



Sierra Leone Drivers of Change

Taylor Brown, Richard Fanthorpe, Janet Gardener, Lansana Gberie, and M. Gibril Sesay

March 2005



Brockley Combe, Backwell
Bristol, BS48 3DF, UK

Tel: +44 (0)1934 862770
taylor.brown@theidlgroup.com

Disclaimer: This paper reflects the opinions of its authors. The views expressed should not be attributed to UK government.

1. Introduction

1.1 Background

This study was commissioned to help DFID-Sierra Leone and its UK government partners think more strategically about their efforts to support pro-poor change in the short, medium and long term. The study seeks to deepen DFID's and its partners' understanding of Sierra Leone's political economy and to highlight the principal drivers and impediments to pro-poor change.

To develop our analysis and recommendations, the team drew on published and unpublished research and reports, interviews and the insights members of the team have acquired through decades of working and living in Sierra Leone. More than 60 interviews with politicians, civil servants, civil society leaders and participants, media figures, small-scale traders, farmers, business people, chiefs, donors, researchers and other observers. While much of our analysis was Freetown-based, the team carried out field visits to Bo and Makeni municipalities and to several chieftaincies in Southern and Northern Provinces. Case studies on decentralization and civil service reform were commissioned in an effort to maximise the operational value of the analysis.

The **Drivers of Change** approach has been developed to provide DFID and its partners with the analysis with which they can ground their learning, planning and monitoring processes in the political, historical and social realities of the countries in which they are working. It enables country offices to chart a path for their assistance that is based not on where they think a county ought to be, but rather where that country is coming from, where it actually is and where it might be headed.

1.2 Summary

Overall, since the end of the civil war, significant progress has been made in securing and consolidating the peace and rebuilding basic formal state institutions. Sierra Leone is no longer a failed state: it has the rudiments of a functioning central government that possesses a reasonable monopoly on the use of force. The country is unlikely to slide back into civil war in the near future. Progress has been made in post war reconstruction, resettlement and reintegration; school enrolment levels are on the rise; improvements have been made to the Office of National Security, the Ministry of Defence, and the SL Police; there has been substantive devolution of authority to district councils; the government is becoming more effective at revenue generation and collection; and the economy as a whole is growing again.

There is, however, a sense among donors and other observers that progress toward poverty reduction, economic growth and effective, accountable and fair government has been less than it could be. Sierra Leone may no longer be a failed state, but it remains a fragile one. Many of the root political, economic and social causes of the civil war remain. In the eyes of most Sierra Leoneans, tangible peace dividends have been limited. Although some gains have been made over the past five years, Sierra Leone's economic fundamentals remain weak and employment generation (particularly in the formal sector) is meagre. Sierra Leone continues to perform poorly on any comparative measures of economic development and poverty reduction.

Sierra Leone's problems have deep historical and political roots. It is only by understanding the workings of Sierra Leone's political economy and particularly

the role played by informal institutions and elites, that donors can begin to assess the underlying reasons why change occurs and the ways in which they as external actors can influence this change in the direction of poverty reduction and social and political inclusion. Progress toward poverty reduction and ultimately peace and security will falter unless key governance problems are addressed.

2. Contemporary politics and governance

The root causes of Sierra Leone's persistent fragility and instability are political and relate to the poor quality of governance in Sierra Leone.

Stable and robust states are those in which a sustainable political settlement exists between contesting political and economic interests and actors. Conflict is channelled through political institutions rather than through violence; policy differences and the allocation of resources are resolved through routine and agreed-upon rules and practices; the responsibilities of government agencies and other actors are clear; and succession of leadership is routinised and relatively smooth.

By this definition, there has never been a sustainable political settlement in Sierra Leone. The stability of the state has always depended on the political balancing skills of its leaders and their ability to build and sustain a coalition of elites and their patronage networks. Political transitions in Sierra Leone have never been smooth: when leaders have lost their footing, the result has often been a coup.

The current political settlement in Sierra Leone is weakly institutionalised and externally enforced. The country's political elites continue to face few substantive restraints on predatory behaviour and have few incentives to respond to the demands of poor people. Five aspects of governance typify the state's persistent fragility and help to explain its unwillingness and inability to deliver to poor people. These are:

1. **Penetration:** The state has never penetrated rural Sierra Leone to a degree that would enable it to deliver goods and services or to build citizenship or relations of accountability between the state and its citizens.
2. **Institutionalisation:** The formal institutions of the state are not robust, deeply rooted or routinised. Informal institutions such as personal patronage networks and social forms of governance are prominent.
3. **Autonomy:** The state and its offices tend to be vehicles for the social and economic advancement of individual politicians, bureaucrats and their extended networks.
4. **Pluralism:** There are few independent social groupings or interest groups that can effectively hold government to account and demand change. Issue-based politics has yet to develop.
5. **Accountability:** there are few formal mechanisms for holding government to account. The government is currently more responsive to donors and other external actors than it is to its own citizens.

The next section investigates the deeper roots of Sierra Leone's governance problems and underdevelopment. It also highlights several of the more formidable barriers to pro-poor change.

3. Structural dimensions of politics and governance in Sierra Leone

Several fundamental features of the Sierra Leonean social and political landscape help to explain the country's fragility, the state's lack of accountability to its citizens, the ways in which informal institutions and practices interpenetrate the more formal offices and institutions of the state, and the country's chronic economic underperformance. These deep-seated structures include:

- The political topography of the state;
- Elites and elite networks;
- The role of ethnicity, regionalism and locality in politics; and
- The diamond sector.

Appreciating the degree to which these deep-seated structures shape how Sierra Leonean society and politics works help us to understand why fostering pro-poor change is often such a challenge.

3.1 Political topography

Sierra Leone's colonial history set a number of patterns to which the country's political economy continues to cohere. Crucial among these was the creation of a spatial and political divide between Freetown and the rest of the country.

The colonial authorities established a strong administrative distinction between the Colony (Freetown and the Western Area) and the Protectorate (represented by the three modern provinces). The Colony was governed by an elected local government and a British-based legal system. The Protectorate, on the other hand, was designed from the outset as a sphere of indirect rule in which chiefs were central to the maintenance of law and order. While this bifurcation between areas of direct and indirect governance was common in most British colonies in Africa, it was particularly pronounced in Sierra Leone.

Post-independence governments made little effort to extend formal state control into the countryside. Instead, they explicitly maintained the colonial system of indirect rule. Both the Sierra Leone People's Party (SLPP) and the All People's Congress (APC) relied on chiefs to control the countryside, to garner revenue and to secure votes. This strategy perpetuated the political divide between Freetown and the rest of the country.



It also weakened the state in general by limiting its penetration of rural areas and stifling the development of a sense of citizenship.

Despite the ongoing decentralisation process, chiefs continue to operate as a tier of government. Although the chiefdoms serve a modern state administration, they remain separate from it. Many functions of chiefdom administration, especially those relating to law and order, justice and political representation, duplicate the functions of modern state agencies. The chiefdoms therefore serve to insulate the bulk of the rural populace from the modern state, and help to block the extension of modern methods for delivering those functions into the countryside. As will be argued below, substantive and sustainable pro-poor change in Sierra Leone will not occur without resolving this Freetown—up-country divide and aligning the chieftaincy with the institutions of local government.

3.2 The political economy of elites and patronage

Sierra Leone's political system and its economy are dominated by a relatively narrow group of elites. The behavior of these elites has been instrumental to the country's economic underperformance, abiding poverty and fragility. Shifting the attitude and behaviour of these elites so that it is less predatory and more pro-poor will be essential if long-term change is to be achieved.

Sierra Leonean society is highly unequal, and is missing a middle class. Its per capita gross national income of \$150 GDP is among the lowest in the world. Sierra Leone has one of the most skewed income distributions in the world, with the poorest 20% of Sierra Leone's population consuming only 7% of total goods and services, while the riches 20% claim 46%.

During our interviews, Sierra Leonean observers frequently described their country as a 'connectocracy' based on the 'politics of recycling' [the same elites].

Sierra Leone's modern elite is small and tends to cluster in the capital. No single social characteristic defines the elite. They belong to many different ethno-linguistic and religious groups and hail from different parts of the country. Members of the elite are by definition wealthy. But above all, the elite are people with connections to government.

Eliteness, power and patronage in Sierra Leone stems from one's ability to accumulate and accommodate networks of people. These networks are either vertical (the locality-national networks described above and patron-client networks) or horizontal and intra-elite. Understanding how both types of networks operate is crucial to understanding how politics works in Sierra Leone and particularly what drives or constrains change in the public sector.

One cannot understand how things get done (or don't get done) in Sierra Leone without grasping the importance of the closed social networks and the ways in which members of these networks control and convey information. In a society in which trust is a scarce commodity, intra-elite networks of trusted confidants are essential to conduct the business of politics or commerce. If possible, business dealings, government contracting, and political fundraising all take place within one's personal networks.

People understandably have little faith in formal bureaucratic processes. They consider informal networks their best (only?) avenue for personal advancement and for accessing scarce services and resources. These patron-clientelistic networks are therefore maintained from below as well as from above. This is one of the reasons why tolerance of some forms of corruption remains widespread in Sierra Leone, and why many remain attracted to strong and ruthless leadership,

so long as these leaders can be prevailed upon to deliver resources to their supporters.

3.4 Ethnicity, regionalism and locality

Ethnicity, regionalism and locality play fundamental roles in Sierra Leonean politics. Under the colonial regime, the politically defining ethnic-regional division was between Freetown's Krios and the 'tribal' communities of the Protectorate. This distinction remains significant and has limited the development of a shared sense of nationhood. In the post-independence era, however, the defining ethno-regional divide has been between the north and the south, broadly between the Mende and Temne ethnic groups.

Ethnicity provides a ready source of political identity and mobilisation. Each of the country's two dominant parties have therefore built their political success on a regional heartland—the Mende-speaking south in the case of the SLPP and the north in the case of the APC. Chiefs have played an important role in this political strategy. Retaining, rewarding and expanding this ethno-regional political base has preoccupied both parties while in government. State resources and services have been directed toward those areas in which support for the governing party was strong, while opposition strongholds were sometimes starved of government resources. Although less pronounced than under the APC regime, regional party identities and affiliations remain a potent force in politics.

'Information is held and hoarded by elites whenever possible.'—a civil society observer

'Sierra Leone's leaders always think that they have a monopoly on information and ideas' —a former senior government official

For many Sierra Leoneans, however, primary political identification does not lie with the ethnic group or the chiefdom, but with social networks tied to particular settlements and neighbourhoods. A parliamentary constituency may contain several of these networks, each desperately seeking to get its own people into positions of power and authority so as to direct state resources back to its locality. Politicians rely on these networks for their core support and it is extremely difficult for those without strong links to localized networks to win elections at any level. A ruling coalition at the national level is to a great extent an amalgamation of these networks. The coalition's long term survival and the durability of its members hinges on the ability to maintain and mobilise these local political networks by continuing to deliver state services and resources to them. This has tended to bind local and national politics to one another. It also is the root of the patronage system that is so central to how Sierra Leone works. In this context, issue-driven politics are unlikely to make any headway in Sierra Leone while the majority of the electorate continue to view the state as an instrument for directing scarce resources towards their localities.

3.5 Diamonds

Sierra Leone's diamond wealth has served to distort the country's economy and politics and to spawn destabilising competition and conflict. In essence, Sierra Leone has suffered from a virulent form of the 'resource curse': an affliction in which the possession of abundant and valuable resources results in poor governance and feckless economic behaviour.

Diamonds would appear to be a robust foundation upon which a small country such as Sierra Leone could build an economy and derive state revenues. Unlike most other mineral resources, the price paid for diamonds on the world market tends to be relatively stable. The ease with which Sierra Leone's alluvial diamonds can be mined and exported, however, has continually undermined the ability of the state to direct diamond revenues through official channels. This in turn undermined the state's revenue base and foreign reserves, thereby impairing the state's ability to build state capacity and deliver public goods. The scale of the illicit mining and smuggling also helped to foster an informal 'shadow' economy which over time came to dwarf the formal economy.

Although significant progress has been made, the diamond sector will continue to be a potential driver of fragility in Sierra Leone. The diamond sector is one of the economic engines in the country and employs as many as two-hundred thousand workers. However, most of the pockets of greatest poverty and social exclusion in Sierra Leone are in mining areas. Whether the diamond sector provides a strong or a rotten foundation upon which Sierra Leone can rebuild depends on the ability of the state to regulate the mining and trade of diamonds, to sustain the shift in production from the illicit to the formal sector, and to garner and fairly distribute revenue from the mining and sale of diamonds.

5. Continuity and change

What has changed, what has not during the course of the civil war and post-conflict reconciliation and reconstruction? What is the broad trajectory of social, economic and political change in Sierra Leone and how can DFID and other development partners 'chase change'?

For all the destruction and disruption created by armed conflicts, their resolution often opens up opportunities for challenging and changing pre-existing social and political rules. When Sierra Leone first emerged from conflict, many local observers and international agencies saw post-war reconstruction as an opportunity to rebuild Sierra Leonean society from scratch. As this report repeatedly shows, however, Sierra Leonean politics and society has proven to be far less plastic and malleable than donors and many Sierra Leoneans assumed. Instead, many pre-conflict socio-political institutions, practices, networks and players have been preserved and even reinforced. Economically, the war disrupted some trading networks and created space for new ones, but by and large the same groups of people retain control of the economy.

That said, the conflict and its aftermath appear to have wrought significant social and demographic changes and more limited economic and political changes—some of which may prove to be openings and catalysts for further pro-poor transformation. This continuity and change is explored below, with respect to:

- Political continuity and change;
- Economic continuity and change;
- Demographic change and urbanisation;
- Post-war social change; and
- Changing civil society.

5.1 Political continuity and change

In many ways, there has been a return to politics as usual. As highlighted above, politics remains fundamentally personalistic and patrimonial and the boundaries between the public and private spheres remain porous. The two dominant parties (the SLPP and APC) remain the same as in the 1960s when the country gained independence. Deeply rooted informal political institutions and practices continue to shape the post-war reform efforts. The dominance of elite networks remain central to how things are done, patronage remains pervasive, and the abiding role of the chieftaincy in rural governance all reflect the degree of social and political continuity in post-war Sierra Leone.

Yet while post-war politics resembles pre-war politics in a number of fundamental ways, there are a number of significant political changes occurring. At a national level, the capacity and resilience of the Sierra Leonean state is undeniably greater than it was both before and during the civil war. The state has a greater ability to absorb risk and shocks. Key state institutions such as the armed forces and police are better trained and equipped and show some signs of being more responsive to their political masters. With international assistance, the state is becoming more visible in the countryside and its ability to deliver services (particularly education) is improving. In some municipalities and districts, there is a palpable sense that the city council is beginning to deliver to residents: local rates and rubbish are being collected, expenditures are being publicly posted, and efforts are made make decision making public and consultative.

Party politics may also be changing. Both the APC and SLPP are experiencing a degree of internal reform with younger, more technically proficient members gaining in status and influence. At a local level, there is some evidence that the chieftaincy and the character of social governance is evolving and that the authority of chiefs in some areas is more easily challenged than in the pre-war era.

5.2 Economic continuity and change

After years of economic retraction, the post-war period has brought economic recovery to Sierra Leone. The agricultural, mining, manufacturing, construction and services sectors have all rebounded from war time levels. The government's fiscal position has improved as has the effectiveness of its tax collection. The Office of Auditor General has been separated from government and procurement procedures have recently been reformed. The trade regime has been liberalised and regional trade has increased.

However, Sierra Leone's recovery has not generated the depth or breadth of economic change needed to generate employment, growth or substantive poverty reduction. Most of the rise in GDP reflects a rebound from the dismal



baseline of the war years, the post war (re)construction boom, and the influx of donor projects, rather than a fundamentally dynamic economy. Economic fundamentals remain weak and employment generation (particularly in the formal sector) is meagre. The absence of a dynamic private sector and of employment opportunities (particularly for Sierra Leone's youth) not only limits government revenue it has the potential to create an excluded and disaffected mass.

The illicit, 'shadow' economy has declined in the post-war era (particularly in the diamond sector). However, much of Sierra Leone's economic activity continues to be extra-legal. Most traders, craftspeople, transport operators and even light manufacturers operate within the informal sector. The formal costs of doing business are perceived to be so high that even large-scale enterprises find it difficult to be entirely above board. As one prominent businessman explained to the DoC team, 'if you paid all your taxes and followed all the rules, you would never make a profit.'

Although there have been a few high profile overseas investments in the mining and tourism sectors, foreign direct investment remains disappointing. Outside investors still consider Sierra Leone a risky proposition. The lack of basic infrastructure, particularly electricity, is a key deterrent to investment. Moreover, the logistical hurdles entailed in setting up and sustaining a business remain daunting. Local investment in enterprises is also stymied at all scales. This is also due to the barriers entailed in doing business highlighted above. Domestic finance is also difficult to secure.

5.3 Demographic change and urbanisation

The population of Sierra Leone is now more urban and mobile than before the war. Many refugees and internally displaced people from rural areas have returned home. There is, however, a continuing rise in urban populations and particularly an influx of young people. This is not just the case in Freetown, but also in regional cities and towns especially in the diamond mining areas.

Urbanisation is driving political change in several ways. Given that disenfranchised and alienated youth played a fundamental role in perpetuating the civil war, the large number of unemployed urban youth in Freetown and other towns and cities is seen as a source of instability and disorder. However, young people are also increasingly seen as a political constituency that must be catered for to achieve electoral success, rather than only treated as a source of political muscle. In response, political parties have made efforts to bring youthful leaders into their fold. The government has also sought to raise the public profile of the Ministry of Youth and Sports.

At a local level, the 'reintegration' of young people (especially ex-combatants) into society following the conflict has been surprisingly effective. The expectations of youth, however, are changing and they are more likely to challenge customary



authority or simply exit the system of rural governance by migrating to Freetown or the mining areas.

Urbanisation has the potential to challenge Sierra Leone's existing political calculus. Freetown and the mining areas are swing constituencies in Sierra Leone's electoral system. They have never been politically secure for either the APC or SLPP and the electoral process is less likely to be captured by chiefs or other local 'sons of the soil'. Crucially, it is also in these areas of the country that there is greatest engagement with issue-based politics and concern over the state's inability to deliver basic goods and services. This may present an opening for a different sort of politics in Sierra Leone. Whether this turns out to be populist or a 'deeper' and more accountable form of politics, however, remains to be seen.

5.4 Post-war social change

The war displaced many Sierra Leoneans, not just physically, but socially. Internally displaced people often living in camps far from their homes had direct encounters not only those from other parts of the country but also with agents of the state, NGOs and international organisations. Engagement with domestic and foreign agencies involved in post-war reconstruction (through public consultations, civil education and conflict resolution) has also given people new confidence to speak out about their problems and grievances. Participation in civil defence forces (CDF) was also a transformative experience for many young Sierra Leoneans. Many displaced Sierra Leoneans have since reported that these experience 'opened their eyes' to the iniquities of the pre-war system of governance and to new possibilities for associational life.

Following the peace and repatriation, social relations and expectations did not entirely fall back into pre-war patterns. Gender relations have been partially reshaped by the conflict. During the conflict many families were scattered and women were left to support young families on their own. In doing so, they gained greater control over livelihoods and household decision making. As a result, women are more active in the rural economy than they were before the war.

In some cases, women began to take a more active role in governance and decision making within their communities during the conflict. At a local level this experience—coupled in some areas with rights education campaigns—has led many women to become more vocal in demanding equal rights with men in parental decision making, property holding and political representation. Women are also beginning to protest against the oppressive features of customary law, notably those that allow a man to inflict corporal punishment on his wife and children. At a national level, the conflict and post-conflict period has propelled women to prominent positions within NGO and advocacy organisations, though they still remain marginalised within government and the private sector.

The conflict and post-conflict period have created new axes of collective action and association. Life in the IDP (internally displaced person) camps helped to spawn a range of high profile associations, notably the *kamajor* civil defence militia and the bike riders association. CDF participation was a catalyst for further collective action as many participants developed 'habits' of coordinated action that transcended traditional hierarchical lines. Although the CDFs have officially disbanded, they remain an important source of identity and in some cases have provided the roots of economic cooperation and new organisations.

Post-war reconstruction has helped to open up a greater space for civil society in Sierra Leone. Since the peace settlement there has been an impressive growth in the number of civil society organizations and the spectrum of their concerns. Donor and NGO engagement and financing in post-war reconstruction has added further stimulus to the development of associations and collective action. Numerous Sierra Leoneans have organised themselves into small-scale service delivery CBOs, often implementing projects managed by international NGOs.

However, despite this history, the changes wrought by the war and the efforts of international agencies, Sierra Leonean civil society is Freetown-centric and relatively weak. Civil society is also often divided: its disparate parts rarely unite around issues of broader public interest or government accountability.

6. The political economy of public sector reform

Two recent donor-supported reform processes provided case studies of the political economy of public sector reform: decentralisation and civil service reform. These two examples of public sector reform help us to reflect on how development agencies can more effectively support pro-poor change and reform processes.

Since the end of the conflict, the government of Sierra Leone (with strong donor backing) has sought to reform and reinvigorate the public sector in an effort to create a more capable and less fragile state. Two central components of this strategy are civil service reform (CSR) and decentralisation. The study team conducted case studies of these two reform processes with a view to understanding the interests and incentives that shape support for, or resistance to, public sector reform.

'When there are reforms there are always winners and losers and losers will always fight for their status and turf'
– A mid-level civil servant

Both the decentralisation process and civil service reforms have had their successes.

- The decentralisation process is now well underway. Local elections were held in May 2004 and local councils are now up and running. Legislation has been passed to devolve staff, resources and functions from line ministries to the local level. The Rapid Results Initiative (RRI) has provided each council with seed money with which to plan and learn.
- Civil service salaries are now generally being paid and bureaucratic infrastructure is being rebuilt. The donor funding of key positions within the civil service (e.g. the Inspector General of Police, Accountant General, expatriate judges, etc.) has helped to plug key gaps and provide high calibre expertise, leadership and mentoring within ministries. Progress has been made in strengthening and reconfiguring a number of key government institutions including the National Revenue Authority, the Ministry of Defence, Office of National Security and the Sierra Leone Police. A number of Ministerial Management and Function Reviews (MFRs) of have been conducted.

Overall, however, the progress of public sector reform has been disappointing: the reforms have proved to be more contentious and politicised than anticipated and informal practices and institutions more resilient and subversive than expected:

- In particular, the Management and Function Reviews (MFRs) which are intended to provide roadmaps for ministerial reform have been plagued by resistance and delays. Only six reviews have been completed. The uptake of recommendations has been slow, with none of the MFRs receiving full Cabinet approval and few specific recommendations being implemented. Most MFRs have encountered passive resistance from government as a whole and from the Ministries concerned in particular.
- Decentralisation in Sierra Leone is in its infancy and its real impact on accountability, political engagement and service delivery will not be fully apparent for years if not decades. However, there are early signs that the decentralisation process may be doing less to transform pre-existing rules of the political game than many had hoped. In particular national-local elite and party politics continues to exert a strong influence on local council elections; local funding via the RRI government channels and local sources may be inadequate and may be subject to capture and elite patronage; and overlapping functions and competition between chiefs and local councillors might undermine progress in local governance.

7. Conclusions and operational implications

The team's central findings are a mix of encouraging and cautionary. On the one hand, Sierra Leone has made significant progress since the end of the civil war. It is no longer a failed state. Peace has been consolidated. Progress has been made in restoring the social fabric of the country and in (re)building the frameworks of government. On the other hand, in the short term there are few 'easy' drivers of change that will readily overcome Sierra Leone's structural constraints and institutional inertia to produce substantive and sustained pro-poor change.

The team's other main conclusions are set out below:

1. Sierra Leone **remains a fragile state**. Its government is *unable* and (to an extent) *unwilling* to deliver basic public goods and services to its citizens. It has not yet created an enabling environment for poor people to sustain and build their livelihoods and for private sector growth and investment. There are continuing concerns over safety, security and access to justice of its citizens.
2. Sierra Leone's **fragility is largely internally driven and is fundamentally political**. The military, though substantially reformed, remains unreliable and may or may not be depended upon to be loyal to civilian leadership. Most youth and women remain socially, economically and politically excluded. Above all, the political system remains dysfunctional: the state fails to deliver and fails to allow for substantive political participation.
3. **Elites and elite behaviour** lie at the heart of Sierra Leone's persistent fragility and its lack of progress toward poverty reduction, social inclusion and accountable government. The team's analysis affirms the hypothesis stated in our terms of reference that 'elite political and economic behaviour [...] is impoverishing the country, creating potential destabilisation and preventing any real poverty focus in development'. The incentives are not in place to cause Sierra Leone's elite to promote widespread and sustainable poverty reduction.

4. **Continuity: the civil war and post-conflict period changed less politically and economically than might be thought.** Many pre-conflict political and economic institutions, networks and practices have been preserved and even reinforced. Many key pre-war political actors have re-emerged. Economically, the war disrupted some trading networks and created space for new ones, but by and large the same groups of people retain control of the economy.
5. **Sierra Leone's social and demographic landscape, however, is changing.** The population of Sierra Leone is younger, more urban and more mobile than ever before. These demographic shifts not only have economic and social implications, they have the potential to drive political change. The conflict and resettlement periods have also wrought social change. In particular, the experience of the war and displacement may be creating new axes of collective action and amplifying the political and social voices of women and youth.
6. In Sierra Leone **informal institutions of governance often matter as much as formal ones.** The formal institutions of the state are functioning better than they have in the past several decades and their reach is making a more of a difference to the lives of Sierra Leoneans. Most rural Sierra Leoneans, however, continue to be served by and live under 'social' forms of governance embodied in customary law and chiefs. They remain more subjects than citizens and have few regular or substantive encounters with the formal institutions and agents of the state. At a broader level, much of the business of government is carried out through informal institutions and processes. Informal but highly structured social relations link office holders, civil servants, traditional leaders and business elites to one another. These links continue to bind the informal/illicit economy to the State.

7.1 Implications for external actors

The international community and the UK government in particular have made a significant contribution to establishing and maintaining the peace and getting Sierra Leone back on its feet. To capitalise on this achievement, development agencies must now move beyond a post-conflict programming paradigm into a development one. In this phase of engagement, the *manner* of donor engagement is likely to matter as much as the sectors selected or scale of assistance. Applied and ongoing political economy analysis should be an essential element of this post-conflict engagement and programming.

Integrating political economy analysis into country programming requires rethinking both the **substance** and the **process** of engagement: both **what we do** and **how**



we do it.

- **Substance:** donors need to assess strategically what broad portfolio of programmes and projects will drive Sierra Leone's political calculus in a more pro-poor direction over the coming years and decades.
- **Process:** donors need to assess how they might tactically tailor existing and planned interventions so that they are prepared for political contingencies and face fewer implementation blockages.

7.1 Substance: what to do

Improving the quality of governance and fostering pro-poor change in Sierra Leone requires a three-pronged approach:

1. On the supply side, there is the need to nurture a 'capable enough state', a state that possesses the capacity to fulfil its responsibilities and to be responsive to its citizens' needs and rights.
2. On the demand side, there is a need to support the creation of substantive citizenship, foster social empowerment and bolster citizen voice. This eventually entails the development of issue-based politics.
3. Underlying both the supply and demand sides is the need to generate broad-based economic development, employment and livelihoods generation. The economy as a whole (and the private sector in particular) can be a significant driver of change in Sierra Leone.

7.2 Process: How to do it

With this in mind, substantive reform in Sierra Leone tends to occur when key actors in government, civil society and the donor community are broadly aligned. It also argues that an incremental rather than 'big bang' approach to reform is often more appropriate – and more successful in the long run. There is considerable scope for donors to influence change in Sierra Leone, but this influencing process needs to be politically astute and attuned to informal institutions, more focused and harmonised, and often more incremental and opportunistic.