

This article was downloaded by:[University of Oxford]
On: 12 June 2008
Access Details: [subscription number 773573598]
Publisher: Routledge
Informa Ltd Registered in England and Wales Registered Number: 1072954
Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



International Peacekeeping

Publication details, including instructions for authors and subscription information:
<http://www.informaworld.com/smpp/title~content=t713635493>

Anti-corruption Efforts in Liberia: Are they Aimed at the Right Targets?

William Reno

Online Publication Date: 01 June 2008

To cite this Article: Reno, William (2008) 'Anti-corruption Efforts in Liberia: Are they Aimed at the Right Targets?', *International Peacekeeping*, 15:3, 387 — 404

To link to this article: DOI: 10.1080/13533310802058968
URL: <http://dx.doi.org/10.1080/13533310802058968>

PLEASE SCROLL DOWN FOR ARTICLE

Full terms and conditions of use: <http://www.informaworld.com/terms-and-conditions-of-access.pdf>

This article may be used for research, teaching and private study purposes. Any substantial or systematic reproduction, re-distribution, re-selling, loan or sub-licensing, systematic supply or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The accuracy of any instructions, formulae and drug doses should be independently verified with primary sources. The publisher shall not be liable for any loss, actions, claims, proceedings, demand or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.

Anti-corruption Efforts in Liberia: Are they Aimed at the Right Targets?

WILLIAM RENO

International agencies intervene to promote reform in Liberia with promises to remake the country. Yet elections produce victories for former wartime commanders and officials accused of corruption. Many of these people continue to play important roles in the economy and command vocal followings. International organizations face a choice between a more radical intervention that amounts to a counterinsurgency operation to remove these people from their positions at the risk of creating political instability, and tacit acceptance of their power. Looking beyond these choices, is it possible that corrupt members of the elite and insiders can contribute to economic growth and political stability? Comparison of the organization of corruption in Liberia with models in East Asia indicates that political networks rooted in Liberia's economy may offer the promise of helping to integrate ex-combatants into the economic life of the country and address local demands for participation in politics.

Corruption in Liberia has long attracted international attention. Liberia's history has featured cycles of foreign interventions that targeted corruption and mismanagement. Most of these interventions brought in foreigners to manage the government's revenue collection, and in some instances to control government spending directly.¹ The Governance and Economic Management Assistance Programme (GEMAP) that followed the 11 May 2005 meeting of major donors in Copenhagen is the most recent in this series. It challenges established rights of sovereign states to run their own affairs while placing non-Liberians at the centre of Liberia's internal administration. International experts hired by the GEMAP consortium – the UN, IMF, World Bank, the European Commission, the United States and African regional organizations – have counter-signing authority in the country's central bank, state enterprises and the government's accounting office to prevent or permit spending.² GEMAP also provides for external auditors and an anti-corruption commission, continuing the battle against corruption in Liberia in the same intrusive manner that characterized international efforts in the last two centuries.

GEMAP's international members give this latest intervention a multilateral approach that previous state-to-state and private loans lacked; but it continues past practices of wholesale intervention into internal governance, especially in economic and fiscal affairs, recognizing that corruption in Liberia is integral to the operation of its government administration and the interests of the country's political elite. A UN Security Council document recognizes that 'many Liberian elites profit from the system of corruption and undue influence and have resisted its reform' and that many citizens, and ex-combatants in particular, still rely on

these networks for survival.³ This intervention takes place against the backdrop of the UN's Mission in Liberia 15,000-strong peacekeeping force (UNMIL), which is scheduled to withdraw in 2008. Thus, GEMAP and other international programmes take up the old challenge of changing how Liberia is run rather than simply providing short-term remedies to treat the effects of corruption. For some, the continuity is explicit: 'USAID, in particular, was motivated by a sense of *déjà-vu*. In 1988, it sponsored a Liberian Economic Stabilization Support Project' that also put foreigners with counter-signing authority into government agencies, wrote two experts.⁴

Given GEMAP's focus on corruption in Liberia's government administration, it makes sense to explore the context and organization of corruption in Liberia and to explain why it is so tenaciously integral to how the country is run. Will putting foreigners in key positions alongside Liberian officials eradicate corruption, boost official attention to social services and strengthen state institutions after the foreigners return home? The organization and the context of Liberia's corruption networks are the subjects of this analysis and will determine whether this externally sponsored remaking of Liberian state agencies and governance reform will eliminate or marginalize key actors who are responsible for corruption. This is an especially difficult task in Liberia because authority figures, including many who have no official position in the state, as well as those who hold high office, see their personal and community interests as aligned with the illicit economy and the subversion of government officials; but these structures of authority and the interests of actors change. The rule of President Samuel K. Doe (1980–89) and the 1989–2003 war resulted in the expansion and decentralization of these parallel structures of authority. Contemporary relationships of corruption and authority, both inside and outside the state administration, have become much more intertwined, resembling a network much more than a hierarchy as compared with the pre-1980 period. This evolution of corruption has changed the way that local elites struggle for supremacy through markets, often in ways that sudden political and economic reforms fail to anticipate.⁵

The next two sections explore the context and the organization of corruption in Liberia. The latter pays particular attention to the interests of international actors involved in GEMAP. These actors focus on building state capacity and often portray corruption of officials as a technical obstacle to be overcome. Even so, many international actors are acutely aware of the non-bureaucratic and non-state elements of authority in Liberia, which force them to balance the pursuit of political stability in Liberia with their official goal to end corruption.

International actors may have to find compromises that favour stability. This may require relaxing pressures of reform on strongmen whose co-operation is essential for maintaining order. I contrast Liberia's organization of corruption with that in other countries, especially in East Asia. The role of corruption in state construction elsewhere focuses the argument in this essay on how the organization of corruption in Liberia impacts on the autonomy and strength of the state. Sometimes, as in parts of East Asia, corruption is compatible with economic growth, managing local elites and dealing with the societal pressures associated with rapid change. This comparison provides the basis of a critique of

GEMAP's single model of anti-corruption and state construction. The comparison shows how some types of corruption may entice strongmen to tolerate a broad political settlement as they go about their business. It recognizes that ruling the networks of strongmen often precedes the rule of law and that the two are integrated in ways that are particular to each society. Figuring out how to do so requires first understanding the dynamics of the societal relationships that produce corruption.

Corruption and Context

Former Liberian president Charles Taylor was extremely corrupt. While he was president, 1997–2003, he melded his official and personal interests almost perfectly. In 2001 and 2002, Taylor personally controlled about US\$200 million in annual proceeds from business operations, or between two and three times the entire budget for government operations.⁶ Taylor used his official position aggressively to advance these private interests. He used the powers of his office to reserve for himself the 'sole power to execute, negotiate and conclude all commercial contracts or agreements with any foreign or domestic investor for the exploitation of the strategic commodities of the Republic of Liberia'.⁷ Taylor allegedly did business with agents of Al-Qaeda, probably out of commercial rather than any ideological motivation.⁸ This type of corruption, which blurred distinctions between officeholders and participants in far-flung networks of illicit commerce, defined Taylor's tenure and was central to his personal influence over his associates and rivals in business and government.

Many of Taylor's associates survived in office or found new positions in government after Taylor went into exile in Nigeria in August 2003 following his June indictment for crimes against humanity by the Special Court for Sierra Leone. These associates included commanders in militias, both pro- and anti-Taylor, who appeared after the war started in 1989. This National Transitional Government of Liberia (NTGL) included George Dweh, the Speaker of the National Assembly and former leader of the armed group Liberians United for Reconciliation and Democracy (LURD). Dweh was accused of embezzling \$92,000. Unwilling to resign, he returned to the floor of the legislature with his bodyguards and held members hostage until soldiers from UNMIL intervened.⁹ NTGL officials also recognized numerous concession agreements, including several for timber and diamond mining that violated Security Council sanctions. Timber concession awards by the NTGL and its predecessors covered 2.5 times more timbered territory than that country possesses.¹⁰ Outgoing NTGL officials voted to keep their official Jeep Cherokee vehicles, an act that caused the US ambassador Donald Booth to threaten to declare these officials *persona non grata* if they tried to travel to the United States, even though some were already targets of a UN travel ban.¹¹

The advent of electoral politics in Liberia provided new opportunities for corruption through ties of clientage, even while international organizations and foreign diplomats pursued Taylor and others for their crimes during the 1989–2003 war. For some in the international community, this corruption was

too much. Jacques Klein, the Secretary-General's Special Representative in Liberia, wished for more intensive international intervention. Near the end of his tenure, Klein said that 'It would have been more expedient for the Security Council to have granted the Mission executive mandate' at the NTGL's inception in October 2003, rather than to tolerate this degree of corruption in the provisional government.¹² Even so, international actors collected extensive documentation of corruption among the officials of Liberia's government. The UN Panel of Experts monitoring the enforcement of economic sanctions, IMF and World Bank officials negotiating debt relief and loans, and the Economic Community of West African States (ECOWAS) and European Commission auditors all found abundant evidence of official corruption.

Liberia's corruption problem is so intractable and so damaging to broader public interests because so many who are responsible for these problems also hold high positions in the state. Liberia's situation illustrates the 'criminalization of the state', where officials divert public resources for private benefit, using 'existing moral and political codes of behavior, especially those of ethnicity, kinship and even religion, and of cultural representations, notably of the invisible, of trickery as a social value, or prestigious styles of life, an aesthetic, whose capacity to legitimize certain types of behavior is considerable'.¹³ There seems to be a critical mass of Liberians who see corruption as appropriate, or at least tolerable, and not simply an exigency of poverty or disorder. This attitude is certainly prevalent among those in positions of authority, but many international workers in Liberia are convinced that this view is not just held by elites. Some speak privately about the futility of their missions; of having impacts as lasting as 'training goldfish', usually interspersed with praise for the exemplary employee who really is 'more American' or 'more European' than Liberian in attitude.¹⁴

If corruption really is an immutable part of the Liberian social structure, this view of 'deep' corruption in Liberia holds two major implications for GEMAP and other foreign interventions. First, Liberia shares with other parts of Africa a need for what Cameroonian scholar Axelle Kabou called a 'cultural readjustment' against the entrenched parochialism of social networks, the claustrophobic world of local solidarities, the grasping claims of family against any member who begins to become prosperous, and the mistrust of people outside their own narrow networks.¹⁵ If corruption really is so deeply rooted in social relations that are outside of the regulatory reach of a reformed state administration, then for GEMAP and other interventions, addressing this problem would require a type of sustained and highly disruptive intervention into the most intimate affairs of people's everyday lives. Ultimately, this may mean Liberian resignation to perpetual outsider administrative 'guidance' and reliance on large foreign investors to generate revenues, provided no nationalist or populist urge arises to kick the foreigners out. Second, it assumes that the social connections that bind together groups in Liberian society really are themselves a big part of the corruption problem and are also the root causes of the recent war – too much patron-client politics, too much devotion to family or clan interests at the expense of others, and a suspiciousness of strangers. It would seem that the war made this situation even worse with the massive displacement and the sudden rapid

urbanization of the country's population. This fits the fears of Francis Fukuyama, who worries that the breakdown of existing social structures in some African settings strips these societies of strong voluntary associations outside kinship that are needed to ensure stable government and that provide a basis for trust in wider economic interactions.¹⁶

But is corruption always so damaging to state capacity or to the accumulation of capital? At the very least, limiting anti-corruption efforts may be an important ingredient in mollifying local elites who are in a position to disrupt critical policies. David Harris argues that the toleration of some corruption prior to the 2005 elections in Liberia enabled relative newcomers to enter politics while wartime leaders busied themselves with making money. This avoided the consolidation of wartime incumbents in politics at the exclusion of others; yet their stakes in the economy, corrupt though these were, had allowed them to be brought into politics in a more pluralist fashion.¹⁷

Corruption in African societies was once thought to be compatible with economic growth and political stability. In the early 1970s, a Belgian scholar saw in Congo the rise of what he called 'Bureaucratic Caesarism'. He thought that Mobutu used centralized patronage networks to co-ordinate and control disparate local elites to subject them to the dictates of rational economic policies as he tried to integrate these informal business-state relations into existing systems of loyalty based in ethnic patron-client ties. This was a fairly desperate gambit, given Congo's troubled transition to independence and its status as Africa's first failed state in 1960.¹⁸ A decade later, an American scholar labelled this an absolutist regime that recalled seventeenth- and eighteenth-century French kings, with networks 'organized around a presidential monarch who had adapted a colonial state structure to recentralize power . . . to control a complex and fragmented society and extend the state's limited domain'.¹⁹ By the 1980s, however, patronage and official corruption were uniformly seen as obstacles to state-building in Liberia and everywhere else in Africa.

Rather than suggesting that these different views of Mobutu's behaviour are mutually exclusive, my argument is that corruption and the social relations that underlie it reflect specific contexts. Mobutu may have been a state-builder in the 1960s, a crisis manager in the 1970s, and a desperate survivor in the 1980s. Moreover, he built his patronage networks in the 1960s on the basis of US backing for his regime and World Bank advice during a period that promoted big state projects and economic planning. By the 1980s, he was operating in an international environment that demanded greater attention to market forces.

Liberian social networks, including patronage, adjust in similar fashion. For example, overseas Liberians who sent money to family members to arm a pro-Taylor militia in their hometown of Ganta (near the Ivorian border) had to work out what to do with their armed kinsmen after Taylor's departure in 2003. Local religious leaders encouraged these overseas family members to continue their aid, but now to help their young kinsmen to set up businesses. Membership in the old militia then became a valuable business asset, as Ganta became a centre for the development of a regional construction industry. The war removed many of the town's small ethnic Lebanese population, which left

a void in other commercial sectors. Old solidarities from the militia and ties to local strongmen who were now elected to the new democratic legislature facilitated the entry of former fighters into other commercial pursuits, such as Monrovia's retail trade and commercial chicken and pork production for the urban market.²⁰ These networks restricted competition and strengthened patronage ties to the capital; but the recent unexpected prosperity of the provincial town and the business entry of a hitherto commercially marginal group at least poses the possibility that this refashioned wartime network – corrupt by most external standards – actually promotes accumulation and efficiency in an important part of Liberia's economy.

Businessmen in the capital also played key roles during the war. One businessman who was formerly in charge of maritime affairs under Taylor, then accused of embezzlement and added to the UN asset freeze list, invested in commercial agriculture and fuel distribution. Both activities have kept him engaged with politicians, but no longer as an official. He vies with others to assert his business interests as well as exercising influence as a patron, and in both guises provides jobs to wartime fighters. Although it is hardly fair to reward what many people consider to be corrupt and violent figures from wartime, this compromise maintains important commercial activity and diverts the energies of those who could disrupt post-war agreements to private pursuits.

Kate Meagher examines how social networks evolve in her study of informal sector manufacturers in Nigeria. Among shoe and garment manufacturers in the eastern part of the country, she shows how economic policies that enhance competition can undermine relationships of trust between existing enterprise owners as employees break away and form new firms, leaving the rest to try to manage their affairs in increasingly closed and defensive solidarities. Nigeria's return to civilian government and elections in 1999, coupled with weak state institutions, gives vulnerable entrepreneurs incentives to seek out political patrons for protection. This turns these firms into defensive enterprises with limited prospect of co-operation with fellow manufacturers, which in turn makes them unsuitable to serve as subcontractors for larger firms or to grow on their own.²¹ Drawing from Meagher's insights, it is reasonable to expect that the 1989–2003 war and the subsequent return of large-scale international intervention in the affairs of governance in Liberia have had a significant impact on the organization and outcomes of networks of corruption. It is to this broader evolution of the context of patronage relations and state corruption that I turn next.

The Changing Organization of Corruption in Liberia

The war brought broad changes to the social relationships underlying patronage and corruption in Liberia. Prior to the start of the war in 1989, Liberia's presidents shared a common approach to patronage where rural strongmen maintained high degrees of personal control over local politics. This worked fairly well for William Tubman (President 1944–71). At that time, the country's entire political establishment was extremely small and was limited to a group of people who knew each other. Their sons and daughters intermarried, and most

went to the same schools and churches. The hinterland was ruled through local proxies in a fashion copied from British colonial administration, and was not fully integrated into the institutions of the rest of the country until 1963. Those from the interior who became government officials adopted the cultural style of the coastal elite to integrate as best they could into this small group.²²

So long as this patronage network was based on close personal connections, the President had numerous means of sanctioning the disobedient beyond the coercive use of state power. Tubman even personally managed the marital affairs of his associates, socializing with them at church services, Masonic Temple rites and in other shared settings. It was said that Tubman personally scrutinized expenditures for their impact on this network, and took great care to see that all beneficiaries connected their good fortunes to the President's personal concern. Corruption as patronage knit together a constellation of local strongmen subject to the dictates of the leader. Rule over local strongmen rather than the rule of law became the basis of the capital-based elite's integration of hinterland politicians into Liberia's system of national politics.²³ This arrangement looked like an inefficient version of machine politics that, in a more open and competitive political system, resembled many American cities through the first half of the twentieth century.

The Firestone Tire and Rubber Corporation arrived in Liberia in 1926 and provided over 60 per cent of state revenues from 1950 to 1970. This reinforced the hierarchical organization of patronage-based corruption to be centred on the person of the President. Although starting from a very low base, Liberia became the world's second fastest growing economy after Japan from 1950 to 1959, with annual growth exceeding 8 per cent and a tenfold expansion of government revenues.²⁴ This new income gave the President money to distribute at his discretion with less need to worry about building strong revenue collection agencies or to tax wealthy people, many of whom were his political clients and family relations. This gave him autonomy from the country's legislature, since Tubman did not need official appropriations or require contributions from strongmen from the hinterland for spending. In so far as Tubman and his successor, William Tolbert (1971–80), maintained personal control over their clients, this patronage system was among the world's most stable. Until its overthrow in 1980, Liberia's regime (founded in 1847) was one of the oldest in the world, with older regimes found only in Britain (1689), the United States (1789) and Sweden (1812). Liberia's True Whig Party ruled continuously from 1878 to 1980, surviving for longer than the Communist Party of the Soviet Union.

Sergeant Samuel K. Doe's 1980 overthrow of Tolbert's government brought abrupt change to this system of patronage. Doe had neither insider access nor the personal capacity to exercise the tight enforcement of the centralized patronage network that was based upon the True Whig presidents' dense social connections and personal knowledge of their political clients. Doe was politically vulnerable, and had to rely upon people with whom he did not share the kinds of personal ties and insider knowledge that had benefited previous presidents. He also lost the confidence of his American backers and their annual \$200 million in aid, when he stole the 1985 election and fell into arrears on loan

repayments.²⁵ This left him less able to control his partners' personal interests and strategies within his patronage network. Some of Doe's associates took advantage of their own political networks to exploit their position without effective oversight. It was much harder for Doe to maintain surveillance and levy sanctions upon people who had their own powerbases and whose daily activities were less visible to him. Doe consequently faced many more coup attempts than his predecessors ever did. In that context, it made sense for Doe to intensify his efforts to co-opt these people into his own corrupt business dealings, even if this further undermined his country's economy.

Had GEMAP's measures, or perhaps more intense versions of the various loan regimes in earlier decades been applied to Tubman's or Tolbert's centralized, hierarchical organizations of patronage, perhaps some subordinate members of this network could have been removed from their official position. Although this would have raised risks of political instability if they had resisted, the centrality of the state bureaucracy as a patronage vehicle for a fairly narrow oligarchy would have offered an institutional basis for building an effective state administration. The rapid extension of public services in an environment in which the state already provided a fairly high degree of security might have mitigated the capacity of disgruntled former clients to organize opposition. In any event, a centralized patronage system parallel to the state administration was vital to providing and ultimately to shutting off resources to political clients; but once Doe arrived and his clients integrated themselves into a network of corruption in which they had more control over their immediate environment than that which state institutions could regulate, removing corrupt officials from their administrative positions became riskier. This provides a lesson for contemporary intervention: reform must extend beyond reforming state institutions and replacing officials. It must be concerned with the connection between local authority and a highly decentralized system of illicit commerce. Yet, in doing so it risks upsetting what post-conflict stability exists in Liberia and tests the political will of outsiders who support intervention.

Doe built his authority in a networked and decentralized system. He relied on some of the Monrovia-based elite who already had their own deep roots in the politics of patronage in the country. Others rose by virtue of their position in the military. Thomas Quiwonkpa was appointed to head the army and he used this position to carve out his own powerbase and promote his supporters. These included his *aide de campe*, Prince Yormi Johnson, who later became a commander in the National Patriotic Front of Liberia (NPFL) and future wartime commander, and Charles Taylor. Quiwonkpa fled in 1983. Then he returned in 1985 and tried to overthrow Doe, but was killed. Taylor returned in 1989 to invade Liberia as head of the NPFL. Johnson was personally responsible for killing Doe in 1990 after forming his own faction. Other key players in the 1989–2003 war emerged out of Doe's patronage network. George Boley led the Liberia Peace Council (LPC) militia after he served as Doe's Minister of State and business manager. Alhaji G.V. Kromah helped form ULIMO (United Liberation Movement of Liberia for Democracy) in 1991 after serving as Doe's Information Minister, and Charles Julue, the former head of the Armed Forces of Liberia, staged a coup attempt in 1994.

Unlike previous presidents, Doe had significant difficulty keeping this diverse group of strongmen under his personal control. They managed their own connections to illicit commerce in areas where they had supporters, whereas Doe's sudden rise to power left him without the personal connections or insider knowledge to determine reliably how they used their resources. Initially, Doe had to hire intimates of the regime that he overthrew to help him find a strategy for reining in and harnessing the incumbent elite network. George Boley was one of these people, an 'educated advisor' who earlier had served as an assistant minister for education in the Tolbert administration, fresh from graduate studies in the United States. Boley was from Doe's ethnic group, which may have made Doe think that he could trust Boley. On close terms with powerful people in the capital, Boley used his association with Doe to build his own network of influence that he later used to field his own LPC militia. As a former political actor from Doe's era wrote, 'With Doe unable to converse in standard English, Boley was de facto head of government in 1980. As the gatekeeper to Doe, he consciously exploited Doe's distrust of educated people'.²⁶

As Doe could not be certain who would challenge him, he responded with personal paranoia and a proliferation of joint business ventures in which many from this wider array of people were included. Doe also sought a solution to this problem by making deals with politically vulnerable Mandingos. These ethnic outsiders needed the protection of the President, and thus were less prone to political machinations against him. Partnerships with Mandingo commercial networks also tied their activities more closely to Doe's political interests. They also gave Doe connections to newer businesses in fuel imports and transport that aided his other partnerships in illicit commerce.²⁷ Doe also looked to partnerships with foreigners involved in illicit businesses or those who were looking for states such as Liberia where they could conceal illicit activities.²⁸ These arrangements actively undermined the institutional capacity of the state since they relied instead on the President's authority to grant his partners exemptions from prosecution while pursuing their business rivals for violations of the law. Deals with foreign firms beyond the reach of local-level political networks have long been the refuge of corrupt leaders and reformers alike. For those who are frustrated by local politics, whether for hard-pressed patrons or reformers, deals with foreigners who pay taxes and fees in full and on time are attractive indeed.

Doe's corrupt gains, about \$300 million during his ten-year rule,²⁹ were less important than the organization of his patronage network and the degree of control it gave him over his associates. His clients had no reason to trust Doe, so they sensibly removed as much of their ill-gotten gains from the country as possible. They also were more dangerous to their patron than their predecessors had been, owing to their relative autonomy to conduct business on their own. Their ability to enter into 'private' business created a special problem for international actors as several of them were seen as 'civil society' actors in the eyes of some. Others, such as Boley, who could keep their patron at arm's length, emerged as protectors of their ethnic communities and clans. Thus, people who became businessmen, protectors of minority rights and local patrons also were corrupt insiders and prolific abusers of human rights.

Parts of this wartime structure of patronage appeared in the national legislature elected in 2005. Winners included Senator Jewel Howard-Taylor, Charles Taylor's former 'First Lady', and Senator Prince Johnson, Taylor's former associate and the man who many consider responsible for Doe's murder. Representative Edwin Snowe, Speaker of the House of Representatives until he resigned in early 2007, was listed in the UN travel ban report as an 'Associate of former President Charles Taylor with ongoing ties to him'.³⁰ Snowe also allegedly diverted revenues from the state-owned Liberia Petroleum Refining Company for his and his followers' personal use.³¹ Representative Saah Gbollie was ex-Deputy Police Chief in Taylor's government. Senator Adolphus Saye Dolo ('General Peanut Butter') also is subject to the UN travel ban.

This decentralized patronage network earlier appeared within Taylor's, and then the transitional government's state institutions. Joe Gbalah, the former Secretary of Liberians United for Reconstruction and Democracy (LURD) (a name affirming only a ceremonial commitment to the liberal-democratic model of governance) was appointed the NTGL's head of the National Port Authority. His chief of security, Ofore Dian, served as Gbalah's chief of staff while with LURD. Samuel Wlue, a senior MODEL leader (Movement for Democracy in Liberia – also an armed group) became the Minister of Finance. Militia leaders appeared among other victors in the 2005 election. These included Kia ('White Flower') Farley, former MODEL commander who is a member of the House of Representatives. While in office, his fighters occupied a rubber plantation and maintained contact with fighters in neighbouring Côte d'Ivoire in defiance of UN directives.³²

The story of insider influence, personal gain at state expense and wartime social networks based in militias gets more complicated if one looks at the different interests and activities of members. The prosperous provincial town of Ganta, referred to earlier, also was a major site of NPFL organizing before Taylor was forced into exile. A lot of the fighters who came from that region fought with the blessing of their communities. Their commanders, portrayed accurately as abusers of human rights, were also considered legitimate protectors of communities by many people there. The proliferation of evangelical Christian churches in Ganta and elsewhere in Liberia may interject more autonomy and change patterns of solidarity (and commerce) in these networks. Local commanders, some of whom are preachers, have played important roles in mediating between groups that were associated with Taylor's NPFL and his rival, Prince Johnson. Shared business networks help to lessen these divisions too.

The decentralization of patronage networks under Doe, followed by the wartime experience of NPFL, has left many former fighters with a desire to avoid subordination to a hierarchical state model of patronage. Yet, they may think that this is the direction in which internationally imposed reforms aimed at strengthening state institutions are heading. At least among new business entrepreneurs, few want to return to what they see as the straitjacket of old reciprocities and obligations to privileged regional administrations who wield the power of Monrovia over them (which is how many interpret the revival of county administration).³³

What GEMAP views as remnant networks of wartime combatants may enjoy a measure of local legitimacy and might also be the basis for a more efficient local economy. This is a suggestion that does not generally fit the agendas or frameworks of outside planners or investigators.³⁴ These former wartime commanders use their businesses and influence over parts of the state bureaucracy to provide for their former fighters and manage their illicit economic networks within Liberia and to other states in West Africa and further afield as the real basis of their power. This collapse of a centralized network of control also provides lessons for international actors as they devise ways to address corruption in Liberia. Strategies that favour the decentralization of power, often borne out of democratic reforms, might have unanticipated consequences in Liberia. The decentralization of the informal structures of Liberian politics in the 1980s and 1990s gave freer rein to warlords *vis-à-vis* Monrovia, but it did not release them from the need to cultivate their own supporters.

This creates a real conundrum for international agencies and for Liberian reformers. Hutchcroft attributes high growth and managed corruption in China to the 'centralization of politics' and warns that formal decentralization can lead to disastrous political instability if it means losing substantial control over patronage politics,³⁵ but he assumes that local nodes in these patronage networks are inevitably prone to violence as they free themselves from central constraints. He does not consider that they are bound to their own reciprocities and obligations to followers. In peacebuilding contexts, formal institutional decentralization and efforts to promote transparency in administration and local governance can play out in different ways. Reform might revive pre-war relationships that local people cite as causes of conflict but it also might dismantle new arrangements to which local people have become accustomed and that they may prefer. Moreover, the involvement of wartime leaders and fighters means that challenging some of these arrangements will undermine the political legitimacy of the overall reform effort and provoke conflict. This in turn contains significant risks of escalating political and financial costs to external actors. Intransigent local actors, informal networks and vested interests pose a problem for the international backers of GEMAP in forcing them to decide the extent of their financial and political commitment to a uniform model of state reform.

The Stakes for Interveners

Will international actors invest the financial and political capital required to remake Liberia fully in the image of an autonomous, well-functioning bureaucratic state? GEMAP will cost about \$500 million over three years. From the point of view of providing security, total UNMIL costs from 2003 to mid-2007 have been about \$2.9 billion.³⁶ During those years, US bilateral aid to Liberia was about \$600 million.³⁷ This is not much money in comparison with US expenditures of half a trillion dollars to mid-2007 for the war in Iraq, but it is enough – considering that the combined US allocation for bilateral aid and UNMIL each year over 2003–07 was about equivalent to Liberia's annual GDP. The amounts involved are also large enough to make US politicians question

whether taxpayers are receiving good value for this expenditure. Fortunately, GEMAP appears to be producing positive results. Liberian government revenues rose sharply from about \$80 million in 2004/05 to \$142 million in 2006/07 and were forecast to reach \$180 million in 2007/08.³⁸

Liberians with ties to the illicit economy might conclude that GEMAP is effective only because it forces Liberian officials to share their authority with foreign experts, and they can simply wait out the foreigners' resolve to remain in Liberia. The durability of reforms after GEMAP experts leave remains in doubt. UNMIL is scheduled to depart at the end of 2008, to be replaced with a US-trained security force of Liberians. Those who use positions in the state as platforms for personal influence and wealth accumulation appear to have little to fear from Liberia's judicial system. Despite extensive international attention to its reform, UNMIL investigators in 2007 found a justice system that continued to demonstrate a 'lack of the necessary will to institute reforms'.³⁹

Local and international actors engage in a strategic interaction. Local actors try to safeguard their fundamental interests, and some retain a capacity to disrupt reform efforts. Given the intensity of the intervention, even very minor disputes draw in external actors. Complaints among workers at Monrovia's port about the GEMAP administrator of the Ports Authority, for example, involved ex-combatants who supported Joe Gbala, the former LURD General Secretary, and who came to work at the port once he became manager of operations. This dispute eventually required the intervention of the US ambassador once the workers began to press for the removal of the GEMAP specialist.⁴⁰ UNMIL intervention was required in several instances in 2006 and 2007 to remove ex-combatants occupying rubber plantations who contested the right of new government-appointed managers to take over these operations. Some of those who were removed complained that local officials were tricking foreigners into enforcing rules that actually established, or in some cases restored, their personal power to control local resources and deny them to ex-combatants.

Faced with overwhelming demands of micromanaging a difficult bureaucracy and concerns about the sustainability of the overall reform effort, international actors may choose to act expeditiously. Transplanting their model of reform to Liberia ultimately may provide leverage to local actors who the international actors do not want to include; but when repeatedly faced with political reforms that generate political instability, international actors may tolerate the incorporation of elements of patrimonial politics with only partial reform. These choices become more pressing as UNMIL prepares to leave the country. Otherwise, to resist local demands on every occasion risks descending into a programme of counterinsurgency if widespread opposition were to develop. This trade-off between local security and reform is well understood among former commanders. Contemporary telecommunications and personal links to overseas Liberians help these political actors analyse international developments and co-ordinate their own strategies.⁴¹ More realistically, as resources and the political will for intervention decline as the deadline for withdrawal draws near, both international and domestic actors face substantial incentives to engage in mutual co-optation.

This domestic politics of intervention points to a basic shortcoming in the conceptualization of this latest internationalization of Liberia's anti-corruption effort. Often, outsiders characterize all of the actors involved in the political economy inherited from the war as working against state-building; but reform programmes such as GEMAP often just give bureaucrats new opportunities to abuse power, as frequently occurs with judicial and security sector reform. In reality, interveners have to engage in the much more complex politics of weighing which elites are true obstacles to reform and which ones can be bargained with to preserve at least some elements of reform while ensuring that the war does not resume.

One alternative is to recognize and deal directly with networks of the wartime political economy and try to reincorporate them under the control of the state. This alternative recognizes that people often take refuge in their wartime associations to seek protection from the uncertainties of poverty and official abuses of power. Interveners and their local partners often see these associations as violent gangs and impediments to the demobilization of ex-combatants. The actions of some of these people, however, indicate a capacity to take on at least some of the tasks of local governance in a durable fashion that eludes current bureaucratic reform efforts. One example can be found in the Wedjeh Youth Association of Sinoe County, which includes ex-combatants among its members. Its members were targets of UNMIL operations to remove them from rubber plantations.

The Wedjeh Youth Association's complaints are instructive. They assert that reform programmes give license to corrupt outsiders from the capital to take up local appointments. They use these positions as platforms to exploit local resources, receive foreign aid, and eventually attract foreign investors on their own terms. Local ex-combatants complain that as 'sons of the soil' they are entitled to exploit local rubber. Their defence of this right does not fit well at all into contemporary liberal notions of property or of the legal rights of citizenship in Liberia's hastily constructed democratic institutions.⁴²

Guaranteeing these people some control over local resources and integrating their local organizations into official channels would give them a stake in using their influence to see that the state performs well. They could monitor the police and judicial officials, but not the international intervention forces. Including them also would incorporate some elements of wartime organization into the apparatus of governance. This strategy has been used in neighbouring Sierra Leone, where the Movement of Concerned Kono Youths (MOCKY) was initially seen as a security threat. It was depicted as a renegade militia that contested the control of the country's diamond mining region at the end of that country's war. MOCKY's main concern, however, was to ensure that Kono youth, including some ex-combatants, were not summarily excluded from Freetown-based reform plans. MOCKY became the beneficiary of a USAID project that built on its own institutional structure to monitor local police and government officials. This required jettisoning uniform plans for nationwide local government reform for that region, as this organization integrated elements of local customary authorities and devised new ways of regulating the local economy and politics; but such deviation from initial plans bothered some UN and foreign government

officials who remained committed to uniform bureaucratic blueprints for reformed local government and who rejected the inclusion of 'perpetrators' in the post-war settlement.⁴³

Is There an Alternative?

As the organization of corruption in Liberia shows, the relationship of the networks of patronage, personal trust and insider commercial collusion with the state and the world economy can shape actual policy outcomes. Is it possible to integrate some of these networks into a state-administered economy that serves the interests of citizens? David Woodruff explores the role of trust for managing capital and coercion in the state-building process. In the absence of easily exploitable resources or a foreign aid windfall, taxing productive people is a necessary element of state-building. 'Pay taxes right! Build nation's might!' goes the motto of Liberia's Ministry of Finance; but historically builders of states mix formal and informal networks of authority. If they are to acquire even a minimal capacity to tax them, state-builders have to take into account the interests of at least some local bosses. This is because even the strongest states lack the capacity to monitor every transaction that citizens make. Successful authorities manage pre-existing networks to official institutions so that bureaucrats can benefit from the detailed market knowledge and social connections of commercial operators and can integrate those networks of trust and loyalty into the realm of bureaucratic authority.⁴⁴ This is not to say that reformers have to accede to the interests of Liberia's most corrupt and violent strongmen; but some of these people enjoy willing support from followers, have standing in their communities, and possess connections and business savvy as they link these constituencies to the world economy.

Corruption from the perspective of laws and reformers may be social capital that can be integrated into the authority structures of successful states. In the Philippines, Hutchcroft found oligarchs who colluded with corrupt government officials in decentralized networks to siphon state money into their own pockets as being the cause of slow economic growth and political instability.⁴⁵ Kang, however, found that 'crony capitalists' in South Korea who used informal political connections to officials to exchange bribes for favours actually benefited South Korea's economy; that 'money politics can actually reduce transaction costs'.⁴⁶ Even extensive corruption need not produce economic failure. According to Transparency International, China is the 72nd least corrupt country in the world, which puts it in the same league as Senegal (71st place). Vietnam, rated as the 123rd least corrupt, tied with Zambia but was better than Zimbabwe's 150th place.⁴⁷ However, China's per capita income increased at an annual rate of 9.2 per cent from 2000 to 2005, whereas Senegal's increased at a rate of 1.6 per cent. Vietnam's income grew 7.4 per cent, whereas Zimbabwe's contracted at 7.6 per cent each year.⁴⁸ Liberia was absent from this list. The point, however, is not just the extent of Liberia's corruption, but that the *organization of corruption* in Liberia reflects social relations.

East Asia's international politics and domestic administration context is very different from Liberia's. Perhaps Liberia is just unlucky. East Asian countries were considered central to the US cold war strategy of containing communism at a critical time in their development. American officials tolerated domestic insider networks in front-line states such as South Korea and Taiwan, as long as they maintained high rates of economic growth and were able to share the military burden. This tolerance extended to opening up the US market to East Asian manufactured goods, regardless of the degree of subsidy or officials' collusion with industrialists.⁴⁹ Similarly, contemporary China's economy is so huge, and as a major purchaser of US government bonds to cover US deficit spending Chinese officials can design domestic economic policies in ways that they see fit without major international interference.

China's particular configuration of corruption captures local networks and knowledge in ways that benefit state interests. Collusion between Chinese Communist Party cadres and entrepreneurs works alongside formal politics that are designed to promote rapid economic growth.⁵⁰ Local cadres distribute patronage to their subordinates and expand their circles of clients. Corruption may offer officials side payments that give them a stake in reform. This works so long as local officials who extract bribes pay their superiors who protect them. Protection from arbitrary enforcement of anti-corruption measures is tied to the local cadre's performance in promoting economic growth and thus increasing the circle of productive supplicants to provide pay-offs for officials to kick back to their superiors. Business owners tap into these personal connections among government officials to get preferential access to utilities and lax enforcement of labour and environmental regulations.⁵¹ As they can see who has the higher officials' confidence, these businessmen know who to bribe and how much to bribe. Ironically, this leads to a situation in which the most efficient local cadres are the most corrupt, and enjoy the greatest prospects for promotion. This also creates runaway economic growth, along with attendant social disruption and contempt for official regulations.⁵²

Thus, high-level Chinese bureaucrats maintain access to information about their subordinates, even though this form of corruption presents a huge political problem to China's rulers and ultimately undermines the regime's legitimacy; but in the more immediate politics of holding together a large state during a period of extreme rapid social change, it also permits continued economic growth and the creation of a large indigenous commercial class that is not at odds with the state. This kind of control privileges close connections to social networks, a difficult element to build into foreign-designed programmes, but which Tubman and Tolbert used to manage their political circles when they presided over Africa's fastest growing state.

Although the original Liberian system of patronage was targeted to a very small elite, it ultimately helped lay the seeds for Liberia's 1989–2003 war. Its maintenance through the middle of the twentieth century highlights the importance of social networks and knowledge as an alternative to a wholesale confrontation of state-builders against significant power-holders in society. This is not to suggest that insider networks are optimal ways to organize business–state

relations. Instead, the argument is that rulers in other places have managed to control and co-opt the types of social relationships and exchanges that are repressed in the state-building designs of foreigners in Liberia. Some did so because they lacked resources to wage a war against powerful clans, communities, or other personal networks. This ‘institutionalized patrimonialism’ was a major factor in the formation of successful business groups in South Korea.⁵³ Businesses often know better than states how to organize efficient network connections to the global economy. Moreover, they are much better at *ad hoc* arrangements that use family ties and local political networks to manage crises and allocate capital.⁵⁴ Even if networks that are defined as corrupt are not ideal paths of development, they can help solve some problems of state-building.

Liberia’s political networks have incorporated violent people who are responsible for war crimes and other abuses into the inner workings of government; but this interpretation of the facts obscures other important dynamics. This analysis points to some of the trade-offs of state-building that blueprints for a modern ideal liberal–democratic state do not consider. Corruption and patronage networks play important roles in the construction of some states and their economies. In all of the successful cases, this takes place in contexts where the bureaucratic apparatus of the state was permitted to intervene in a wide array of activities, especially the economy. This gives the state instruments that it can use to begin to co-opt local authority structures, including religious organizations, bandit groups and local warlords that organize economic exchanges. All operated as ‘states within states’ as their leaders sought to control commerce to survive and to take care of their followers. These networks and relationships have to be grafted on to the central authority of states if government is to exercise real authority. Successful grafting can bring these commercial networks and acumen into an arena where the state can support and promote it in the international economy.

Two core lessons emerge. First, as GEMAP designers and many others understand well, the key to political stability and economic expansion lies in building the capacity of state agencies. The second lesson is more controversial. Some powerful individuals and networks that featured in Liberia’s wartime political economy may have material and social assets that they can contribute in a restructured Liberian political economy. A more nuanced application of reforms may be in order to capture some of the societal commercial and political networks that Liberia’s new rulers need so that they can govern effectively and thus, in the long run, legitimately. Such flexibility might require wartime actors to be exempted from exclusion and prosecution if they help to integrate community members into state-regulated channels, for local strongmen must be ruled before one can implement the rule of law.

NOTES

1. Reginald Maugham, *The Republic of Liberia*, New York: Charles Scribner’s & Sons, 1920, pp.84–106.
2. World Bank, ‘Governance and Economic Management Assistance Program’, p.3 (at: siteresources.worldbank.org/LIBERIAEXTN/Resources/GEMAP.pdf).

3. UN Security Council, 'Report of the Panel of Experts Submitted Pursuant to Paragraph 5 of Security Council Resolution 1689 (2006) concerning Liberia', 15 Dec. 2006, p.8.
4. Renata Dwan and Laura Bailey, *Liberia's Governance and Economic Management Assistance Programme (GEMAP)*, Washington, DC: Fragile States: The LICUS Initiative, May 2006, p.8.
5. A subject explored in Roland Paris, *At War's End: Building Peace After Civil Conflict*, Cambridge: Cambridge University Press, 2004.
6. UN Security Council, 'Report of the Panel of Experts Appointed Pursuant to Security Council Resolution 1395 (2002), Paragraph 4, in Relation to Liberia', 11 April 2002, p.11.
7. 'Annex 1: Strategic Commodities Act: An Act to Designate Certain Natural Resources, Mineral, Cultural and Historical Items as Strategic Commodities', Monrovia: House of Representatives, 2000.
8. Douglas Farah, 'Al Qaeda's Growing Sanctuary', *Washington Post*, 14 July 2004, p.A19.
9. UNMIL 'Humanitarian Situation Report', Monrovia: Humanitarian Coordination Section, 3 March 2005, p.1.
10. UN Security Council, 'Report of the Panel of Experts', 2006, p.15.
11. International Crisis Group, 'Liberia: Staying Focused', Monrovia and Brussels, 13 Jan. 2006, p.5.
12. Quote from Stephen Ellis, 'Liberia', in Andreas Mehler, Henning Melber and Klass van Walraven (eds), *Africa Yearbook, 2005*, Leiden: Brill, 2006, p.109.
13. Jean-François Bayart, Stephen Ellis and Béatrice Hibou, *La Criminalisation de l'État en Afrique*, Paris: Éditions Complexe, 1997, p.15.
14. Conversations with the author during field research in Liberia and Sierra Leone since 2000.
15. Axelle Kabou, *Et si l'Afrique Refusait le Développement?*, Paris: L'Harmattan, 1991.
16. Francis Fukuyama, 'Social Capital and the Global Economy', *Foreign Affairs*, Vol.74, No.5, 1995, p.94.
17. David Harris, 'Liberia 2005: An Unusual African Post-conflict Election', *Journal of Modern African Studies*, Vol.44, No.3, 2006, pp.375–95.
18. Jean Claude Willame, *Patrimonialism and Political Change in the Congo*, Stanford, CA: Stanford University Press, 1972, pp.131–4.
19. Thomas Callaghy, *The State–Society Struggle: Zaïre in Comparative Perspective*, New York: Columbia University Press, 1984, p.5. See also Guenther Roth, 'Personal Rulership: Patrimonialism and Empire-building in the New States', *World Politics*, Vol.20, No.2, 1968, pp.194–206.
20. Author's observations and conversations with former militia members, 2005.
21. Kate Meagher, 'Social Capital, Social Liabilities, and Political Capital: Social Networks and Informal Manufacturing in Nigeria', *African Affairs*, Vol.105, No.421, 2006, pp.553–82.
22. Monday B. Akpan, 'Black Imperialism: Americo-Liberian Rule over the African Peoples of Liberia', *Canadian Journal of African Studies*, Vol. 7, No.2, 1973, pp.226–9.
23. David Brown, 'Politics as Ritual: Rules as Resources in the Politics of the Liberian Hinterland', *African Affairs*, Vol.81, No.325, 1982, pp.482–7.
24. Robert Clower, George Dalton, Mitchell Harwitz and Alan A. Walters, *Growth without Development: An Economic Survey of Liberia*, Evanston, IL: Northwestern University Press, 1966, p.23.
25. Paul Gifford, *Christianity and Politics in Doe's Liberia*, New York: Cambridge University Press, 1993, pp.18–28.
26. S. Byron Tarr, 'Founding of the Liberian Action Party', *Liberian Studies Journal*, Vol.15, No.1, 1990, p.25.
27. Augustine Konneh, 'Citizenship at the Margins: Status, Ambiguity, and the Mandingo of Liberia', *African Studies Review*, Vol.39, No.2, 1996, pp.50–52.
28. Personal correspondence between Dutch businessman Gus Kouwenhagen and his partner, President Doe, in the author's possession.
29. Bill Berkeley, *The Graves are not yet Full: Race, Tribe and Power in the Heart of Africa*, New York: Basic Books, 2001, p.33.
30. UN Security Council, 'List of Individuals Subject to the Measures Imposed by Paragraph 4 of Security Council Resolution 1521 (2003) Concerning Liberia', 15 Dec. 2006, p.4.
31. Monbo & Company, 'Auditor's Management Letter Resulting from the Audit of the Liberia Petroleum Refining Company for the Years 2004 and 2005', London, 20 April 2006, in author's possession.
32. UN Security Council, 'Report of the Panel of Experts Submitted Pursuant to Paragraph 5 of Security Council Resolution 1689 (2006) Concerning Liberia', 15 Dec. 2006, p.41.
33. Interviews with Boley associates.
34. A notable exception is Paul Richards et al., 'Community Cohesion in Liberia: A Postwar Rapid Social Assessment', World Bank, 2005.

35. Paul Hutchcroft, 'Centralization and Decentralization in Administration and Politics: Assessing Territorial Dimensions of Authority and Power', *Governance*, Vol.14, No.1, 2001, pp.23–53.
36. Calculated from Security Council quarterly reports on UNMIL operations.
37. Nicolas Cook, 'Liberia's Postwar Recovery, Key Issues and Developments', Report RL 33185, Congressional Research Service, Washington, DC, 12 March 2006.
38. International Monetary Fund, *Liberia: Third Review of Performance under the Staff Monitored Program – Staff Report*, Washington, DC, Oct. 2007, p.18.
39. UN Security Council, 'Fifteenth Progress Report of the Secretary-General on the United Nations Mission in Liberia', 8 Aug. 2007, p.9.
40. 'Roar Over NPA's GEMAP Agent', *New Democrat*, 19 March 2007, pp.1, 14.
41. Interview with a former associate of George Boley (LPC chairman), 22 April 2007.
42. 'Sinoe Youths Want Investors on Rubber Plantation', *Analyst*, 8 Feb. 2007, p.10; 'Land Dispute: Liberia's Next War Trigger', *Analyst*, 21 March 2007, pp.1, 10.
43. Author's observations and discussions in Sierra Leone, June–July 2005.
44. David Woodruff, *Money Unmade: Barter and the Fate of Russian Capitalism*, Ithaca, NY: Cornell University Press, 1999.
45. Paul Hutchcroft, *Booby Capitalism: The Politics of Banking in the Philippines*, Ithaca, NY: Cornell University Press, 1998.
46. David Kang, *Crony Capitalism: Corruption and Development in South Korea and the Philippines*, New York: Cambridge University Press, 2002, p.3.
47. Transparency International, *Annual Report 2007*, Berlin, 2007, p.17.
48. World Bank, *World Development Report 2007: Development and the Next Generation*, 2006, pp.288–9.
49. Stephen Haggard, *Pathways from the Periphery: The Politics of Growth in Newly Industrialized Countries*, Ithaca, NY: Cornell University Press, 1990.
50. David Wank, 'Business–State Clientelism in China: Decline or Evolution?', in Thomas Gold, Doug Guthrie and David Wank (eds) *Social Connections in China: Institutions, Culture and the Changing Nature of Guanxi*, New York: Cambridge University Press, 2002, pp.97–116.
51. Xiaobu Li, 'Booby Socialism, Bureau-preneurs, and the State in Transition', *Comparative Politics*, Vol.32, No.3, 2000, pp.273–94.
52. This analysis I owe to Zhu Jiangnan, Department of Political Science, Northwestern University, Evanston, IL.
53. Nicole Woolsey Biggart, 'Institutionalized Patrimonialism in Korean Business', in Craig Calhoun (ed.) *Business Institutions*, Vol.12 of *Comparative Social Research*, Greenwich, CT: JAI Press, 1990, pp.114–33.
54. Mark Grenovetter, 'Coase Revisited: Business Groups in the Modern Economy', *Industrial and Corporate Change*, Vol.4, No.1, 1995, pp.93–130.