed to understand the partnerships and processes and procedures. We feel we're on our feet, but we know that it's going to take us quite a few number of years before we are going to meet the goals that we have set for ourselves.

### **A Vision for Liberia's Economic Growth**

We are eight years into what we call a two-decade process, and we are now about to embark on our second chapter. We are designing the successor to the Poverty Reduction Strategy, composing our National Vision to take us to the year 2030.

Liberia is moving from the first six years of stabilization to the next six years of sustained economic growth and development. That means harnessing our natural resources, transparently managing and using state resources, maximizing Liberia's comparative advantage in natural resources and agriculture, while cultivating new niches in manufacturing and services – those sectors that will ultimately create a middle class.

It means building on the gains we already have in current infrastructure reconstruction, in governance, training our people. What we say is that we are convinced, going forward, that with Liberia's natural resources and our relatively small population of 3.7 million, there is no reason why we cannot create a prosperous society, granting equal opportunity to all, under conditions of the promotion and respect for all the fundamental and human rights under the rule of law. There's no reason why we cannot build upon the successes of today to ensure that ten years from now, Liberia should no longer require foreign assistance. And by the year 2030, we should really become a middle-income country. That's our dream, that's our objective. We are convinced that we have the commitment, we have the drive, we have the ability to achieve those aims.

Thank you.