

BTI 2016 | Sierra Leone Country Report

	scale	score	rank	trend
Status Index	1-10	5.37	# 71 of 129	
Political Transformation	1-10	6.42	# 53 of 129	➔
Economic Transformation	1-10	4.32	# 101 of 129	➔
Management Index	1-10	5.35	# 52 of 129	

This report is part of the Bertelsmann Stiftung’s Transformation Index (BTI) 2016. It covers the period from 1 February 2013 to 31 January 2015. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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Key Indicators

Population	M	6.3	HDI	0.374	GDP p.c., PPP \$	2017.6
Pop. growth ¹	% p.a.	2.2	HDI rank of 187	183	Gini Index	34.0
Life expectancy	years	45.6	UN Education Index	0.305	Poverty ³	% 80.0
Urban population	%	39.6	Gender inequality ²	0.643	Aid per capita \$	71.8

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | UNDP, Human Development Report 2014. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.10 a day at 2011 international prices.

Executive Summary

During the review period, Sierra Leone's political and economic transformation process has been characterized by highly contradictory developments.

Most of the time, the country continued the process of peace consolidation, state reconstruction and economic rehabilitation that started in 2002 at the conclusion of a disastrous 11-year war. In the political sphere, Sierra Leone witnessed further democratic consolidation of the national government, which was confirmed at the ballot box in 2012, while the bitter rivalry between the two major political parties, the All People's Congress (APC) and the Sierra Leone People's Party (SLPP), has been alleviated by peace-building agreements. In the economic sphere, growth received a heavy boost in the review period by the reemergence of iron ore as the major export product of the country, which brought with it a substantial upsurge in foreign exchange earnings.

Since May 2014, however, positive developments have been severely compromised by the Ebola Virus Disease (EVD or Ebola) that spilled over into Sierra Leone from neighboring Guinea, threatening to thwart any political and economic progress achieved since 2002. There suddenly seemed to be almost no option for further political and economic transformation, as Ebola not only killed more than 2,500 people by the end of the 2014, but also started to negatively affect domestic food production and the performance of the economy as a whole. Moreover, Ebola revealed the considerable shortcomings of the institutional and administrative capacities of the state. As the country has managed to deal with Ebola more effectively only with international support, the disease also reasserted the overall (political, economic and otherwise) dependency of the small West African state on external actors.

With or without Ebola, the lack of domestic resources in Sierra Leone, one of the world's poorest and least-developed countries, leaves the country dependent upon international support in terms of finance, technology and other forms of aid. Furthermore, the country remains relies heavily on the maintenance of viable relationships with international donors, which also requires a

functioning relationship with the IMF and the World Bank. The APC-dominated government of President Ernest Bai Koroma is willing to maintain an adequately functioning relationship with the international financial institutions in order to improve Sierra Leone's international credibility. Although his government encountered economic and political difficulties in implementing IMF conditionality, the Koroma government remained committed to applying IMF-style policies, supplemented by incentives for achieving growth.

Nevertheless, Sierra Leone remains largely dependent upon its minerals economy, including iron, diamonds and rutile, which are major sources of foreign exchange. The sharp drop in world iron ore prices since the end of 2013 exemplifies the risk attached to the country's dependence on the export of raw materials. Diversification remains on the agenda, as sectors in the non-minerals economy, including agriculture and tourism, are addressed as additional sources of economic growth and transformation. Although the government is officially committed to democratic, market-oriented policies, external problems and domestic clientelistic pressure may still threaten the postwar political and economic transformation process.

The roots of violent conflict – including corruption, mass poverty, disaffection among the youth and a general vulnerability to globalization – remain firmly ingrained in the country. President Koroma has shown both capacity and clout in combating corruption, but his attempts to promote attitudinal and behavioral change regarding clientelism, corruption and poverty, and to address youth problems by creating job opportunities, are threatened by vested interests. Given the country's immense developmental constraints, prospects for political and economic transformation (toward democracy and a market economy) are still fairly poor, a situation that has been greatly exacerbated by the Ebola epidemic.

History and Characteristics of Transformation

Low levels of economic, social and political development have limited Sierra Leone's ability to take decisive steps toward transformation. As a consequence of British colonialism, the country's prospects were burdened from the outset by structural constraints, including the high dependency of state revenues on the export of agricultural and mineral products. The country and its population also suffered as a result of excessive corruption, mismanagement and authoritarian – periodically military – rule, which itself eventually became a major political and economic crisis factor. In the end, the country was brought to its knees by a disastrous war (1991 to 2002), “exported” to Sierra Leone by then-Liberian warlord Charles Taylor.

The war reshaped a process of political transformation which had begun with the end of the Cold War in 1990. The authoritarian regime of Joseph Momoh was forced to abolish the two-decade one-party rule of the All People's Congress (APC), and to introduce a new democratic constitution and a multiparty system in 1991. However, the war destabilized the country, undermining democratization to a significant enough extent that a military regime took over in 1992. A “palace

revolt” in early 1996 paved the way for elections based on the 1991 constitution. The poll brought to power President Ahmad Tejan Kabbah and his party, the Sierra Leone People’s Party (SLPP). Kabbah was overthrown in a coup d’état in 1997 but returned to power in 1998 following a military intervention by his ally Nigeria.

It was only in 2000 that troops sent by the former colonial power, Great Britain, effectively crushed the military capacity of the Revolutionary United Front (RUF) rebels who threatened the Kabbah government. An international peacekeeping force, the United Nations Mission in Sierra Leone (UNAMSIL), in collaboration with the British military, restored a modicum of security, stability and stateness to the country, which had come very close to failure during the course of the war. In the first postwar elections, Kabbah and the SLPP won approximately 70% of the vote in May 2002. After UNAMSIL’s departure, much smaller political U.N. missions continued to support the peace process in the country. As a result of heavy external financial, technical and security support, Sierra Leone has managed to stabilize the democratization process to such an extent that the low-level U.N. mission was terminated in March 2014.

Nationwide presidential and parliamentary elections in August and September 2007 brought about a change of government. APC candidate Ernest Bai Koroma, a politician turned businessman, gained almost 55% of the vote in the run-off presidential election. Thanks to his political skills, Koroma has managed to consolidate his power. In November 2012, he was re-elected with almost 59% of votes, while his party, the APC, gained an absolute majority of seats in the 124-member parliament. The electoral programs of the major parties dealt in platitudes: While the APC promised to consolidate the post-conflict system through an “Agenda of Prosperity”, developing agriculture, infrastructure and external relations, the SLPP mainly stressed the need to combat corruption and to improve the living conditions of the people.

The political rivalry between the APC and SLPP remains far more an ethno-regional issue (which can also be characterized as north versus south or Temne people versus Mende) than a matter of political programs and objectives. As the dominant feature of the political system, the rivalry of the two major parties occasionally led to violent incidents between supporters of the two parties. However, U.N. mediation finally secured the commitment of all ten registered political parties, including the APC and the SLPP, not only to free, fair and peaceful elections, but also to a general non-violent approach to political disputes.

While political transformation has gained momentum in the postwar period, economic transformation toward a sustainable, socially and ecologically balanced market economy and toward poverty reduction has progressed slowly. While economy gained some momentum in the period under review, owing largely to the reemergence of iron ore as the main export product (since 2012), much of the economic progress has been offset by the Ebola Virus Disease (EVD or Ebola) epidemic, which spilled over to Sierra Leone from Guinea in May 2014. The long-lasting plague not only killed 2,758 of the 9,446 officially registered EVD patients by the end of that year, but also reinforced the deadly impact of other diseases (e.g. Malaria, Aids). Moreover, Ebola disrupted almost the entire economy, including agriculture, threatening substantial parts of the population with hunger. Last but not least, Ebola brought to light severe deficiencies in the

institutional, administrative and management capacities of the Sierra Leonean state. However, given the colossal dimension of the EVD epidemic, international actors were also overwhelmed, resulting in a lack of coordination in combating the disease.

The Ebola outbreak hit a country with low diversification; it is dependent upon just a few foreign exchange earners (iron ore, diamonds, rutile) while the majority of the population remains poor, relying mostly on subsistence agriculture and the informal urban sector. While the Kabbah government, in an attempt to pursue IMF-style policies, got into trouble with the IMF in 2006-2007 and subsequently lost power at the ballot box in 2007, the new government, headed by Ernest Bai Koroma, has sought financial, technical and other forms of aid from international sources since its first days in power. It has thus subordinated its economic policies to IMF conditionality. Subsequently, the Koroma government benefited from substantial debt relief and renewed donor commitments based on mid-term loan arrangements with the IMF, the last of which was concluded in October 2013.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

Sierra Leone's stateness, institutional structures, overall security and territorial integrity, seriously undermined during the civil war, have been restored over recent years with massive international (largely UN and British) support, including a monopoly on the use of force. Tens of thousands of refugees, internally displaced persons and ex-combatants have been reintegrated into civilian society, new internal and external security forces have been formed, and core administrative structures and institutions have been reestablished. However, the process of promoting capacity building and rehabilitating civilian and security institutions at the national, regional and local levels is still burdened with problems, including widespread corruption. Moreover, non-state actors and criminal elements challenge the state authorities at the local level. Generally, the state's monopoly on the use of force and its fundamental administrative and security infrastructure extend throughout the entire territory of the country, but they remain deficient and highly dependent on external assistance.

However, the Ebola crisis in 2014 revealed the fragility of Sierra Leone's past achievements, as the epidemic produced panic reactions and illustrated the state's challenges concerning the control of its entire territory in cases of emergency. In the hinterlands, the government faced difficulties exercising state authority in its pursuit of effective anti-Ebola policies.

Despite the country's violent history, the nation state's legitimacy is currently not questioned in principle by any relevant group in Sierra Leone. Most people enjoy the same rights of citizenship; there is a shared sense of being part of the Sierra Leonean state and civil society. However, non-African residents, even those whose families have been based in Sierra Leone for generations (such as members of the Lebanese community), are denied full citizenship despite persistent demands to elevate their status. At birth, citizenship is the privilege of persons of African descent. However,

Question
Score

Monopoly on the
use of force

8

State identity

8

persons of other descent (like Lebanese or Indians) born in the country may apply for citizenship by naturalization.

Ethnic, communal and regional loyalty remains an important factor in the government, armed forces and business. Despite post-war reconciliation efforts, ethnic discrimination and rivalry remain sources of conflict and distrust.

There are divisions between north and south, between Muslims (about 65% of the population) and Christians (13%), and between the Temne (north) and Mende (south), each of which comprises about 30% of the population. Other ethnic groups (among a total of about 20 groups) include the Limba (north) and Krio (Freetown peninsula).

In a narrow sense, Krio is a term used for descendants of freed slaves, who make up only 1% – 2% of the Sierra Leonean population. In a broader sense, Krio is an English-based creole language; it is the mother tongue of about 10% and a lingua franca for more than 80% of the population. However, while the Krio language can bridge the linguistic divides between ethnic groups, Sierra Leone is far from being a creole nation.

The constitution provides for the separation of religion and the state. Religion does not play a significant role in defining or legitimizing state and political power or in designing laws. The overwhelming majority of Muslims and Christians view religion as a private sphere separate from politics. The Inter-Religious Council of Sierra Leone (IRCSL) has been working with dedication toward establishing mutual respect, understanding and good relations between people of different religious affiliations. In general, religion is not relevant to either ethnic identity or political affiliation. Intermarriage among Christians and Muslims is common; many families comprise both Christian and Muslim members. It is somewhat of an unwritten law that Sierra Leonean presidents voluntarily choose vice presidents of a religion different from their own confession as a means to reinforce mutual respect and downplay religious differences.

Notwithstanding this religious freedom, and owing to the country's large Muslim population, Sierra Leone elected to become a member of the Organization of Islamic Cooperation (OIC). There are also well-established contacts with the theocratic Shiite state of Iran, which President Koroma visited in 2010. Moreover, Sierra Leone maintained a good relationship with Libya during the Gaddafi era, accepting money transfers from the North African state as well as adopting a religious ideology in accordance to Gaddafi's version of Islam. Yet the influence of external religious ideology on the country's Muslims remained limited; the leverage gained by any kind of political or militant Islam has thus far been very low in Sierra Leone.

No interference of
religious dogmas
9

Thanks to the rebuilding of state institutions and ongoing attempts at capacity building after 2002, there are basic administrative structures throughout the country today – officially, at least. However, due largely to the insufficient qualification of state employees as well as inadequate financial means and organizational know-how, along with clientelistic structures and corruption at all levels of the state, these institutions do not function adequately. Mismanagement, clientelism and corruption remain major constraints to administrative rationalization; progress in implementing anti-corruption policies by the Koroma government remains debatable.

Basic
administration
5

The provision of public goods by the state is also deficient. According to recent World Bank sources, only 13% and 60% of the population have access to sanitation and a water source respectively.

The 2014 Ebola crisis exposed deficiencies in state administration and institutional capacity; the administration struggled to cope with the challenges caused by the epidemic, but proved unable to tackle the crisis effectively for a considerably long period of time.

2 | Political Participation

The constitution formally establishes mechanisms of political participation. Universal suffrage and the right to campaign for office are guaranteed by constitutional and other legal provisions. In the postwar period, nationwide presidential and parliamentary elections were held in 2002, 2007 and 2012, whereas local elections, designed to stimulate the process of decentralization and to bolster stateness in the hinterland, were conducted in 2004, 2008 and 2012. Ensuing by-elections have been held on several occasions in 2013 and in May 2014.

Free and fair
elections
8

Postwar elections were generally considered to be free, fair and transparent, thanks to the work of the National Electoral Commission (NEC), as well as to international (mainly U.N.) support. In 2012, the NEC received praise for managing the electoral process largely independent of direct international support and control for the first time in the postwar period. Moreover, power was transferred peacefully to the opposition by the electorate at the national level in 2007.

Nevertheless, poverty and a lack of resources to fund candidatures and campaigning serve as de facto restrictions on the eligibility of a large part of the population to participate in the political process. In addition, there are limitations on access to the media and to general media coverage. During the 2012 electoral campaign, for instance, the government received far more preferential media coverage than the other parties participating in the polls. The SLPP accused the NEC of bias towards the incumbent (although this claim is rather poorly substantiated).

Due to its 2007 and 2012 electoral victories, the government of President Ernest Bai Koroma is endowed with formal democratic legitimacy. Thanks to its electoral success, as well as very significant external economic, political and security support, it is able to govern the country effectively. Notwithstanding these positive developments, the 2014 Ebola crisis revealed significant constraints to the government's effectiveness, particularly as it faced difficulties in making its voice heard and influence felt in the hinterlands.

Effective power to govern

7

Moreover, the legitimacy of the current government continues to be contested in the SLPP-dominated southeastern parts of the country, where the ruling APC remains a fairly weak minority party. In 2002 (and in 2004), the SLPP (and Kabbah) made more significant gains in the APC-dominated northern parts of the country than the APC was able to make in the SLPP's southeastern strongholds in 2007 and 2012.

The APC-dominated government needs to take into account the political leverage of other political forces (especially the SLPP) as well as the vested interests of potential veto powers, particularly the police and the military, who, as the armed institutions of the state, have the potential to challenge the government through the use of force.

Historically, the military and rebel militias have served as major veto powers. While the militias were defeated and disarmed by British and U.N. troops, the military and the police were restructured, trained and ideologically "de-politicized" with external (mostly British) assistance. However, as in previous periods, the possibility of the military reemerging as a veto power in case of serious economic and/or political crisis cannot be ruled out completely. With military coups gaining renewed traction in other West African countries (e.g. Mali in 2012, Burkina Faso in 2014), the Sierra Leonean military may be inclined to return to its own historical tradition as a political actor if the political stability of the country is threatened by major crises.

Citizens are able to form parties and civil society organizations freely and without major restrictions. However, there are limitations on assembly rights. In the past, police have forcibly dispersed demonstrators on numerous occasions, which has resulted in civilian injuries. Police action against demonstrators and protestors in 2009 and 2011 even led to deaths.

Association / assembly rights

8

In 2012, Sierra Leone once again witnessed protests in which workers and other citizens articulated their grievances. On some occasions, police forcibly dispersed demonstrators. In April 2012, African Minerals Ltd workers protested in the northern Tonkolili district and were attacked by police; demonstrators suffered one casualty and a number of injuries. As opposed to 2012, the years 2013 and 2014 can be characterized as a fairly calm period, without major clashes between demonstrators

and police. In these years, citizens were almost completely unhindered in exercising their rights of association and assembly.

The situation is slightly trickier to assess for the year 2014, primarily due to the Ebola crisis, which persuaded people to stay at home rather than participate in demonstrations. The government also restricted the right of assembly when it decreed a three-day curfew in September 2014 in an attempt to contain the epidemic. Most people, especially in the capital city of Freetown, accepted or at least respected the restrictive measure.

Freedom of expression and freedom of the press are guaranteed by the constitution. However, de facto restrictions do exist. For instance, the coverage of high-level corruption cases has in the past triggered state repression. Although media organizations, particularly some of the country's two dozen or so newspapers, are, by and large, able to openly and routinely criticize the government, they occasionally face harassment by the state. In sum, press freedom, which had increased for a large part of the post-war period, has tended to stagnate or even deteriorate in recent years. In 2014, Sierra Leone ranked 72nd out of 180 countries in the World Press Freedom Ranking of Reporters Without Borders (RWB). In the Freedom House's Global Press Freedom Rankings Sierra Leone ranked 98th out of 197 countries (receiving an assessment of "partly free"). During the review period, a slight deterioration of press freedom has been recorded.

Freedom of
expression
6

As for electronic media, there are no major official restrictions on Internet access or e-mail use. Citizens are able to express their views over the Internet, including by e-mail. However, only a very small portion of the population have access to and are familiar with the Internet, given the general public's low level of education and qualification.

3 | Rule of Law

The 1991 constitution provides for clear de jure separation between the state powers, including the judiciary. However, in many respects, there is a de facto lack of separation of powers, due to the executive's attempts to influence and put pressure upon the legislative and judicial powers. Although President Koroma has committed himself to the separation of powers, there have been recurring complaints of government interference in judicial affairs. Moreover, the combination of attorney-general and minister of justice functions in a single individual is seen by some analysts as a structural factor impeding the effective separation of powers. This mixing of important judicial and executive functions in one office has attracted criticism.

Separation of
powers
5

The judicial system consists of three main courts: the Supreme Court, the Court of Appeals and the High Court of Justice. The president appoints, and parliament approves, justices for these courts. At the district level, there are magistrate courts. At the local level, chieftaincy courts administer customary law.

Independent
judiciary
5

Sierra Leone established a legal framework aimed at ensuring the rule of law, at least in theory. There is evidence that the judiciary has demonstrated independence in several instances, and a number of trials have been free and fair. However, corruption, underqualified personnel and scarce resources, among other factors, continue to impede the judiciary from enforcing a credible and enduring rule of law.

A high level of impunity for officeholders and other state actors still seems to hold when it comes to arbitrariness, maladministration and corruption. Sierra Leone remains far from systematically enforcing legal mechanisms against abuses of office. One of the major reasons for the SLPP's defeat in the 2007 elections was their failure to bring about improvements in this field. Since taking office in 2007, President Koroma has undertaken some steps to hold government officials and other state actors accountable for maladministration and office abuse. For instance, ministers have to sign performance contracts, and the specified criteria must be met for them to maintain their positions.

Prosecution of
office abuse
5

An example: following referral by the Anti-Corruption Commission, in August 2012 the High Court convicted former Freetown mayor and APC member Herbert George-Williams on charges of corruption and breach of procurement regulations. George-Williams was sentenced to three years' imprisonment or a fine of \$35,000.

Another example proved less promising: when the Shear-Moses Commission, which investigated the 2009 riots, was critical of the APC party, recommending – inter alia – the dismissal of several senior government officials, the president was reluctant to do so.

In general, international observers credit President Koroma for trying to tackle corruption, which has been reflected in Sierra Leone improved scores in evaluations by international anti-corruption bodies. However, the country still has a long way to go towards effectively reducing corruption.

The 1991 constitution guarantees civil liberties and human rights, and the promotion and protection of human rights have been formulated as stated objectives by both the Kabbah and Koroma governments. Sierra Leone's human rights record has improved in recent years, although serious deficiencies remain. For instance, the Koroma administration observes an official moratorium on executions, yet the death penalty has not been abolished (as called for by Amnesty International).

Civil rights
7

The Human Rights Commission of Sierra Leone is tasked with promoting human rights and reporting on violations. War crimes and crimes against humanity have been

on the agenda of the Truth and Reconciliation Commission (TRC) and the United Nations-mandated Special Court for Sierra Leone (SCSL). Moreover, the Police Complaints Commission and the Complaints, Discipline and Internal Investigations Department (CDIID) have improved efficiency in tackling police misdemeanors. Despite these positive steps, serious shortcomings persist in the area of civil liberties and human rights. While ethnicity and religion have not caused major civil rights problems – although bias still exists – human rights transgressions are particularly prevalent against women and children, many of whom are victims of human trafficking, forced labor and/or female genital mutilation (FGM). The state has failed to provide adequate protection in such cases, particularly in the case of FGM, which is a common practice in religious and traditional African cultures. While this failure to stem human rights violations is partly due to the state's severely limited financial and technical capacities, the reluctance to interfere with the influence of religious and traditional culture has also been fuelled by the fear of losing electoral support among its adherents. Campaigns by female activists to abolish FGM has so far produced limited results, as political attempts to ban FGM through legislation have not succeeded. An anti-FGM bill was retracted from the parliamentary process in 2007 and it has not yet returned, although President Koroma publicly denounced the practice of FGM as early as 2008. While FGM has not been outlawed at the national level, steps have been taken at district level to improve protection from FGM for children. In 2012, the Freetown area and a slight majority of districts signed a Memorandum of Understanding (MoU) proscribing FGM among children, at least. However, the long-term impact and viability of this initiative is yet to materialize.

4 | Stability of Democratic Institutions

In the review period, the institutions of the executive and legislative branches, the government and parliament were constitutionally democratic and relatively stable based on the electoral outcomes of postwar national and local elections. However, although democratic institutions exist, they are not capable of performing adequately in terms of political and economic transformation. The stability of institutions is undermined by low qualifications, mismanagement, clientelism and corruption in the political parties and the state apparatus, which still threaten to erode the democratic legitimacy of institutions in general.

Performance of
democratic
institutions

6

A majority of political actors clearly accept the democratic institutional framework. Although a significant part of the population is aware of politico-administrative weaknesses, they do not call the legitimacy of these institutions into question as such. But institutional legitimacy cannot be taken for granted, and increasing disaffection among the population could bring about a major negative shift in this respect. For instance, discontent may increase over the government's response to the Ebola crisis, which exposed major deficiencies in public administration.

Commitment to democratic institutions

7

Moreover, potential political ambitions of various factions in the reconstructed military could become a matter of concern, given the armed forces' tradition of taking over in the event of serious political crisis.

5 | Political and Social Integration

Postwar national and local elections have reinforced and stabilized the multiparty system enshrined in the 1991 constitution. Based on the results of the 2007 and 2012 national elections and the 2008 and 2012 local elections, there is a de facto two-party system dominated by the All People's Congress (APC) and the Sierra Leone People's Party (SLPP). The People's Movement for Democratic Change (PMDC), which split from the SLPP in 2005, tried in vain to establish itself as a third force in the country. At the national level, the PMDC did not move beyond its role of junior partner to the APC during the 2007-2012 legislature. In the 2012 polls, its presidential candidate gained fewer votes than expected, while the party lost the 10 seats it garnered in the 2007 parliamentary elections, only retaining strong minority positions in a few constituencies in the south of the country.

Party system

7

The APC and the SLPP reinforced their positions as antagonistic poles in the party system in the 2012 elections. As rivals, these parties represent consolidated clientelistic networks with ethno-regional power bases rather than institutionalized organizations with clearly defined political goals. Their programmatic agendas abound with populist rhetoric and their stated objectives rarely go beyond takeover of the government or the retention of power.

In 2012, the ruling APC and President Koroma reinforced the leading position in the country they had attained in the 2007 elections. While Koroma received almost 59% of the vote, his party, the APC, gained 67 House of Representatives seats as opposed to the SLPP's 42. Twelve more seats were allocated to traditional chiefs as representatives of the districts (while three seats remained temporarily vacant). Out of the ten registered political parties in the country, neither the PMDC nor any of the remaining seven – the Citizens Democratic Party, the National Democratic Alliance, the People's Democratic Party, the Peace and Liberation Party, the Revolutionary United Front Party (successor party to wartime RUF rebels), the United Democratic Movement and the United National Peoples Party (which achieved temporary

prominence in the 1990s) – seems to be able to challenge the APC and the SLPP effectively in the mid- or even long-term. In the May 2014 by-elections, the two parties were again the major competitors. (Only in Bo was the PMDC able to garner 10% of the vote, while the SLPP took the seat in the National Assembly.)

There are clear distinctions between the parties in terms of ethno-regional roots and constituencies, particularly in the case of the APC and the SLPP. While the APC is deeply rooted in the northern regions and in the Temne and Limba ethnic groups, the SLPP remains more or less a Mende party based in the southeastern parts of the country.

The Freetown agglomeration has been a swing region, with the SLPP prevailing in 2002, while the APC took a small majority in 2007 and a much bigger majority in 2012.

The major parties are not deeply distinct from each other in terms of political programs. They present themselves primarily as forces which promote the well-being of the people. President Koroma, a former businessman, has argued strongly in favor of democracy, anti-corruption policies and a free-market economy.

In terms of organizational structures, the Sierra Leonean parties remain weak compared to the standards of developed countries. Most parties are committed to constitutionalism and peaceful activity, but inter- and intraparty rivalries remain significant, occasionally turning violent. Assaults and clashes, officially classified as “isolated” cases, occurred not only during the 2007 electoral campaign, but also during ensuing by-election campaigns and in the prelude to the 2012 electoral campaign. Although the political parties, following successful U.N. mediation, agreed in March 2009 to compete against each other peacefully, this did not prevent occasional violence in the years that followed. However, in May 2012, again owing to U.N. mediation, all ten registered political parties, including the APC and SLPP, concluded an agreement, committing themselves to free, fair and peaceful elections. While no major violent incidents were witnessed in the November 2012 polls, the political relationship between APC and SLPP remained tense. Given that there is currently no major third party at the national level, the APC-SLPP rivalry is shaping Sierra Leone’s political landscape even more than in the preceding years.

Sierra Leone has a growing number of civil society organizations and pressure groups in the areas of business, trade unions, women’s rights and human rights. There are numerous NGOs concerned with urgent issues of politics and society in the country, which observe and sometimes criticize the performance of the government and the administration on issues of corruption and insufficient availability of public services, for example. NGOs also try to influence legislation, often in cooperation with foreign donors.

Interest groups

5

However, the organization of interests, as well as the leverage to intervene effectively in the political process, is largely an urban middle- and upper-class affair. Despite some improvement, the interests of the rural population, women and the poor remain underrepresented at the national level.

The level of consent to democratic norms and procedures is difficult to evaluate due to a lack of survey data. However, by international standards, voter participation has been consistently high in postwar national elections (e.g. 87% in 2012). Although voter participation as such is not very meaningful when assessing citizens' consent to democracy, we may conclude from the national elections in 2002 and 2007, and even more so from the 2012, that a large majority of Sierra Leoneans are enthusiastic about participating in electoral democracy. Thus, there may be justification for concluding that approval of democratic norms and procedures is fairly high.

Approval of
democracy
n/a

A large majority of the population relies on informal sector activities and subsistence agriculture to survive. Extended families, village communities and women's groups are important frameworks of solidarity and self-organization. There is also a variety of organizations working in the youth, women, human rights and environmental fields providing social organizations and services for people in need. Within these forms of self-organization, interpersonal trust appears to be high.

Social capital
4

However, trust rarely cuts across ethnic and regional segments of society, and mistrust among significant portions of the population remains a reality.

II. Economic Transformation

6 | Level of Socioeconomic Development

Question
Score

Sierra Leone has traditionally been one of the weakest performers in the annually published UNDP Human Development Report. In the latest report (2014), Sierra Leone ranked 183th out of 187 countries. The Human Development Index (HDI) has slightly improved since the war, albeit starting from a low base. While in 2000 the (revised) HDI rating was just 0.297, it rose to 0.353 in 2010 and 0.374 in 2013. The income equality-derived Gini coefficient was 35.4 (2003-2012), and the gender inequality index 0.643 (2013). The ratio of female to male population with at least secondary education was 46.6% (2010).

Socioeconomic
barriers
1

Sierra Leoneans suffer from mass poverty (more than half of the population lives under conditions of "severe" poverty), widespread malnutrition, high infant and child mortality rates, low life expectancy, deficient infrastructure, a poor education system, and insufficient availability of basic medical services to cope with tropical diseases,

malaria, tuberculosis, HIV/AIDS and, more recently, Ebola. While the majority of the population is poor, there is a high level of gender inequality, with women affected far more dramatically by the consequences of poverty than are men.

The economic foundation of the country is so weak that thoughts of self-sustaining development seem utopian. A trickle-down effect from a growing mining sector remains wishful thinking. A large proportion of the population depends on economic, social and medical services provided by international agencies and NGOs for their survival. Social exclusion is a reality for the overwhelming majority of the population and many families barely manage a hand-to-mouth existence.

Economic indicators		2005	2010	2013	2014
GDP	\$ M	1627.9	2578.0	4928.3	4892.4
GDP growth	%	4.3	5.3	20.1	7.0
Inflation (CPI)	%	-	16.6	10.3	7.3
Unemployment	%	3.4	3.4	3.2	-
Foreign direct investment	% of GDP	5.6	9.2	2.9	-
Export growth	%	6.9	18.8	91.5	44.5
Import growth	%	4.3	32.6	8.7	-6.1
Current account balance	\$ M	-104.9	-585.3	-383.4	-
Public debt	% of GDP	130.9	46.8	35.0	37.7
External debt	\$ M	1775.8	931.1	1395.0	-
Total debt service	\$ M	18.4	11.6	27.4	-
Cash surplus or deficit	% of GDP	-1.3	-5.1	-	-
Tax revenue	% of GDP	8.2	9.2	-	-
Government consumption	% of GDP	10.0	10.4	86.9	10.5
Public expnd. on education	% of GDP	2.8	2.6	2.8	-
Public expnd. on health	% of GDP	2.6	2.4	1.7	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.4	1.0	0.6	0.8

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | International Monetary Fund (IMF), World Economic Outlook, October 2015 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2015.

7 | Organization of the Market and Competition

While Sierra Leone started to adopt IMF-style free-market policies as early as 1996 to transform a hitherto business-unfriendly, uncompetitive economy, President Koroma has promised in 2007 to accelerate economic transformation by running the country “like a business concern.” His credo was to take credible and well-founded steps toward a free-market economy to improve the investment climate and to refrain from dispensable state intervention. Once in office in 2007, his government swiftly revitalized a 2006 mid-term IMF loan arrangement and concluded two follow-up three-year arrangements in July 2010 and October 2013, with the latter due to be completed in 2016. Given the philosophy of the government’s economic policy, more IMF-style economic therapy can be expected to follow under the Koroma presidency, whose second five-year term is due to expire in 2017.

Market-based
competition
3

One of the major pillars supporting market-based competition is the 2004 Investment Promotion Act, which establishes incentives aimed at attracting more private capital, especially to the mining sector, but also to other sectors like tourism, banking and agriculture. Foreign capital is highly sought-after.

While the credo and philosophy of a free-market economy are easily stated, the reliable implementation of such policies has proven difficult in a developmental reality burdened with economic problems, mass poverty, institutional weakness and, more recently, the disastrous medical, economic, social and political impact of the Ebola epidemic.

In Sierra Leone, the institutional framework and the administrative capacities enabling the pursuit of market-economy policy remain weak, while the (very strong) informal sector and criminal economic activities – such as the drug trade (e.g. cocaine) – are gaining momentum. Domestic market competition may be most viable in the growing informal sector, while it remains rudimentary in the formal sectors, which are largely uncompetitive by international standards. Lebanese businessmen residing in Sierra Leone are among the country’s most significant businessmen, as they invest a considerable share of the country’s legally invested domestic private capital.

In order to stimulate agricultural production, especially in growing food crops, the Koroma government has opened the sector for liberalization and commercialization. The aim is to give incentives to smallholders to raise their production levels beyond those of mere subsistence agriculture. However, despite development incentives, market-oriented policies have not fully refrained from what could be termed predatory capitalism, including the unscrupulous exploitation of employees, land, water and the environment.

According to available information, reliable and credible competition legislation in Sierra Leone is still in its infancy; the Law Reform Commission, established in 2003, is working toward improved codification of the country's legal system, including laws addressing market mechanisms. Since the end of the civil war in 2002, a de facto liberalized market system has been in place, even without formal reference to a judicial code. In line with IMF conditionality, the Koroma government has committed itself in 2007 to the abolition of state monopolies and oligopolies in sectors such as utilities, transport and agriculture. For instance, in 2013, the Sierra Leone Produce Marketing Act was repealed and the Sierra Leone Produce Marketing Board was dissolved. However, small- and medium-scale domestic businesses complained that they did not benefit from a 1969 protectionist legislation that prohibited big businesses and foreign nationals from retail trade, as the law has not been implemented effectively over time. The would-be beneficiaries appealed for reform of the respective bill, the impact of which has yet to be seen.

Anti-monopoly
policy
6

Notwithstanding, institutional incapacities, clientelistic networks in the state apparatus, the economy's structural weaknesses, rampant corruption and low levels of interest on the part of potential investors have all adversely affected the implementation of liberalization policies and the codification of respective laws. In the current socioeconomic context, it is extremely difficult to pursue coherent and effective anti-monopoly policies, a fact that has only been exacerbated by the economic repercussions of the Ebola crisis that began in mid-2014.

Sierra Leone has been integrated into the global economy through its export of minerals – most notably iron ore, rutile and diamonds – and the import of capital goods (technology), petroleum products (energy) and food.

Liberalization of
foreign trade
7

Foreign trade and foreign exchange regimes are largely subordinate to market mechanisms. Export licenses are not required for locally produced goods except gold, diamonds, and a few other items. According to the government, import duties average about 20 percent, while luxury goods are excised at 30 percent. Items like textbooks, medical equipment, agricultural inputs and machinery are exempt from duties. In addition to the customs tariff, all imports are liable to a 15% sales tax. Cross-border trade has been supported by the Automated System for Customs Data (ASYCUDA) since 2012.

According to the WTO, only a few import prohibitions and restrictions are maintained for health, safety, security and environmental reasons. However, some observers, such as the Economic Intelligence Unit and the Heritage Foundation, have repeatedly complained about import taxes and fees, nontransparent regulations, non-tariff barriers, inefficient customs implementation and distortions caused by corruption.

Both the war and the country's overall low level of socioeconomic development are to blame for the absence of an efficient financial sector and of functioning capital markets. Regulation and supervision mechanisms are inadequate to foster the development of a sound, well-functioning banking system.

Banking system
5

Nevertheless, the banking sector has grown substantially since 2002, thanks to the rise of new banks and the reemergence of banks established before the war. There are now a number of banks and non-bank financial institutions concentrated primarily in Freetown. In addition, the country is developing a microfinance sector that is promoting small-scale business, especially in rural areas. Notwithstanding, banks still perform poorly and have been temporarily affected by global financial and economic crises, felt most acutely during 2009, but also from 2013 onwards.

The number of banks grew from 10 in 2007 to 14 in 2009, but fell to 13 in 2010 partly due to local mismanagement and the 2009 global downturn. From 2010 to 2014, the number of banks remained stable at 13. According to the IMF, the return on equity of commercial banks, which decreased from 17.0% in 2006 to 4.0% in 2009, rebounded to 15.6% and 16.1% in 2011 and 2012 respectively. The ratio then decreased to 9.9% in December 2013 and 2.5% in March 2014. The return on assets dropped from 5.8% to 1.6% in the 2006 – 2009 period, while it recovered to 3.4%, 3.8% and 3.4% in 2010, 2011 and 2012 respectively. The rate then slumped to 2.1% in December 2013 and a mere 0.5% in March 2014. The rate of non-performing loans stood at 15.6% in 2010, 15.1% 2011 and 14.7% in 2012, while the rate jumped to 22.4% in December 2013 and 22% in March 2014 respectively. It is expected that the performance of the banking sector will deteriorate (or at least stagnate) during the Ebola crisis that began in mid-2014.

In general, the lack of capital seriously limits prospects for socioeconomic development. The banking system and capital market are poorly developed, and regulation and supervision by the central bank remain inadequate. The central bank itself lacks the autonomy necessary to be an effective player in supervising monetary, exchange rate and credit policies.

8 | Currency and Price Stability

Due to prewar corruption, persistent mismanagement and disruptions caused by the civil war, Sierra Leone has a long tradition of high inflation, monetary instability and overall economic vulnerability. Both the current and previous governments committed themselves to containing inflation and stabilizing the national currency. In order to support the stabilization of the currency, the central bank (Bank of Sierra Leone / BSL), at the direction of the Koroma government, resolved to work toward a market-determined foreign exchange rate and subsequently introduced weekly currency auctions in 2011. BSL currency and foreign exchange policies were

Anti-inflation /
forex policy
5

bolstered by the resurgence of iron ore exports, which led to an unprecedented increase in foreign exchange. The influx of foreign capital, development aid and debt relief also supported BSL policies. The currency exchange rate could subsequently be stabilized at rates between 4,300 and 4,400 leones per US dollar in the 2011-2014 period. This stabilization was reflected in a decrease in inflationary pressure in the same period. Inflation slowed from 18.5% in 2011 to 13.8% in 2012 and 9.8% in 2013 respectively, while it has been projected at 8.8% in 2014.

However, given Sierra Leone's domestic developmental constraints and the impact of – and dependency upon – the global economy, it will be very difficult to stabilize prices at a point of single-digit inflation. The Sierra Leonean government and central bank have limited instruments and capacities to contain inflation, as inflation is influenced by many factors beyond their control, including exogenous factors like the performance of the export sector in world markets and the adverse economic impact of the Ebola epidemic. The exacerbation of economic and financial problems by the 2014 Ebola crisis will probably translate into a resurgence of the inflation problem. The IMF has already projected a 10.1% consumer price increase for 2015.

During the review period, the government reaffirmed its commitment to sound, tight fiscal and debt policies, but despite significant progress in boosting the export economy, the state's resource base is too weak to allow a balanced budget and debt servicing without massive external support. The gap between domestic revenue and expenditure is still high, a major cause of the resurgence of inflationary pressure. Sierra Leone is marked by structural deficits within the country's trade, and current exchange reserves also remain weak. Government consumption levels are high. The investment rate, which had been poor until 2009, reached high levels in 2010 and 2011 (largely reflecting the revival of the iron ore economy) but has been decreasing again since 2012. While the 2011 rate of 42.1% was exceptionally high at, it slowed to 26.6% in 2012, to 20.7% in 2013 and to a projected 14.2% in 2014. It remains difficult to maintain high investment levels in Sierra Leone, as the country lacks the financial resources and administrative capacity to sustain stabilization-oriented fiscal and debt policies without significant external support, although the revenue situation improved substantially owing to the performance of the minerals sector, especially due to iron ore exports.

Nevertheless, the influx of external financial resources – including development aid, debt relief and foreign direct investment – and the sharp upturn in export revenue (owing to the revival of the iron ore sector) have helped stabilize the external value of the leone. According to IMF figures, Sierra Leone's nominal external public debt decreased from levels above 140% of GDP in 2005 to 32.1% of GDP in 2007 and to rates below 25% in the review period. The rates were 21.3% and a projected 23.3% of GDP in 2013 and 2014 respectively. If the current government delivers on its objectives of boosting exports, improving fiscal performance, containing inflation and attracting investment, a higher level of macrostability could be achieved in the

foreseeable future. However, the unfavorable economic impact of the Ebola crisis has a considerable potential to thwart those intentions. It must also be noted that the dependence on the export of raw materials has already proven to be a double-edged sword when iron ore prices plummeted in late 2013.

9 | Private Property

Property rights and the transfer of capital and investment income are guaranteed in theory, but cannot be taken for granted, given the country's inefficient and still corrupt judicial system. The unreliability of land titling is also a problem. Nevertheless, the risk of expropriation for private foreign capital is low. Registering property has been facilitated by the computerization of the respective ministry.

Property rights
5

However, according to the World Bank's latest Doing Business report, registering private property still requires 49 days and four procedures.

There is a program to privatize state-owned companies as well as a range of incentives to attract private, particularly foreign, capital. Among incentives to foreign investors, Sierra Leone offers generous depreciation rates, loss carry-overs and tax exemptions. Investors in the mining sector get even more generous special conditions for prospecting and exploration. The top individual income and corporate tax rates in the mining sector are generally 30% and 35 respectively.

According to official government policy, private companies are supposed to form the backbone of the economy. However, there are still several state companies and strong market concentrations such as oligopolies in Sierra Leone. The de facto business climate for private investors remains burdened by obstacles and risks, including corruption and inefficiency in the judicial and administrative systems, a dilapidated infrastructure, and a fragile political environment. Moreover, the privatization program, introduced in 1998 and reshaped in 2001, has progressed slowly due to political obstacles and the structural limitations of the economy. As a result, some key sectors of the economy remain under state control or under heavy state influence. For instance, partially or fully state-owned banks still account for the majority of assets in the financial sector, while utilities continue to work as state monopolies that lack financial viability. The country's private-sector performance improved during President Koroma's first term (2007-2012), while the performance tended towards stagnation during the first years of his second term (2012-2017). While Sierra Leone ranked 140th out of 185 countries in the World Bank's 2013 Doing Business report (published in 2012) – eight positions higher than its 2012 report (published in 2011) – the country was ranked 140th out of 189 countries in the 2015 report (published in 2014).

Private enterprise
7

10 | Welfare Regime

In Sierra Leone, most people have to rely on family and community structures as the social basis of survival, as poverty and unemployment remain gravely high. Subsistence agriculture, the informal sector and international humanitarian assistance comprise the basic means of livelihood for a large majority of the population. There is a rudimentary public social insurance system, the National Social Security and Insurance Trust (NASSIT), which covers some of the costs associated with old age, disability, survivorship (e.g., orphans), work injury, sickness and maternity. In 2006, the SLPP government launched the Social Safety Net Scheme, which is connected to NASSIT and specifically directed at the needs of poor and vulnerable groups, including disabled persons, widows, widowers, orphans and children separated from their parents during the war. The National Commission for Social Action (NaCSA) conducts projects in the social, health and education sectors.

Social safety nets
3

In 2009, a cost-free health care scheme was introduced for pregnant and nursing women as well as for children under five. However, owing to insufficient communication by the government, many women and their families lack information about the scheme with the effect that women who are theoretically entitled to make use of it are left out in the cold.

Public expenditure on health increased from levels below 2% of GDP to a modest 2.5% of GDP in 2012. While the state assumed a mere 16.6% share of overall health expenditure, the share of private spending on health was exceptionally high at 83.4%. Life expectancy at birth is currently about 45 years, while child mortality remains alarmingly high at 18.7%.

Overall, the welfare sector remains heavily dependent upon all kinds of international assistance (financial means, material, instruments, personnel etc.). Even more shortcomings were exposed when the health system was forced to cope with the Ebola crisis in 2014.

Equal opportunities do not exist for the country's inhabitants; severe social disparities and ethnic divides play roles in the allocation (or unattainability) of economic opportunity all over the country.

Equal opportunity
3

Ethnic discrimination at the business and state levels was common under the former SLPP government, most notably against northerners, and is common again under the current APC government, yet southerners are now the victims of bias. Although President Koroma tried to present himself as a promoter of national cohesion and non-discrimination, the general impression of ethnic inequality did not disappear under his rule.

Even more important than the issue of ethnicity is the rich-poor divide, given the fact that about three-quarters of Sierra Leoneans live in poverty. The massive disparity in income distribution has been and remains a major source of conflict and crime in the country. Poor people, people with disabilities (often as a consequence of war) and women are heavily discriminated against, as can be seen in the literacy rate. While UNESCO projects a 48.1% literacy rate for the general population above 15 years of age in 2015, the figure is a mere 37.7% for females. However, current enrollment rates are almost equal for boys and girls at primary schools; and the situation for girls is also improving (compared to boys) at the level of secondary education. Literacy rates are expected to converge in the long-term future, while overall gender equity will be a very difficult issue to resolve, given socio-cultural, religious and other constraints.

11 | Economic Performance

After the war, GDP grew by 66% (in real terms) in the 2002-2011 period, due mainly to post-conflict reconstruction, the rehabilitation of basic agriculture, the revival of some minerals (especially bauxite and rutile) in the export sector and a boom in the informal sector, while diamonds produced a large proportion of foreign exchange earnings. Owing largely to the resurgence of iron ore as the main export product in the review period, annual growth reached the exceptionally high rates of 15.2% and 20.1% in 2012 and 2013 respectively. However, the economic repercussions of the 2014 Ebola crisis made the pre-crisis IMF projection of almost 14% growth in 2014 unrealistic. In October 2014, the IMF adjusted its growth projection to a still impressive 8%. In December 2014, the World Bank further lowered the 2014 growth projection to 4% and expects negative growth of -2% in 2015. According to revised IMF data, per-capita GDP increased from \$278 in 2002 to \$500 in 2011, climbing further to \$634 in 2012 and \$805 in 2013. In terms of purchasing power parity (PPP), per-capita GDP rose from \$904 in 2002 to \$1,400 in 2011, and increased further to \$1,611 in 2012 and \$1,924 in 2013. Over time, annual GDP growth performed erratically, producing the lowest rate in 2009, when the effects of the global financial and economic crisis were felt in Sierra Leone and slowed growth to 3.2%. The vulnerability of the country to exogenous and unforeseen developments (including the Ebola crisis) is plain to see. Even exceptionally high growth rates do not testify to sound and sustainable economic policies.

In the period under review, 2012 and 2013 GDP growth was mainly driven by developments in the mining sector, while the non-iron-ore economy produced growth rates of scant significance. Growth in 2012 and 2013 (5.3% and 5.5% respectively) was very similar to the level of GDP the growth attained in the preceding years (still without iron ore; 6.0% in 2011, 5.3% in 2010).

Output strength

6

For the first postwar decade, the increase in GDP had far more to do with foreign-assisted reconstruction- and rehabilitation-related growth than transformation-related growth. From 2010 onwards, however, foreign and domestic investment brought some dynamism to economic development, broadening the basis of foreign exchange and strengthening economic structures, with the iron ore sector as the main foreign exchange earner and contributor to GDP growth in the review period. While the rate of investment averaged 10% in the 2002-2009 period, it jumped to 31% in 2010 and to 42% in 2011, mainly reflecting developments in the minerals sector. Since 2012, however, the rate has shown a downward trend: 26.6% in 2012, 20.7% in 2013 and a projected 14.2% in 2014.

In 2013, the minerals sector produced 93% of export earnings, with iron ore contributing more than 55% alone. The share of diamonds, which had been the main postwar export until 2011, decreased to 10%, while rutile and other minerals generated 28% of export earnings. Agriculture, re-exports and light industries together contributed a mere 7%. As a result of the iron-ore boom, export earnings skyrocketed from levels below \$400 million through 2011 to \$1.2 billion in 2012, \$1.9 billion in 2013 and a projected \$2.2 billion in 2014.

Owing to structural weaknesses and international dependency of the country, the external current account deficit remains a critical issue. The gap amounted to 65.2% of GDP in 2011, 29.1% in 2012, 10.4% in 2013 and a projected 10.9% of GDP in 2014. While the deficit substantially diminished in the review period, levels of 10-11% are still an alarming sign that the international position of the country's economy is still ridden with dangerous structural weaknesses.

In general, Sierra Leone remains highly vulnerable to global economic developments that influence its major export and import products. Moreover, in the foreseeable future, the overall economic performance of the country remains heavily dependent upon financial inflows from international donors and investors. As the Ebola crisis demonstrated, the economy is also highly vulnerable to unforeseen, powerful non-economic developments that bear high economic costs.

Although it helped dynamize the iron ore sector, foreign direct investment is still too low to foster sustainable economic dynamism, especially in the non-mining sectors. Structurally, tax revenue does not meet fiscal requirements. Inflation remains erratic, often soaring up to double-digit figures. Although there is no data on this issue, unemployment and underemployment – especially among youth – remain urgent issues.

12 | Sustainability

Environmental issues are of secondary importance in political decision-making processes, eclipsed by the more pressing challenge of socioeconomic reconstruction and development. This latter demand includes the need to develop export products as sources of foreign revenue as well as the urgency of providing for the basic needs of the mostly poor population. Although there is awareness of environmental problems, legislation, decision-making and action are still geared toward short-term survival rather than long-term sustainability. Laws such as the 2000 National Environmental Protection Act (NEPA) have not halted environmental degradation. According to the U.N., for instance, 146 species in Sierra Leone were threatened with extinction in 2013.

Environmental
policy
4

In 2014, Sierra Leone ranked 173rd out of 178 states measured by the Environmental Performance Index (EPI score: 21.74).

A dozen years after the war, the state of education in Sierra Leone is still poor. Moreover, from mid-2014 during the Ebola crisis, school life was brought to a standstill in order to decelerate and eventually stop the spread of the disease. While schools were scheduled to reopen by March 2015, it was far from clear what mid-term to long-term consequences the eight-month closure of schools would have on youth literacy.

Education policy /
R&D
3

Notwithstanding these challenges, there were improvements to school life before the Ebola crisis, owing to postwar reconstruction and international support. On the one hand, only 48% of adults or 38% of women are able to read and write, according to UNESCO estimates. On the other hand, the gross enrollment rate at primary schools rose to 132% for all and 131% for girls in 2012. The respective rates at lower secondary schools were 66% for all and 63% for girls. Both cases show a substantial reduction of the gender equity gap.

However, there is only a tiny pre-school system, and tertiary education remains the privilege of a small minority. The Koroma government has made education a top priority, but the resources to cope with problems in the education sector remain limited. Public expenditures on education amounted to 2.9% of GDP in 2013, according to UNESCO estimates, and all levels of institutions for education, training, research and development remain below par. Educational standards, including the quality of staff, curricula, material and school buildings, remain very low. No research and development sector of any developmental significance has been established so far. At the grassroots level, education, including vocational training, is offered to the population and is supported by external assistance.

Transformation Management

I. Level of Difficulty

The level of difficulty in achieving transformation in Sierra Leone remains very high. Despite improvement in recent years, the structural political and socioeconomic constraints on governance are severe, with ongoing, large-scale corruption and mismanagement stemming from problems associated with structural limitations. The Ebola crisis in 2014 gave new evidence of Sierra Leone's difficulties in coping with transformation.

Structural
constraints
10

The country remains highly vulnerable to external economic and political developments as well as to unforeseen developments like Ebola. The most serious domestic constraints include mass poverty, youth unemployment, infrastructure deficiencies, a lack of economic diversification (including the generation of foreign exchange) and very low vocational skills levels among the economically active population. In the economic sphere, external shocks and unforeseeable crises may impose severe limitations on governance. Such external developments include fluctuation in world market prices for major exports (mainly minerals) and imports (mainly food, energy, capital goods), volatility in international demand for major exports as well as the cost of external debt (mainly interest). There are unforeseeable external factors associated with neighboring countries Liberia, Guinea, and Côte d'Ivoire, which have all been affected by longtime violent conflicts and fragile post-conflict conditions with the potential to spill over into Sierra Leone once more. As the Ebola crisis demonstrated, the countries of the Mano River Union (MRU) are closely connected and share a very high spillover potential. Violence-prone instability in Mali, Burkina Faso and Guinea-Bissau exacerbates the sub-regional risks faced by Sierra Leone.

Civil society traditions are rather weak. However, activist individuals and organizations have been encouraged in recent years by the democratization process. A landscape of civil society organizations now exists, but many of them are plagued by scarce resources and a lack of political leverage. Most activities are concentrated in Freetown. However, religious groups, women's movements and other grassroots organizations have played a key role in recent years in reconciling those who were adversaries during the civil war. In the period under review, civil society organizations, including women's organizations, tried harder than ever before to

Civil society
traditions
6

develop leverage as pressure groups in the political system, and managed to wield some influence in public discussion and decision-making. The leverage remained, however, limited. Women's organizations, for instance, have worked hard to introduce legislation outlawing FGM. Yet the power of traditional culture and the failure of modern state institutions (parliament, government) to develop and promote an anti-FGM law has thwarted progressive (female) forces in this very important area, even though they have received political and other support from abroad.

Sierra Leone is riven by strong regional and social divisions that are also reflected in the relations between the ruling and major opposition parties, but there has been little violence since the end of the civil war, including during the review period. However, several by-elections in the 2007-2012 legislature were marred by occasional violent clashes between supporters of the APC and the SLPP. In order to prevent violence in the November 2012 presidential, parliamentary and local elections, all ten registered political parties, including the APC and the SLPP, signed an agreement in May 2012 committing themselves to free, fair and peaceful elections. The agreement was mediated by the UN political mission in Sierra Leone. Owing to international mediation, peace conditions have consolidated over time. Since 2012, no major incidents of politically motivated violence have been recorded, although crime has brought some violence to the country. More recently, new conflict risks arose as a result of the Ebola crisis that severely threatened the stability of the country.

Conflict intensity

4

Underlying the APC-SLPP political bias is a deep north-south divide in the country, with the APC based primarily in the predominantly Muslim ethnic groups of the Temne and Limba in the north, while the SLPP has backing among the largely Christian and Animist Mende ethnic group in the southeast of the country. While religion has not played an important role in any conflict scenario, region and ethnicity give rise to occasional conflict with potential for violence.

A potential for (renewed) violence is also inherent in the disaffection of the poor, especially young people, which was a major cause of war in the 1990s, luring combatants into the RUF rebel movement. The plight of the young and unemployed poses a persistent threat to the country's stability and security. President Koroma and several of the technocrats around him seem to be aware that the failure of decision-makers to address the country's major developmental problems played a role in the civil war and have recognized an urgent need to act. However, there is still a substantial gap between stated political objectives and the government's policy implementation in tackling poverty, unemployment, disillusionment and frustration among the younger generation particularly males. This became even more evident when the Ebola epidemic began reshaping political priorities in 2014.

II. Management Performance

14 | Steering Capability

Question
Score

Prioritization
5

In 2014, the high-level emergency presented by the Ebola crisis unveiled severe shortcomings in the steering capability of the Sierra Leonean state, including that of the president, ministries, bureaucracy and individual actors in decision-making positions. When Ebola started to threaten not only individual lives but also the economic, social and political conditions of the country, the government showed severe deficits in adequately re-prioritizing and re-organizing its policies.

In the absence of a well-structured, well-qualified and well-functioning administration, steering capability is to a large extent dependent upon the personal capabilities of the president and other high-ranking government technocrats. The current president, Koroma, is a politician turned businessman with extensive experience running commercial enterprises. Apart from the president, few leaders in the country demonstrate much in the way of steering capability. Organizational and institutional structures designed to promote and enhance steering capability remain weak. Rather than exercise their own capabilities in administrative and economic management, Sierra Leonean governments have depended on the IMF, World Bank, UNDP and other international actors. In the case of Ebola, international actors like WHO and MSF played an important role. The state apparatus lacks the capability and qualified personnel in the areas of administration and security to rule the country effectively without external support.

Given the constraints of Sierra Leone's developmental problems in general, the capabilities of Sierra Leonean governments and their administrations to set and maintain strategic priorities beyond promising headlines are limited. Consequently, the capacity to prioritize and organize policy measures also remains limited. For instance, President Koroma started his second term in November 2012 with the slogan "Agenda for Prosperity," promising job creation and poverty reduction through economic growth and development. His "Agenda for Prosperity" identified some priority areas such as agriculture, infrastructure and foreign relations (donor commitment, in particular). However, the capability of the government to pursue policies in line with its prioritization is challenged by a set of key factors, including vested interests in the state apparatus as well as exogenous shocks caused by the global economy and by unforeseen developments like Ebola, which are not open to the influence of the government.

As a significant exception and what may be a major step towards improvement of management performance of the Sierra Leonean state, the National Electoral Commission, under the leadership of Christiana Thorpe, has been working largely independently throughout 2012, its performance praised by international observers. The staging of free, fair and peaceful elections has been a stated priority of the government and major political parties.

The Koroma government has committed itself to setting strategic priorities, but it has encountered difficulties in implementing corresponding policy measures. Political leaders attempt to pursue long-term goals, but quite often act contrary to their stated objectives to appease domestic vested interests.

The Koroma government has shown and continues to show awareness regarding the objectives of constitutional democracy as well as of a socially responsible and ecologically sustainable market economy. Recent years have seen achievements such as electoral democracy and progress in economic revitalization, but serious deficiencies remain, leaving a crisis-prone gap between stated objectives and policy implementation. The Ebola epidemic created additional problems for the government in implementing defined policies as planned, as the deadly illness forced the government to prioritize goals that proved difficult to realize. A political objective may be clearly defined at the top level of the administration, but implementation may fail because of inefficiency, corruption or lack of compliance at the lower levels of the hierarchy assigned to execute concrete policy elements.

Implementation
6

President Koroma and key technocrats within the presidency are aware that policy learning is important not only for the country, but also if the APC-dominated government is to retain power. However, the Ebola crisis demonstrated powerfully that the government lacks the ability to react promptly to unforeseen challenges requiring a quick response. Although the political elite may have been experienced theoretical policy learning in this case, responses to coping with the challenge have been inadequate. (In reality, the government has been forced to rely on international actors to assist in combating the disease.)

Policy learning
6

While the top level of the state seems to be ready for improvement in the area of policy learning, although it lacks the capability to carry it out, the lower levels of the state apparatus appear less inclined or able to support this line, owing to a lack of qualified personnel as well as the effects of petty corruption and endemic clientelism. Vested domestic interests, structural economic weaknesses and corruption are generally impediments to policy learning. Once again, external pressures and actors, rather than domestic insights, force learning processes upon the administration.

15 | Resource Efficiency

Vested interests have prevented the Koroma government from using all available resources efficiently, although international donor pressure to improve resource efficiency remains very high. Some macroeconomic data including export revenue exhibited an upward trend, but unknown amounts of resources have been allocated to groups and individuals in order to satisfy private needs and to pacify potentially conflicting interests. President Koroma promised to run the country like a business, which would mean fostering the productivity and profitability of the economy, but the implementation of policies to attain this objective has been difficult. The president has taken significant steps since 2007 in line with IMF conditionality to combat corruption and money laundering, to streamline the ministerial system and to revitalize the civil service reform process, supported, inter alia, by the 2008 Anti-Corruption Act and the 2012 Anti-Money Laundering and Combating of Financing of Terrorism Act. However, vested domestic interests, structural economic weaknesses and corruption continue to thwart efforts to use scarce resources efficiently.

Efficient use of assets

4

The Koroma government tries, but often fails, to balance conflicting objectives and interests in the allocation of resources, as the strongest interests and pressure groups have a better chance of prevailing over the weaker elements. There is also the problem of cooperation and coordination between ministries of the government, the bureaucracy being affected by competing interests, low qualifications, and corruption.

Policy coordination

4

For example, the vested interests represented by transnational corporations and their Sierra Leonean counterparts in the minerals sector (rutile, bauxite, oil exploration, etc.) tend to assert themselves against developmental goals in the agricultural sector, and to an even greater extent the food sector. Vested interests also tend to inhibit reform of land tenure schemes and land administration practices that are effective constraints to increased dynamism of development within the agricultural sector.

In accordance to IMF and World Bank conditionality, the Koroma government has committed itself to combating corruption and implementing good-governance mechanisms since 2007. As a result, Sierra Leone is a participant in the African Peer Review Mechanism (APRM) and was granted “compliant” status in April 2014 regarding Extractive Industries Transparency Initiative (EITI), owing mainly to efforts in previous years to contain corruption.

Anti-corruption policy

5

Especially during its first term (2007-2012), the Koroma government set the course for more transparency in the state apparatus. Although the gap between stated objectives and socio-political reality was disappointingly wide, the government has nonetheless achieved some progress in curbing corruption. However, the general

impression that corruption remains endemic in the country has not changed dramatically. Although Koroma reiterated his political promise to curb corruption, his second term, which started in 2012, did not bring about significant improvements in facilitating more transparency or decreasing corruption.

Due to pressure from those with vested interests within the state apparatus, post-conflict governments have for many years been unable to successfully fight corruption despite the passage of legislation such as the Anti-Corruption Act (2000) and the Anti-Money Laundering Act (2005). The Anti-Corruption Commission (ACC), established by the Anti-Corruption Act to facilitate improved governance, has come under both domestic and international criticism for underperformance. Although the Koroma government has committed itself to improving governance, including a strengthening of the ACC, progress has been achieved only gradually, very often against resistance of vested interests. Top-level officials in public institutions have been replaced by technocrats of good standing. Moreover, Koroma began an attitudinal and behavioral change campaign that seeks to combat structures of clientelism and corruption, and to educate ordinary people and state employees, in particular, on how to properly use and manage public resources. However, Koroma's efforts are constrained by a critical lack of financial resources and skilled personnel within the country.

16 | Consensus-Building

In theory, the principal objective of democratic consolidation is not generally disputed by any major party or its leadership. Officially, the postwar leaders of the major political parties have been and continue to be committed to democratic norms, including the separation of powers, the organization of credible elections and the further consolidation of postwar peace. The major political parties agree on sustainable democracy as a long-term goal of political life in the country, which points to the establishment of a broad consensus with an inclusive approach. In reality, however, both ruling and opposition parties tended to emphasize conflict and dissent, including occasional violence, rather than to seek consensus and peaceful coexistence, owing to the inter-party rivalries discussed above. The political parties have been forced to seek a better mutual understanding only as a result of external (donor) pressure and international (mainly U.N.) mediation. Another questionable issue is the separation of powers. While the constitution of the country stipulates checks and balances between executive, legislative and adjudicative powers, the political reality reveals a strong concentration of power and influence in the hands of the president, whose position is similar to those of traditional leaders. Furthermore, the position of the parliament is weak, while the judiciary is prone to political interference by the president and the respective ruling party.

Consensus on goals

6

In theory, the principal objective of economic reform toward a socially and ecologically balanced market economy is not challenged in principle by any major party or its leadership, as the political elite recognizes the country's external dependency and the political leverage of international actors such as the IMF, the World Bank and other powerful donors. Subsequently, all major political actors in the country have included the implementation of market mechanisms as long-term goals of their political agendas, should they one day rule the country. The APC – as had the SLPP before it – accepted external pressure to liberalize and privatize the economy. There is somewhat of an internationally forced silent consensus on this issue in Sierra Leone. However, there is a high probability of dispute arising from the power configuration of the various political parties. While any respective ruling party (APC or SLPP) urgently seeking external financial, technical and other assistance will have little choice but to accept IMF conditionality and pursue policies in line with the goal of a market economy, the respective opposition party (or parties) may exploit the subjugation of the government to IMF-style policies as an excessive compromise of national interests. Thus, consensus concerning the goal of a market economy is both shallow and fragile.

With some limitations, the government is committed to a democratic, reformist agenda and can limit the influence of veto actors. Potential veto actors such as the military (and former rebels) have been brought largely under control thanks to external support from Britain and the U.N. The army and police have been reorganized, educated and trained with international, primarily British, assistance in an attempt to prevent renewed political intervention. However, in the event of major economic and/or political crisis, it is still possible that the military could reemerge as a political player. Moreover, there are a number of experienced former combatants in the country who are now poor and unemployed. If the Koroma government is unable to improve their standard of living, disillusionment and frustration could sooner or later encourage the rise of criminal gangs or even a renewed armed uprising. Developments in other conflict-prone West African countries like Guinea, Liberia, Côte d'Ivoire, Guinea-Bissau, Mali and Burkina Faso vividly demonstrate the risks of instability (as well as possible conflict spillovers).

The viability of Sierra Leone's civilian political system remains heavily dependent upon the presence of external actors. Without international assistance, Sierra Leone could once again fall victim to a military takeover or armed groups.

Anti-democratic
actors
7

As Sierra Leone's recent history demonstrates, conflicting political forces in the country have been unable to manage political cleavages smoothly enough to foster stable development. Rather, the two major parties, the APC and the SLPP, tend to reproduce their ethnic rivalries with the potential for violent clashes, based on the north-south political divide and the social polarization of the country. It was only through U.N. mediation that the political parties were able to transform their violence-prone conflicts into a reason-guided, yet still conflict-prone coexistence, which includes free, fair and peaceful elections.

Cleavage /
conflict
management
5

Political rhetoric between the two major parties has been acrid and sometimes violent in the 2007 – 2012 legislature, with both parties bearing responsibility for friction. Moreover, Koroma's personnel policies (allocation of ministerial posts, etc.) have largely tended to reproduce and even exacerbate ethnic and regional rivalries. This tendency continued even after the 2012 elections: As in the preceding administration, the new Koroma government is dominated by those from the north of the country, including Freetown, while the south remains heavily underrepresented. In preparation for the 2012 elections, the APC and SLPP primarily reorganized and consolidated themselves in their respective traditional northern and southern strongholds with little effort to make inroads beyond their traditional powerbases. For instance, the traditional pattern of political weakness and strength materialized again in several 2013 and 2014 parliamentary by-elections, when the major parties won seats in the same constituencies in which they had previously prevailed. However, since 2007 Koroma's party, the APC, has to some extent managed to broaden its political backing in the country beyond its "traditional" regional strongholds.

Thanks to donor influence, the Koroma government has shown a willingness to facilitate the participation of civil society in political processes and to make use of its developmental know-how. This attitude was reinforced over the course of the Ebola crisis, when the government urgently sought support from any source to cope with the epidemic.

Civil society
participation
5

The leadership had previously tended to favor civil society actors that shared its own political and economic interests over actors that opposed or challenged its interests. Sierra Leone lacks a balanced approach in terms of integrating into the political process civil society stakeholders of differing views. Despite improvements, it remains difficult and sometimes dangerous for individual women and women's organizations to pursue their goals within the male-dominated Sierra Leonean society. This is particularly true with respect to issues of women's rights and the problem of female genital mutilation (FGM), which is related to the enduring influence of traditional culture. Although President Koroma has demonstrated his openness toward women's issues, even issuing a condemnation of FGM, it still

requires great courage for women to form civil society organizations in the face of traditional, male counter-pressure.

Post-conflict governments have made concerted efforts towards national reconciliation. With international assistance, Sierra Leone has carried out a number of formal and informal reconciliation activities at the national, district, chiefdom and local levels. On a superficial level, reconciliation appears to have worked to the extent that no major violent conflict has escalated in the country since the formal end of the 11-year civil war in 2002. However, at the grassroots level, considerable suspicion, distrust and latent tensions remain, most obviously in the antagonism between the APC and SLPP political parties.

Although the parties signed agreements in 2009 and again in 2012 to end commonly violent inter-party quarrels and committed themselves instead to non-violent political rivalry, major political and societal conflicts, including the spread of crime, show that the consolidation of the country's postwar peace is still at risk. It is too early to tell whether the Ebola crisis has had any effect on conflict scenarios.

To address the legacies of the war, a Truth and Reconciliation Commission (TRC) was established to examine war crimes, human rights violations and the suffering of victims. Based on the TRC's 2005 findings, the Koroma government introduced financial reparations for war victims in 2008. At a more visible level, the legacies of the war were processed by the U.N. Special Court of Sierra Leone (SCSL), which disbanded at the end of 2013. The SCSL was created by U.N. Security Council Resolution 1315 in 2000, and was charged with prosecuting those who bore the greatest responsibility for war crimes and crimes against humanity. The SCSL only undertook legal proceedings against about a dozen persons, including the former Liberian warlord and president Charles Taylor, who was handed over to the U.N. Special Court in the Hague in 2006 and in April 2012 convicted of crimes against humanity and violations of international humanitarian law committed in Sierra Leone between 1996 and 2002. Taylor was sentenced to 50 years' imprisonment; his subsequent appeal has been rejected. In all, nine men received long prison sentences. Aside from Taylor, six convictions related to the now defunct Revolutionary United Front (RUF) rebel group, while the remaining two – both former militiamen – had been allied with the Kabbah government.

It is important to highlight the difficulties that emerged as a result of the concurrent operation of these two national justice mechanisms and the various international transitional mechanisms, particularly given the lack of rules for regulating their interactions (e.g. in terms of information sharing). The majority of the population did not participate in the (national) TRC hearings. Civil society groups and human rights groups criticized the government's subsequently published "White Paper on the Truth and Reconciliation Project" for not committing to any concrete steps towards

the resolution of the issues raised in the report, such as the need to improve governance and tackle corruption.

The work of the SCSL was also controversial. Not only did some local media brand it “white man’s justice,” the general population also viewed it as a process that had little impact on their lives.

17 | International Cooperation

Sierra Leone remains heavily dependent upon foreign (financial, technical, medical and other) assistance from multilateral and bilateral donors. While the IMF, the World Bank and the European Union are the most important multilateral actors, bilateral donors include the United Kingdom, Germany and the United States. Generally, Sierra Leone strives to maintain good relations with the West. In order to diversify its foreign policy and dependency profile, it has also developed reasonably good relations with such countries as China, Cuba and Iran. The previous and current governments have pursued similar goals in this respect.

Effective use of support

7

For many years, the Kabbah government sought to reintegrate the country fully into the international community and to create the image of a reliable and disciplined partner which abides by democratic norms and stabilization-oriented macroeconomic policies. Kabbah was even known as the “darling of the donors.” However, in the final phase of his presidency he alienated donors by deviating from strict IMF austerity policies, which led to a reduction in development aid and a deterioration of the economic and social situation of Sierra Leoneans, which contributed to his party’s loss of power. For its part, the Koroma government immediately began mending these financially vital external liaisons, working closely with international donors to foster the impression that it was ready to use external support to improve its policies.

The Koroma government is committed to presenting itself as a credible and reliable partner to the international community, but faces serious difficulties in fulfilling this role due to economic problems, the influence of clientelism and, more recently, the devastating impact of the Ebola crisis. Koroma’s difficulties in gaining and preserving credibility are aggravated by external economic and political developments beyond his control, including erratic fluctuations in prices and demand for Sierra Leone’s major exports. Such developments often put his capabilities of policy adjustment to the test, which in turn may influence his image of credibility.

Credibility

7

While most major international actors have confidence in the government’s commitment to IMF and World Bank policies, they realize that it faces serious economic, developmental and political constraints. The perception, especially in the United States and the United Kingdom, that failed states offer an open door to

international terrorism, may prove an asset for the Sierra Leonean government, which may try to exploit such fears in order to receive preferential treatment from donors.

Sierra Leone is officially committed to working in international, regional and sub-regional organizations, including the African Union, the Economic Community of West African States and the Mano River Union (MRU), the latter of which comprises Sierra Leone and its neighbors Liberia, Guinea and Côte d'Ivoire. Sierra Leone also actively participates in some international peacekeeping missions, mainly in Africa, most notably in Somalia (AMISOM) and Darfur/Sudan (UNAMID). As of January 2015, there were some 1,000 Sierra Leoneans serving as peacekeeping personnel abroad.

However, Sierra Leone's capabilities for successfully building and expanding cooperative relationships, both regional and international, remain limited due to scarce resources and the persistence of major domestic problems. Given these domestic challenges, the international influence of the Sierra Leonean government is too meager to enable it to serve as a strong, self-confident or assertive cooperation partner in international, continental or even sub-regional affairs.

Moreover, the ongoing postwar consolidation process remains threatened by the many mutually interwoven transnational conflict scenarios in the western part of West Africa, including the MRU countries and, more recently, Mali. Each of these countries has struggled to cope with persistent conflicts within their borders. Although the ousting of Liberia's Charles Taylor in 2003 constituted an immediate boon to Sierra Leone's regional environment, serious problems remain in the sub-region. Political developments in conflict-ridden neighboring countries like Liberia, Guinea, Côte d'Ivoire, Mali and Burkina Faso are far from stable and possible spillover effects may also challenge development in Sierra Leone. In theory, Sierra Leone has a strong interest in improving its sub-regional environment and contributing to conflict resolution in neighboring countries. However, it lacks the means and capabilities to act powerfully in this area.

Regional
cooperation
7

Strategic Outlook

More than half a century after independence, Sierra Leone is burdened with developmental problems, including crushing poverty, the degradation of social and economic infrastructure, international dependency and high inflation. While those problems may be partly attributable to internal structural weaknesses and partly to external factors, it is no exaggeration to state that the 11-year war from 1991 to 2002 had disastrous consequences for the country. Given the combination of problems both preceding and as a consequence of the war, decision-makers, whatever their party affiliation, face an immense challenge in managing the country's problems effectively and improving the lot of its citizens.

The Koroma government, which was elected and then re-elected in 2007 and 2012, still faces serious challenges, which were overshadowed and reshaped by the 2014 Ebola crisis. As Ebola has a devastating impact not only on individual lives, but also on the economic, social and (possibly) political conditions in the country, the government is forced to enhance its efforts to cope with these challenges. Apart from overcoming Ebola, the government is continuously forced to tackle major political and economic problems in order to ensure domestic and external support. Democratic institutions and procedures are neither self-sustaining nor irreversible. Despite the remarkable progress the government has achieved in terms of the political and economic stabilization of the country, the likelihood of destabilization and the risk of renewed violence remain major political concerns. Moreover, developments in the potentially unstable neighboring states of Liberia, Côte d'Ivoire, Guinea, Mali and Burkina Faso are unpredictable factors that could affect transformation processes in Sierra Leone. Conflict in these countries could spill over into Sierra Leone, where the root causes of the country's civil war, such as youth disaffection, mass unemployment, social inequality and poverty, have yet to be thoroughly addressed.

Given Sierra Leone's weak economic framework resulting from war and international dependency, as well as of the effects of globalization, endemic corruption and mismanagement, there will be no sustainable transformation toward a socially integrated market economy in the near or medium-term future. However, GDP growth, economic diversification, the revitalization of mining products and development of alternative foreign exchange sources may be achieved. Nevertheless, success in battling mass poverty beyond a simple stabilization of living conditions at low levels may prove elusive.

The viability and sustainability of transformation will depend heavily upon the continuous commitment of international actors. In turn, the commitment of international actors is inextricably tied to the government's ongoing compliance with IMF and World Bank recommendations. Further external financial and technical support is a condition sine qua non for the continuing process of post-war consolidation and development.

Lasting efforts to address the country's problems are essential if the viability of postwar peace is to be ensured. Key elements of a renewed transformation strategy might include the following priorities:

- **Anti-corruption campaign:** Since endemic corruption is one of the main impediments to development, the fight against the corruption plaguing the country's economy, society and politics should be intensified. This fight should extend beyond economic incentives, specific legislation and demonstrable administrative measures, and should also be addressed as an issue in primary, secondary, tertiary and post-tertiary education. Education and information about the disastrous consequences of corruption on the country's development have thus far been under-emphasized in scholarly studies, political analyses and decision-making processes.
- **Children and youth empowerment:** Since impoverishment, disaffection and frustration among youth have been identified as major reasons for the spillover of the Liberian war into Sierra Leone in 1991, the empowerment of children and youth must be a key imperative of the country's development strategy.
- **Education and training:** Given the importance of education and training in the areas stressed above, improvements in this multidimensional issue are crucial to the country's future development. Although the importance of education has been alluded to in various reports and in political action, emphasis on this issue should be further strengthened in the directions indicated.
- **Women's empowerment:** Discrimination against women should be acknowledged as a serious impediment to development, which must be eradicated by educating and training women and girls at primary, secondary, tertiary and post-tertiary institutions. Discrimination and violence against women and girls should be addressed through education which complements anti-violence and anti-discrimination legislation.