

STATEMENT BY MR. MONIE R. CAPTAN, PRESIDENT, LIBERIA CHAMBER OF COMMERCE

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POLICY CHALLENGES FOR MANAGING NATURAL RESOURCES IN LIBERIA

Natural resources provide critical capital needs for developing countries that are marginalized in the international market due to many factors that are considered unattractive to investors, such as market size, infrastructure, taxation and capacity. Natural resource revenue provides an opportunity for underdeveloped countries like Liberia to fast track development, accelerate growth and meet the socio-economic needs of their people. Natural resources attract foreign direct investment, which spurs employment, domestic investment and production, and consequently contributes to consumption and economic growth.

However, the allocation of resource revenue becomes very challenging in the face of demands for both consumption and capital investment. Striking the right balance between these competing demands require sound macroeconomic policy that addresses the critical issues of promoting private sector growth, inclusive growth and sustainable development.

While it is normal to assume rational choice on the part of policy makers when it comes to formulating and implementing sound macroeconomic policies, it is important to note that political culture may also play a more influencing role than may be anticipated. It is this factor that I would like to focus on in the case of Liberia.

Liberia has one major challenge that has continued to undermine good governance and the formulation and implementation of sound macroeconomic policy. This challenge is historically rooted and has become such a strong tradition that even the most well-meaning altruistic leaders have succumbed to its pressure. For most Liberians, it is simply the “system”. This challenge is the challenge of **political patronage**, the true Liberian political culture that is pervasive throughout all levels of Liberian society.

At the epic of Liberian leadership, the Presidency, the Constitution grants unto the President vast executive powers that include appointment at all levels of national and local government, the army, and para-statal. In essence, the entire government owes its loyalty to the President, who hires and dismisses at his or her will and pleasure. The state is not the object of loyalty, but the individual head of state. The President can make one wealthy and/or powerful. The President can break any business. The President can order all doors of opportunities closed or open. One's success or failure may be determined by the disposition of the President. The President is the Chief, the Old Man or Pa-pay, the Old Ma. And every government official exercises the same influence over his subordinates. They are the smaller Chief, or Old Man and Old Ma. And this continues in the private sector, civil society, and the Church. This patronage system is based on affinity, whether a political ally, a business partner, a relative, a friend, a tribesman, a fraternal brother, or even a friend of a friend.

During the Tubman Administration, government jobs were obtained by joining the True Whig Party, the Masonic craft, or through a personal appeal to the "old man". The Old Man settled marriage disputes, ordered fathers to pay child support, provided scholarships and jobs, money to open small businesses and even provided support for poor widows. He endorsed aspirant legislators who automatically won elections, and rewarded supporters with chieftaincy and judgeships. He was a paternalistic figure who was seen not as the President, but the father of the country. We owed him everything, we were accountable to him. And at the end of every presidential term, we appealed to him to run for another term until he died in office after 27 years. And when he died, we wept in the streets in hopelessness and despair. He was our Pre-si-dent.

Political patronage has been used as an effective tool for consolidating power, even absolute power at times, thus making the leader very powerful. With such power, it is extremely difficult if not impossible to expect any significant level of accountability and transparency in governance. The system of checks and balance becomes a mere constitutional fiction. Demanding accountability and transparency in a system characterized by political patronage is sacrilege. It is disruptive. It is a challenge to the system itself.

The increase in resource revenue in a political culture of patronage could increase the resources for strengthening and perpetuating such a system as was exemplified during the Tubman Administration with iron ore revenue.

Accountability and transparency could further be undermined, and the checks and balances system could be eroded. Sound macroeconomic policy would be relegated to the contributions of foreign consultants paid by international partners, leaving implementation challenges for the government. Implementation would face the challenge of an intrinsically opposing system struggling to survive in a sea of change and reform.

The good news is that the Government of Liberia has embarked on some reforms in the right direction, and we must commend the Government for such initiatives. However, these reforms require an uncompromising political will; a political will threading on revolution. Policy without political will is no policy at all. The political will comes in when one confronts the impediments and constraints to implementation, and that includes a governance system driven by patronage.

Martin Lowenkopf asked of Liberia, “How could the bureaucracy serve its traditional function as the means of commanding the loyalties of the most politically relevant segment of the population and at the same time become the rational, efficient instrument that was needed if Liberia were to maintain the advantages of the modernization taking place in other sectors of national life?”

The on-going Constitutional review and legal reform processes are critical to addressing some of the key issues contributing to our system of political patronage. Some of those issues are the term and powers of the president, the term of other elected officials, decentralization and local governance, economic management, political party funding, and natural resource management. These processes must continue and provide the logical framework to curtail the destructive practice of patronage and promote good governance. They must not be dead end processes.

Other crucial reforms that have already been initiated by the Government that require our strong support are those related to land tenure, labor, the judiciary, trade, civil service, tax, and corruption.

We do not need to re-invent the wheel through repetitive deliberations on the effective management of resource revenue. Rather, we need to unleash the binding constraint that is so intrinsic to our political culture. Patronage must end. It is the cancer that is eating our capacity for good governance.

Leaders must govern transparently and be accountable to their people. Leaders must respect the laws of their country and serve the best interest of the people. Officials must be hired based on merit. Public officials must adhere to a Code of Conduct. Economic opportunities must be open to all on similar conditions without favor. The genuine aspirations of the people must be reflected in the budget and the national development agenda. The private sector and the market must be free of political interference. The international community must play its role, as a partner, in supporting the aspirations of the Liberian people. Good governance must not be tempered by political expediency. Good governance must be a bold leap of faith that is both redeeming and liberating. Every Liberian leader has had the opportunity to escape the emasculation of patronage if only they would look beyond their personal political survival - a legacy in waiting.

In conclusion, I wish to quote Prof. John Yoder: "Because political culture influences government and civil society, efforts to hold elections, restore political parties, rebuild educational institutions, strengthen the army, decentralize power in favor of regional officials, and promote businesses must take political culture into account. Otherwise, the organs of politics and civil society will be subverted by the same political values that have undermined good governance in the past. Public office, political parties, military systems, educational institutions, businesses, the media, and religious establishments will again be used as tools to promote and demonstrate hierarchy, order, patronage, deference, status, and intolerance. In Liberia, political culture has dictated that government, political parties, the military, schools, businesses, the media, and churches are shaped by values of order and hierarchy that bolster the system of patronage. Accountability, tolerance, and critical inquiry have taken a subordinate position."

Before ending, I wish to emphasize that my remarks are not in any way intended as a criticism of the current Liberian Administration, but a critique of a system

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inherited by succeeding generations of Liberian leaders rooted in Liberia's history and tradition.

I thank you.