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**The American University in Cairo**  
**School of Humanities and Social Sciences**

**A Comparative Analysis of the role of foreign aid in post-conflict  
reconstruction of Rwanda and Sierra Leone**

**A Thesis Submitted to**  
**The Department of Political Science**

**In Partial Fulfillment of the Requirements**  
**For the Degree of Master of Arts**

**By**  
**Amna Elnour**

**Under the supervision of Dr. Ibrahim Elnur**

**May 2018**

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## DEDICATION

In loving memory of my father Hassan Elnour Osman who sparked my love for poetry, politics, books and music, and whose smile and laughter I carry everywhere with me.

I dedicate this thesis to the countless number of people who have lost their lives in the tragic genocide in Rwanda and the civil war in Sierra Leone.

**“Comrades, there is no true social revolution without the liberation of women. May my eyes never see and my feet never take me to a society where half the people are held in silence. I hear the roar of women’s silence. I sense the rumble of their storm and feel the fury of their revolt.”**

**— Thomas Sankara,**

Finally, this thesis is dedicated to the resilient women in Rwanda and around the world, making a difference, shattering glass ceilings and moving mountains.

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## **List of Acronyms**

ADB- African Development Bank  
AfCFTA -African Continental Free Trade Area  
A4P - Agenda for Prosperity  
AGOA- African Growth and Opportunity Act  
APC-All People Congress  
BNA- Basic Needs Approach  
DFID- Department for International Development  
DRC- Democratic Republic of Congo  
EAC- East African Community  
ECOWAS- Economic Community of West African States  
EDPRS – Economic Development and Poverty Strategy  
FAO- the Food and Agriculture Organization of the United Nations  
GDP- Gross Domestic Product  
GNP- Gross National Product  
HIPC- Heavily Indebted Poor Country  
ICT –Information Communication Technology  
IRD – Integrated Rural Development  
IMF- International Monetary Fund  
MDG- Millennium Development Goal  
MEST- Ministry of Education, Science and Technology  
MNCs- Multinational Corporations  
NIE- New Industrialized Economies  
ODA- Official development assistance  
OECD- Organization of Economic cooperation and Development  
OLPC- One Laptop Per Child  
PEPFAR -President’s Emergency Plan for AIDS Relief  
PERP- Post-Ebola Recovery Plan  
PWC-Post Washington Consensus  
REC-Rwanda Education Commons  
RITA- Rwanda Information Technology Authority  
RUF- Revolutionary United Front  
RPF- Rwandan Patriotic Front  
SAPs -Structural adjustment programs  
SDGs- Sustainable Development Goals  
SLPP - Sierra Leone’s People’s Party  
UNAMSIL - United Nation’s Mission to Sierra Leone  
UNICEF – United Nations International Children’s Emergency Fund  
USAID- United States Agency for International Development

## **Abstract**

Foreign aid is an essential policy instrument used to transform post-conflict countries. The purpose of this study is to measure the effectiveness of foreign aid in two post-conflict countries, Rwanda and Sierra Leone. The research seeks to deepen the knowledge of foreign aid and the structures of dependency and neoliberal policies. The study employed secondary sources of data to assess various variables such as poverty reduction, governance, education, and economic development to evaluate the effectiveness of aid. The issue of aid in post-conflict reconstruction is a complex; the management of the aid is contingent on both the donors and receipt, hence foreign aid does not automatically equate to economic growth and development. The findings of the study suggest political stability, foreign assistance, and investor-friendly policies have contributed to Rwanda's reconstruction and economic growth. Nevertheless, Rwanda's dependency on foreign aid remains a challenge. In contrast, Sierra Leone's post-conflict reconstruction experience has been less successful, on one hand, foreign aid has played a positive role in the peacebuilding process, on the other hand, it has economically crippled the country and created a relationship of dependency. Foreign aid has failed to promote long-term sustainable development, and instead, has induced corruption and created a dependency syndrome. Political instability and years of prolonged war, ineffective economic policies, the mismanagement and exploitation of resources and funds, aid and the inefficiency of diversifying the economy have impaired economic growth and development.

Keywords: Rwanda, Sierra Leone, foreign aid, development, exploitation



## **Chapter 1: Introduction**

Foreign aid, also known as foreign assistance has been an intense topic of debate. The empirical research on foreign aid and economic growth provides different outcomes when it comes to the effectiveness or benefits of aid. The Organization of Economic Cooperation and Development (OECD) defines foreign aid as development assistance given to developing countries for the promotion of economic development and humanitarian assistance. During the 1940's the United States developed the Marshall Plan as a means to assist in the reconstruction of European countries devastated by war. The Marshall Plan was the first major official foreign assistance, which significantly contributed to the rebuilding economies of European countries affected by World War II.

The International Bank for Reconstruction and Development, later renamed the World Bank, was founded on the basis of rebuilding countries devastated by World War II, and over time its focus shifted from reconstruction to development, with an emphasize on poverty reduction. The inflow of expenditures on foreign aid programs by international institutions such as the World Bank, International Monetary Fund, United Nations, in addition to aid from developed countries, raises an important question in regards to the effectiveness of monetary assistance. Foreign aid has emerged as a strategy in assisting post-conflict reconstruction, humanitarian assistance, natural disaster relief, military assistance, post-conflict rehabilitation.

The end of a conflict is often accompanied by a period of volatility, exposing countries to the risk of reoccurrence of conflict. Hence, the termination of war often leaves a country in a fragile state, their capacity to mobilize domestic resources is often inadequate; consequently, post-

conflict countries are obliged to rely on foreign aid to facilitate in post-conflict reconstruction. Despite receiving substantial foreign aid many post-conflict countries such as Sierra Leone suffer from economic hardship, while other countries become heavily dependent on foreign aid to sustain their economies such as in the case of Rwanda. This study will compare and contrast the role of foreign aid in the post-conflict reconstruction process in Rwanda and Sierra Leone.

Rwanda is a densely populated country which lies in the heart of Africa. For many years the country has been characterized by its violent ethnic conflict, and today, is striving to be one of the fastest growing economies in Africa. The World Bank and the International Monetary Fund have praised Rwanda for its "remarkable development successes", which has been visible in the reduction of poverty and inequality (BCC 2016). Studies indicate that at the end of 2015, Rwanda was one of the few countries to meet most of the Millennium Development Goals. These achievements can be attributed to the country's steady economic growth of 6 percent, which is accompanied by substantial improvements in living standards, in addition to the decline in child mortality and the attainment of near-universal primary school enrolment (World Bank 2016).

Like Rwanda, Sierra Leone has made significant progress over the past decade since the end of the civil war in terms of post-conflict reconstruction. Sierra Leone has been long characterized by the civil war lasting 11 years from 1991 to 2002, resulting in the displacement of over 2 million people and the deaths of over 50, 000 (United Nations Development Programme 2016). The country has made tremendous strides since the end of the war by consolidating peace, democracy and improving development indicators accompanied by economic growth. Despite its positive economic growth in the past decade, the country remains heavily dependent on aid, with about half the of public investment programs financed by foreign investors.

### **Problem Statement**

Many African countries are economically crippled, politically volatile and beset by conflict. The attempts made by the international community to establish peace and foster sustainable development in many of these African territories often fail and are repeatedly criticized for imposing top-down or culturally insensitive approaches to rebuilding these states (e.g. Duffield 2001, Lederach 1997, 2010, Goetschel and Hagmann 2009, Richmond and Mitchell 2011, Wennman 2010).

### **Research Questions:**

*In light of the above-mentioned discussion, the following research question is suggested.*

**What role does foreign aid play in post-conflict reconstruction in Rwanda and Sierra?**

**Hypothesis:** Foreign aid has played a substantial role in both countries and is perhaps driving force behind development in both Rwanda and Sierra Leone. However, it seems as though both countries are heavily dependent on foreign aid and in the long run, it might actually cripple the country's development.

### **Justification of Study**

Rwanda and Sierra Leone share a history of violence and conflict, with ethnic strife at the root of each conflict; as a result, Sierra Leone experienced a civil war in 1991 while Rwanda suffered from genocide in 1994. Although they share similar characteristics in their colonial history of conflict, the trajectories and outcomes in the two countries have been different. While both countries are similar in size, the process of post-conflict reconstruction in each country is distinct. For instance, Rwanda has taken an economically centered approach to recovery while

its political sphere currently illustrates a repressive regime. On the other hand, Sierra Leone illustrates a model of good governance and democracy while struggling economically. The selection of each case study is motivated by the fact that Rwanda is praised as a post-conflict development success story and on the other hand, Sierra Leone is hailed for being a model of post-conflict peacebuilding. The study will examine the influence and impact of foreign aid in the reconstruction process of Rwanda and Sierra Leone. In addition, the study will analyze through a compare and contrast method to understand the different approaches undertaken by each country in employing the foreign aid it receives.

### **Objective**

The study will compare the post-conflict reconstruction and development patterns of Rwanda and Sierra Leone. The findings of this research will evaluate what was or was not effective with regards to foreign aid and how these lessons may be applied to other African countries, with consideration of the underlying similarities of both countries respective conflicts. The study will conclude by determining the best course of action for countries transitioning through the post-conflict phase.

### **Methodology**

The methodology for this study combines qualitative and quantitative approaches, which entails interpretive practices that make the world visible from an observer's perspective (Denzin & Lincoln). The first half of the study will adopt a narrative approach. A narrative approach is the natural means to describe history; it identifies ideas or events, it traces these concepts over a number of years. Examining the history of the conflict in both countries is essential in understanding the complexity of the conflict and the similarities and difference in both conflicts.

Subsequently, the study will give an in-depth analysis of the root causes of the conflict in both Rwanda and Sierra Leone and its implication on various aspects of social and economic development at national and international level. The study will then provide an in-depth analysis of the aftermath in Rwanda and in Sierra Leone, it will also provide an analysis of each countries pathway to reconstruction and development.

The foundational framework for this research will include, the analysis of relevant academic literature, publications, scholarly articles, books from leading authors on the subject of post-conflict reconstruction and development in addition the study will use data from reports and databases of international institution such as the World Bank, the International Monetary Fund, United Nations, USAID, Freedom House to name a few in conjunction with data provided by the governments of Rwanda and Sierra Leone. The final process will examine all relevant material and cross-examine the data, in order to determine the gaps or inconsistency in the literature.

### **Historicizing Approaches of Development from Dependency to Neoliberalism**

#### **Dependency Theory**

Foreign aid is perceived as a nuance symbol or a form of dependency; hence various scholars examine foreign aid by utilizing the dependency theory as a systematic explanation and analysis to investigate the relationship between donors and recipients. Though a number of scholar have impugned the relevance of the dependency theory, foreign aid solidifies the relevance of the dependency theory. Dependency theory emerged in the 1950's as an offset against the growth and modernization theories. Raul Prebisch, one of the founders of the approach, along with his colleagues were distressed about the situation in poor countries arguing that economic growth for

advanced industrialized countries did not necessarily translate into economic growth for poorer countries (Ferrero, 2008). Unlike neoclassical theory presuming that economic growth would be beneficial for all despite unequal wealth distribution, the basis of dependency theory explains the continual poverty plaguing developing countries. Prebisch explains that the resources extracted from poor countries are exported to rich countries, whereby rich countries manufacture products from these material resources and sell them back to the poor countries. This cycle leads to poverty and dependency due to the fact that poor countries are unable to earn enough money from exports to pay for the imports.

The solution, Prebisch argued was for poor countries to adopt import substitution programs in which poor countries would still sell their commodities in the world market, but they would avoid using their foreign exchange reserves to purchase the manufactured goods from rich countries. Implementing the import substitution policy would prove to be problematic and hard to follow. As a result, intellectual thinkers such as Dos Santos, Osvaldo Sunkel, Fernando Cardoso, Andre Gunder Frank, and Samir Amin to name a few, started examining the relationship between rich and poor countries (Peet & Hartwick, 2009). Dependency theory, therefore, is not a single theory; it is a combination of various conceptualizations by theorists.

While Sunkel (1969) defines dependency as a state's economic development influence by external policies, Dos Santos definition encompasses the historical dimension; specifically saying that "[Dependency is]...an historical condition which shapes a certain structure of the world economy such that it favors some countries to the detriment of others and limits the development possibilities of the subordinate economics...a situation in which the economy of a

certain group of countries is conditioned by the development and expansion of another economy, to which their own is subjected,” (Dos Santos, 1970).

Dos Santos examines the structures of dependency asserting that the dominant rich countries have monopolized the markets through exports and loans; thus creating an unequal relationship that then becomes a barrier for domestic markets within the dependent countries. He identifies three historical forms of dependence, colonial dependence, financial dependence, and technological-industrial dependence (So, 1990). He points out that most dependent countries are reliant on their export sector which acts as means of obtaining foreign currency that is utilized to import machinery and goods from the dominant rich countries. Furthermore, since the export sector is controlled by foreign capital, then there is greater risk of political influence by the dominant rich countries. Often the industrialized sector of the dependent countries is affected by budget deficits due to the lowering of prices of primarily export commodities by the world markets. The modernization theory contends that foreign aid and capital can be utilized as a means to settle a budget deficit; however, the primarily purpose of foreign capital is used to subsidize foreign imports. This has an adverse effect on the domestic markets and industrial sector of dependent countries. (So, 1990). Furthermore, Dos Santos contends that the industrial sector of the dependent countries is reliant on the technological power of the advanced dominant countries. Many multinational corporations require dependent countries to pay royalties for their machinery instead of selling them the machinery. Consequently, dependent countries are unable to pay royalties and thus they are obligated to allow the machinery to enter as foreign investment, which in turn creates a strategy of dependency.

To illustrate the relationship between dominant and dependent states, Bodenhelmer (1971), asserts that the underdevelopment in Latin America is the after-effects of a series of relations with dominant states in the international system. Furthermore, dependency is a deep-rooted historical process, engrained in the expansion of capitalism that attempts to explain the underdevelopment of states in the periphery and the pattern of interactions between dominant and periphery states that reinforce inequality and dependency.

Andre Gunder Frank uses the metropolitan–satellite exploitation model to explain the underdevelopment (So, 1990). According to Frank’s model, cities in the third world were established by colonial powers to serve the metropolitan centers by transferring economic surplus. This structure of transferring economic surplus leads to “the development of underdevelopment” (Peet & Hartwick, 2009). Frank explains the underdevelopment of satellite countries as a historical by product of past and current economic relations between the metropolitan countries and satellite countries. Frank contends that these relations exemplify the capitalist system (Frank, 1972).

Samir Amin was one of the first economists from the third world to receive recognition for his development theories. Amin focused on the conditions and relations of production based on an in depth analysis of how Europe had underdeveloped large parts of Africa in the colonial era. Amin contends that the peripheral economies are not self-reliant but heavily dependent on the world market, and the links to production and the epicenter of capital accumulation is in the center countries. In his calculations Samir Amin (1976) “estimated the amount of surplus transferred from poor to rich countries via unequal exchange to be 1.5% of the product of the rich countries



but 15% of the product of the poor countries” (Peet & Hartwick, 2009). His findings would indicate a hidden scheme of economic surplus through trade, which would prove significant enough to deter growth in the periphery. The implications of this finding would propel dependency theorists to state that peripheral countries have borrowed back their own money from dominant countries to pay for development projects; and therefore, they should not only be forgiven for their debt, but rich dominant countries should ask for forgiveness because they owe the peripheral countries (Peet & Hartwick, 2009).

The classical dependency theory is often criticized for excluding internal factors and its generalization of countries in the periphery (So, 1990). Fernando Cardoso attempts to address these concerns by examining the historical context in the periphery; specifically the socio-political structure of states, the distribution of power in society and the role of the state. Cardoso regarded the national bourgeoisies in dependent states as powerful and capable of shaping development in periphery countries. Cardoso emphasizes that dependency and underdevelopment is a dynamic process also influenced by internal factors characterizing it as ‘dependent associated development’. Similar to Amin’s concept, Cardoso highlights the unbalanced and distorted production structure, with its over enlarged manufacturing of luxury goods exclusively to benefit the middle class. In contrast to Amin, Cardoso was very careful not to generalize as he focused his research solely on Brazil. In regards to Brazil, he suggested that a democracy was a prerequisite for societal development that would in turn benefit everyone. Nevertheless, Cardoso’s basic principles and findings were aligned with classical dependency theorist with one exception; his analysis of the internal dynamic of the periphery.

Although the dependency theories slightly differ in definitions, most have common features. Firstly, they agree that there are two types of states in the international system. States are either categorized as metropolitan/Satellite, dominant/dependent, or center/periphery (Ferraro, 2008). The periphery or dependent states have low per capita Gross National Products (GNPs) and are heavily reliant on a single commodity for export to earn foreign exchange and are comprised of states in Africa, Asia and Latin America. Secondly, there is recognition that external dominant forces play a paramount role in the economic activities within the periphery states. These external forces are composed of multinational corporations, world markets, foreign assistance and communications or any means by which rich industrialized countries can secure and represent their interest worldwide. Thirdly, each definition alludes that the interaction between center and periphery reinforces and intensifies these unequal patterns (Ferraro, 2008). Thus dependency models are based on the premise that political and economic power is consolidated and centralized in advanced industrialized countries; consequently these dominant powers will take the necessary measures to secure and protect their interests.

### **Dependency Theory & Foreign Aid**

The underlying abstraction in the dependency theory is the “development of underdevelopment” which is premised on the historical and continual exploitative economic and political relation between the periphery and center. Foreign aid was used during the Cold War to form allegiances; the US and Soviet Union disbursed aid based geo-politics and national interests (Riddle 2007). Arnold (1989) contends that aid was used as a weapon to reinforce ideological and economic interest on poor countries. Foreign aid during the Cold War era was given

irrespective of bad governance; consequently, many leaders in Africa took advantage of foreign aid that impelled high levels of corruption. Many corrupt leaders on the continent were unconcerned by the high levels of poverty, unemployment and underdevelopment. Alesina and Dollar (1998) in their findings discover that the direction of foreign aid is often dictated by colonial past, strategic interest and political allegiances rather than economic needs or policies in the recipient countries.

Frank's historical and structural explanation of how western cities created satellite cities in the peripheral is exemplified in the way countries such as Britain, France, Belgium, Portugal, utilize foreign aid to maintain economic, political and cultural ties with their former colonies (Riddle, 2007). Rodney (1972) contends that colonization was not just about exploiting resources from the colonies, but also about repatriating profits from the colonies to the centers. For instance, Britain employs membership to the commonwealth as a means to uphold economic and political ties with its colonies, and France utilizes the CFA franc as a form of currency in west and central Africa to link the economies of former French-speaking colonies to the French franc. Former colonial powers continue to exploit poor countries using foreign trade and debt as means to entrap countries in a cycle of dependence. Historically strapping foreign aid for commercial ties was a trend amongst donors. Countries such as Japan have publicly stated that foreign aid is given to recipient countries to promote Japan's commercial interest (Riddle, 2007). Thus, poverty and underdevelopment in the developing world can be attributed to the inequality entrenched in the global economic system which is perpetuated by countries in the core. This inequality is embedded in foreign aid and reinforced by financial institutions such as the World Bank and IMF (Silgson & Passe Smith 2003).

According to Moyo (2009), the shortcomings in Africa can be traced to its reliance on foreign aid that within three decades' aid had reached a record high between 1970 and 2000 with approximately \$400 billion dollars of official development assistance (ODA) going to Africa; proportionately during these years the rate of poverty increased (Powell, 2005). Thompson (1983) asserts that underdevelopment shares one characteristic in receipt countries, foreign aid. He maintains that without foreign aid there is no underdevelopment. Boone (1996) in his research found that aid does in fact finance unproductive public consumption rather than promoting investment. Therefore, foreign aid creates dependency and curtails the efforts made by poor countries to develop. African governments often become reliant on aid; for instance, Sub-Saharan countries such as Mali are considered to be an 'aid darling' with nearly 75 percent of the Mali government budget being derived from foreign aid (World Bank, 2017). Despite receiving a significant amount of aid, the country remains relatively poor and at bottom half of the human development index. Many Sub-Saharan African countries illustrate the deficiencies in planning both by donors and recipient countries. As such, rather than relying on aid, governments in the periphery must promote self-reliance. The extraction of resources from the periphery to the center and the conditionality's placed by aid donors, such as compelling recipient countries to buy goods and services from said donors, have dialectically impoverished the poor countries. Thus the development challenges confronting many African countries stem from the unequal relation in the global economic system and heavy reliance on foreign aid.

### **Neoliberalism**

The historical context of dependency theory and the world system theory by extension has informed the twenty-first century's current critique of neoliberalism; the late 1970's and 1980's would mark a turning point in social and economic reform around the world. From Chile to China, a global restructuring of economic configuration was taking place; Pinochet in Chile privatized state-owned companies; Deng in China liberalized a communist-ruled economy; Volcker and Reagan in the United States changed the monetary policies, deregulated industries and liberalized finance; Thatcher in the United Kingdom restricted trade union power. These transformations were guided by a constellation of ideas and policies known as neoliberalism. Neoliberalism is a concept that is often over cited, with various meanings to different scholars. For the purpose of this study, neoliberalism is defined as a "theory of political economic practices that proposes that human well-being can be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade" (Harvey, 2007). Neoliberalism transformed the state's intervention from a provider of public welfare to agent of promoting markets and competition. The state's role was minimized in the market and in areas of social provision.

In the 1970's when global oil prices increased dramatically it caused an economic recession in which developing countries fell into a debt crisis. The economic crisis led to shift from state led model of development to a neoliberal approach. Springer (2010) refers to the debt crisis as the window of opportunity for neoliberalism as neocolonial relationships of aid dependency which was promoted through "the auspices of US- influenced multilateral agencies like the International Monetary Fund (IMF) and the World Bank". The spread of neoliberalism was carried out through the Structural Adjustment Programs (SAPs) introduced by the IMF and the

World Bank, the SAP's became a precondition to providing loans and securing the repayment of loans. The main components of SAPs include removing subsidies, cutting public spending, the devaluation of currency, tax reductions, trade liberalization, privatization of industries and the adoption of a floating exchange rate; the policies were also endorsed by bilateral donors and the WTO and the OECD.

These policies perpetuated an inequality in the global financial system in which developing countries were further entrapped in debt and poverty. The policies support the interest of transnational corporations and rich dominant countries. Inherent within the process of neoliberalism is the globalization of capital and by extension the globalization of development aid. In regards to development neoliberalism considers, it intensified globalization as inseparable dimension of development, the global free market was a means and end to development; therefore, instead of targeting policies that would better serve developing the neoliberal policies prescribed a one size fits all policy.

The next chapter will commence by giving an overview of the evolution of aid and the disbursement of aid built in the neoliberal approach. The chapter provides a literature review, which considers cross-cutting themes such as governance, education, post-conflict reconstruction, and addresses the different standpoints in regards to aid effectiveness.

## **Chapter 2: Literature Review**

The post-conflict reconstruction process in Africa is often a priority for donors; thus, foreign aid has become the most common instrumental policy tool that high-income countries utilize to transform war-torn societies. The literature on foreign aid is extensive, their effectiveness and role have long been the center of debate for many scholars. This study is analytical in its nature, exploring foreign aid through a descriptive explorative lens. To further understand the impact of foreign aid, we must first examine the evolution of foreign aid.

The aftermath of World War II prompted the inception of foreign aid as a means to restore and rebuild countries affected by the war. In 1961 the Organization for Economic Co-operation and Development was founded on the principle of providing aid for developing countries with the objective of economic growth and development. Foreign aid in the 1970's was delivered in the form of a "project package" geared towards supporting education, health, agriculture, and governance. According to Thorebeke (2000) donors came to the realization that injecting capital to developing countries cannot alone sustain economic growth and poverty reduction; hence the development approach shifted to promoting self-reliance and adopting indigenous methods of production. Jomo & Fine (2006); Thorebeke (2000) conclude that during the 1970's we see a shift from capital investment into integrated rural development (IRD) to which the aid that was given during that time period was also used for poverty reduction, also known as the basic needs approach (BNA).

The IRD approach promoted development through a local integrated method leading to an increase in locally produced commodities and therefore improved access to the market. This integrated approach incorporated intervention methods such as, introducing micro-credit

programs with the intent of helping small-scale rural industrialization. The main objective behind the IRD was to help local communities to meet their basic needs and to become economically self-sufficient. The BNA is primarily focused on improving the living standards of the poor by providing assistance in shelter, food and health services. During the 1970's the two major donors to the developing countries were the United States and the United Kingdom, and to solidify their commitment to the new development approach of IRD and BNA, the United States adopted the International Development and Food Assistance Act, which authorized the transfer of 75 percent of food aid to developing countries (Moyo, 2009). Similarly, in the United Kingdom, the government passed a White Paper, appealing for the need to send more donor aid to the developing countries.

Despite the adoption of the basic needs approach, the 1970's was characterized by grave inequalities. These inequalities were further compounded by a global economic crisis, with economic stagnation, inflation, oil shocks and overwhelming debt in developing countries (Oatley, 2005). Consequently, developing countries were to reach a considerable level of poverty reduction and economic growth; accordingly new development strategies were adopted.

### **The Washington Consensus**



During the global oil crisis in the 1970's, a neoliberalism approach began to emerge that favored strong private property rights, free markets, and free trade (Harvey, 2005). The birth of neoliberal policy reforms, also known as the Washington Consensus, were introduced by Washington based institutions, the World Bank and the IMF (CIPE, 2012). This approach ended the state-led model of development in which neoliberals deemed the state's involvement as inefficient often corrupt and disruptive to economic growth (Leys, 2005). The neoliberal approach promoted market liberalization, the privatization of state enterprises and minimizing the interference of the state (Stiglitz, 2002). By the 1980's the approach gained prominence due to the success of the New Industrialized Economies (NIE) in Asia, known as the Asian Tigers.

Moyo (2009) and Harvey (2005) maintain that neoliberal policies were promoted to developing countries as a new development strategy. In the 1980's, in fear of global economic meltdown, donors provided aid to heavily indebted developing countries to prevent them from defaulting (Moyo, 2009). As a result, the World Bank and IMF introduced structural adjustment programs (SAPs). According to Stiglitz (2002), the SAPs became a precondition to foreign aid; Low-Income countries (LIC's) were compelled to adopt neoliberal policies before they could qualify for aid. Consequently, the aid was given in the form of budget support to encourage the implementation of new economic reforms (Ayittey, 2005). Some of the conditions that were attached to donor aid, included the privatization of state properties, the adoption of the floating exchange rate and the devaluation of currencies specifically of developing economies. Moyo (2009) indicates a surge in aid programs to developing countries by the IMF in 1983 amounted to \$12 billion.

Nevertheless, by the end of 1980's many developing countries suffered from the economic recession, accumulating a debt of \$1 trillion (Moyo, 2009). Both donors and recipient countries comprised the effectiveness of aid during this time period. While donors were utilizing aid as a mechanism of political and economic influence, recipients perceived the conditions provided by donors as an infringement of their sovereignty. Recipient countries were forced to buy goods and services from donor countries or markets at high prices, as a condition to aid provided (Osei, 2003). According to Sogge (2007) the SAPs were ineffective in promoting economic growth and development due to the discrepancies over conditionalities.

By the beginning of the 1990's Africa was filled with corrupt leaders and a development vacuum with the introduction of a new set of policies known as the Post Washington Consensus (PWC). Serra and Stiglitz (2008) maintain that the new policies were sought to provide solutions and remedies to the previous Washington consensus. According to Jomo and Fine (2006), the new approach integrated both the state and the market, in which the state was regarded as an important stakeholder in sustaining economic development and providing an environment for economic growth. A new approach to the aid dynamic emerged as a result of PWC. Burnside and Dollar (2002) maintain that countries with good governance tend to utilize aid better than countries with bad leadership. Hence donors began shifting their attention to promoting good governance through aid. Degnbol, Martinussen and Pedersen (2003) maintain that donors began promoting the idea of liberal democracy based on western standards as a precondition to aid. Therefore, donor aid was used to strengthen civil societies and democratic institutions. By 1999, foreign aid to Africa reached \$12 billion, with a majority of it being used to promote good

governance. Despite these efforts, poverty remained prevalent in the continent and economic growth was very limited.

At the dawn of the millennium, a new approach developed; leaders from around the world were calling for an end to poverty. At the United Nations Millennium Summit, the Millennium Development Goals (MDGs) were developed to directly address poverty reduction and basic human needs such as access to water, health, and education (Moss, 2011). The MDG's became a benchmark for poverty reduction and economic growth. In an attempt to fast-track the process, the Highly Indebted and Poor Countries (HIPC) initiative was reintroduced to help with poverty reduction, debt relief and development programs (IMF, 2017). For a country to qualify for HIPC benefits, countries must abide by two conditions if they are eligible to borrow from the World Bank and IMF that include having a plan and track record of completing policy reforms as recommended by the World Bank and IMF, Poverty Reduction Strategy. To fast track, the attainment of MDG's, donors poured in aid into developing countries. The MDG's are often criticized for having a one size fits all model, which disregards the individual needs of each country. Kinniburg (2005) asserts that the assumption that the MDG's could help alleviate poverty and underdevelopment is a discourteous impetuous assumption. Furthermore, Kinniburg (2005) maintains that there is no universally accepted definition for development, therefore a generally prescribed remedy for underdevelopment will not work.

### **Foreign aid & Development**

In post-conflict situations, there is a great need to restore the political, economic and social fabric of the collapsed state (Herbst, 2004). Post-conflict countries often face difficulties mobilizing their own resources, hence many depend on foreign aid to finance their reconstruction. Economic theories are essential in examining donor-recipient relations particularly when considering post-conflict reconstruction. The Economic Development Theory explains how foreign aid plays an important role in development; the capital provided by donor's works as a source used to finance development projects. Post-conflict countries often experience a foreign exchange gap in which a deficit becomes greater than capital inflows, making it hard for the country to spend on imports. Import spending is necessary for growth, and foreign aid often fills in that gap because the aid provided becomes the source of capital. This is further backed by Domar's model of growth, in which capital is required for the manufacturing of goods and services in order to attain economic growth and development.

There is a vast amount of literature on the relationship between foreign aid and growth; a number of scholars present different views on whether foreign aid contributes to economic growth. Stiglitz (2002) and Stern (2002) Sachet (2004) uphold the notion that aid can have a positive impact on a recipient country's economy. They contend that aid is a critical tool for reducing poverty and augmenting economic growth. Shorrocks and Van der Hoeven (2005) share the viewpoint that aid can foster economic growth and uplift budget constraints. M'amanja and Morrissey (2005) and Feeny (2005) hold the opposing view, according to their research they are unable to find a significant positive correlation between foreign aid and growth at the individual country level. On the contrary, their research on foreign aid in Kenya from 1964 to 2002 indicated a negative relationship between foreign aid and growth.

Loxey and Sackey (2008) further investigated the relationship between foreign aid and growth using a sample of 40 countries from the period 1973 to 2004, and their findings reveal that there is a positive and substantial relationship between aid and economic growth in Africa. Their findings also suggest that investment seems to be an important channel through which can influence growth. These studies show that research, which employs a large pool of African countries, provides a positive relationship between aid and economic growth; however, research which examines aid at an individual country level, indicates a negative relationship between aid and growth. William Easterly (2006) in his book, "The White Man's Burden: Why the West's efforts to aid the rest have done so much ill and so little good" provides a critical outlook on donors, to explain how foreign aid can negate growth. He asserts that donors often ignore the specification of aid to each country, contending that donors should consider aid policies according to each individual country known as a 'searchers approach'.

On the other hand, scholars such as Burnside and Dollar (2000) maintain that foreign aid could have a positive relationship with economic growth; however, this is influenced by other variables such as peace, stability, sound policies, solid institutions, and good governance in the recipient country. Moreover, their study reveals that bilateral aid has a strong positive correlation with government consumption; thus they recommend donors give aid based on robust economic policies in the recipient country in order for the aid to produce the desired outcome. However, in post-conflict situations, this may prove to be difficult given the disintegration of law and order. Donors may circumvent this issue by placing conditionality's on the aid given to recipient countries or they can provide aid in proportion to the progress made in the recipient country in

terms of good governance and effective institutions. Burnside and Dollar (2002, 2004) generated an understanding about the significance of having sound policies and solid institutions for aid effectiveness. This is evident in the World Bank report (1998) that attributes the effect based on conditional factors. Furthermore, Balamone-Lutz and Mavrotas (2008) reiterate the importance of having efficient institutions for the purpose of effective aid.

When foreign aid is implemented properly, it provides an invaluable source of human security. As Addison (1998) states the success of aid depends upon the capacities and actions of national actors. However, in post-conflict countries, the communities are impoverished, the private sector is weak, and the state and its institution are fragile. Therefore, the success of foreign aid hinges on overcoming each one of these problems.

### **Foreign aid & Conditionality**

Burnside and Dollar (2000); Easterly (2004), assert that foreign aid's poor performance in generating economic growth is due to the fact that donors distribute aid based on political allegiances, global security, strategic concerns (such as the need for natural resources), or for historical colonial ties. Although foreign aid is masked by noble intentions, much of the literature on foreign aid questions the intentions and motivations of donors. For example, foreign aid is often used to strengthen diplomatic, industrial and commercial ties. Scholars such as Alesina, Dollar (2002) contend that foreign aid is often supplemented by the interests of donor countries. Polidano; Therein (2002); Lancaster (2008) expand on this notion, by stating that foreign aid is employed as a means to exert power and influence, thus upholding the status quo and North-

South relationship. Carother and Ottaway (2004) assert that foreign aid provided by the United States is intended to stabilize and promote recovery in fragile states, as well as to promote US interests.

Many donors use foreign aid as a 'carrot and stick', meaning as a means of reinforcing certain conditions and as a means of rewarding and punishing recipients. During the 1980's and 1990's many African countries were going through political and economic reforms; consequently, donors began imposing conditions as an aid policy. The IMF initially used conditions on its loans to countries. During the debt crisis of the 1980's, the policy conditions included, capital, price, and trade liberalization (Bird, 1996). Many bilateral donors followed suit by placing similar conditions or asking recipients to follow the IMF or World Bank track (Dijkstra, 2002).

The main instrument and characteristic that donors use as a means to "buy" policy reform are varying forms of conditionality (Collier, 1997). The effectiveness of conditionality has generated so much debate among scholars. Fine, Lapavistas and Pincus (2001) contend that conditions are based on market-oriented policies, that while they promote development, they come at the expense of the poor. Trade liberalization and fiscal austerity measures are often imposed by donors as a condition that works in favor of multinational corporations (MNCs) that ultimately benefit a small group of the elite in recipient countries. As such, the practice of conditionality on the premises of promoting policy change for development and economic growth is often called into question.

Dollar and Svensson (2000) examine the World Bank's programs from 1980 to 1995 and discover that only two-thirds of the programs were completed. It is evident that the World Bank and the IMF have achieved little by attaching a large number of conditions to their adjustment programs and emergency loans. Dreher and Rupprecht (2007) find that IMF often reduces incentives for reforms. Heckleman and Knack (2008) reaffirm this claim; further highlighting that overall aid reduces the incentives for reform. Often these programs fail for several reasons, recipient countries often fail to uphold their end of the bargain after receiving aid and the 'ex-ante' threats by donors, or the threat that they will not deliver aid unless reforms are made, are hardly resolute. Kenya best exemplifies the failures of traditional conditionality because the country was able to outmaneuver donors, such as the World Bank, by agreeing to agricultural reforms on four occasions and then backtracked after receiving aid (Collier 1997). Kibly (2009) uncovers that the U.S. often prevents the World Bank from imposing stringent conditions on countries which it deems as having friendly relations. Similarly, Stone (2002, 2004) finds that often the punishment for noncompliance with IMF is weaker or non-existent for countries considered to be U.S. allies.

Collier (1997); Mosely (1991) assert that the use of conditionalities are not the problem per se, but the lack of donor's credibility, in that donors have failed to punish and reward recipients. Consequently, recipients do not have strong incentives to implement policy reforms. Collier (1997) contends that donors need to use a different approach towards conditionality; an approach that implies greater selectivity concerning recipient countries. Collier (1997) called for a fundamental change in donor behavior, stating that aid allocation should be based on performance appraisals rather than the promises of reform or conditions. In accordance with



Collier's view, Svensson (2003) also presents a theoretical model for rewarding good performance by granting more aid 'ex-post,' referring to conditions after a country turned to the IMF. Svensson, claims that by adopting a reward performance model, recipient countries will compete to receive aid, and thus, improve the effectiveness of the use of aid overall.

In 1996, an annual report produced by the development assistance committee of the OECD (DAC) introduced the concept of "ownership," to which the report's main message was "more ownership" less donorship (OECD 1996). The concept is based on recognizing the need for recipient countries to "own its country development" in order to achieve substantial changes to their development. Today the slogan has changed to "partnership" which is highlighted as the main strategy for DAC countries. Critics such as Kayizzi Mugerwa (1998) assert that the change from "conditionality" to "partnership" is merely a rhetorical shift, and in fact, the use of partnership has translated to even stricter conditions than before.

In their findings, Bourguignon & Sundberg (2007); Dollar & Levin (2006) discover that donors are becoming increasingly selective in providing aid to recipient countries. Hopkins (2000) explains that the selectiveness of donors can be attributed to "donor fatigue." Donor fatigue is often caused by the disappointment of the efficiency and the performance of aid in recipient countries. Burnell (1997), on the contrary, asserts that donors experience fatigue when donor countries experience economic difficulties. Nevertheless, Burnside and Dollar (2000); Koeberle (2003); Morrisey (2004) contend that while foreign aid is intended to reform policy, in reality, it has little or no impact on policy reform. Scholars such as Burnside and Dollar (2000) argue that rather than placing conditions in terms of policy reforms, donors should disburse aid to recipient

countries that have already shown progress reforms. Collier (1997) advocates for disbursing in terms of performance in areas such as poverty reduction and economic growth. The debate on the effectiveness of conditionality has fueled another debate concerning aid and governance.

### **Foreign aid and Governance**

Many African countries are beset with weak institutions, high levels of corruption and absence of rules, laws and accountability. Despite having poor governance many African countries continue to receive large amounts of aid. The World Bank recognizes that "underlying the litany of Africa's development problem is a crisis of governance" (World Bank, 1989). The Group of Eight (G8) countries at the 2005 summit agreed on increasing foreign aid to Africa from \$25 billion to 50 billion (Stevenson, 2005). Alesina and Weder (2002) concluded that there is a correlation between aid and corruption, finding that increases in aid also induces corruption. Knack (2001) also supports this notion by providing cross-country evidence that an increase in aid erodes the quality of governance. Schudel (2008) asserts that often donors disregard corruption in recipient countries, and instead they are interested in securing strategic interests at the expense of poverty reduction and economic growth.

On the other hand, Carlsson, Somolekae, and Walle (1997) contend that high levels of aid can potentially improve governance when countries have good macroeconomic policies and clear development agendas. They point out that Botswana demonstrates an African country where aid was utilized to improve the quality of civil services and strengthen institutions. In a country with weak institutions, the impact of aid can further dwindle the states capacity and existing institutions. Knack and Brautigam (2004) find that in Ghana for 44 weeks a year, government

officials were preoccupied with facilitating, supervising and participating in donor programs that resulted in neglecting their own ministries and duties. Most donor projects require locally trained staff, and in many African countries this requirement is scarce. Consequently, donors bid for staff from the government or private sector. For instance, a donor agricultural project in Kenya paid \$3000 to \$6000 to the local economist they hired from civil service, who typically earned \$250 monthly in government (World Bank, 1998). This process is often referred to as "poaching", a process that weakens institutions by creating resentment amongst those left behind leaving the remaining local community without technical expertise to learn from the experience. In addition, aid projects often import equipment and the consumer goods for their staff, and often avoid paying import duties or local income taxes. Consequently, aid projects reduce tax revenues, which in turn contribute to low revenues and fiscal deficits. Remmer (2004) asserts that aid can induce corruption, increase government spending and reduce taxes.

State capacity and institutions are relatively weak in African countries; this can be caused by several factors. After independence many African countries were not prepared to govern; where the remnants of colonial rule fueled and exacerbated ethnic tensions, the newly formed independent countries were left to face numerous problems. Moreover, more than half of the countries in Sub-Sahara experienced civil war and political instability in the post-independence era (Collier, 1995). Political instability and poor leadership are a continual problem in Africa, contributing to an increase aid dependency. During periods of instability, domestic revenues are disrupted, while investment, trade, and production tend to decline. As a result these countries tend to heavily rely on aid. In their research Knack and Brautigam (2004) find that economic decline and political instability have a negative impact on governance, leading to aid

dependency. In the early days of post-independence, a number of African countries were facing balance of payment problems; borrowing from the IMF to sustain their economies. The African economic crisis exacerbated during the late 1970's and 1980's; for instance, in countries like Sierra Leone, government offices were often empty, government staff were unpaid, and as a result, many staffers resorted to working as street vendors, selling cigarettes or retreating to rural farms to feed their families (Knack and Brautigam, 2004).

Large amounts of aid can also reduce the incentives for political reform or accountability. Often rentier states do not face the pressure to improve accountability and state capacity due to the fact that the revenues of the state are not raised through taxes from its citizens or businesses; therefore, the state has no obligation or incentive to be held accountable. Consequently, citizens are unaware of domestic budgets or the loan obligations undertaken by their government (Knack and Brautigam, 2004). Between 1996 and 1997, the government of Tanzania did not include donor financing, which accounted for more than 30 percent of the government's expenditure (World Bank, 1998). This exemplifies a case where aid dependence structures weaken accountability, which is an important part of governance.

Aid can affect governance in various ways; on the one hand, it can help improve governance if it is channeled to governments that exemplify good governance with strong institutions, on the other, aid can weaken institutions and erode the state capacity. Drawing from various studies good governance is important in increasing the effectiveness and impact of aid in developing countries. In recent times, donor countries have started shifting their aid allocation dynamic; for instance, the Netherlands cut down the number of aid recipients from 80 to 20, now focusing aid

selectivity based on a reward performance model and uses budgetary support and pooling funds targeting specific sectors such as health. The United Kingdom Department of International Development also committed to ending the practice of requiring aid recipient countries to purchase goods and services from Britain. They also began adopting a new aid program in 2002, the Millennium Challenge Account, which rewards recipients with good track records (Herfkens, 1999). Donors are realizing that there is a lot of need in terms of curbing corruption in recipient countries and making sure that aid is not misused, yet more can be done to increase accountability.

Studies on the effectiveness of aid indicate that countries with good governance, sound policies, and macroeconomic management tend to do better in terms of economic growth and development. Pritchett (2012) defines economic development as a collective historical process in which economies grow through enhanced productivity, prevailing the political systems, in which citizen preferences are represented and all social groups are given rights and opportunities according to meritocratic standards and professional norms. According to Pritchett, economic development is built upon the nation's capacity to administer its economy, society, institutions, and the role and functional capacity of the state are central to economic development. The state must manage state-society relations and strengthen its capabilities to improve the production and market system. A number of scholars maintain that aid is only beneficial when countries have good institutions and policies (Burnside & Dollar 2000). Nevertheless, policies and institutions are influenced by many factors, including foreign aid. When aid is appropriated in the proper manner it can help build solid institutions and improve the states' overall economic performance.

Thus, donors should provide incentives for good governance, rather than reward those with bad governance.

### **Foreign aid & Education**

In a fully globalized world, education plays a vital role in the socio-economic development of a country, by increasing productivity through an educated, skilled workforce, thus maintaining a competitive edge in the global economy. Accordingly, for the past decade donor agencies have designated large sums of aid to the education sector. The total amount of aid designated to education from 1995 to 2010 increased by 360 percent from \$2.9 billion to \$13.3 billion (Ridell, 2012). A report by the Education for All Global Monitoring concludes that 52 million more children worldwide are attending primary school between 1999 and 2008; furthermore, there has been a significant reduction in the number of children out of school. (UNESCO, 2011).

Williamson (2008) asserts that aid is positively correlated to human development. Clements, Baldacci and Gupta (2005) examine the impact that foreign aid has on school enrollment by utilizing data from 118 developing countries in their findings; as a result they uncover a positive correlation between aid and school enrollment. Drehrer, Nunenkump, and Thiele (2006) reaffirm this notion by concluding that aid can significantly increase the rate of completing primary school. Substantial research also indicates that the attainment of education can significantly impact poverty reduction, economic growth and equal income distribution and improving the social environment in societies. Pscharopoulous (1985) assessed 61 countries and found that the returns on education are higher than returns on investment in physical capital.

Other the other hand scholars such as McGillivray and Torres (2006) imply that there is insignificant evidence to test the impact of foreign aid on education. To further understand the impact of foreign aid we must examine the different methods that aid is channeled in the education sector. Aid is channeled in the education sector through various methods such as curriculum development, school feeding programs, teacher training programs, infrastructure, and scholarships.

Michaelowa & Weber (2006) analyze data from UNESCO Institute of statistic; their findings indicate that in fact there is a negative correlation between aid and education particularly in countries with extremely oppressive regimes. Furthermore, their analysis reveals that government expenditures have no impact on educational outcomes. Pritchett (1996) finds that an increase in the quantity of aid could hinder the quality of education. Glewwe and Kremmer (2005) assert that policy changes attached to foreign aid in regards to education have little or no impact on the quality of education and in some instances, policy changes have negative outcomes, therefore development programs should focus on initiating a policy that promotes and stimulates positive changes rather than having regressive policies. In the past donor agencies did not provide funding for teachers or administrators, perceiving this as a national responsibility instead. The European Commission review, which encompasses lessons learned in the past from its support to education in developing countries reveals that donor agencies should divide their work to avoid overcrowding in certain aspects of the education sector, such as teaching and training. The review also uncovers that in 1995 less than 1 percent of aid to education was designated to post-secondary education; however, by 2010, 40 percent of aid was allocated to post-secondary education. This signifies a change in donor's perspective on education; donors

are now more aware of the benefits completing post-secondary rather than only achieving a universal primary education.

In rural Cambodia, conditional cash transfer given to poor female students helped increase the level of female attendance (Ferreira, 2009). Despite the increase in attendance, an 18-month evaluation reveals that there was no improvement in their math and vocabulary skills. This exemplifies the need to re-examine the impact of aid on education, which also illustrates the necessity of a shift from solely focusing on school attendance to the quality of education.

Barrera Osorio (2008), examines a scholarship program in Colombia which presents a more successful picture of conditional cash transfers; they provide funds only to those students who enroll in high school. The program succeeded in increasing attendance rates, pass rates and graduation. Kremer and Miguel (2004) examine the impact of a school-based deworming program in Kenya finding that the program reduced absenteeism and increased attendance. Moreover, they find that the deworming program was a cheap alternative to boosting school attendance. However, despite the increase in attendance, no evidence was found indicating an improvement in academic scores. Muralidharan and Sundararaman (2011) investigate the performance of teachers in India finding that when teachers were given bonuses there was a positive impact on test scores and children performances in school. Different cases illustrate the positive and negative impact of aid on education. Foreign aid has made positive contributions to aid recipient countries in terms of increasing education enrollment, however, there is a significant gap in what aid can potentially achieve in terms of improving the quality of education in aid recipient countries.



Most of the studies on education and foreign aid reveal that although foreign aid has contributed to an increase in school enrollment, it has been proven difficult to quantify the impact of foreign aid, partially due to the fact that many of the studies on foreign aid and education focus on enrollment and attainment of education rather than the quality of education. Nevertheless, the negative outcomes of aid in the education sector could be associated to the failure of donor agencies in monitoring and evaluating educational aid, relying on governments to appropriate aid to education and an overcrowding of educational projects that take into account one aspect of education, such as the attainment of primary education. Furthermore, Riddell (2012) asserts that the aid given to education should be systematic and long-term and should be coordinated and managed at a national level. Donors must also look at each educational project at an individual country level, which in turn can help yield better results. It is evident that increasing the number of children in schools is merely not enough to change the socio-economic dynamics in a developing country, donors must invest more on changing the quality of education in order to have a lasting impact.

### **Foreign aid & Post-conflict Reconstruction**

The use of the prefix "re" in reconstruction, implies that an entity has collapsed or is no longer in existence, hence reconstruction involves rebuilding the entity to its original state. Post-conflict reconstruction is intended to ensure peace and security and the attainment of sustainable socio-economic development. The recovery process in post-conflict countries is a continuum ongoing process of peacebuilding. Countries move through different phases that include, signing peace agreements; easing the tensions between different factions; demobilization; disarmament;

reintegration; the return of refugees and internally displaced persons; initiating reconciliation and societal integration; building of state institutions; and the initiation of economic recovery.

According to the OECD (2014) half of the twenty-eight sub-Saharan African countries are classified fragile states in addition to being post-conflict countries. Fragile states are states that are high risk of failing or have failed, often the governmental structure are overwhelmed by circumstances and the state possess a set of negative qualities such as fragmentation, insecurity, no political legitimacy. Other negative qualities include when the state is deeply conflicted and dangerous; when the state is contested by warring factions; the state possess a security threat to global security; states that provide a stronghold for terrorists, drugs, arm dealers; and when the state is unable to meet its citizens basic needs and expectations. The concept of fragile state is important in understanding post-conflict reconstruction, the external intervention by other states and organizations.

Fukuyama (2006) contends that reconstruction requires instant external intervention to ensure the stability of the state and to prevent the outbreak of conflict, to rebuild infrastructure, and deal with humanitarian issues. Many scholars, such as Fukuyama believe that post-conflict reconstruction must have sequencing, security and order as prerequisites to democracy and development. According to Fukumaya, the building of solid, strong institutions is essential for development to flourish. A handful of economist have determined that some of the most crucial variables affecting development are not economic but institutional and political in nature (Fukuyama 2004). According to USAID (2005) reconstruction must follow the sequence (1) the achievement of security (2) the stabilization of government and services and commerce, so that citizens could resume their lives (3) rebuilding institutions of government and the economy.

Collier and Hoeffler contend that aid reduces the risk of repeat conflict by raising growth rate. They believe that aid will facilitate higher levels of income which in turn will reduce the risk of conflict. While development does significantly reduce the risk of repeat conflict, aid does not necessarily guarantee the recurrence of conflict. The issue of aid in post-conflict reconstruction is a complex one; the management of the aid is contingent on both the donors and receipt, hence foreign aid does not automatically equate to peace and stability. The success of economic development in post-conflict hinges on the success of establishing resilient institutions and creating an environment for durable peace and social cohesion. Consequently, the consolidation of peace and economic development are interdependent.

In many post-conflict countries, there are many constraints to the way aid is delivered; therefore, it is in the donor's interest to invest in strengthening the capacity of the state and the state's institutions in order to maximize the effectiveness of aid. Most post-conflict countries are vulnerable to political instability and weak institutions; therefore, they become a breeding ground for terrorist organizations. In this manner, foreign aid can help post-conflict countries in consolidating the state's capacity which in turn can help advance global security.

The subsequent chapter will provide background information on each case study. It will provide the reader with an understanding of the historical context of the genocide in Rwanda and the civil war in Sierra Leone capturing the root causes of each conflict.

### **Chapter 3: Historical Background**

#### **Rwanda**

Rwanda is a small landlocked country situated in the heart of Africa, with a population of approximately 11 million. The country's history is often characterized by its violent past.

During the First World War, Germany lost possession of Rwanda and the territory was placed under the Belgian administration. In 1916, the Belgian colonialists played a significant role in establishing a divide between two main ethnic groups, the Hutus, and Tutsis. In the early 1990's the population was comprised of three ethnic groups: the Hutus which were roughly 85 percent of the population, followed by the Tutsis who comprised 14 percent and the Twa at 1 percent.

The colonial power ruled indirectly by favoring the minority Tutsis ethnic group over the dominant Hutu ethnic group creating a legacy of ethnic tension that would engulf the country into endless years of ethnic violence. The Belgians considered the Tutsis to be superior to the Hutus. Consequently, the Tutsis were given preference for placement in secondary schools, government, and the priesthood. The colonialist also issued identity cards classifying people according to their ethnicity, these identification cards would play a key role in the massacre that occurred in the country in the preceding years. The Hutu's gradually built up resentment against the Tutsis and in 1959, a series of riots ensued leaving 20,000 people from the Tutsi minority group dead (BBC 2011).

In 1962 the country gained its independence, the Belgians relinquished power to the Hutus. In the decades that followed, ethnically motivated violence continued; the Tutsi were often were

perceived as scapegoats for every crisis in the country. In 1973, a moderate president from the Hutu ethnic group was placed into power. For the next two decades, he ruled the country and in the 1990s, rebels from the Rwandan Patriotic Front (RPF) which is composed of Tutsis residing in neighboring Uganda invaded the country. A ceasefire between the rebel opposition RPF and the Hutu dominated government led to the peace agreement in Arusha, Tanzania in 1993; the power-sharing agreement enraged many extremists from the Hutu ethnic group.

Soon after the peace agreement, on April 6, 1994, a plane carrying the president of Rwanda along with the President of Burundi was shot down. It has never been determined who the culprits of the crime were; however, the Hutus were quick to point fingers at the leaders of the RPF. The death of the President was the nail on the coffin, within hours from the plane crash; instantaneously an organized campaign of violence took place. The presidential guard along with members of the armed forces and Hutu militias set up roadblocks and barricades and began slaughtering the Tutsi minority and moderates from their own Hutu ethnic group without impunity. The extremist from Hutu ethnic group eliminated the moderate leadership within a day, they believed that the only way to cling on to power was by wiping out the minority Tutsi ethnic group. The political vacuum enabled the Hutu ethnic group to take control of the country. Over the course of 100 days, 800,000 people were killed, organized gangs of government soldiers and militias slaughtered people using machetes and churches in places where people took refuge and were bombed. Any person suspected of having ties to the Tutsi was killed. Radio stations called upon citizens to kill their neighbors; detailed lists of the names, addresses and sometimes license plates were announced on the radio. Hate speech on the radio encouraged people to take the streets and join the killing campaign. Those who participated were often given

incentives, such as money or food, and some were told they could seize the land of the person they killed. The mass killings quickly spread from the capital to the rest of the country. The bodies of the Tutsi's were thrown into rivers with their killers claiming that they were being sent back to Ethiopia. The minority ethnic group bared resemblance to Ethiopians, they are taller and thinner than the ethnic majority group despite their distinct features both the Hutus and Tutsis spoke the same language and inhabited the same areas and followed the same traditions.

The extermination campaign continued until the Hutus began facing resistance from the minority rebel group (RPF); the violence grew more severe and civil war raged alongside the genocide. The minority rebel group made gains both on the battlefield and in negotiations, and by early July of 1994, they had control of the country. The government collapsed and the Tutsi rebel group declared a ceasefire; consequently, an estimated two million Hutus fled to the Democratic Republic of Congo in fear of retaliation.

The RPF established a multi-ethnic coalition government, which was set up with a president from the ethnic Hutu majority, Pasteur Bizimungu and Tutsi vice president Mr. Paul Kagame the former leader of the RPF. The president and vice president had a falling out, the President was jailed for inciting ethnic violence, Paul Kagame took over as president and has been president ever since. Rwanda is currently one of the fastest growing economies in Africa and its road to reconstruction has been remarkable.

## **Background on Sierra Leone**

Sierra Leone, situated on the west coast of Africa, is known for its beautiful white sand beaches and its history of being the departure point for thousands of slaves during the transatlantic slave trade. Sierra Leone is beset by civil conflict. Its capital city Freetown was founded by freed slaves who were brought back by the British navy in 1787 (Gberie 2006). The country's contemporary history tells a story of violence, brutality, and unspeakable atrocities.

The conflict in Sierra Leone, as with most conflicts in Africa, can be traced back to its colonial legacy. Shortly, after Sierra Leone gained its independence from the British in 1961, the country grappled with many challenges (Gberie 2006). The British colonial administration favored a minority ethnic group called the Krio over the other ethnic groups, creating an environment of hostilities. Ethnic grievances continued post-independence and were intensified by politicians inciting ethnic difference in order to suit their political motives. The ethnic strife, along with other factors such as poor governance, mismanagement of resources, and marginalization paved the way for state collapse in 1991 (Gberie 2006).

After independence, a succession of leaders ruled the country from Sir Milton Margai who attempted to develop the country in the 1960's to Siaka Stevens whose policies and mismanagement damaged the country's institutions and weaken the state system defining the preconditions of war (Gberie 2006). Nevertheless, it was under Joseph Momoh ineffective leadership in which the country descended into war in 1991. As a consequence of mismanaging the state and the role of traditional chieftaincy many of the youth felt marginalized without

access to education or employment, these economic and political grievances acted as a driving force in the conflict.

It was under the colonial British administration where indirect rule granted chieftaincy a lifetime of inheritable positions, fuelling discontent among the population. The favoritism given to the chief's afforded them economic privilege over the rest of the population, they had access and control of economic resources and exerted their stringent authority over the local population by enforcing customary rights (Keen 2003; Denov 2010; Peters 2011).

The discriminatory practices by the colonial authority as well as the power granted to the local chiefs created a fragmented society; this subsequently resulted in the formation of the Revolutionary United Front (RUF), a rebel group backed by Liberian Charles Taylor. The birth of RUF sparked the beginning of Sierra Leone's civil war. The three founding leaders of the RUF, Foday Sankoh, Abu Kanu and Rashid Mansray received military training in Benghazi, Libya (Gberie 2006); they traveled between Liberia and Sierra Leone recruiting combatants and had close links to the National Patriotic Front of Liberia (NPFL).

In 1991, the RUF began to invade the eastern part of Sierra Leone, an area known for mineral wealth, and in particular, diamonds. The conflict in Sierra Leone is often recognized for the trade of illicit diamonds, known as "blood diamonds," and these diamonds became a motivating and driving factor in funding and perpetuating the war (BBC 2016). The RUF were motivated by greed, power, and control. The RUF received military individuals with military assistance from Charles Taylor where they attempted to capture the capital, Freetown, nearly destroying the



entire city and killing thousands of civilians. In 1999, six months after the RUF capture Freetown, a peace agreement was signed in Lome, Togo. The agreement stipulated amnesty and offered government positions to the RUF leaders. In the course of the peace agreement, the United Nations deployed 17,500 peacekeepers and 400 civilian police to Sierra Leone (UNAMSIL). In spite of the agreement and the presence of UN peacekeepers, the RUF continued their military campaign and abducted hundreds of UN troops.

The war finally came to an end in 2002, with the help of British troops, who assisted UNAMSIL in disarming 45,000 fighters and helped the government regain areas controlled by RUF. The beginning of 2002 marked the end of Sierra Leone's decade-long civil war. In 2004, the first local elections in more than three decades took place, along with trials of war crimes committed by both sides during the fighting.

Today Sierra Leone is hailed as a success story in peacebuilding and in consolidating democracy and good governance. This is evident in the peaceful transition from one democratically elected government to another. However, the country faces many challenges, Sierra Leone still ranks low in the human development category, approximately 60 percent of the population lives below the national poverty line (UNDP 2016). The country's most recent episode of the Ebola virus has hindered the country's economic growth. In 2014, prior to the outbreak, the economy was growing at rapid, and by 2013 it peaked at 20.7 percent.

## **CHAPTER 4**

### **The Rebirth of a Nation**

#### **Vision 2020**

Like the proverbial phoenix that rose from its ashes, twenty-four years after one of the worst genocides known to man, the small country of Rwanda has embraced a new model of development with dramatic economic growth (Tumebaze, 2016). Over the past 15 years, the economy of Rwanda has quintupled from \$ 1.3 billion to \$ 8.3 billion per year (World Bank, 2015). The densely populated, landlocked nation has grown by an average of 8 percent a year since 2000 with an estimation from the World Bank that Rwanda's annual growth will be at a steady 7 percent in the next coming years, thus defying expectations. An estimated two-thirds of GDP comes from global trade, and more than one million people have moved out of poverty; in addition the overall per capita income has tripled, internet access has grown significantly, infant mortality rates have been reduced by two-thirds and the country has nearly achieved universal access to primary and secondary education.

Rwanda's President, Paul Kagame is widely accredited for transforming the country that was once divided and plagued by tragedy into one of the fastest growing economies in the world. Rwanda's economic growth is attributed to the government's developmental program, "Vision 2020", where its main objective is to transform Rwanda from an agricultural subsistence-based economy into a knowledge-based middle-income economy, through initiatives that reduce poverty, promote good governance, attain skilled human capital, in addition to promoting good education, health, and information technology, as well as providing a vibrant private sector. The program is facilitated by a regulatory environment that supports business and entrepreneurship,

and thanks to the World Bank Doing Business report 2018, Rwanda is ranked second to Mauritius as the easiest country to operate a business in Africa.

Since the launch of Rwanda's 2020 program in 2000, President Kagame's strategy of fostering a favorable business environment has lured investors to Rwanda with his mantra: you are not only making a difference but you will also be making a profit (Chu & Chu, 2009). Today Costco, America's second largest retailer in the world, is one of Rwanda's biggest investors. Costco buys coffee beans from Rwanda at an estimated 25% the second largest coffee investor being Starbucks (Chu & Chu, 2009). President Kagame has also made appearances at Google and is recruiting more influential friends to come and invest in Rwanda. In the late 1990's, Kagame began actively pursuing methods to achieve a national developmental project and he sought the advice of experts from emerging economies, such as Singapore, Thailand, and China sending fact-finding missions following a series of consultations soon after the government launched "Vision 2020". Inspired by Singapore's model of development the government of Rwanda began pursuing an ambitious plan to transform the country into a regional high-tech center — or a "Singapore of Africa" (United Nations Africa Renewal 2016). The plan included introducing fiber optic cables placed under water, which replaced the use of slow expensive satellite connection; ultimately providing fast Internet service for a large segment of the population. ("Xinhua 2017.)

In order to track the progress of “Vision 2020”, the government has initiated a medium-term strategy called, *the second Economic Development and Poverty Reduction Strategy (EDPRS 2)*. The EDPRS 2, is comprised of several goals including: rural development; productivity and youth employment; economic transformation, and accountability. The overarching objective of the strategy is to ensure economic growth and to reduce poverty. The EDPRS has specific goals, such as alleviating poverty by 30 percent and raising the GDP per capita to \$1000.

According to a thorough assessment done by the Jonkoping International Business School (JIBS) in Sweden, Rwanda is well underway in achieving its “Vision 2020”. The study looks at indicators, such as good governance, human resource development, infrastructure development, information and technology, gender equality, the private sector, and knowledge-based economy. According to the report the government has made remarkable progress since the initiation of “Vision 2020”. In terms of economic growth, the report reaffirms the World Bank's Doing Business Report (2015) which indicates that Rwanda is among the leading African economies, in regard to global competitiveness and structural reform. Furthermore, the World Economic Forum's report 2015 ranks Rwanda number 7 for having one of the most efficient governments in the world (GCI, 2015). The government has created, 1,704,000 million jobs outside of the agricultural sector, which in turn help reduce the poverty gap. In 2000, at the start of the project, the literacy rate was at 42 percent and increased to 72 percent by 2016. The population increased from 8.3 million in 2000 to approximately 11.9 million in 2016. This increase could be credited to the improvements in social and healthcare services, and increase in life expectancy from 49 years in 2000 to 66 years in 2016. These indicators show a significant improvement in Rwanda's initiative of economic reform and poverty reduction, and yet the country still has two

years to complete its goal for 2020. Despite these promising achievements, Rwanda still faces challenges; the population density and demographics paint a picture of land scarcity and risks of high levels of unemployment all while the country is still heavily dependent on foreign aid.

Only two decades ago, farmers in Rwanda were required to devote at least a quarter of their land to growing coffee. The industry was tightly regulated by the government, which controlled important aspects of the coffee trade, often purchasing the coffee at prices below the market despite making substantial returns from their export. Farmers were also required to pay exports and implicit taxes. Consequently, farmers had little incentive to invest in the production of high-quality coffee and for decades production was limited to a small low-quality volume. The liberalization of the agricultural sector has propelled economic growth on one hand, by the means of exporting coffee and tea. The country's coffee sector best exemplifies the liberalization of the economy; however, in the context of the critiques of neoliberal policies, the increase in income only provides an increase to a small segment of the population; the majority of Rwanda's farmers are not reaping the benefits from the returns of exporting coffee and tea while the majority of the population engaged in the agricultural lives in poverty. The dominant industrialized countries such as the US buy goods from Rwanda at prices below the cost involved in producing, thus farmers are only paid a fraction of the value of the work they performed. The liberalization of trade demonstrates the inequality in global economic system that adversely impacts the poor and further aggravates the inequality. Trade liberalization also floods the markets with cheap imports while local producers are priced out of the market; and although the exports increase due to trade liberalization, the overall local producers are selling less than they were before trade liberalization. The structure of neoliberal policies enforced by

World Bank and IMF work in favor of foreign investors and compromise small local producers who, in turn, impair the country's development.

The government of Rwanda recognizes that the agricultural sector will not sustain the growing population; hence the government embarked efforts in improving education and strengthening the information, communication, and technology (ICT) sector. Rwanda is often labeled as an 'aid darling,' in the aftermath of genocide, the country has been receiving tremendous amounts of aid to help assist in the reconstruction and development process. An estimated 30 to 40 percent of the government budget comes from aid (World Economic Forum, 2016). In 2013, Rwanda's economic growth fell to 4.7 percent, after donor's withheld aid, due to a UN report which accused Rwanda's government of backing rebels in the Democratic Republic of Congo (World Economic Forum, 2016). This illustrates the adverse effect that foreign aid can have on the economy. In an interview with Fast Company, President Kagame stated "No country can depend on development aid forever," highlighting that "such dependency dehumanizes us and robs us of our dignity" (Chu & Chu, 2009). Rwanda recognized the importance of becoming a self-reliant country, free of aid dependency, long before donors began to reduce aid. The government initiated a national dialogue in 2003, called the Umushyikirano, which brings together leaders and citizens to discuss, the challenges the country faces (Rwandapedia, 2018). The initiative was praised for holding the government more accountable and responsive to the needs of citizens. For example, during the fourteenth annual Umushyikirano held in 2016, President Kagame in his speech emphasized the need for the government to set a deadline to end aid dependency (Ngabonziza, 2016). Rwanda's economy has a long history of aid dependency in

fact, prior to the genocide, the country was highly dependent on aid, “the aid system is omnipresent in the country both physically and geographically” (Uvin, 1998).

### **Aid dependency**

In the immediate aftermath of the genocide, donors generously increased aid to Rwanda. According to Zorbas, Rwanda continues to secure aid, based on a phenomenon he calls ‘genocide guilt,’ explaining that aside from the international community’s guilt, other factors have contributed to the continuation of the inflow of large sums of aid (Zorbas, 2011). He identifies three main factors: 1) the government’s use of donor friendly language; 2) donor’s desire to present an African success story; and 3) support for the ruling party, ‘Rwanda’s Patriotic Front’ (RPF) particularly by bilateral donors such as the United States and the United Kingdom (Zorbas, 2011). To ensure Rwanda’s developmental success story many donors have sent foreign technical consultants to government ministries in Rwanda. Donors for two reasons hire consultants; on the one hand they ensure Rwanda is on track in regards to its developmental goals and on the other it works as a means of surveying the government to guarantee their conditions and policies that donors enforced are met. This also creates a new sort of dependency, a dependency of technical expertise and skills from donors (Thomas et al., 2011). Nevertheless, scholars such as Gready assert, that the government of Rwanda is able to maneuver and manipulate the international community, irrespective of the conditions tied with aid (Gready, 2010).

It is important to examine the type of aid that creates dependency, many donors are adopting the process of sending aid through direct cash transfers or budget support. Often the aid goes directly to the recipient country's central government's budget. In the case of Rwanda, the government uses the aid to finance core programs such as free education, in addition to covering recurring costs. Thus, when aid is delayed or withheld it can have a profound effect on the government's capacity to support expenditures (Purcell, Dom, Ahobamuteze, 2006). For instance, aid can allow recipient governments to live beyond their means and in essence, this creates poor decisions and bad fiscal behavior. Aid dependency can also have a negative impact on public investment and taxation. For instance, when aid is given in the form of grants; recipient countries often treat the grant as a substitute for taxation (Mabita & Ellenye, 2018). Recipient countries such as Rwanda have no incentive in taxing citizens, the tax base in Rwanda remains rather narrow, the government continues to forego taxes by exempting taxation and providing tax incentives. To better illustrate the lack of domestic tax revenue in 2010/2011, only 11 percent of enterprises were registered with the Rwanda Revenue Authority. Tax exemptions or tax incentives given to the private sector should at least benefit the economy by providing jobs to citizens and investing in developing the skills of employees. Furthermore, investment is dominated by a large aid-dependent sector and although export volumes are increasing, there is limited diversification of export commodities. Therefore, aid can only cure chronic problems temporarily, while exacerbating structural rooted problems caused by aid dependency. Therefore, though Rwanda's economy has been hailed for its steady growth, it is still vulnerable. For example, aid dependency can create 'political dependency,' where donors often intervene in the political process in a recipient country. In order to reduce aid dependency, the government must



increase domestic revenues and encourage public investment and diversify the economy, none of which can be accomplished with ‘political dependency’.

### **Politics & Foreign aid in Rwanda**

Governance is a crucial dimension in aid allocation; democratization, human rights, accountability, and transparency are key concerns for donors, today. However, during the Cold War era, donors disregarded governance as a dimension of disbursing foreign aid, instead, donors were more focused on utilizing foreign aid as a method of persuading countries into allegiances, while turning a blind eye to corruption and bad governance. This deficiency in aid disbursement reinvigorated and reinforced unprecedented levels of corruption in many African countries. Despite the appeal to promote responsible governance and democracy, the strategy of providing aid to repressive regimes in Africa has persisted. In countries, like Uganda, Cameroon, Ethiopia, for example, despite having authoritarian regimes and allegations of human rights violations, donors have supplied these countries with a steady inflow of aid. Yoweri Museveni has been presiding over Uganda for more than 32 years, Paul Bia of Cameroon has been in power for 28 years, the ruling party in Ethiopia, the Ethiopian People’s Revolutionary Democratic Front (EPRDF) has been ruling for 27 years; these different regimes have firmly entrenched power while suppressing freedom of expression and violating human rights, and yet donors still provide aid (“SPECIAL REPORT,” 2018). Similarly, the ruling party in Rwanda has been in power since, 1994, for 24 years the Rwandan Patriotic Front (RPF) has dominated the political sphere.

In the 1980's, the RPF was conceived as an insurgency movement in Uganda (Whitefield, 2008). Tutsi refugees were fleeing to neighboring Uganda, and over time they began mobilizing and forming what is now known as the RPF. After independence in 1962 ethnic tension between the Hutu and Tutsi's was exacerbated, a reversal in the colonial power structure led to a Hutu majority government (Whitefield, 2008). After independence, the Belgium's who colonized Rwanda also switched allegiances from the Tutsi to Hutu. From 1990 to 1994, a civil war broke out after the RPF invaded Rwanda. The country was in economic and political turmoil during the war, drought and the declining prices of tea and coffee further plunged Rwanda into mounting debt (Uvin, 1998). The government was under external pressure to end the war, to liberalize the economy and reform its political system. In 1993 the government and the RPF signed a peace agreement known as the Arusha accord, in Arusha, Tanzania. A coalition government was formed which included the RPF, though unfortunately, the peace in Rwanda was short lived after a plane carrying President Juvenal Habyariman was shot down in April 1994. This would spark the greatest orchestrated massacre known to man within 100 days, hundreds of thousands Tutsi's and Hutu moderates were killed (Whitefield, 2008). The international community had failed to intervene and prevent the genocide, by July 1994 the RPF gained control of the country.

The RPF victory marked the end of the war, however political instability continued, with militia's causing problems in the border of Rwanda and the Democratic Republic of Congo (DRC). Instability in the Great Lakes and Central Africa region remains a security and political concern for Rwanda. Rwanda's relationship with its neighbors continues to be strained particularly with Burundi and the DRC. The rift between Burundi and Rwanda began in April

2015, with a political crisis unfolding in Burundi, after President Nkurunziza announced that he would run for a third term. President Nkurunziza started accusing Rwanda of supporting rebels fighting against his government (Brooks, 2016). The tensions between the countries have hurt both economies, the breakdown of the movement of goods and people have directly impacted market prices causing an upsurge in local commodities. Small-scale traders, who are majority women have been particularly affected by the crisis since many women cross the border from Rwanda to Burundi to sell the agricultural commodities (Kalisa & Solanet 2017). There are currently more than 87,000 Burundians living in Rwanda, increasing the population density in Rwanda (UNHCR, 2017). Economic and political grievances between the two countries could lead to a regional conflict, fueling cross-border and ethnic violence. Foreign aid can act as means of diplomacy, to bring the two countries to reconcile their differences for the welfare of their citizens and region at large.

### **Post-conflict Governance**

Governance in post-genocide Rwanda revolves around the rise of the authoritarian single-party regime, the Rwandan Patriotic Front (RPF). The RPF has employed various methods to consolidate power, such as the elimination of the opposition parties; crafting legislation to outlaw critics; restricting civil societies and rigging the election (Filip, 2015). President Paul Kagame has been in office since 2000, Kagame has served in the government in different capacities, as the Vice President, and as the Defense Minister during the transitional government after the genocide. The year 2003 marked the first presidential elections held in Rwanda since 1994, and President Kagame swiftly won the elections with over 95 percent of the votes (Human Rights

Watch, 2017). In an astounding move in 2015, president Paul Kagame amended the constitution which would allow him to run for another seven-year term and stay in power until 2034 (Encyclopedia Briatannica, 2017).

Despite being hailed as the architect of Rwanda's development "miracle", President Kagame has been recently criticized for his repressive political tactics, having a punitive justice system, and supporting rebel movements in neighboring countries. The fact that President Kagame was a former military intelligence chief might explain the extensive interference in citizen's daily lives, acting as a mechanism to garner political support and to monitor political oppositions or ethnic tensions (Filip, 2015). On August 4, 2017, President Kagame overwhelmingly won the election with nearly a 99 % percent margin of victory. While international pundits have raised concerns over the election, referring to lack of opposition, the wrongful prosecutions, and media restrictions.

The case of Diane Shima Riwagra exemplifies the government's troubling political atmosphere. Ms. Riwagra would have been the first female presidential candidate; however, as an outspoken critic of Kagame, she became a target of an online smear campaign and shortly after the election was arrested for tax evasion (Uwiringiyimana, 2017). Throughout the years, political opponents, journalists, and critics have been prosecuted or have been threatened or killed in exile (Human Rights Watch, 2014). Human rights advocates have claimed that the government should be held accountable for the grave human rights violations in Rwanda. The government's initiative of social transformation of prohibiting the use of freedom of expression has resulted in

a technocratic security state, creating an atmosphere of interference and intimidation. These policies of silencing dissents have resulted in the weakening of civil societies.

Foreign aid can have a great impact on governance; it can either breed corruption and erode institutions, or strengthen the civil service and state capacity. In terms of corruption, Rwanda is ranked 48th out of 180th countries on the Transparency International's 2017 Corruption Perceptions Index ("Corruption Perceptions Index 2017 - Transparency International). Rwanda is among the least corrupt nations in the world due to the government's commitment and strong initiative to combat corruption. High level officials have been prosecuted in the past for the allegations of corruption, sending a clear message to the government and the public that it has a zero-tolerance policy when it comes to corruption. Rwanda has also ratified and signed several international conventions the OECD Convention on combating bribery, the African Union Anticorruption Convention ("Rwanda - 9.1-Corruption | export.gov," 2017).

In Africa, corruption is rampant and very visible. From the first point of entry into many African countries, immigration officers will greet with the expectation of bribery, sometimes withholding passport for hours with no justification, and though subtle, the problem still exists (Rwanda: A Star in Fighting Corruption, 2013). Yet this scenario does not apply to Rwanda, the government has succeeded in fighting corruption through Rwanda's office of Ombudsman, which oversees the prosecution of corruption cases, the mismanagement of government funds and citizen complaints (Rwanda: A Star in Fighting Corruption, 2013). The government has been able to formulate and implement its anti-corruption initiative through donor support and its National Anti- Corruption Advisory Council (Oyamada, 2017). The government initiated an

annual program in which different districts compete to work on anti-corruption and good governance, the districts with the best marks receive certificates and are recognized nationally (Rwanda: A Star in Fighting Corruption, 2013). Rwanda's government strategy of anti-corruption illustrates the efficiency of foreign aid when it is utilized to strengthen institutions.

### **The role of women in post- conflict reconstruction**

A World Bank report reveals that gender equality gaps still exist with nearly half of women's productive potential globally under-utilized or unutilized ("The World Bank," 2014). As the United Nations International Children's Emergency Fund (UNICEF) describes, "women perform 66 percent of the world's work and produce 50 percent of the food but they only earn 10 percent of the income and own 1 percent of the property" (UNICEF, 2011). Rwanda has made remarkable progress in gender equality. In the immediate aftermath of the genocide, approximately 60-70 percent of the adult population were women (Women's Commission, 1997). Since the women constituted the vast majority of the population they were vital to the reconstruction and economic development process. The repercussion of the civil war and genocide took a heavy toll on women and, consequently, women were thrust into the role of rebuilding the country. They were left as the heads of households, as economic providers and as major actors in society. The women formed local councils, headed judicial proceedings, cultivated the land and ascended through ranks of the government. Women produced up to 70 percent of the country's total agricultural output, the largest economic sector (UNICEF, 1997). Ironically, the genocide radically changed the gender balance in the country helping to

revolutionize gender ideologies. Today, gender equality is embedded in the country's new constitution.

Subsequently, the government made great strides in promoting gender equality, 64 percent of the parliamentary seats in Rwanda are held by women (World Economic Forum, 2016). As of January 2017, Rwanda has been ranked as the highest percentage of women appointed to government in the world (Eweniyi, 2018). In 2003 the government in Rwanda adopted a constitution that would allow women the right to inherit land, share assets of marriage and obtain credit (Rugege, 2015). Rwanda also ranks fifth in the Global Gender Gap Index 2016, after Iceland, Finland, Norway, Sweden. Thus, making Rwanda the best country in Africa where women have equal access to economic, health and educational opportunities.

Between 2012 and 2015, the Dutch Ministry of Foreign Affairs funded a project to help Rwandan women smallholder farmers; the project was implemented by ActionAid, a non-governmental organization (ActionAid, 2018). The Women's Sustainable Livelihood Project, helped reduce unpaid care work and increased women's access to resources, food in order to improve their livelihoods and their productivity. The lack of childcare centers in the southern province of Rwanda in the Gisagra District, prevented women from engaging in income-generating activities supported by the Women's Sustainable Livelihood project. Consequently, ActionAid helped open an early childhood center to enable women to have more to take part in productive farming and other income-generating activities (Institute of Development Studies, 2018). The ActionAid project demonstrates the efficiency of aid when it is utilized appropriately.

In spite of the immense progress made by the government of Rwanda, traditional patriarchal attitudes continue to prevail in rural areas and within the household. Such values as protection and inclusion have not translated to these rural areas where many women continue to face domestic violence and discrimination. In a recent report from the government's demographic and health survey 2014 to 2015, it indicated that over a third of women reported suffering physical violence in their life (The Rwanda Demographic and Health Survey, 2015). In recent years the Ministry of Gender and Family Promotion has been directing its attention on fighting gender-based violence and negative cultural attitudes toward women. Gender-based dualism linked to economic dualism remains to be a challenge for Rwanda. Women are still trapped in the subsistence sector. The majority of the population live in rural areas, in which women constitute the majority and are employed in the agricultural sector. Hence, the government has been actively working on developing the financial and business sectors, it seeks to transform the country from a low-income agriculture-based economy to a knowledge-based, service-oriented economy.

Many development schemes fail because they do not include women, yet there is overwhelming evidence that empowering women contributes to economic development. In this respect, Rwanda has been economically successful in part due to the integration of women in decision making positions. In accordance with the Sustainable Development Goals (SDGs) adopted in 2015, Rwanda is on its path to attaining sustainable goal number 5, which is to achieve gender equality and the empowerment of women and girls. The country exemplifies how empowerment is the first and most essential requirement of both planning and development (Boulding & Parker, 2005). In essence, Rwanda's model of women empowerment demonstrates, that we



should not think of women as mere victims or as passive recipients of development but as shapers of society. The government of Rwanda has been able to manage and coordinate aid to achieve development outcomes, which is indicative in the fight against corruption and the promotion of gender equality.

### **U.S. Relations & Aid**

Rwanda and the United States established relations in 1962 when Rwanda gained its independence (U.S. State Department, 2017). A few years after independence, the United States Agency for International Development (USAID) began working in Rwanda in 1964 (USAID, 2018). Today, the United States is the largest bilateral donor to Rwanda, providing aid to assist with food security, health, education, economic growth, and governance. During the late 1970's and 1980's USAID provided an average of approximately \$7 million per year where the aid helped address health, research and education projects.

By 1994 the U.S. cultivated stronger ties with Rwanda, helping the country to rebuild after the devastating genocide. In 1998 during a visit to Kigali, President Clinton expressed his remorse for not intervening more forcefully during the genocide, stating: "We must have global vigilance. And never again must we be shy in the face of the evidence" (Kelly, 2000). The genocide would mark a turning point in U.S. relations with Rwanda, as mentioned previously, the international community felt guilty for not having intervened in the phenomenon known as "genocide guilt." As Rwanda entered a transitional period of political and social stability, U.S. aid to Rwanda increased significantly over five years from 1994 to 1998 where USAID assistance amounted to

\$61 million. The programs varied from humanitarian assistance to reconstructing the physical infrastructure to integrating new technologies for agricultural productivity (USAID, 2018).

In the 2000's US assistance to Rwanda centered on post-conflict reconstruction, through capacity building, strengthening the justice and health systems and information and communications technologies in order to shape sustainable development. In 2003, USAID and the government of Rwanda partnered up to work on the objectives outlined in the country's "Vision 2020", consequently, aid has been considerably increasing. USAID only accounts for a portion of the aid sent to Rwanda where additional funding may be allocated through other agencies and through multilateral institutions with U.S. financial support. According to the OECD, Rwanda received \$188.6 million dollars in development aid in 2016 from the United States.

During the George W. Bush Administration, Rwanda received a sizable increase in aid, this was in accordance with the administration's efforts to increase funding for global health programs (Chow, 2018). The U.S. assistance to Rwanda is illustrated through various Presidential initiatives such as the President's Malaria Initiative, the President's Emergency Plan for AIDS Relief (PEPFAR), Power Africa, Feed the Future and Trade Africa (U.S. State Department, 2017). However, under the Obama administration, certain military aid was suspended to Rwanda, due to Rwanda's involvement in the Democratic Republic of Congo (DRC) and Burundi, although this move had limited impact on the total aid budget. The Obama administration criticized Rwanda for supporting the M23 rebel movement in the DRC and for

presumably destabilizing Burundi. President Kagame and Rwandan officials have strongly rejected these allegations.

Across different administrations, the support for Rwanda has been steady, although there has been a recent concern with Rwanda's domestic politics and human rights conditions; Rwanda still receives a significant amount of aid. With the new Trump administration, the tides may be turning, the administration criticized the 2017 electoral process, citing irregularities during the voting process. Furthermore, a recent report from the Center for Global development reveals that Africa will lose approximately three quarters of a billion dollars in aid (Konydy, 2017).

In June 2017, the Trump administration initiated a review of Rwanda's eligibility for continued duty-free access to U.S. markets under the African Growth Opportunities Act (AGOA). The review was in response to policies adopted by the East African Community (EAC), of which Rwanda is a member, where the policy would phase out and eventually ban U.S. imports of second hand clothes, known in the region as Cagua (MWAI, 2017). AGOA was signed into law by President Clinton; the agreement would allow African countries that demonstrate good governance and economic reforms access to U.S. markets. The agreement was renewed in 2015 and is set to expire 2025.

On March 29, 2018, President Trump announced that he would suspend duty-free benefits for Rwanda for 60 days. The announcement comes after Rwanda has refused to lower import barriers of second-hand clothes. The suspension is a warning for Rwanda, rather than a complete termination of duty-free benefits in which the Trump administration would like Rwanda to

reexamine and resolve the trade barriers. Uganda, Kenya, and Tanzania have yielded under pressure from the U.S. and have not implemented the phase-out plan of U.S. secondhand clothing imports (Dispatch, 2018). The impact of any change to Rwanda's AGOA eligibility will have a significant effect on trade relations for both countries. Data from the U.S. International trade commission shows that U.S. exports to Rwanda totaled \$73 million and U.S. imports from Rwanda \$25 million, \$2 million of which were under AGOA in 2016 (U.S. International Trade Commission, 2017).

Over next 3 years, the phase-out plan is predicted to deliver an estimated 25,655 jobs and increase to approximately \$43 million in exports and a decrease to about \$33 million in imports. The trade balance would provide Rwanda with an estimated \$73 million in savings (Mwai, 2018). Rwanda's Minister of Trade and Industry stated that Rwanda had sent a proposal to the United States that would accommodate both sides and that the country is open for dialogue (Mwai, 2018).

The U.S. and Rwanda have strong business ties; U.S. private investment is expanding in Rwanda. U.S. investment in Rwanda includes coffee, tea, mining, franchising, manufacturing, and banking (U.S. State Department, 2017). Rwanda imports aircraft, machinery, and medical equipment, agricultural and pharmaceutical products from the United States. Trump's decision to suspend Rwanda, AGOA, signifies his, "America First" propaganda and message to Africa to comply with the new aggressive trade agenda by the Trump administration. Although development aid is a fixture of U.S. foreign policy, the current political trends suggest that aid to Africa and to Rwanda will probably decline. From a geopolitical perspective, the US military

force augments the neoliberal doctrine. In other words, the US has a hidden hand in enforcing and ensuring the global free market economy is working (Springer, 2010).

Political stability, foreign assistance, and investor-friendly policies have contributed to Rwanda's economic growth. Nevertheless, the international community's perception of Rwanda is polarized, some believe that Rwanda represents an extraordinary post-conflict success story irrespective of Kagame's method of governance while others believe the repressive political environment undermines democracy and may eventually wither away the country's stability and economic growth. Critics have raised the questions about the justification of donor aid, claiming that the World Bank and IMF provide significant amounts aid on the foundation of presenting a success developmental story in Africa, to prove that their Structural Adjustment Programs and Poverty Reduction Strategy are promoting economic growth and are successfully working in Rwanda. Donor aid remains a vital source for Rwanda's development and economic initiatives, which is evident when donors reduced aid to Rwanda; the economic growth plunged from 8 percent to 4.6 percent in 2013. The government of Rwanda recognizes the importance of becoming a self-sufficient country and in 2016 the government introduced a "Made in Rwanda" policy in which the policy encourages the consumption of domestically produced goods, which would, in turn, reduce the country's trade deficit.

In conjunction with Rwanda's foreign aid investigation, the following chapter will investigate, the role of foreign aid in shaping Sierra Leone's post-conflict reconstruction. It will explore the economic, developmental and political challenges the country has faced, and provide insight on its relationship with largest bilateral donor, the UK.

## **Chapter 5: An Inconspicuous Exploitative Relationship**

### **Sierra Leone's Economy and Development Challenges**

Sierra Leone is one of the poorest countries in the world with more than half the population living on less than \$1.25, infant mortality and illiteracy rates among the highest in the world and only 10 percent of the population having access to electricity; yet the country is endowed with immense natural resource wealth (ActionAid, 2018). Sierra Leone has been characterized as a heavily aid-dependent country with minor economic growth due to political instability along with years of prolonged conflict. Historically, development aid has contributed to a large portion of Sierra Leone's gross domestic product, with a steady annual rate of 14.2% percent of the country's GDP between 1970 and 2007 (Stewart, 2012). As early as the 1960's Sierra Leone, began pursuing an open door policy with a promise of a fair return for country's investing in Sierra Leone's development. The year leading up to Sierra Leone's independence in 1961, an estimated \$4 million was given to Sierra Leone as development and welfare grants by Great Britain (Roberts, 1975). Foreign aid in the form of professional and technical assistance and scholarship were also provided by Sweden, Austria, France, Germany and the United States. Post-independence, between 1961 and 1971 Sierra Leone was able to secure approximately \$155 million in foreign aid (Roberts, 1975). Investor confidence increased and became further visible with countries like Israel and China contributing to community and leadership development projects. Furthermore, projects provided by the United Nations Development Program and the Catholic Relief Services have helped in the establishment of hospitals and providing access to

safe water and food. Foreign aid in the form of grants, loans, professional and technical support have helped Sierra Leone in its developmental pursuit.

In the early 1980's Sierra Leone's economic growth began to decline as a result of rampant corruption within the government; the country continued to grapple economically, by the beginning of the civil war in 1991 (Commonwealth, Secretariat, 2018). In 1995, the economy of Sierra Leone completely collapsed as a result of the spillover of Liberia's civil war. Political instability along with armed conflict have regrettably inhibited the country's economic growth. The anarchy that ensued due to the civil war resulted in the formation of a new economy; approximately 90 percent of the diamonds in Sierra Leone were exported illegally, and cash crops became part of the illicit trade (Commonwealth, Secretariat, 2018). Sierra Leone is endowed with lucrative natural resources; the main minerals often exported include diamonds, iron ore, titanium, and gold and the main cash crops exported include coffee, cocoa, and palm oil (Zayid, Jamal, et al, 2017). Agriculture is the backbone of Sierra Leone's economy accounting for 60 percent of the GDP, with nearly two-thirds of the population engaged in subsistence farming. Though, despite being one of the largest producers of diamonds in the world, Sierra Leone GDP has been fluctuating with lengthy periods of unimpressive economic growth.

The civil war along with poor governance, lawlessness and instability contributed to a continuous decline of the GDP from 1980 to 2000's. By the end of the civil war in 2002, the economy started to gradually expand. Between the years 2001 and 2003, the economy grew at a rate of 6 percent where many factors contributed to this growth including donors providing Sierra Leone with a significant amount of aid to help with the post-conflict reconstruction

process and the resumption of activities in mining, trade and agricultural (Commonwealth, Secretariat, 2018). Between the years 1971 and 2002, Sierra Leone received a total of \$3.48 billion in various forms of foreign aid (OECD). However, following the global economic recession, demand for Sierra Leone exports was affected between 2008 and 2009 where the GDP growth diminished to 3 percent (Commonwealth, Secretariat, 2018). By 2011 there was an extraordinary upsurge in Sierra Leone's economy with the discovery of iron ore that boosted the economy to an unprecedented growth rate of 21% from 2012 to 2013. The impressive double-digit growth rates were a result of the combination of government investments in infrastructure, iron ore production, activities in tourism and agricultural production. The economic growth with regards to iron ore production contributed to a shift in migration in which people started moving from rural areas to mining areas in search of employment.

Many economists describe Sierra Leone's economy as resilient, noting that at its peak it faced two major shocks, the outbreak of the Ebola virus and the decline of iron ore prices, both of which caused the economy to retract to a negative 21% (Zayid, Jamal, et al, 2017). Examining the fluctuating economy is essential to understanding the vulnerability of the economic and political institutions and development challenges that Sierra Leone faces. The country is reliant on very few commodities, and in fact has been characterized for its over-dependence on mineral resources where the government has been negligent in generating agricultural commodity, industrial and sustainable development. Sierra Leone can be labeled as a "rentier state", due to the exploitative reliance on the extraction of mineral resources. Sierra Leone's experience illustrates that a sole reliance on minerals can cause vulnerability due to the volatility of market prices.



Sierra Leone faces many challenges; within the past year alone, the country was hit by devastating mudslides in August 2017, leaving 3,000 people homeless, and approximately 1,000 dead (Reuters, 2017). The mudslide exerted more pressure on a country already recovering from the Ebola virus epidemic, and the government's response to the mudslides exposed its shortcomings. In November 2017, the government started shutting down emergency camps which housed hundreds of families awaiting permanent settlement, leaving them with nowhere to go (Inveen, 2017). The government promised to build 1,000 homes for victims of the natural disaster, yet none have received any news regarding their new homes. Nevertheless, UKAID, the World Food Program and UNICEF have stepped in to provide survivors with funds in addition to providing the government with financial support (Inveen, 2017). The government's failure and mismanagement of the crisis illustrates the corruption and inefficiency in governance and many survivors have taken their anger to the ballot box (News24, 2018).

Following the shock, the government and donors have joined together to address strategic interventions regarding the Post-Ebola Recovery Plan (PERP); interventions that align with the government's economic plan "Agenda for Prosperity" (A4P) (Zayid, Jamal, et al, 2017). The Agenda for Prosperity is a roadmap for achieving sustainable socio-economic development, which lays the foundation for transforming the country into a middle-income country by 2035 (African Economic Outlook, 2007). Furthermore, the government introduced austerity measures in response to the shocks; the 2017 budget highlighted the removal of fuel subsidies and the introduction of new taxes and tariffs on imported goods. The removal of fuel subsidies instantly increased the prices of fuel by 60% and caused inflation to rise by 15.26 %, which is above the

target stipulated by the IMF of 9.5% (African Economic Outlook, 2007). The exchange rate also depreciated by 20.4%, exerting more pressure on the already unstable economy. Although Sierra Leone is a member of the Mano River Union (MRU) and the Economic Community of West African States (ECOWAS), trading across the border has dramatically decreased as result of the Ebola virus (Zayid, Jamal, et al, 2017). Intra-regional trade can create employment opportunities, reduce the risks of spillover conflict and strengthen cross-border relations. However, Sierra Leone's government is moving towards a restrictive trade policy. The taxes on imports are expected to promote import substitution and stimulate economic diversification. The World Bank's "Doing Business report 2018" ranked Sierra Leone number 162 out of 190 in trading across borders and 160 out of 190 for ease of doing business (World Bank Group, 2017).

Sierra Leone's economy is projected to grow within the next few years with the discovery of oil. Approximately eighteen companies were given license to explore oil off the shore of Sierra Leone, the government reporting that they have found 'high-quality oil'. The majority of Sierra Leone's population is reliant on natural resources for their livelihoods. The intervals of economic growth in past did not contribute to economic gains in terms of poverty reduction; in fact, over half of the population live in poverty and nearly 45% of the households are food insecure ("Agenda for Prosperity," 2014). Sierra Leone continues to face high youth unemployment, mismanagement of natural resources and weak institutions. Urban poverty is also rising as the youth migrate from rural areas to urban centers in search for better job opportunities.

Thus the government of Sierra Leone must diversify the economy, invest in human development and strengthen institutions. The manufacturing sector has potential to generate more jobs, yet it is dominated by informal small and medium enterprises (SMEs), which often lack a skilled workforce. The growth of the manufacturing sector can transform the economy because in 2017 the government adopted measures to promote “the made in Sierra Leone” with hopes that such measures can enhance the economy (Zayid, Jamal, et al, 2017). Government offices have already started purchasing locally made furniture and serving refreshments made in Sierra Leone; this new policy is anticipated to drive the manufacturing sector.

The informal sector accounts for approximately 60% of the economy, and though it plays an integral role in providing a source of income for the poor, it also creates a low aggregate productivity (Hsieh and Klenow, 2008). Thus, the government of Sierra Leone must provide vocational training, quality education, and increase access to credit. The creation of formal jobs will increase productivity, improve the working conditions and provide social security for workers, which in turn will improve the economy. While numerous labor regulations exist, they remain poorly enforced due to the inadequacy of the legal and justice system (Zayid, Jamal, et al, 2017). Legal proceedings are subjected to corruption and interference by government officials, protection of property rights remains weak, and the mismanagement of public spending have resulted in weak institutions. Sierra Leone’s economy is fragile; it is still recovering from the Ebola epidemic, the decline of iron prices, and the recent mudslides, which have all derailed the country’s developmental efforts. The UN Human Development Index classifies Sierra Leone as one of the poorest countries in the world ranking 179 out of 188, the rank is also shared with Eritrea (UNDP, 2015). Sierra Leone’s economic disparities can be attributed to the

government's mismanagement and exploitation of resources and funds, its over-dependency on aid and the inefficiency of diversifying the economy.

### **Political Background**

Sierra Leone is hailed for its remarkable progress in its post-conflict transition and for consolidating peace and democracy following the brutal civil war between 1991 and 2002 (UNDP, 2018). Since independence in 1961, the country has experienced periods of democratic rule and autocratic rule, creating challenges in its political sphere with a series of military coups and instability. Sierra Leone has two dominant political parties the All People Congress (APC) and Sierra Leone's People's Party (SLPP). The ethnic and regional rivalry between the political parties intensified after independence and contributed to hostilities and violence. After independence, the two largest ethnic groups in the country, the Temnes and Mendes began scrambling for power which led to further hostilities (Davies 2003). The Temne ethnic group support the APC party which is perceived as the northern party, while the southern eastern party is considered the SLPP and receives its support from the Mende ethnic group.

Prior to independence the British introduced parliamentary institutions and Sierra Leone's People's Party (SLPP) became a protectorate party, with Sir Milton Margai governing the country. By 1961, Sierra Leone was an independent state within the Commonwealth with Margai as prime minister. As an independent state, Sierra Leone experienced economic progress with mineral resources providing significant revenue for development. In 1964, Sir Milton Margai died, and his brother, Sir Albert Margai succeeded him.

A general election, led by Siaka Stevens, was held in 1967 in which the opposition party, the Temme's All Peoples Congress (APC), won.. After Stevens had taken the oath, a military coup led by David Lansana, ousted, Stevens. This was short lived as the Lansana government was toppled by a military government, which created, the National Reformation Council (NRC) headed by Lieutenant Col. Andrew Juxon-Smith. The following year, in 1968, the army imprisoned their own officers, overthrew the NRC and restored the parliamentary government under the APC, with Stevens as prime minister. The subsequent years were marked by instability and unrest with the government imposing a state of emergency and imprisoning and executing political opponents (Zayid, Jamal, et al, 2017). Stevens and his government requested help from Guinea, and subsequently, Guinean troops were sent into Sierra Leone from 1971 to 1973 . Stevens and his cronies squandered the country's wealth, the iron ore was exhausted, and diamonds were smuggled illegally. Stevens' style of governance could be best described as patrimonial, a system of governance where politicians control power through a system of personal relationships where policies and favors are distributed in exchange for political support (Baland et al, 2010). The economic decline led to public protests and ethnic rivalry. In response Stevens introduced referendum, stipulating a one-party system, making the APC the only legal party. The one-party state introduced by Stevens eliminated political competition and the rampant corruption exemplified that of the authoritarian regime (Sesay,1995). Stevens ruled for seventeen years, he manipulated the system and restricted the political sphere and failed to develop the country, instead he focused on strengthening patron-client networks to support his unchallenged leadership and political party (Luke and Riley, 1989). Politics rather than

economic reforms were Stevens priority, and in 1985 Stevens retired and handpicked his successor, the head of the military, Joseph Saidu Momoh.

The All Peoples Congress Party (APC) governed the country from 1968 to 1992, proving to be problematic given that during parliamentary elections candidates from opposing parties were unable to stand for election (Davies, 2007). The denial of popular opposition, candidates in the election triggered violence. The centralization of government led to the marginalization of rural areas, which in turn resulted in high rate of youth unemployment (Maxted, 2003). The continuous repressive political situation in the country, the weak institutions, corruption and mismanagement led to the outbreak of conflict and state collapse in 1991.

Similar to Stevens rule, economic hardships, inequality and a discriminatory political culture prevailed during Momoh's era. Momoh amended the constitution, and in 1991 the new constitution restored the multi-party system. Despite his efforts, Momoh was overthrown in a military coup in 1992 by Valentine Strasser, and in 1996, Strasser was toppled by General Julius Maada Bio who then handed power to a civilian democratic regime of Tejan Kabbah of the SLPP. Kabbah was ousted by a military junta headed by Johnny Paul Koroma in 1997 in which Koroma then invited the Revolutionary United Front (RUF) to participate in the new government. The United Nations placed sanctions on Sierra Leone and the Economic Community of West African States (ECOWAS) intervened and sent troops, reinstating Kabbah to power. Kabbah was re-elected in 2002, but in 2007 parliamentary and presidential elections were held in which the APC won the most seats in parliament and APC's leader Ernest Bai Koroma won the presidential election. Observers from the Commonwealth reported that

elections were credible, transparent and democratic in accordance with international standards (Commonwealth Secretariat, 2018).

After two, five-year terms, Ernest Bai Koroma has stepped down 7 of March 2018; Sierra Leone held general elections and elected Julius Maada Bio. On April 4, 2018, after a close runoff, Julius Maad Bio was sworn into office (Reuters, 2018). Bio represents the opposition, the Sierra Leone People's Party, a former soldier, he was part of a group of soldiers behind the coup in 1992 that installed Valentine Strasser; he later briefly ruled Sierra Leone in 1996 and agreed to step aside for a civilian president (The Guardian, 2018). His remorse for his role in the military junta has helped his appeal in his election campaign. The All People's Congress candidate, Samura Kamara was the former foreign affairs minister and the president's handpicked successor; Kamara is planning on legally challenging the results, citing voting irregularities (BBC, 2018). Bio inherits a divided country along ethnic lines with a struggling economy due to the global decline in commodity prices, a nation still recovering from war, disease and natural disaster.

The long periods of political instability due to numerous military coups and the prolonged civil war have eroded Sierra Leone's institutions and economic development. Sierra Leone's political history is overshadowed by ethnic cleavages, a succession of coups, corruption, and a patrimonial system. Since independence, different regimes have monopolized power, inhibited the delivery of public services and mismanaged the country's revenue. The equitable distribution of resources is imperative in addressing Sierra Leone's economic challenges. Although Sierra Leone is labeled as a democracy, political patronage; identity politics; rent

seeking; corruption; and nepotism characterize the political sphere, which can eventually jeopardize the peace that the country was able to experience for the past seventeen years. During the authoritarian rule under Siaka Stevens, Joseph Momoh, and the military regimes of Andrew Juxon Smith, Valentine Strasser, Julius Maad Bio, and Johnny Paul Koroma, Sierra Leone has been able to secure generous contributions from international donors despite poor governance. . This supports Schundels notion that donors often overlook the quality of governance and corruption in recipient countries, and instead are interested in strategic interests at the expense of poverty reduction and economic growth.

### **Post-Conflict Peacebuilding & Foreign aid**

By the end of the civil war in 2002, between 70,000 and 75,000 people were affected by the conflict, with thousands of people killed and over half of the population internally displaced. Civilians were subject to horrific acts of violence such as amputations, having their limbs, lips, and ears cut off. Many civilians were subject to sexual violence, some were held captive or used as human shields; in addition, many civilians became unwilling participants of the conflict and forced into combatant.

The biggest challenge for a post-conflict government after the cessation of war is to independently provide the socio-economic needs of the population; hence, external intervention is required. To this end, Sierra Leone was able to secure aid from an eclectic mix of donors that included international efforts made by the Economic Community of West African States



(ECOWAS), the United Nations, the United Kingdom, the US, and Canada, all providing financial and technical support during post-conflict restoration process (Keen 2005).

The conflict in Sierra Leone produced extreme poverty, consequently, the country's weak state institutions were unable to deliver or meet the basic needs of the population. Scholars revealed in their study that war created a total of 500, 000 Sierra Leonean refugees with thousands internally displaced and approximately 200,000 women that were subjected to sexual violence; and as a result, an estimated 72,000 ex-combatants required reintegration into their communities (Bakar and May, 2004). In addition, more than 250 towns and villages were destroyed by the war.

Through external support, the government in Sierra Leone was able to create the National Commission for Resettlement Reintegration and Rehabilitation (NCRRR), which is responsible for coordinating and overseeing the needs of the displaced population. The commission's first task was to manage and implement the resettlement of 350,00 victims living in camps where the commission would provide them with micro-credit schemes. The commission also initiated the Social Action Poverty alleviation program (SAPA) which focuses on addressing the socio-economic needs of the affected population by promoting small agricultural gardening schemes. The agriculture scheme was created to help victims earn cash by selling their agricultural products. The commission was later renamed whose responsibilities then changed to managing and overseeing reparations for the National Commission for Social Action (NACSA). NaCSA was created with the objective of promoting community-based development activities tailored towards poverty alleviation as a means of preventing the reoccurrence of conflict. NaCSA work

in collaboration with NGO's, the private sector and donors, is intended to bring positive economic changes to the population. NaCSA provides access to credit to set up small-scale business in addition to providing loans and basic financial services, along with providing skilled training and cash schemes for youth seeking employment opportunities. In 2011, NaCSA spent a sum of \$ 4.4 million on reparation programs geared toward five categories: war wounded, war widows, amputees, victims of sexual violence and child victims in which most of the funds were provided by the United Nations Peace Building Commission Program in Sierra Leone.

Countries emerging from protracted violent conflict face immense challenges, in fact, conflict may re-emerge after a short period of peace. Post-conflict countries have several features, including the prevalence of fragile peace in the aftermath of conflict, due to a number of factors such as a rivalry of interests among former warlords in addition to a great number of unmonitored arms which can lead to criminality and instability. These factors could possibly undermine the peace process in the country (World Bank, 1999).

With the support of donors, several initiatives were established to promote reconciliation, peace, and reconstruction, in line with the Lome Peace Accord. In the years following the war, Sierra Leone received a considerable amount of foreign aid for the purpose of peacebuilding. With the signing of the Lome Peace Accord, the government worked alongside civil societies and the international community to rebuild and secure peace in Sierra Leone, a number of peacebuilding initiatives were implemented while some still remain in progress (United Nations 2007). These initiatives encompass the oversight of peaceful and democratic national elections in 2002, 2007, 2012 and 2018; of the creation of the Truth and Reconciliation Commission and the Special

Court; and to the complete restructuring and reform of the police, armed forces and the office of national security. Furthermore, the peacebuilding initiatives provide the grounds for the establishment of several democratic institutions such as the national electoral commission, the political parties commission, the anti-corruption commission, and the human rights commission.

Sierra Leone has made substantial progress since the end of the civil war, and today the country is praised for both consolidating democracy and being a positive model of the peacebuilding. It is evident that when foreign aid is used in an applicable way, it can help support the peacebuilding process by providing socio-economic needs to war victims, the disarmament, demobilization, and reintegration of combatants and restatement and consolidation of state institutions. On one hand, foreign aid has played a positive role in the peacebuilding process in Sierra Leone, on the other, it has economically crippled the country and created a relationship of dependency.

### **U.K. Relations & Aid**

The United Kingdom's relationship with Sierra Leone dates back to its colonial history. Sierra Leone's capital Freetown was founded by a British philanthropist in 1787 (UNDP, 2018). Sierra Leone became a crown colony in 1808, and by 1898 the British began imposing taxes (Felluga, n.d.). The country experienced little economic development under British rule until the 1950's when a railroad was built to help with the transport of exports (Felluga, n.d.). In 1951 a constitution was adopted laying the foundation for independence that saw the emergence of political parties, eventually leading to the general election win by the Sierra Leone People's

Party-led Milton Margai (Karagbo, 2006). Though Sierra Leone gained independence in 1961 from the British, the constitution was a product of British constitutional concepts in which the queen of England remained head of state until a provision to constitutions was made in 1971 making Sierra Leone a republic (Karagbo, 2006).

Post-independence Sierra Leone gained membership to the Commonwealth, whereby for most British colonies, membership to the Commonwealth was a rite of passage with exception of Egypt and Sudan. Sierra Leone's membership of the Commonwealth meant the relationship with the former metropolis would grant the country access to aid and diplomatic ties (Karagbo, 2006). Nevertheless, Britain maintained political influence in Sierra Leone in order to protect its economic and strategic interests. British colonial relations with Sierra Leone were replaced by foreign aid, and by 1966 Sierra Leone was given a total of 10.8 million pounds in development aid in addition to 1 million pounds in form of loans to improve Sierra Leone's Lungi International Airport. An additional 300,000 pounds were given for the Guma Valley hydroelectric scheme, and an interest free loan, tied to the purchase of British goods, was given to reconstruct the Ribbi railway bridge. The British government's loans to Sierra Leone created a debt burden which spiraled out of control that five years after independence, Sierra Leone was facing a financial crisis, which necessitated the IMF to initiate credit arrangements. Consequently, the IMF provided \$7.5 million in loans by 1966 (Karagbo, 2006). Furthermore, the British also agreed to give Sierra Leone more aid, approximately 5 million with the condition that Sierra Leone complies with the IMF recommendations in addition to purchasing expensive goods and services from Britain and repaying the loan within 25 years. This upholds and illustrates the central argument of this study, that the loans and aid given to Sierra Leone

exemplifies the exploitative economic relations between the center and periphery and the conditionalities placed on Sierra Leone forcing the country to adopt the free market neoliberal approach in addition to buying goods and services for Britain. Not only did this exacerbate Sierra Leone's economic condition, but it created a cycle of dependency and underdevelopment. Sierra Leone economy is characterized by its underperformance and this could be very well attributed to the government's over-dependency on foreign aid, which often utilized the government's budget support instead of developing the economy.

Furthermore, Karagbo (2006) contends that British foreign aid to Sierra Leone was not intended for economic development but rather to meet the domestic needs of British constituencies. The Sierra Leone Selection Trust (SLST) and the Sierra Leone Development, the two main mining companies during independence were British owned (Karagbo, 2006). The British colonial administration granted SLST mining rights in which the company had absolute rights over all Sierra Leone's mining areas, which would exclude the local people from mining. Siaka Stevens government secured an arrangement with the British to allow local people to mine; however, they were required to obtain a government license. The British considered Africa to be an important source of strategic raw materials. During the 1960's, African exports of gold production accounted for 70%, more than 95% of diamonds and over 30% of platinum production to western nations (Karagbo, 2006). Britain's relationship with Sierra Leone is extremely strategic, voracious, and economically expedient. The colonial era created a structure of dependency, whereby foreign aid and the introduction of SAP have debilitated Sierra Leone's development. Moreover, a transnational corporation operating in Sierra Leone are manipulating the wealth and controlling the country's resources.

Sierra Leone is not divorced from its colonial past; the United Kingdom remains its largest bilateral donor, in which the country was given an average of \$283.6 million in aid between 2015 and 2016 (OECD, 2018). In most recent times the aid given to Sierra Leone could be perceived as altruistic, the United Kingdom's intervention in support of the United Nation's Mission to Sierra Leone (UNAMSIL) helped bring an end to the 11year civil war. In 2000, the war intensified and the situation on the ground was rapidly deteriorating, the RUF was quickly taking over Sierra Leone and had blocked the road to Lungi International airport (Gberie, 2005). The British government decided to deploy paratroopers to evacuate British nationals; the operation later expanded to include the deployment of ground forces supported by air and sea power changing the dynamic of the war and helping to bring the war to an end.

The UK has political, security and economic interests, which could explain its intervention in Sierra Leone. Initially the British troops were sent to evacuate around 500 British nationals, entitled to protection; however the mandate changed and expanded as reports made by international media reported that UNAMSIL peacekeeping troops were being captured by the RUF, thus impelling the UK to take initiative to expand its mandate and intervene, as a means to save its image in the international arena. Because the UK had previously strongly advocated for UN peacekeepers, the UK was perceived to have close ties to Sierra Leone.

In the years following the war, Sierra Leone received a considerable amount of financial and technical support from the UK and various UN agencies, the World Bank and Economic Community of West African States Monitoring Group (ECOMOG) for the purpose of

peacebuilding. The UK played an essential role in the Disarmament Demobilization and Reintegration (DDR) program, the local governance and election and judicial reforms.

The DDR was among the first programs during the transitional phase of post-conflict whose peace-building initiative involved the disarmament and demobilization of ex-combatants, the reintegration of ex-combatants into civilian life and into the communities (Sesay & Suma, 2009).

The DDR was a multifaceted program, which worked on disarming child combatants that were unwillingly brought into the conflict. In 2002, by the end of the war, the DDR successfully disarmed more than 76,000 combatants, in addition to approximately 6,000 children.

The war destroyed state institutions, which posed a challenge in the post-conflict transitional phase. Due to the lack of state resources, foreign assistance such as the British Commonwealth Community Safety and Security Project (CSSP), a number of UN agencies and the DFID provided 2.2 million pounds in financial aid support for law enforcement (Hughes 2005). The restructuring of institutional reform was critical in the consolidation of peace and security and in the peacebuilding process. Furthermore, the United Kingdom provided military training to support the Republic of Sierra Leone Armed Forces Reforms, (RSLAF) (Charley and McCormack, 2011). The DFID along with UNDP also provided financial aid and the logistic support for the judicial system in Sierra Leone. The international community regarded the creation of an effective court system as a top priority in the consolidation of peace. This led to the initiation of a strong functional magistrate court system across the country; the DFID provided training and restored infrastructure for the court and prisons and office equipment was donated to the judiciary. To motivate magistrates and other court officials they received

rewarding salaries (Zack-Williams, 2012). The financial and technical support provided in the restoration of the judicial sector played an essential role in consolidating peace in post-conflict Sierra Leone.

The UK played an important role during the post-conflict peacebuilding process for several reasons. Since Sierra Leone's conflict posed a security threat to the region, securing peace in was essential to quelling the spread of conflict elsewhere. By investing in the peacebuilding process the UK would also ensure that conflict would not reoccur and guaranteed that the UK would not have to intervene another time. From afar, UK aid to Sierra Leone may be perceived as humanitarian; however, it has underlying priorities and interests. Economically, the UK had investments in Sierra Leone with several mining companies operating in the country; therefore, securing the stability of the country would ensure that the UK would gain access to resources (Karagbo, 2006).

In 2014, the UK led the international initiative to combat the Ebola outbreak by deploying 2,000 military personnel, National Health Services (NHS) staff, and civil servants (DfID, 2018). The Ebola virus claimed more than 3,500 lives and took a massive toll on the socio-economic state of the country. The Ebola virus put a strain on the already weak health care system. The troops sent from the UK helped build treatment centers. Furthermore, the British Royal Navy deployed the naval ship, RFA Argus, the ship was carrying medical supplies as well helicopters to help with delivery supplies. The UK is also providing assistance with Sierra Leone's Ebola Recovery Plan. The plan will help strengthen the health services by providing training to health workers and setting up rapid response teams in addition to providing access to clean water, electricity,



and education. The UK response package for the Ebola virus is 427 million pounds, and according to the DfID, the UK justification for its efforts in Sierra Leone is to stop the deadly disease from spreading the UK (DfID, 2018).

The UK has also launched a humanitarian response after the fatal mudslides in Sierra Leone in August 2017. Torrential rains caused flooding and mudslides in the capital Freetown, destroying many homes and businesses, leaving hundreds of people dead and thousands more missing (ActionAid, 2018). The UK is providing 5 million pounds of aid; the aid package is intended to help the communities affected by the mudslides. The emergency support will include food, clean water, and medicine (ReliefWeb, 2017).

The UK has provided a large-scale of support throughout the years for Sierra Leone; such support is driven by strategic, political and economic interests. The UK and France are renowned for giving aid to their former colonies, this, in turn, safeguards their influence and investments. When donors often provide aid they expect certain gains in return. Bilateral donors, such as the UK, use aid tying to ensure that recipient countries import goods, and services from the UK. The United Kingdom's Export Credit Guarantee Department ensures that aid recipient countries import from the UK (Karagbo, 2006). Aid tying disrupts the domestic market, inhibits the growth and causes distortions in trade. The magnitude of aid inflow from the UK to Sierra Leone has created a cycle of dependency and impaired economic growth and development. As a result, Sierra Leone is one of the poorest countries in the world, despite receiving massive amounts of aid and having an abundance of mineral wealth.

Foreign donors have provided significant contributions to post-conflict reconstruction in both Sierra Leone and Rwanda. The subsequent chapter provides the comparative dimension of this study, it seeks to assess the nature of aid relations. Furthermore, the chapter examines the success and failures of each country in their path toward reconstruction and it provides an in-depth comparison of various dimensions, such as the economy, politics, gender inequality, and education.

## **Chapter 6: A Comparative Analysis**

International donors such as the IMF and World Bank, have both praised Rwanda and Sierra Leone in their efforts of post-conflict reconstruction. While Rwanda is hailed for its post-conflict development, Sierra Leone is acclaimed for its peacebuilding model and for consolidating democracy. Both countries share a history of ethnic strife as a byproduct of colonialism, yet each country has taken a different path after the cessation of war. Rwanda embarked on an economic centered approach to recovery and development, while Sierra Leone engaged in the peacebuilding process. The two countries share a common characteristic; they are both heavily dependent on aid and considered aid darlings. Moreover, there are various variables in which to compare Sierra Leone to Rwanda that include the economy, governance, gender inequality, education and post-conflict reconstruction.

### *Economy*

Sierra Leone is often characterized by its poor economic performance despite having immense mineral wealth, while Rwanda, having no mineral wealth, is one of the fastest growing economies in the world. Rwanda's economic growth could be attributed to several reasons, the government has an ambitious plan to transform the economy from an agriculture subsistence-based economy to a knowledge-based economy, in turn, the government has taken on an initiative to provide free education for all, consequently Rwanda has achieved a near-universal primary school enrolment and made significant improvements to health services reducing infant mortality by two-thirds. Rwanda has also made tremendous progress in terms of gender inequality; it has the highest percentage of women in parliament in the world, and has equal participation of girls and boys in the school. Furthermore, Rwanda's economic growth could be

attributed to political stability, its anti-corruption and investor-friendly policies, and foreign aid ownership. Although Sierra Leone experienced impressive double-digit growth in 2013 due to the resumption of the production of iron ore, the Ebola outbreak in 2014 along with the decline in prices on iron ore, and the recent mudslides in 2017 have impeded economic growth.

Although both countries are similar in size, they slightly differ in their topography. Rwanda is a landlocked, mountainous country and often referred to as the land of a thousand hills. Sierra Leone is located on the west coast of Africa bordering the Atlantic and has one largest harbor's in Africa, which can be advantageous for Sierra Leone in several ways such as allowing for more trade, diversification of the economy and invest in the fishing industry. In fact, Sierra Leone has many prospects, and will more than likely surpass Rwanda in the future; it has vast mineral resources, and the discovery of oil is projected to boost the economy. However, the World Bank Doing Business report has ranked Rwanda as 41 out of 190 countries in starting a business, also placing the country as the second easiest country to operate a business in Africa taking only 4 days to open a business in Rwanda. Sierra Leone, on the other hand, is ranked at 160, out of 190 countries.

Both Sierra Leone and Rwanda are placing a restrictive measure in terms of trade; for instance, Sierra Leone has increased the cost of trading across borders and Rwanda is implementing a gradual phase-out from importing second-hand clothes from the United States. Rwanda's regulatory measures towards second-hand clothes are intended to help to expand its textile industry. As part of Sierra Leone's austerity measure, the country introduced new tariffs on imports in hopes to improve the economy. Although both countries are moving towards trade

restrictive measures, inter-regional trade is projected to increase across the African continent. On March 21, 2018, in Rwanda's capital Kigali, 44 countries signed the African Continental Free Trade Area (AfCFTA); the agreement will phase out intra-regional tariffs (The Economist, 2018). Though Nigeria, Africa's largest economy, and Sierra Leone among other key countries did not sign the agreement, it has potential to create the largest single market in the world with approximately 1.2 billion consumers and workers; the agreement would also eliminate 90 percent of the tariffs within the next five years (The Economist, 2018). The AfCFTA could open up new markets and promote the competitiveness of imports from across the world. While Sierra Leone did not sign the agreement, this could be due to the political uncertainty following the March 7, 2018 election. Although Sierra Leone did not sign the AfCFTA, intra-regional trade between Sierra Leone and its neighbor in particular with Liberia and Guinea has increased over the years.

### Governance

Rwanda and Sierra Leone differ in terms of governance. While the Rwandan Patriotic Front (RPF) for the past 24 years, has been dominating the political sphere, Sierra Leone has a multi-party system with two dominant parties, the All People Congress (APC) and Sierra Leone's People's Party (SLPP). Although Sierra Leone is a democracy, it has had a turbulent political history with disruptions in governance due to several coups. Rwanda, on the other hand, has one authoritarian regime dictating the country's policies. President Paul Kagame has been in office since 2000, Kagame has served in the government in different capacities since 1994, and was elected to serve a third seven-year term in August 2017. Elections are held in Rwanda and on paper Rwanda is considered a multi-party democracy; however, the reality presents an

alternative picture, one that illustrates a developmental authoritarianism or a pseudo-democratic government that provides significant public works and services while exerting control over nearly every facet of society. However, Kagame has been accredited for Rwanda's developmental success, in part because Kagame has done a remarkable job encouraging companies to invest in Rwanda. Furthermore, Kagame is considered an African visionary leader. For instance, in July 2017, the African Union (AU) elected Kagame as the new Chairperson of the AU. Moreover, in his acceptance speech in January 2018, he highlighted three historic agreements that are anticipated to be adopted during his tenure, the Single African Air Transport Market, the Continental Free Trade Area, and the Freedom of movement of people in Africa. Kagame has an ambitious plan of institutional and financial reform at the AU, which is intended to transform the Commission a financially self-sustaining entity. This combination of political will, stability, sound economic policies, and anti-corruption have put Rwanda at the forefront of Africa's development success story.

Sierra Leone's has experienced a combination of authoritarian and democratic rule. For example, during the rule of both Steven Siaka and Joseph Momoh, the country had a one-party system; furthermore, more the military junta's that came into power also exemplified authoritarian regimes. Steven Siaka ruled for seventeen years, eliminating political competition. During the Stevens era, cracks in governance appeared. Despite having a multiparty system today, the most dominant party in Sierra Leone has been the APC, similar to Rwanda's RFP, the leaders from the APC have held power longer than the SLPP. The repressive political system, corruption, weak institutions, high unemployment, and poverty led to the state collapse in 1991. In 2002, after the 11-year civil war came to an end, general elections were held and there was a

higher voter turnout rate with a peaceful transition of power branding Sierra Leone as a successful peacebuilding model. Sierra is ranked 39 out of 163 countries on the 2017 Global Peace Index; the country has been relatively peaceful since the end of the civil war, holding its sixth democratic election on March 2018 (African Development Bank, 2018).

Since 2003, Sierra Leone has held peaceful general elections in 2007, 2012, and 2018.

According to DfiD, democratic governance and the promotion of institutional reform is the reason behind continual donor support for Sierra Leone. Sierra Leone received massive amounts of aid to rebuild the country after the civil war; donors were eager to provide financial and technical assistance to promote peace and reconciliation in that respect donors provided aid

### Gender Inequality

The African Human Development report 2016 indicates that gender inequality is costing Sub-Saharan Africa an average of \$95 billion a year (“African Human Development Report 2016,” 2016). In developing countries, women bear an unequal share of the burden of poverty, particularly in female-headed households (Marcoux 1997). The aftermath of the genocide in Rwanda and civil war in Sierra Leone transformed the social fabric of the society and the family, leaving many women as the single heads of households. When conflict occurs women perform twice the amount of the responsibilities; they are not merely just caregivers, but they also become the primary breadwinners. As a result of both conflicts, women represented the majority of the population and the labor force.

Conflict exacerbates the inequalities between women and men; however, Rwanda presents an exceptional case, the genocide changed the gender roles, transforming the role of women from war victims to peace-builders, politicians, activists. In 2003, the new constitution stipulated that 30 percent of parliamentary seats be reserved to women, yet women won more seats than the mandatory minimum, securing 48 percent of the seats. Today women hold 64 percent of the national legislature, the largest share of any country in the world. On the contrary, women in Sierra Leone hold only 12 percent of the parliamentary seats and Sierra Leone is ranked 151 out of 159 countries in the gender inequality index with Rwanda ranked at 84 (“Human Development Reports,” n.d.). Although Sierra Leone has been a signatory to a number of international conventions pertaining to gender equality, since 2002, the number of women in parliament has been declining; with emerging reports of women’s names being removed and replaced by male candidates (Gooding, 2018). Furthermore, in a speech given on International Women’s Day, the former president Ernest Koroma declared that he would adhere to women’s demand for 30% quota in all aspects of governance; however, he ended his term without honoring his promise. The underrepresentation of women in political institutions and decision-making bodies presents a critical problem in terms of gender equality, good governance and consolidation of democracy. Moreover, government’s that are predominantly male cannot claim to be of the people and for the people when women constitute more than 50 per cent of population in many countries (Mariz Tadros, 2014).

While Rwanda has the highest percentage of women appointed to government in the world, traditional patriarchal norms still persist. Women in rural areas in both Rwanda and Sierra Leone face discrimination, violence, limited access to resources and land inheritance disputes.



The attitudes and beliefs of the rural communities in the two countries strongly reflect favoritism of men over women. The men are perceived as the heirs of the family; therefore, the men determine all decisions within and outside of the household. Women work predominantly in the informal and agricultural sector in both Rwanda and Sierra Leone. The informal sector provides low wages, poor working conditions and no social protection. In Rwanda the agriculture sector employs 80 % of the labor force, but only accounts for a third of the country's GDP. Similarly, in Sierra Leone the agriculture sector employs 65 % of the labor and accounts for 45% of the GDP (African Development Bank, 2011). Women have little or no access to credit, extensions services, markets, and post-harvest technologies. As result, many of the agricultural household's in both Rwanda and Sierra Leone live in poverty and experience food insecurity. Thus, women are the most affected by poverty due to the unequal division of labor in both the household and the market economies. In fact, there is a growing perception around the globe that the face of poverty is the face of a woman, it is often referred to as the feminization of poverty.

According to the former secretary-general of the UN, Kofi Anan, "there is no tool for development more effective than the empowerment of women" ("UN News," 2005). The most effective way to fight poverty, raise economic productivity, improve development, reduce infant and maternal mortality is to empower women. Although Rwanda is often cited for its gender inclusive model of politics despite doing significantly better than Sierra Leone, gender disparities still exist. Sierra Leone has a lot of work to be done in regards to gender inequality, albeit receiving aid from various donors, such as the DFID, ADB, USAID and the Europeans who are in support gender mainstreaming. With all the aid given, women are still marginalized in politics, the economy, education and health in Sierra Leone (African Development Bank, 2011).

### Education

Rwanda has made tremendous strides in education; it is one of the top countries in Sub-Saharan Africa to achieve Millennium Development Goal (MDG) 2. With access to universal education, primary education enrollment reached a net of 97.7 percent in Rwanda (UNICEF, 2016). The Rwanda government has adopted policies that ensure high literacy rates with an increase of the national budget for the education sector raising from 17 percent to 22 percent in 2017/2018, and imposing mandatory primary education. As a result, the literacy rate is at 77 percent and in terms gender parity in education, more girls are enrolled in schools than boys, with 98% girls and 97% boys UNICEF, 2016). Despite these achievements, the country still faces challenges; teachers have the strenuous task of working double-shifts, the first years of primary education are taught in Kinyarwanda or French and in grade 4, children transition to English in secondary school (World Bank, 2018). This has proven difficult for both the students and teachers; most teachers have a difficult time transitioning; they do not have adequate time to improve student proficiency in English. More schools are adopting an English syllabus due to increasing ties with East African Community and the Commonwealth (“About Rwanda,” n.d.).

In order to fast track development, the government of Rwanda considers education a critical investment; thus, the government is promoting the use of information and communications technology (ICT) in the classroom. An initiative by the Rwanda Information Technology Authority (RITA) and Ministry of Education is coordinating a project called ‘one laptop per child’ (OLPC). The project would provide laptops and educational devices to students in

primary and secondary school. To illustrate the government's commitment to ICT in 2009 the government partnered up USAID in a four-year program called the Rwanda Education Commons (REC), which helped connect teachers to the internet. The program also designed an online platform that included a digital library, tools for the curriculum and discussion boards. USAID has also published and distributed 7 million textbooks and guidebooks for teachers in primary school. As part of the national curriculum the government of Rwanda approved of teaching and learning materials funded by USAID. While aid has succeeded in increasing the number of students in school, the quality of education remains a challenge. Studies indicate that the amount of funding being spent on students in the capital of Kigali differ than the amount spent in rural areas; as a result, the quality of education in rural areas is weak and inadequate, which is evident by the proportion of children completing primary education on time versus the number of students who repeat class several times (Abbot & Rwirahira, 2012). Though aid has contributed to increasing enrollment and attainment of education, the quality and efficiency of education system remains a problem in Rwanda. This reaffirms Glewwe and Kremmer (2005) findings that policy changes attached to foreign aid have little or no impact on the quality education. In a study done by the European Commission they find that donors are often negligent of teacher or administration training, often perceiving this as the recipient country's responsibility. As a consequence, recipient countries often fail to use the aid to improve teacher's performance, instead donors acquire educational projects that examine one aspect of education which lead to overcrowding and repetition in educational projects.

Sierra Leone had one of the best education systems in Africa, often referred to the "Athens of West Africa." Sierra Leone was home to the first secondary school in the region and the

University of Sierra Leone was founded in 1827, one of the first universities in Sub-Saharan Africa. Over time the civil war eroded the school system, with approximately 1,270 primary schools destroyed, forcing thousands of children out of school by the year 2001. Though the civil war has ended over a decade ago, the education system is still recovering, with over 40 percent of the teachers being inexperienced. Between 2008 and 2012, the net secondary school enrollment was 39 percent for boys and 33.2 percent for girls. In rural areas, many parents choose not to send their children to school due to the cost of transportation, uniforms and books. Moreover, negative social norms in rural areas discourage the participation of girls in school system. Similar to Rwanda, education is compulsory; however, this has been difficult to enforce since most of the school facilities have been ravaged by the war, and there is a shortage of teachers and resources.

Thus, Sierra Leone has the lowest literacy rates in West Africa and in the world; the adult literacy rate was at 48% in 2015 (“Encyclopedia Britannica,” 2018). Nevertheless, since the end of the civil war the primary education has doubled. However, the Ebola outbreak in 2014 regressed the progress being made with school closure for a year and the ban on public gatherings throughout the country, all as a means to stop the spread of the virus. During the crisis, the Ministry of Education, Science and Technology (MEST) with the help of donors, UNICEF and the Global Partnership for Education, launched a radio program that would provide daily lessons for primary and secondary students. The radio broadcast ran five days a week in 30 minutes’ increments and covered subjects such as Math and English. However, the program was a poor substitute for schools because children in rural areas had limited access to radios, with many areas having no radio signal coverage at all. Furthermore, other problems included

language and accent comprehension as well as the timing of the program that often conflicted with household activities and farming. Ebola survivors, orphans and children who have been wrongly suspected of having Ebola are suffering from isolation and stigma, resulting in some children dropping out of school. Furthermore, the Ebola crisis has also led to a spike in teenage pregnancies, which further reduced girl's participation in schools.

In terms of donor aid from the UK, until recently the DFID did not directly provide assistance for educational projects; however, a proportion of the budget support was designated to educational services (DFID, 2007). In 2016 the DFID launched two programs, the 'Sierra Leone Secondary Education Improvement Programme,' and the 'Girls Access to Education Programme.' The projects are in collaboration with MEST and UNICEF; both are intended to improve student's performance in school and to increase girl's attendance and completion of secondary school (Department for International Development, 2018). This illustrates that aid given in the form of the budget support did not yield the adequate results regarding the education sector.

Like Rwanda, Sierra Leone demonstrates the need to invest in the quality of education rather than increasing school enrollment. Moreover, Sierra Leone's education system reaffirms the notion that donors are more concerned with the number of children enrolled in school rather than the quality of their completion of school. While Rwanda is doing significantly better in terms of school enrollment and literacy rates, it faces the same challenges as Sierra Leone in terms of outreach to rural areas and the quality of education.

*Post-conflict reconstruction*

With over a decade of conflict and instability, peace seemed to be elusive in Sierra Leone. The civil war that began in 1991 came to an end in 2002; the country was demolished by the war and immediately the process of rebuilding was underway. The post-conflict reconstruction process in Sierra Leone is perhaps the most visible aspect in which aid has been effective. Sierra Leone received an influx of foreign aid; agencies such as the DFID, UNDP and UNASMIL assisted with the reconstruction process. In fact, Sierra Leone had one of the largest peacekeeping missions in the UN history (Baker & Roy, 2004). The post-conflict restoration process consists of four objectives: repatriation, reintegration, rehabilitation and reconstruction. The UN spent approximately \$16.4 billion a year and the UK spent 100 million pounds per year with an additional amount of \$45 million from the U.S. in the post-conflict reconstruction process (Freeman, 2008). These generous contributions by donors and various agencies helped in the successful disarmament of over 70,000 ex-combatants and the return of over 300,000 internally displaced people. Schools, hospitals and homes were also rebuilt. The disarmament, demobilization and reintegration (DDR) in Sierra Leone are often cited as one of the United Nations success stories. Several peace initiatives were established such as the creation of the Truth and Reconciliation Commission and the Special Court. The police and military were reformed and given extensive training, which led by the UK. These peacebuilding initiatives would pave the way for democratic elections. While these efforts of post-conflict reconstruction were critical to restoring and consolidating peace, donors failed to address the root causes of the conflict.

A report by the Truth and Reconciliation Commission for Sierra Leone reveals that root causes of the conflict were corruption, bad governance, the marginalization and high unemployment of youth, ethnic rivalry, abuse of power by chiefs, greed, lack of democracy and poverty.

Corruption, economic mismanagement and injustice remain pervasive in Sierra Leone. While donors have spent billions in state building, the judicial system has been contaminated by corruption and bribery and interference from government officials. Bribes are also required to provide basic services to the population, and the poor continue to suffer from the backlash of rampant corruption. The high levels of youth unemployment are one of the primary causes of the conflict in Sierra Leone. The RUF rebels were able to attract the marginalized youth by providing economic incentives and the feeling of inclusion. One of the major failures in the post-conflict reconstruction process was the economic dimension and the generation of long-term employment for ex-combatants. A number of public work schemes were undertaken, but failed to yield long-term employment. Donors overlooked the importance of agricultural sector, which employs two-thirds of the population. The lack of appropriate training and a combination of misguided reintegration programs in addition to the conditions placed by the IMF and the World Bank have augmented the economic challenges that the country faces.

Peace is also fragile in Sierra Leone; the recent elections illustrate the delicacy of its democracy. Following the outcome of the elections, there was an outbreak of protests. While the reconstruction process has been successful particularly in the DDR program after achieving immediate peace, the peace process will falter if donors continue to overlook the underlying causes of conflict including endemic corruption, economic mismanagement, an inefficient judicial system, the lack of opportunities for the youth and the denial of basic human rights.

The genocide in Rwanda destroyed the human, social, economic and physical infrastructure of the country. Rwanda has made tremendous progress in the post-conflict reconstruction process in the past twenty-four years. International donors along with USAID directed their efforts to the rehabilitation and reconstruction process after grasping the enormity of the devastation that took place. With the help of the international community, food aid along with medical supplies, and financial assistance was delivered to Rwanda. By September 1995, \$245 million in foreign aid was disbursed to Rwanda (Tarif-Douglin, 1996). Moreover, USAID with the help of other donor established three human rights initiatives: 1) the establishment of the International Tribunal for Rwanda 2) the reconstruction of the judicial system 3) assistance to the Human Field Operation (Tarif-Douglin, 1996). Rwanda made progress in the reconciliation, demobilization, resettlement and reintegration of ex-combatant and approximately 15,000 members of the former government military were integrated into the Rwandese National Army, with approximately 3.5 million Rwandan refugees having been repatriated and resettled (World Bank, 2009).

Reconciliation is defined as the process that encompasses the search for truth, justice, forgiveness and accommodation between warring factions or people and is an important phase in the peacebuilding process. In Rwanda, as part of the reconciliation process, the Gacaca courts were set up as a traditional communal justice system at a grass roots level; gacaca meaning to sit down and discuss an issue. The Gacaca helped address the overwhelming number of people awaiting trial in the national court system. In the Gacaca court a local judge is appointed by the community to hear the trial of those suspected in planning or taking part of the genocide. If the perpetrators showed remorse and confessed their crimes, they were given a low sentencing or returned home with no penalty. The traditional community court system was used for over 1.2



million cases (United to End Genocide 2016). Rwanda attempted to create a country where different ethnic groups could co-exist and the ethnic hatred that existed in the past would be forgotten. The government in Rwanda also has adopted policies and laws that are designed to eliminate ethnicity from the public sphere. In 2003, a new constitution was adopted which eliminated the reference to ethnicity in identification documents. The government initiative over the past years is to create a sense of one identity. Gender equality is also embedded in the country's new constitution guaranteeing women the right to inherit land, share the assets of a marriage and obtain credit. The country's constitution also stipulates that women should hold at least 30 percent of top political positions. Today, women hold 64 percent of the parliamentary seats with seven out of the fourteen Supreme Court justices being women. Women in Rwanda spearheaded the post-conflict reconstruction playing a crucial role in reforming discriminatory laws; they assumed the role of peace builders, primary breadwinners, politicians, and activists. Perhaps much of Rwanda post-reconstruction could be attributed to the women's role in rebuilding the country. The government has reintroduced a Rwanda tradition of "umuganda", which is the practice of doing community building; once a month, Rwandan's are called upon to do community service as a means to foster unity in the community.

Rwanda underwent extensive institutional and economic reforms, which contributed to its impressive economic growth averaging 8 percent a year. As a result of these institution reforms, UNESCO has labeled Rwanda as one of the top countries in improving access to education; primary education enrollment reached 97.7 percent. Furthermore, Rwanda has a near universal healthcare system, which covers 90 percent of the population. As a result, infant mortality rates

have dropped by two-thirds; the immunization rates are among the highest in Sub-Saharan Africa at 98% and continues to decline.

Rwanda's economic transformation has been propelled by sound economic policies; the export of coffee and tea, tourism and large amounts of foreign aid comprised 20% of the gross national income. Although the economy has been hailed for its steady growth, it is still vulnerable; Rwanda is dependent on foreign aid covering approximately forty percent of the government's budget and ranges from 18 to 20 percent of the GDP. The economy is also susceptible to shocks, budget and trade deficits, due to the scarcity of diversification and the government's external debt. The government has implemented stringent anti-corruption policies and has been successful in fighting corruption through tough prosecution of corruption cases.

The Rwanda experience in post-conflict reconstruction is significantly better than Sierra Leone having perhaps one of the most successful post-conflict reconstruction stories in Africa, often referred to as the "miracle." Two common characteristics between Rwanda and Sierra Leone in their post-conflict reconstruction process is the establishment of International Tribunal's to prosecute perpetrators of the genocide and the civil war. This significantly helped in the reconciliation and peacebuilding process, and in turn peace was attained in both Rwanda and Sierra Leone. The second common characteristic is the substantial dependency on aid.

## **Bilateral Donors**

Aid is a byproduct of colonial history, economic relations and strategic interests. The U.S. and UK are major donors to developing countries; today the U.S. is the largest bilateral donor to Rwanda and the UK is the largest bilateral donor to Sierra Leone. Between 2015 and 2016, Sierra Leone was given an average of \$283.6 million in aid from the UK (OECD, 2018). Rwanda, on the other hand, received \$188.6 million dollars in development aid in 2016 from the United States. As early as 1812, the U.S sent aid to Venezuela, and in 1896 the Department of Agriculture began sending food aid to impoverished countries in attempts to develop a political and economic influence. In 1929, the British followed suit by providing grants to their colonies under the Colonial Development Act. Both the U.S. and the U. K have similar approaches in their disbursement of aid. In the 1970's the U.K. passed the White Paper calling for more aid to be sent to developing countries, similarly the U.S. passed the International Development and Food Assistance Act, which initiated an increase in the disbursement of 75 percent of food aid to developing countries around the world (Moyo, 2009).

The United States utilizes various agencies to manage its official development aid such as the United States Agency of International Development USAID; the United Kingdom also uses various agencies to disburse and coordinate aid, the most prominent being the Department for International Development (DfID). The US Congress plays an essential role in appropriating, monitoring aid and deciding where aid is allocated. In contrast, the parliament in UK shapes aid policies; however, it does not have the capacity of influence over aid coordination with agencies having more control over aid disbursement. In more recent years, the US has predominantly

disbursed aid for security reasons due to the global war on terror. Nevertheless, the United Kingdom designates most of the aid to its former colonies. Both the UK and US have very similar development policies, they both emphasize the importance of the national interests, security, and power (Ford, 2011). The UK has a subtle approach in which aid is masked by noble humanitarian intentions; the UK was the first country to respond to the Ebola virus. Not only did they send in medical personnel to Sierra Leone, but also a navy vessel with the military personnel to build hospitals. Despite this, however, the reality paints a different picture; the British have a lot at stake in Sierra Leone with most of the mining companies being British owned; furthermore, most of the aid given to Sierra Leone is attached to conditions such as purchasing goods and services from the UK. Thus, the aid given to Sierra Leone will return to the UK with double the interests. Unlike the UK, the U.S. initially had little or no national interest in Rwanda, and in fact, most of the aid given to Rwanda is based on 'genocide guilt'; however, today the dynamics have changed; the US has private investments and trade relations with Rwanda. Moreover, the US has strategic interest with Rwanda playing a pivotal role in the Great Lakes Region, and in recent times Rwanda has been meddling with internal affairs in Burundi and the DRC. Rwanda's recent decision to phase out second-hand clothes imports from the US was met by an aggressive response to temporarily suspend Rwanda from AGOA. This illustrates that aid recipient countries must comply with the free market approach or face harsh repercussions. Furthermore, Rwanda has previously experienced the consequences of aid being withheld. For example, in 2013, when a UN report accused the Rwanda government of backing rebels in the Democratic Republic of Congo, donors withheld aid, and as a result, the country's economy rapidly declined. This was a wake-up call for Rwanda; thereafter, the government has been working hard to reduce aid dependency. In order to become self-sufficient, both Rwanda

and Sierra Leone must take greater ownership of donor aid. Sierra Leone government must adopt sound economic policies, clamp down on corruption and better manage its mineral resources.

	<b>Rwanda</b>	<b>Sierra Leone</b>
<b>Population</b>	<b>11.2 million</b>	<b>7.4 million</b>
<b>(GDP) per capita (2016)</b>	<b>\$702.84</b>	<b>\$454.60</b>
<b>GDP Annual Growth Rate 2016</b>	<b>5.9%</b>	<b>6.1%</b>
<b>Aid received by largest Bilateral donor</b>	<b>\$ 188.6 USD million (U.S)</b>	<b>\$283.6 USD million (U.K.)</b>
<b>The World Bank Doing Business report (out of 190)</b>	<b>41/190</b>	<b>160/190</b>
<b>Agriculture sector employs</b>	<b>80 % workforce</b>	<b>65% workforce</b>
<b>Women in Parliament</b>	<b>64%</b>	<b>12%</b>
<b>Corruption Perception index (2017)</b>	<b>48/180</b>	<b>130/180</b>
<b>Primary education enrollment</b>	<b>97.7 %</b>	<b>30 %</b>
<b>Literacy rate</b>	<b>77 %</b>	<b>48%</b>

The data utilized in this chart is provided by the World Bank, UNCIEF, the OECD and Transparency International.

This graph provides a visible comparison between both Rwanda and Sierra using different variables discussed in the chapter. The findings of this study verify and provide evidence that Rwanda is fairing off better than Sierra Leone in every aspect despite receiving less aid than Sierra Leone. Sierra Leone has received substantial amounts of aid to alleviate and promote development, yet today it is among the poorest countries in the world. This shows that donor aid has failed to promote long-term sustainable development, and instead aid has created a dependency syndrome. The UNDP's human development report has consistently placed Sierra Leone in the bottom half of human development index. Sierra Leone has among the highest rates of maternal mortality and illiteracy. Corruption remains rampant in Sierra Leone and aid is mismanaged. Rwanda seems to have more ownership over its aid, with better ability to coordinate and utilize aid than Sierra Leone. Nevertheless, both Rwanda and Sierra Leone rely

heavily on foreign aid; thus, it is crucial for both countries to work towards becoming self-sufficient. In recent times donors have withheld aid from Rwanda; according to the Trump administrations new fiscal budget, aid to Africa will decrease significantly implying that it is only a matter of time before donor fatigue sets in and donors begin to cut back on aid.

The subsequent chapter includes the findings of this research, provides a summary of all the chapters in the study and provides policy recommendations for both Rwanda and Sierra Leone.

## **Chapter 7:**

### **Conclusion**

The damage inflicted by armed conflict can have devastating consequences, resulting in the destruction of property, the loss of life, the displacement of the population, in addition to the political, social and economic structures that are often completely demolished. Countries emerging out of prolonged armed conflicts face the daunting task of rebuilding or reinstating the country to its pre-conflict state. The transition from conflict to reconstruction is a complex process; post-conflict countries are unable to mobilize their own resources, and must therefore rely on foreign aid to assist in the reconstruction process.

The recovery process in post-conflict countries is a continuum ongoing process of peacebuilding. Countries move through different phases that include, signing peace agreements; easing the tensions between different factions; demobilization; disarmament; reintegration; the return of refugees and internally displaced persons; initiating reconciliation and societal integration; building of state institutions; and the initiation of economic recovery. Fukuyama (2006) contends that reconstruction requires instant external intervention to ensure the stability of the state and to prevent the outbreak of conflict, to rebuild infrastructure, and deal with humanitarian issues. The issue of aid in post-conflict reconstruction is a complex one; the management of the aid is contingent on both the donors and receipt, hence foreign aid does not automatically equate to peace and stability. The success of economic development in post-conflict hinges on the success of establishing resilient institutions and creating an environment for durable peace and social cohesion.

In light of the above discussion the primary purpose of this study is to investigate and to provide an analysis of the impact of foreign aid on the post-conflict reconstruction of Rwanda and Sierra Leone. This chapter summarizes the main findings of this research and the chapter concludes with recommendations based on the findings of the study.

The second chapter of this study explores the contemporary debate surrounding foreign aid by assessing cross cutting themes.

In the 1960's developing countries in Latin America and the Africa were facing economic challenges. The global economic system further propelled countries into poverty and underdevelopment, further widening the inequality gap. The shortcomings of the modernization theory produced a shift in the development approach which paved the way for integrated rural development and the basic needs approach. By the 1970's foreign aid was geared towards poverty alleviation. In the 1980's, the World Bank and IMF introduced, a neoliberal approach which ended the state led model of development and advocated for privatization of state enterprises and liberalization of the market. SAP's became a precondition to providing foreign aid to Low Income Countries (LIC's). By the end of the 1980's the neoliberal approach had failed to promote economic growth and development. The Post- Washington Consensus were introduced in the 1990's, the approach integrated both state and market. Furthermore, donors began to promote the idea of liberal democracy. The start of the millennium, the Millennium Development Goals (MDGs) were developed to directly address poverty reduction. The MDG's



were a benchmark for poverty reduction and economic growth, they were often criticized for having one size fits all model.

The following section examines the two opposing views, scholars that are pro-aid and anti-aid, across different themes. Scholars such as Burnside and Dollar (2000) maintain that foreign aid could have a positive relationship with economic growth; however, this is influenced by other variables such as peace, stability, sound policies, solid institutions, and good governance in the recipient country. Other hand scholars such as William Easterly (2006) assert donors often ignore the specification of aid to each country, contending that donors should consider aid policies according to each individual country known as a ‘searchers approach’.

#### *Conditionality's*

The effectiveness of conditionality has generated so much debate among scholars. Burnside and Dollar (2000); Easterly (2004), assert that foreign aid's poor performance in generating economic growth is due to the fact that donors distribute aid based on political allegiances, global security, strategic concerns (such as the need for natural resources), or for historical colonial ties.

Collier (1997); Mosely (1991) assert that the use of conditionalities are not the problem per se, but the lack of donor's credibility, in that donors have failed to punish and reward recipients.

Consequently, recipients do not have strong incentives to implement policy reforms.

#### *Governance*

The World Bank recognizes that "underlying the litany of Africa's development problem is a crisis of governance" (World Bank, 1989). Carlsson, Somolekae, and Walle (1997) contend that high levels of aid can potentially improve governance when countries have good macroeconomic policies and clear development agendas. They point out that Botswana demonstrates an African country where aid was utilized to improve the quality of civil services and strengthen institutions. Alesina and Weder (2002) concluded that there is a correlation between aid and corruption, finding that increases in aid also induces corruption.

### *Education*

Over the past decade donor agencies have designated large sums of aid to the education sector. Williamson (2008) asserts that aid is positively correlated to human development. Clements, Baldacci and Gupta (2005) examine the impact that foreign aid has on school enrollment by utilizing data from 118 developing countries in their findings; as a result, they uncover a positive correlation between aid and school enrollment. Most of the studies on education and foreign aid reveal that although foreign aid has contributed to an increase in school enrollment, it has been proven difficult to quantify the impact of foreign aid, partially due to the fact that many of the studies on foreign aid and education focus on enrollment and attainment of education rather than the quality of education.

The literature on foreign aid is extensive; the chapter discussed foreign aid in the context of various themes provided thorough examination of both sides of the debate, the pro-aid and the anti-aid. The following begins with a historical background of each case study.

The third chapter retraces the root causes of both the genocide in Rwanda and the civil war in Sierra Leone. The conflicts in both Rwanda and Sierra Leone, as with most conflicts in Africa, can be traced back to their colonial legacies. Rwanda's bright future is often tainted with its tragic past. It is known as the site of one of the greatest atrocities known to man. In 1994 within 100 days 800,000 people were massacred. A total of 1 million people killed as a result of the genocide. In 1916, the Belgian colonialists played a significant role in establishing a divide between two main ethnic groups, the Hutus and Tutsis, in 1933 they issued identification that branded each individual according to their ethnicity. The Belgians considered the Tutsis to be superior to the Hutu. They ruled indirectly by favoring the minority Tutsis ethnic group over the dominant Hutu ethnic group creating a legacy of ethnic tension that would engulf the country into endless years of ethnic violence which ultimately resulted to the genocide in 1994.

Similar to Rwanda the root causes of the conflict of Sierra Leone, could be traced to colonial legacy. Sierra Leone gained its independence from the British in 1961, the country grappled with many challenges (Gberie 2006). The British colonial administration favored a minority ethnic group called the Krio over the other ethnic groups, creating an environment of hostilities. Ethnic grievances continued post-independence and were intensified by politicians inciting ethnic difference in order to suit their political motives. The discriminatory practices by the colonial authority as well as the power granted to the local chiefs created a fragmented society, this subsequently resulted in the formation of the Revolutionary United Front (RUF), a rebel group backed by Liberian Charles Taylor. The birth of RUF sparked the beginning of Sierra Leone's civil war. The ethnic strife, along with other factors such as poor governance,

mismanagement of resources, and marginalization paved the way for state collapse in 1991(Gberie 2006).

The fourth chapter delves into the first case it examines Rwanda's pathway to post-conflict reconstruction and provides an assessment on Rwanda's relationship with its largest bilateral donor the United States. The chapter also discusses, the structures of aid dependency and the neoliberal policies implemented. Rwanda has defied expectations twenty-four years after the genocide, Rwanda is one of the fastest growing economies in the world. More than one million people have moved out of poverty; in addition, the overall per capita income has tripled, internet access has grown significantly, infant mortality rates have been reduced by two-thirds and the country has nearly achieved universal access to primary and secondary education. Furthermore, Rwanda has made remarkable progress in gender equality. Rwanda has the highest percentage of women appointed to government in the world, women hold 64 percent of the national legislature. Moreover, Rwanda has a near universal healthcare system, which covers 90 percent of the population. Despite the country's economic progress, some experts are hesitant to call the country a total development success. The rural population in the country still lives on less than \$1.25 (World Economic Forum). Although the economy has been hailed for its steady growth, it is still vulnerable, the country is dependent on foreign aid which covers approximately 30-40 percent of the government's budget and ranges from 18-20 percent of the GDP. The economy is also susceptible to shocks, budget and trade deficits, due to the scarcity of diversification and the government's external debt.

Prior to the genocide Rwanda was one of the most aid recipient countries in the world, “the aid system is omnipresent in the country both physically and geographically” (Uvin, 1998).

Between 1989-1990, foreign aid to Rwanda accounted for 11.4 % of the GNP, with Belgium and Switzerland as the largest bi-lateral donors. In 1994, in the immediate aftermath of the genocide, the international community realized the magnitude, scale and severity of the genocide, consequently, donors generously increased aid to Rwanda. According to scholars such as Zorbas, Rwanda continues to secure aid, based on a phenomenon he calls ‘genocide guilt,’ explaining that aside from the international community’s guilt, other factors have contributed to the continuation of the inflow of large sums of aid (Zorbas, 2011). He identifies three main factors: 1) the government’s use of donor friendly language; 2) donor’s desire to present an African success story; and 3) support for the ruling party, ‘Rwanda’s Patriotic Front’ (RPF) particularly by bilateral donors such as the United States and the United Kingdom (Zorbas, 2011).

According to the OECD, Rwanda received \$188.6 million dollars in development aid in 2016 from the United States. Today, the United States is the largest bi-lateral donor to Rwanda. The U.S. initially had little or no national interest in Rwanda, and in fact, most of the aid given to Rwanda is based on ‘genocide guilt’; however, today the dynamics have changed; the US has private investments and trade relations with Rwanda. Moreover, the US has strategic interest with Rwanda playing a pivotal in the Great Lakes Region, and in recent times Rwanda has been meddling with internal affairs in Burundi and the DRC. Rwanda’s recent decision to phase out second-hand clothes imports from the US was met by an aggressive response to temporarily suspend Rwanda from AGOA. This illustrates that aid recipient countries must comply with the free market approach or face harsh repercussions.

Donor aid remains a vital source for Rwanda's development and its socio-economic initiatives, which is evident in that in 2013, Rwanda's economic growth fell to 4.7 percent, after donor's withheld aid, due to a UN report which accused Rwanda's government of backing rebels in the Democratic Republic of Congo (World Economic Forum, 2016). Consequently, the government of Rwanda recognizes the importance of becoming a self-sufficient country and in 2016 the government introduced a "Made in Rwanda" policy in which the policy encourages the consumption of domestically produced goods, which would, in turn, reduce the country's trade deficit.

Based on the findings of this chapter Rwanda is reaping the benefits of good governance, rule of law, including an anti-corruption initiative, women's equal participation in politics in addition to foreign aid. The Rwanda case study exemplifies the effectiveness of foreign aid as result of sound policies, Rwanda's ownership and leadership in development activities in addition to the harmonization of aid between Rwanda and its aid donors. Nevertheless, Rwanda's dependency on foreign aid remains a challenge.

The fifth chapter examines the role of foreign aid in shaping Sierra Leone's post-conflict reconstruction. Sierra Leone is one of the poorest countries in the world with more than half the population living on less than \$1.25, infant mortality and illiteracy rates among the highest in the world and only 10 percent of the population having access to electricity; yet the country is endowed with immense natural resource wealth (ActionAid, 2018). Sierra Leone has been

characterized as a heavily aid-dependent country with minor economic growth due to political instability along with years of prolonged conflict.

The civil war along with poor governance, lawlessness and instability contributed to a continuous decline of the GDP from 1980 to 2000's. By the end of the civil war in 2002, the economy started to gradually expand. Between the years 2001 and 2003, the economy grew at a rate of 6 percent where many factors contributed to this growth including donors providing Sierra Leone with a significant amount of aid to help with the post-conflict reconstruction process and the resumption of activities in mining, trade and agricultural (Commonwealth, Secretariat, 2018). Between the years 1971 and 2002, Sierra Leone received a total of \$3.48 billion in various forms of foreign aid (OECD). However, following the global economic recession, demand for Sierra Leone exports was affected between 2008 and 2009 where the GDP growth diminished to 3 percent (Commonwealth, Secretariat, 2018). By 2011 there was an extraordinary upsurge in Sierra Leone's economy with the discovery of iron ore that boosted the economy to an unprecedented growth rate of 21% from 2012 to 2013 ("African Development Bank Group," 2018). The impressive double-digit growth rates were a result of the combination of government investments in infrastructure, iron ore production, activities in tourism and agricultural production.

Regrettably, the impressive economic growth quickly diminished due to the Ebola virus outbreak in 2014 and the decline of iron ore prices, both of which caused the economy to retract to a negative 21% (Zayid, Jamal, et al, 2017). Sierra Leone faces many challenges; within the past year alone, the country was hit by devastating mudslides in August 2017, leaving 3,000 people

homeless, and approximately 1,000 dead (Reuters, 2017). Sierra Leone's economy is projected to grow within the next few years with the discovery of oil. Approximately eighteen companies were given license to explore oil off the shore of Sierra Leone, the government reporting that they have found 'high-quality oil'. The majority of Sierra Leone's population is reliant on natural resources for their livelihoods. The intervals of economic growth in past did not contribute to economic gains in terms of poverty reduction; in fact, over half of the population live in poverty and nearly 45% of the households are food insecure ("Agenda for Prosperity," 2014). The UN Human Development Index classifies Sierra Leone as one of the poorest countries in the world ranking 179 out of 188, the rank is also shared with Eritrea (UNDP, 2015). Sierra Leone's economic disparities can be attributed to the government's mismanagement and exploitation of resources and funds, it's over-dependency on aid and the inefficiency of diversifying the economy.

Sierra Leone is often hailed for its remarkable progress in its post-conflict transition and for consolidating peace and democracy following the brutal civil war between 1991 and 2002 (UNDP, 2018). Several initiatives were established to promote reconciliation, peace, and reconstruction, with the support of donors. In the years following the war, Sierra Leone received a considerable amount of foreign aid for the purpose of peacebuilding. With the signing of the Lome Peace Accord, the government worked alongside civil societies and the international community to rebuild and secure peace in Sierra Leone, a number of peacebuilding initiatives were implemented while some still remain in progress (United Nations 2007). These initiatives encompass the oversight of peaceful and democratic national elections in 2002, 2007, 2012 and 2018; of the creation of the Truth and Reconciliation Commission and the Special Court; and to



the complete restructuring and reform of the police, armed forces and the office of national security. Furthermore, the peacebuilding initiatives provide the grounds for the establishment of several democratic institutions such as the national electoral commission, the political parties commission, the anti-corruption commission, and the human rights commission.

On one hand, foreign aid has played a positive role in the peacebuilding process in Sierra Leone, on the other, it has economically crippled the country and created a relationship of dependency. The following section examine Sierra Leone relationship with its biggest bilateral donor.

The United Kingdom is the largest bilateral donor to Sierra Leone. Between 2015 and 2016, Sierra Leone was given an average of \$283.6 million in aid from the UK (OECD, 2018). The UK has provided a large-scale of support throughout the years for Sierra Leone; such support is driven by strategic, political and economic interests. The UK and France are renowned for giving aid to their former colonies, this, in turn, safeguards their influence and investments. The UK played an important role during the post-conflict peacebuilding process for several reasons. Since Sierra Leone's conflict posed a security threat to the region, securing peace in was essential to quelling the spread of conflict elsewhere. By investing in the peacebuilding process the UK would also ensure that conflict would not reoccur and guaranteed that the UK would not have to intervene another time. From afar, UK aid to Sierra Leone may be perceived as humanitarian; however, it has underlying motivations and intentions. Economically, the UK had investments in Sierra Leone with several mining companies operating in the country; therefore, securing the stability of the country would ensure that the UK would gain access to resources (Karagbo, 2006).

When donors often provide aid they expect certain gains in return. Bilateral donors, such as the UK, use aid tying to ensure that recipient countries import goods, and services from the UK. The United Kingdom's Export Credit Guarantee Department ensures that aid recipient countries import from the UK (Karagbo, 2006). Aid tying disrupts the domestic market, inhibits the growth and causes distortions in trade. The magnitude of aid inflow from the UK to Sierra Leone has created a cycle of dependency and impaired economic growth and development. As a result, Sierra Leone is one of the poorest countries in the world, despite receiving massive amounts of aid and having an abundance of mineral wealth.

The comparative dimension of this study is introduced in chapter six; the chapter investigates different variables in order to assess the effectiveness of aid. The Rwanda experience in post-conflict reconstruction is significantly better than Sierra Leone having perhaps one of the most successful post-conflict reconstruction stories in Africa, often referred to as the "miracle." In contrast, Sierra Leone is often characterized by its poor economic performance despite having immense mineral wealth, while Rwanda, having no mineral wealth, is one of the fastest growing economies in the world. Rwanda's economic growth could be attributed to several reasons, the government has an ambitious plan to transform the economy from an agriculture subsistence-based economy to a knowledge-based economy, in turn, the government has taken on an initiative to provide free education for all, consequently Rwanda has achieved a near-universal primary school enrolment and made significant improvements to health services reducing infant mortality by two-thirds.

While both countries are labeled as multi-party democracies, the Rwandan government, illustrates a developmental authoritarianism or a pseudo-democratic government that provides significant public works and services while exerting control over nearly every facet of society. The Rwandan Patriotic Front (RPF), has been dominating the political sphere, for the past 24 years. Sierra Leone has a multi-party system with two dominant parties, the All People Congress (APC) and Sierra Leone's People's Party (SLPP). Since 2003, Sierra Leone has held peaceful general elections in 2007, 2012, and 2018. According to DfiD, democratic governance and the promotion of institutional reform is the reason behind continual donor support for Sierra Leone. Although Sierra Leone is labeled as a democracy, political patronage; identity politics; rent seeking; corruption; and nepotism characterize the political sphere, which can eventually jeopardize the peace that the country was able to experience for the past seventeen years. Other hand, the World Economic Forum's report 2015 ranks Rwanda number 7 for having one of the most efficient governments in the world, despite its repressive regime (GCI, 2015). Despite being labeled a democracy the government of Sierra Leone has failed in providing basic services to its citizens.

Rwanda has the highest percentage of women appointed to government in the world, today women hold 64 percent of the national legislature, the largest share of any country in the world. On the contrary, women in Sierra Leone hold only 12 percent of the parliamentary seats and Sierra Leone is ranked 151 out of 159 countries in the gender inequality index with Rwanda ranked at 84 ("Human Development Reports," n.d.). Although Sierra Leone has been a signatory to a number of international conventions pertaining to gender equality, since 2002, the number of

women in parliament has been declining; with emerging reports of women's names being removed and replaced by male candidates (Gooding, 2018).

Rwanda has made tremendous strides in education; it is one of the top countries in Sub-Saharan Africa to achieve Millennium Development Goal (MDG) 2. With access to universal education, primary education enrollment reached a net of 97.7 percent in Rwanda (UNICEF, 2016). On the other hand, Sierra Leone has the lowest literacy rates in West Africa and in the world; the adult literacy rate was at 48% in 2015 ("Encyclopedia Britannica," 2018). Though the civil war has ended over a decade ago, the education system is still recovering, with over 40 percent of the teachers being inexperienced. Between 2008 and 2012, the net secondary school enrollment was 39 percent for boys and 33.2 percent for girls. In rural areas, many parents choose not to send their children to school due to the cost of transportation, uniforms and books.

The U.S. and UK are major donors to developing countries; today the U.S. is the largest bilateral donor to Rwanda and the UK is the largest bilateral donor to Sierra Leone. Between 2015 and 2016, Sierra Leone was given an average of \$283.6 million in aid from the UK (OECD, 2018). Rwanda, on the other hand, received \$188.6 million dollars in development aid in 2016 from the United States. Both the UK and US have very similar development aid policies, they both emphasize the importance of the national interests, security, and power (Ford, 2011). The UK has a subtle approach in which aid is masked by noble humanitarian intentions; the UK was the first country to respond to the Ebola virus. Not only did they send in medical personnel to Sierra Leone, but also a navy vessel with the military personnel to build hospitals. Despite this, however, the reality paints a different picture; the British have a lot at stake in Sierra Leone with

most of the mining companies being British owned; furthermore, most of the aid given to Sierra Leone is attached to conditions such as purchasing goods and services from the UK. Thus, the aid given to Sierra Leone will return to the UK with double the interests. Unlike the UK, the US initially had little or no national interest in Rwanda, and in fact, most of the aid given to Rwanda is based on 'genocide guilt'; however, today the dynamics have changed; the US has private investments and trade relations with Rwanda. Moreover, the US has strategic interest with Rwanda playing a pivotal role in the Great Lakes Region, and in recent times Rwanda has been meddling with internal affairs in Burundi and the DRC.

Based on the findings of chapter six, Rwanda is performing better than Sierra Leone in every aspect ranging from governance to education, despite receiving less aid than Sierra Leone. Sierra Leone has received substantial amounts of aid to alleviate and promote development, yet today it is among the poorest countries. The structure of dependency established during the colonial era and the neoliberal policies introduced through SAPs have debilitated economic development in Sierra Leone. Foreign aid and foreign companies in Sierra Leone have limited the state's capacity to accumulate revenue by exploiting the country's resources and placing unreasonable conditions of buying expensive goods and services from donors that have further pushed the country into debt and poverty.

The Sierra Leone case study exemplifies the failures of donor aid not just in Sierra Leone but throughout Africa, foreign aid has failed to promote long-term sustainable development, and instead aid has created a dependency syndrome, impaired economic growth and induced corruption. Unlike Sierra Leone, Rwanda has been able to reduce its aid dependency from 85

percent in 2000 to 45 percent in 2010 (Abbott & Rwirahira, 2012). Rwanda's economic growth and reduction in aid dependency is attributed to sound economic policies, aid ownership, rule of law, anti-corruption initiative, strong institutions, gender equality, human development and its ability to coordinate and utilize aid. The government of Rwanda has a traffic light system, which assesses aid; the system identifies the areas in which aid is performing well and areas that appear problematic. The assessment provides donor with a green light when aid is effective and when both donors and the government are meeting their obligations. A red light is given to projects deemed ineffective or that require more aid. The Rwandan government is taking the lead in monitoring and evaluating aid spending. Furthermore, Vision 2020 and the EDPRS serve as a point of reference to monitor and evaluate the performance of aid and to determine the amount of aid required to achieve the goals outlined in its developmental plan.

Rwanda's government's accountability and capability of spending aid money effectively has impelled donors to provide more aid; between 2008 to 2010 donors such as the World Bank have increased budget support to Rwanda (ActionAid, 2011). An increase in aid while also placing more aid in the government hands has helped Rwanda reduce its aid dependency. Furthermore, Rwanda has been able to mobilize its own domestic resources with initiatives such as "Made in Rwanda". Despite its remarkable progress, Rwanda's economy is susceptible to shocks, budget and trade deficits, due to the scarcity of diversification and the government's external debt.

Three-fourths of the country's debt is owned by the World Bank. Furthermore, investment is dominated by a large aid-dependent sector, and although export volumes are increasing, there is limited diversification of export commodities.

Nevertheless, both Rwanda and Sierra Leone rely heavily on foreign aid; thus, it is crucial for both countries to work towards becoming self-sufficient. In recent times donors have withheld aid from Rwanda; according to the Trump administrations new fiscal budget, aid to Africa will decrease significantly implying that it is only a matter of time before donor fatigue sets in and donors begin to cut back on aid. The subsequent section will provide policies recommendation based on the findings of this study.

### **Recommendations**

*The Diversification of the Economies-* Environmental shocks and population pressure pose an existential threat to Rwanda and Sierra Leone. Economic development, rural integration and resource management along with good governance are essential to addressing the changes that come with climate change and natural disasters. Rwanda is a small yet densely populated country, the demographic pressure, in addition to the degradation of soil and climate change will probably exert pressure on the agricultural sector. The International food policy research forecasts that the production of staple crop will decline. Since the majority of Rwanda's population lives in rural areas and is engaged in the agricultural sector, access to land is critical to their livelihoods. Sierra Leone faces a similar problem; nearly half of the population is engaged in subsistence farming. Food insecurity and unemployment are an imminent problem; therefore, diversifying rural incomes and improving food security should be a top priority. The governments of Rwanda and Sierra Leone must provide farmers with the necessary expertise and equipment to increase productivity and promote environmental management and sustainable land use which is essential to addressing food insecurity.

Drawing upon the Food and Agriculture Organization of the United Nations (FAO) effort in Sierra Leone, the FAO established agribusiness center which are farm-based organizations which assist in training farmers. Furthermore, the FAO's South to South Framework initiated a global exchange of knowledge, experts from China shared their expertise and good practices with agribusiness centers in Sierra Leone. As a result of the FAO efforts, farmers in Sierra Leone are now selling rice to the World Food Program. The use of technical expertise and equipment provided by the FAO helped reduce the use of manual labor and increased productivity. Noting with appreciation the FAO's effort, the government of Sierra Leone and Rwanda must take greater initiatives in supporting agricultural development and strengthening the capacity of food security.

Similar to the FAO's project, the African Development Bank (ADB) is collaborating with the government of Rwanda and working on projects aimed at reducing poverty. The Dairy Cattle Development support (PADEB) is designed to develop the dairy cattle industry. The "One Cow" for every poor family dimension in the project provides families with milk and what is left over is sold for profit, improving nutrition and income at the household level. The second project is the Inland Lakes Integrated Development and Management Support Project, which is designed to improve the productivity of lake and pond fisheries. The project helps restore the fisheries by providing finance training, management, and fishing techniques. The third project is the Bugesera Agricultural Development Support project and its objective is to enhance food security in the Bugesera region by setting up irrigation infrastructure in the valley, and protecting water catchment (something for catching water, as a reservoir or basin) improving rain-fed farms and building the capacity of farmers and supervisory institutions. Noting with appreciation the



efforts of the international organization, the governments of Rwanda and Sierra Leone must work on building upon the foundation of these projects for sustainable long-term solutions to development.

In a service-oriented, globalized economy, the poorest and least educated struggle to take advantage of new opportunities; while Kigali and Freetown are flourishing the rural areas remain impoverished, hence the governments of Rwanda and Sierra Leone must invest in human development and work toward providing adequate education for rural communities, such as vocational training, to support diversifying the economy to non-agricultural activities. To overcome the steep structural challenges and catch up with Rwanda's economy, Sierra Leone must work on establishing a more inclusive model of development, a regulatory, environment that supports businesses and entrepreneurship. Sierra Leone has two industries that it can capitalize on, the fishing industry and the mining industry. Going forward, both Sierra Leone and Rwanda must invest in building infrastructure and providing better access to electricity, this will encourage private investment and ensure economic growth.

*Alternative Aid approach* – According to the scholar Tandon since the Second World War, the world has been using the same aid architecture. Despite claims made by the World Bank and the IMF, the development architecture has failed; the inequality and disparities that exists within nations is increasing by the day. Many prominent economists have echoed the sentiment that foreign aid may be hurting the very countries and communities it is intended to help. Most of the developing countries do not have a say in the decision making process within their country, which is evident in the case of Sierra Leone; the conditionality's placed by financial institutions

and donors have further exacerbated the levels of poverty. Donors should re-evaluate the conditions placed on recipient countries because aid is often wasted on the conditions that the recipient country must comply to the buying of overpriced goods and services from donor countries; donors should find reasonable conditions which are truly aimed at poverty reduction and development.

Although a digital revolution is happening across the globe, and despite the rapid spread of science and technology, the majority of the world's population remains largely untouched by these benefits; extreme poverty remains high in particular in Sub-Saharan Africa. Meanwhile financial institutions and donors control trillions of dollars and prescribe unfavorable schemes to development. Donors have a tendency to prescribe the same conditions and developmental schemes across all developing countries irrespective of the needs of the country and the reality on the ground. Drawing upon Easterly assertion (2006), donor should consider aid policies according to each individual country known as a 'searchers approach'.

An overflow of aid can overwhelm local resources and introduce expectations that are unsustainable and unrealistic. The Paris Declaration 2005 outlined a plan to make aid more efficient. The plan included measures to increase recipient country's ownership and to improve donor harmonization and the management of aid according to results and to enhance accountability. However, the implementation of the Paris Declaration was rather, disappointing; countries were slow to implement while countries like US, China and India, did not want to harmonize (Bigsten & Tengstam). Harmonization is essential because the coordination of aid allows donors to reduce their own transaction cost, and correspondingly it reduces the amount of resources that recipient countries have to spend on aid delivery. Harmonization also allows for

better coordination. Donors need to coordinate to avoid inefficient aid allocation, for instance in most of the literature on the impact of aid on education, there is an overcrowding in educational projects that are geared towards increase enrollment rather than the attainment of quality education. Furthermore, harmonization can reduce corruption, if the number of donors are reduced in a country, this could help donors trace fraudulent intermediaries. Evaluation is also key to documenting the result of development cooperation and gathering information for future learning experiences.

The priority for donors and for countries going through the post-conflict reconstruction process include food security, health, education, gender equality, infrastructure, which are essential to building a skilled and competitive workforce and lifting living standards.

Donors can support developing countries by providing sustainable long-term development projects; projects that allow the developing countries to lead their own development instead donors that have a tendency to micromanage programs. Donors and recipients should encourage local consultants to use their knowledge of the country to develop best practices for development. In spite of conventional thinking, local communities have the relevant knowledge to resolve their own country's predicaments.

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