The charity organization and the thief

Understanding structures disabling public
development in Sierra Leone

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Abstract

Recent Structural Adjustment Program (SAP) reforms promoting Foreign Direct Investment (FDI) carried out by the Sierra Leonean government has attracted foreign investors into its extractive industry. Access to natural minerals in the country has been ensured through land leases, and the government of Sierra Leone has obtained the opportunity to accumulate revenues through participation on the global market. However, despite increasing state revenues the country remains underdeveloped and unindustrialized, and faces great challenges in promoting public development within state borders. This study aims at illuminating structures of the global economic system and domestic social fabric which may hinder public development in Sierra Leone. Such structures have be illuminated through the application of a qualitative approach including field work, participating observations and open-ended interviews in Kalansogoia chieftdom during May and June 2013. The findings of this study suggest that the international structure of dependency, and domestic formal; informal; informal institutions; and social networks structures hinder public development within Sierra Leone.

Keywords: Dependency theory; Post-colonial theory; The economy of affection; FDI; and Development.
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1. Introduction

Food insecurity and poverty are the greatest global challenges facing the world today\(^1\), contributing to lack of development in the most vulnerable region of the world. In Sub-Saharan Africa, 79% out of 936.3 million people are living in poverty on less than $2.50 per day\(^2\). The fact that almost 740 million people are suffering from these global challenges may not come as a surprise since 34 of the world’s 48 Least Developed Countries (LDCs) are located in the region\(^3\). These countries are facing extreme challenges in terms of promoting public development within national borders which would contribute to achievement of the goals of poverty eradication and food security stipulated in the post-2015 development agenda\(^4\).

Financial investments made by the public sector are crucial in order to meet the post-2015 development goals but these investments also need to be accompanied by large private sector contributions\(^5\). In LDCs the capacity of the public sector is very limited due to; lack of institutional capacity; lack of financial resources; and deficit originating from participation on the global market. These factors result in the public sector not being able to meet the high demand for public investments, in terms of launching and carrying out development projects. Therefore, private sector investments are indispensable to fill the estimated deficit of $2.5 trillion annually in LDCs\(^6\). The need for large private sector contributions has expanded economic relations between Africa and the rest of the world as a consequence of economic liberalization and global demand for food, energy and commodities. As a result, foreign direct


investment (FDI) has been fostered in many LDCs in Sub-Saharan Africa, particularly in extractive industries\(^7\).

Sierra Leone, one of the LDCs in the region, is not an exception where great efforts have been made by the Government of Sierra Leone (GoSL) in order to attract FDI, mainly for investments in the mining industry. Even though the country suffered from a prolonged civil war in the end of the last century, the country’s richness in natural resources and maritime geographical location has attracted FDI which is recognized as a key element for the country to sustain high economic growth\(^8\). The main reason for attracting FDI in its mining industry has been legal reform regarding such sector which began in 2000 but faced difficulties such as adequate and effective implementation of proposed measures due to limited institutional capacity\(^9\). However, the GoSL continued its reform work within the sector resulting in The Citizens and the Mines and Mineral Act 2009 (MMR Act) which includes provisions on; general principles; mining licenses; general rights and obligations of mineral license holders; financial duties and surrender; and cancellation and suspension of mineral rights\(^10\). With the new legislative framework in place, the GoSL struck an agreement with the transnational cooperation (TNC) African Minerals Limited (AML) including a 99-year lease of resource-rich land and the adjacent infrastructure including port operations at Pepel and a 74 kilometers railway\(^11\). The leased land, Tonkolili mining site, is located in the Kalansogoia chiefdom in Sierra Leone’s Northern Province where the world’s largest magnetite deposit was discovered and defined in March 2008\(^12\). In winter 2010/2011 the AML invested $770 million to complete phase 1 of the mining project\(^13\), which constitute almost 75 % of the country’s FDI inflow under the same year\(^14\). The GoSL has managed to secure resources for public sector investments which in


\(^{14}\) UNCTAD 2014, 206.
conjunction with the private sector investments made by AML, would promote public development within state borders.

Public development will be promoted when private sector investments are invited through the creation of a favorable investment environment and public interests are protected through regulations. Additionally, such development will be enabled when the public and private sector carry out simultaneous pushes for public investments. The agreement, regulating rights and duties in regards to the mining activities at Tonkolili mining site certainly stipulated favorable conditions for the AML, but lacked policies and regulations in order to protect public interests. Consequently, AML was the beneficiary on expense of the people in Kalansogoia chiefdom. But on the other hand, AML undertook the duty to contribute to community development, which eased the burden on the GoSL in terms of promoting such. Private sector investments were therefore never supported by a simultaneous push from the public sector. It is evident that striking the balance between a favorable foreign investment environment and protection of public interests, and at the same time accomplish parallel pushes for investments are hard to achieve in Sierra Leone. This hardship is due to structures of the global economic system and domestic social fabric within the post-colonial state. Without knowledge on how these structures hinder public development in the country, the same development approaches will continuously be implemented resulting in extreme difficulties for the people and lack of opportunities to achieve the post-2015 development goals.

1.2 Aim and Objective

The aim of this study is to illuminate, through a qualitative case study, structures of the global economic system and the domestic social fabric in Sierra Leone which may be obstacles for public development in the country. By illuminating these structures a deeper understanding will be obtained on what may prevent Sierra Leone from going down a path towards development.

15 UNCTAD 2014, xi.
18 Interviewee 6, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0018.
Such understanding may suggest that the “one solution fits all”-approach must give way for new context sensitive approaches, meaning that knowledge on inherent structures and interlinkages between economic and social aspects is a prerequisite to make appropriate efforts in order to promote sustained and inclusive economic growth within the state borders. Furthermore, such understanding is also highly relevant for international relations because the recent advancement of globalization. This advancement has lead to a priority shift within the field where the international community is focusing on a world political system including the future global economy and a political community based on global human solidarity. This new focus has resulted in the international community’s commitment to develop and implement effective strategies and measures aimed at contributing to betterment for the marginalized and most vulnerable peoples in the world. The significant importance of the findings of this study will assist the international community in formulating and implementing context sensitive approaches tailored to overcome specific structural obstacles hindering public development in Sierra Leone. Such extended knowledge will ultimately contribute to the fulfillment of the post-2015 development goals by the state.

1.3 Research question

In order to meet the aim and objective, this study intends to propose an explanation to the following research question. What structures of the global economic system and the domestic social fabric may hinder public development in Sierra Leone?

1.4 Delimitation

This study will be delimited to discuss structures on an international and domestic level which are assumed to hinder public development in Sierra Leone. Therefore, this study will not focus on the process and legality of land acquisitions and the concept and scope of land grabbing and land ownership rights. Such land issues have been researched in several studies20 conducted in Sub-Saharan Africa and South America and are important from a legal and human rights

perspective. However, these different implications and consequences of land leases cannot explain the absence of public development despite regular FDI influx. Additionally, studies conducted in Sierra Leone have also shown correlations between the presence of TNCs, corrupt governments and human rights violations conducted by these actors in the areas of operations. This study is not an exception in terms of illuminating human rights violations committed by the TNC, but it is also worth mentioning that the GoSL in many cases take on the role as a perpetrator by denying the people of Sierra Leone their human rights. The present hardship for the Sierra Leonean people is obvious and more often depends on inherent international and domestic structures. These structures cause all the above mentioned issues and manifest backwardness and lack of public development. Therefore, this study is determined to illuminate such.

1.5 Methodology

The aim of this research is to extend the existing knowledge on what structures that may prevent public development in Sierra Leone. Therefore, this study has been conducted using a qualitative approach including a case study of the country since this method will best assist in achieving the aim. A qualitative approach begins with assumptions of a world view outlined by a theoretical lens and the study of a phenomenon inquiring into the meaning individuals or groups ascribe to it. In order to illuminate such meaning an all inclusive approach has been applied since this field of interest requires a complex and detailed understanding of the phenomenon which can only be achieved when the voices of the affected individuals have been heard. Since a qualitative approach involves a naturalistic approach to the world, prolonged and extensive fieldwork has been conducted.


23 Creswell 2007, Qualitative Inquiry & Research Design, 36.
Fieldwork is necessary in order to develop a deeper understanding of individuals’ experiences through the study of the phenomenon in its natural setting. The fieldwork took place during two months, May 1st to June 30th 2013 in Sierra Leone. Approximately one month was spent in the capital Freetown where the central government has its seat and one month was spent in Kalansogoia chiefdom where the local government has its seat and where Tonkolili mining site is located. The great amount of time spent in each setting benefitted face-to-face interaction leading to the possibility of informing individuals on the research sites of the aim and purpose of the study. This lead to important networks being established and several individuals in the above mentioned research sites opened their houses and provided accommodation. Throughout the fieldwork, openness about the study has been applied resulting in an increased level of trust among the individuals involved in the research process. In this sense the prerequisites for adopting methods of inquiry about the phenomenon were fulfilled which enabled easy access to the research sites and more detailed information being provided by the informants.

Methods of inquiry, aimed at reporting multiple perspectives by collecting rigorous data through multiple sources of information, contribute to an extended understanding about the phenomenon under study. Multiple perspectives have been collected through gathering of documents, participating observations and interviews. Documents have been gathered through the official webpage of AML and the GoSL; non-governmental organizations within Sierra Leone; and private individuals. These documents include agreements and other documentation concerning the land-lease; governmental and company policies; national legislation; and non-governmental organization reports. Consequently, all these materials are primary sources but will be supported by secondary material in the chapter explaining the historical context. The participating observations involved developing and sustaining a relationship with the people while they went about their normal activities. Such observations took place in public spaces; in private homes; at official meetings; and at the Tonkolili mining site. The prolonged and constant presence at the research sites allowed for excessive hours of studying the phenomenon which resulted in a large amount of field notes trying to explain such. Yet does these two

24 Creswell 2007, 37.
27 Creswell 2007, 39.
28 Creswell 2007, 45.
29 Creswell 2007, 73.
30 Chambliss and Schutt, Making Sense of the Social World, 225.
methods of inquiring information only provide a view and to a certain extent an understanding of the phenomenon. Therefore, interviews have been conducted in order to fully ensure a holistic account.

By conducting interviews, not only has the phenomenon been seen but also heard, which enable the possibility of presenting an holistic account. 29 interviews have been conducted and informants were chosen through a purposeful sampling strategy which implies that individuals were selected because they could purposefully inform an understanding of the phenomenon studied. They have been identified through the usage of gatekeepers and by the method of snowball sampling. The gatekeepers granted access to the various settings but also to important informants. Such access would have been impossible without the help from local individuals which through their society networks enabled realization of the research project. The method of snowball sampling has also been applied, which implies that informants were selected because they were identified by other successive informants. Additionally, a limited number of informants have been selected through availability sampling in order to balance representation between different groups within the chiefdom. The informants were chosen from the following groups; AML and its subcontractor employees and officials; tribal authority and community people of Kalansogoia chiefdom; and GoSL officials. No gender consideration has been applied because belonging to above mentioned groups determines whether or not a purposeful account can be presented. The interviews were conducted in a private place free from distractions, which made the informants feel comfortable and resulted in more deep and rich information being provided. Interviews comprised open-ended, relatively unstructured questions where the informants were given the opportunity to describe feelings, experiences and perceptions regarding the phenomenon studied. This type of interviews also allowed for follow-up questions and requests for clarifications which really help in trying to catch the real essence of how the phenomenon is understood and its implications on individuals being affected by such. All informants have given their consent and been informed that they could withdraw.

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31 Creswell 2007, 39.
32 Ibid.
34 Creswell 2007, 125.
35 Chambliss and Schutt, 229.
36 Chambliss and Schutt, 124.
37 Chambliss and Schutt, 122.
38 Creswell 2007, 133.
39 Chambliss and Schutt, 236.
it at any time during the research process. In situations where consent for recording was not
given an interview protocol\textsuperscript{40} has been used where all information provided was written down.
Moreover, a few interviews have been conducted with the assistance of a translator, which was
necessary in order to include the voices of all people affected by the phenomenon. Additionally,
informants have also been guaranteed privacy and confidentiality and as a result all information
that may disclose their identity has purposefully been left out throughout the research process.
All abovementioned inquiry methods including careful consideration of such, facilitated
gathering of deep and rich information which contributes to the presentation of a holistic
account of the phenomenon under study.

The presentation of a holistic account includes development of a complex picture through
identification of the many factors involved and enables extended knowledge about the
phenomenon studied\textsuperscript{41}. In order to enable an understanding of the phenomenon, all interviews
have been transcribed and notes taken during observations have been transformed into field
notes. Thereafter all materials have been divided into different themes which consist of several
codes. All themes and codes have emerged during the research process and were never
predetermined. Moreover, expected; surprising; and conceptually interesting and unusual codes
are being presented in this research because they all contribute to the possibility of presenting
an holistic account. By applying these steps in the interpretative phase of the research, validity
of the findings of the study may be ensured. However, since this study has applied a qualitative
approach, there may be a few implications affecting the validity of this study worth mentioning.

Several strategies have been applied during the research process in order to minimize the
presence of possible implications which could affect the reliability and validity of the finding
of this study negatively. In order to ensure reliability\textsuperscript{42}, all recordings and transcripts have
carefully been reviewed in order to check for inconsistencies and mistakes. Furthermore, checks
for drifting in definitions of codes used during the analytical process have been carried out
regularly. The validity of information obtained\textsuperscript{43} is guaranteed since all such have been
triangulated\textsuperscript{44} between different types of sources gathered from different types of inquiry
methods. Furthermore, several perspectives have illuminated during the process and are all

\textsuperscript{40} Creswell 2007, 136.
\textsuperscript{42} Creswell 2009, 190-191.
\textsuperscript{43} Creswell 2009, 191.
\textsuperscript{44} Chambliss and Schutt, 87.
reported in this research\textsuperscript{45}. Additionally, the researcher’s background may bias\textsuperscript{46} the research process and to prevent such from happening an open, honest and transparent approach has been applied. Evidently, the reliability and validity of the findings of this research project are high and present an holistic account which extend the existing knowledge on what international and domestic structures may hinder public development in Sierra Leone.

### 1.6 Disposition

Chapter 2 will present previous research and the theoretical lens applied in order to illuminate what international and domestic structures that may hinder public development in Sierra Leone. Chapter 3 will present the historical context including contemporary events concerning AML mining operations in Kalansogoia chiefdom, and these events will be analyzed using a qualitative approach in chapter 4. The analysis will be divided into six sections examining different structures of the global economic system and the domestic social fabric in Sierra Leone. Chapter 5 will present the findings of this study by proposing what structures of the international and domestic system that may hinder public development in the state and also includes a suggestion for further research.

\textsuperscript{45} Creswell 2009, 191-192.  
\textsuperscript{46} Creswell 2009, 192.
2. Concepts and Theories

This chapter presents previous research which suggests that there exists a gap in existing knowledge regarding the phenomenon studied and introduces a theoretical lens on how this gap can be filled and knowledge regarding the phenomenon extended. Section one will discuss the characteristics and rules of the global economic system which concentrate wealth in particular groups. Section two will outline the theoretical lens comprising dependency theory and post-colonial theory which have been applied in the research process.

2.1 The global economic system

The present global economic system is characterized by capitalism which creates inequality and contribute to underdevelopment⁴⁷. The capitalist system is built on an individual appetite for accumulating wealth⁴⁸ which can be achieved through participation at the global market and international trade. The logic of this global market “[…] is to locate economic activities where they are most productive and profitable […]”⁴⁹ and it is governed by the principle of demand and supply⁵⁰. As a consequence of this logic participants must develop a specialized export sector focusing on commodities which are quite cheap to produce but subject to a high demand on the global market. Participation in the global market is complete when the commodities are produced not only for the family, but primarily for distant others⁵¹. The participant has now developed comparative advantage⁵² resulting in accumulation of surplus because of high

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⁴⁹ Gilpin, 11.


⁵¹ Lindblom.

profitability from the production process and high international demand. This financial surplus will then be reinvested in the means of production in order to maintain and improve comparative advantage, but also in development of other avenues which can provide access to additional financial surplus. The same logic applies in reverse. If the supply of a certain commodity is high, then the accumulation of financial surplus will be low resulting in lack of financial means for reinvestments in the production process and development of other cost-effective avenues. Opportunities of wealth accumulation are optimized when the condition of free trade on the global market prevails and each state has willingly given up its right to absolute sovereignty. Such conditions result in creation of integrated communities promoting economic growth53. In this sense, the market is the only organizing power in the economic sphere and the invisible hand will organize the economy efficiently and transform private interest into public virtue54. Even though the global market is to benefit everyone the tendency is that this market concentrate wealth in particular groups55 and leave large populations in poverty56. In order to understand how this concentration of wealth can occur and create obstacles for public development in Sierra Leone, inherent structures of the global economic system and domestic structures of the post-colonial state must be illuminated.

2.2 The Theoretical lens

This section will present the theoretical lens applied in order to study what structures of the global economic system and the domestic social fabric may hinder public development in Sierra Leone. This theoretical lens comprises thoughts put forward by dependency theorists such as; Andre Gunder Frank; Samir Amin; Immanuel Wallerstein; and Theotonio Dos Santos. These theorists claim that the global economic system is characterized by inherent structures of dependency resulting in lack of access to economic surplus which prevents post-colonial states from developing. Furthermore, thoughts by post-colonial theorists such as; Jean-François Bayert; Mahmood Mamdani; and Goran Hyden will support in developing an understanding of structures of the domestic social fabric. These theorists argue that the post-colonial state is a
product of colonial policies creating inequalities which are maintained and reproduced by an economy of affection. The theoretical lens comprising these two schools of thoughts will consequently illuminate the structures sought for and therefore assist in presenting an explanation to the central question of this study.

2.2.1 Structures of dependency

The structure of the global economic system strongly influencing interstate relations is characterized by endless accumulation of wealth as a driving force for world development and in wide reality a system where only the few can win and the many must lose\(^{57}\). The structure is shaped by dependency, a historical condition created during the colonial period, where the economy of a certain group of countries is conditioned by the development and expansion of another economy to which their own is subjected\(^{58}\). It favors some countries to the detriment of others by limiting the development possibilities of the subordinate economies because of the polarization and exploitative contradictions introduced and maintained in the domestic economic structure of the subordinate\(^{59}\). This relational concept is understood as core-periphery\(^{60}\) or metropolis-satellite\(^{61}\) and explains the degree of profitability of the production process\(^{62}\) and the level of competitive capacity of market products\(^{63}\). This dependency structure, which continued after independence upholds the present world economic system.

Dependency posts several structural limitations on the degree of profitability of the production process and the competitive capacity of market products leading to lack of access to surplus which can be reinvested in the domestic periphery/satellite market. Export products in the


\(^{60}\) Wallerstein, *World System Analysis*.

\(^{61}\) Frank, *Capitalism and Underdevelopment*.

\(^{62}\) Wallerstein, 28.

periphery/satellites are predetermined by the core/metropolis and consist predominantly of natural resources, crops and raw materials. This leads to specialization in these types of commodities and results in a primary focus on the export sector in order to promote accumulation of financial resources. However, the availability of such products on the global market is high resulting in low profits of sales and consequently the competitive capacity of the products decrease. Inevitably, the expected financial accumulation of influx and access to foreign capital default and cause deficit due to the specialized and limited export sector and fluctuations in the balance of payments. The deficit contributes to non-purchases of machinery for development of the industrial sector and non-produced raw materials for the domestic market. Consequently, lack of surplus and an increasing deficit hinder reinvestments in the domestic market which is left in a state of stagnation. This stagnation, characterized by usage of obsolete production techniques affects the degree of the profitability of the production process negatively. The low level of profit from the production process and the attempts to simultaneously avert the increasing deficit leads to manpower being superexploited and as a consequence national consumption and purchasing power decrease. Additionally, many businesses operating within the field of natural resources are foreign owned and as a result all accumulated surplus from such businesses is destined to be sent abroad. These structural limitations prevent the financial accumulation of surplus in the periphery/satellites, and now foreign financing must fund the development of the state in order to circumvent the road to bankruptcy.

2.2.2 Foreign financing

Foreign financing comes in the form of conditioned structural adjustment plans (SAP) accompanied by FDI which further undermine the periphery/satellites to relaunch any national territorial development projects. The SPA, introduced by the International Monetary Fund (IMF) and the World Bank (WB), offered conditioned loans where the receiving state has to

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67 Ibid.
68 Dos Santos 1970, 232.
69 Dos Santos 1970, 233.
undertake specific domestic structural adjustments such as; reduction of public spending on social programs; removal of food and other subsidies on basic necessities; trade liberalization; privatization of parastatal enterprises; and expansion of the export sector\textsuperscript{71}. The demand for reduction of public spending inevitably affects the society and the people have to rely on other institutions and networks for survival. The policies of trade liberalization and privatization of parastatal enterprises undermine the possibility of the state to accumulate financial resources on customs and taxes, and collect surplus from the production process which can be reinvested in the state. This causes further implications on the demand to expand the export sector since such is highly limited and specialized due to an undeveloped domestic market. This market cannot develop due to limitation on state controlled sources of revenue which possibly could have accumulated financial resources. The consequence of SAP is evident; “structural adjustment has helped to tie the physical economic resources of the African region more tightly into servicing the global system, while at the same time oiling the financial machinery by which wealth can be transported out of Africa and into the global system”\textsuperscript{72}. Additionally, FDI to the industrial sector in the periphery/satellites further ads to the absence of accumulating surplus for the state since the foreign investor monopolizes most of the surplus deriving from the commodity extracted or the production process\textsuperscript{73}. Such foreign control over the industrial sector also prevents participation by the periphery/satellites in technological development within the field which further hinders development of the sector\textsuperscript{74}. With the help of SAP and FDI, the wealth is concentrated in the core/metropolis leaving the periphery/satellites in a condition characterized by stagnation and underdevelopment which is also caused by structures of the post-colonial state created during colonial time\textsuperscript{75}.

\textsuperscript{72} Hoogvelt, 171.
\textsuperscript{73} Dos Santos 1976, 98.
\textsuperscript{74} Dos Santos 2010, Social Change, 102; Dos Santos 1970, 233.
2.2.3 The post-colonial state

The post-colonial state is a product of colonial structure aimed at controlling individuals through a system of direct and indirect rule which is present up to date. These two ways of governance consequently create one formal system upheld by the central government including local branches which governs citizens in civil society, and one informal system upheld by tribal authority which governs tribe members. Direct rule manifests exclusion of individuals from civil freedoms guaranteed to citizens in civil society, while indirect rule signifies a tribal authority with the duty to incorporate tribe members into a state-forced customary order. The indirect arm, or the informal system of the state, is the tribal authority comprising a hierarchy of chiefs. They constitute key individuals in terms of; legislation; administration; legal matters; and law enforcement, and the highest ranked chief holds the most power. The chiefs must never be short-circuited and are answerable only to higher administrative authority e.g. the national government, leaving them with power that is total and absolute, unchecked and unrestrained. The direct arm, or the formal system of the state, is the central government with duties to carry out good governance and safeguard transparent and effective institutions. However, responsibility for such duties are strongly affected by the colonial tradition of fused power and administrative justice resulting in that the central government including its local branches are closely associated with acts of widespread impropriety, inefficiency and corruption. Consequently, the individuals within the state borders are left alone to ensure their own survival which is conditioned by the amount of opportunities at hand.

The present system of governance presents opportunities in terms of influence, power and enrichment, and consequently strategies such as the pursuit of hegemony and personal rule are being applied in order to obtain such. Pursuit of hegemony is aimed at creating unequal and dominant social relationships between different groups in society and personal rule implies that rulers are linked to patrons, clients, supporters and rivals who constitute the system. The

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77 M., Mamdani, Citizen and Subject Contemporary Africa and the Legacy of Late Colonialism, United States of America, Princeton University Press, 1996, 102-105 and 128.
79 Mamdani, Citizen and Subject, 18.
80 Mamdani, 52-54.
81 Mamdani, 105 and 108.
ambition is to build relations of power by relying on controlling access to resources that others need but cannot get on their own\textsuperscript{84}. In this sense the access to power and dominance is predominantly personal and informal. The informal has been institutionalized and dominates the way formal institutions operate, resulting in bending of formal rules in order to serve informal institutions\textsuperscript{85}. The individuals in the networks are important in terms of their ethnicity, status, accesses and financial resources, and investments are reciprocally exchanged resulting in a constant scramble for better opportunities.

2.2.4 The economy of affection

This reciprocal relationship is the core of the economy of affection that not only impregnate the whole state structure, but also maintains and reproduces it. The economy of affection is constituted by personal investments in reciprocal relations with other individuals as a means of achieving goals that are seen as otherwise impossible to attain\textsuperscript{86}. Additionally, it imposes obligations on individuals that limit their interest and capacity to support public concerns outside their community\textsuperscript{87}. This economy deals with growth, redistribution and safety\textsuperscript{88}, and is visible in two forms in the post-colonial state; as tribalism; and as patrimonialism. Tribalism was created during the colonial period in order to carry out indirect rule\textsuperscript{89} and is “[…] a bad train of thought and action, which consists of putting the interests of the egoists of one’s own tribe and clan before everything else”\textsuperscript{90}. Patrimonialism operates in the same way but with less emphasis on ethnic belonging. Such forms of patron-client relationships create different opportunities of all types of exchange within the state, and power and enrichment are considered part of the patron’s personal property\textsuperscript{91}. Thus, tribalism focuses on the benefits of the ethnic tribe and patrimonialism focuses on benefits for personal improvements\textsuperscript{92}. The access to and maintenance of domination and enrichment within the post-colonial state depends on this economy which uses several strategies in the pursuit of hegemony and personal rule.

\textsuperscript{84} Hyden 2013, 104.
\textsuperscript{85} Hyden 2013, 74 and 104.
\textsuperscript{86} Hyden 2013, 78 and 75.
\textsuperscript{87} G., Hyden (Hyden 1983), No Shortcuts to Progress African Development Management in Perspective, Great Britain, Heinemann, 1983, 17.
\textsuperscript{88} Hyden 2013, 86.
\textsuperscript{89} Mamdani, 42 and 79.
\textsuperscript{90} Bayart, The State in Africa, 42.
\textsuperscript{91} Hyden 2013, 81 and 98.
\textsuperscript{92} Mamdani, 289.
The constant struggle for influence consists essentially in using all means available in building up individual prestige and authority through capture, pillage and redistribution of wealth\textsuperscript{93}. Different strategies in pursuing hegemony are being applied dependent on the level of access to the state as a form of merchant capital\textsuperscript{94}. These strategies include; monopolization of the means of production by dominant groups\textsuperscript{95}; prevention of crystallization of forces which might provide political or economic competition\textsuperscript{96}; nurturing clientelistic networks of patronage, personal loyalty through benefits; and coercion\textsuperscript{97}. The enrichment derives from; control over civil service departments which constitute bottomless financial reservoirs; foreign links as they are the main conduits for the circulation of wealth; access to positions as gatekeepers acting as an intermediary between the international environment and the national market; and access to various positions issuing all sorts of licenses\textsuperscript{98}. Furthermore, the stronger and more connections chiefs and tribe members have with the central government the more benefits will such entities receive due to the legitimate habit of corruption, an organic part of the system of indirect rule\textsuperscript{99}. The logic of accumulation of wealth and power follows that of the politics of the belly. “[…] the strategies adopted by the great majority of the population for survival are identical to the ones adopted by the leaders to accumulate wealth and power. The line dividing these two categories of actors is a thin one”\textsuperscript{100}. Inevitably such strategies result in inequality within the state.

The domestic networks of the post-colonial state structure are founded upon inequality but also reproduces it\textsuperscript{101}, resulting in the state sensing its way around and responding to constraints and opportunities set by others rather than an instrument of developing charting\textsuperscript{102}. The state responds to community pressures and demands that undermine its authority as a public institution and its officials prefer not to distinguish between what is private and what is public,

\textsuperscript{93} Bayart, 228 pp.
\textsuperscript{94} Bayart, 98.
\textsuperscript{95} Bayart, 110.
\textsuperscript{96} Bayart, 91.
\textsuperscript{98} Bayart, 78-80.
\textsuperscript{99} Bayart, 71 and 87.
\textsuperscript{100} Bayart, 237.
\textsuperscript{101} Bayart, 228.
\textsuperscript{102} Hyden 2013, 72.
resulting in lack of legitimacy and leaving the public to rely on the informal system\textsuperscript{103}. This paradox paralyses the society and prevents the post-colonial state from developing\textsuperscript{104}.

\textsuperscript{103} Hyden 2013, 67.
\textsuperscript{104} Hyden 1983, \textit{No Shortcuts to Progress}, 19.
3. Historical context

This chapter will present several prevailing conditions affecting the ability for Sierra Leone to promote public development. These conditions comprise; on the road to bankruptcy; accumulation of state revenues; and non-compliance and inefficient governmental institutions. They also include protection of public interests and adequate compensation; community development; and opportunities and difficulties as a result of AML and its subcontractors’ presence. All these conditions will be illustrated in different sections below.

3.1 Sierra Leone – on the road to bankruptcy

Sierra Leone is facing difficulties in terms of economic growth due to several historical factors hindering such. The state, a former British colony established in 1787, functioned as a destination for resettlement of freed slaves and black loyalists originally resettled from Nova Scotia, and gained independence in 1961\(^{105}\). Participation in global trade was the main strategy to build up the state economy after independence, and the country specialized in export of natural resources such as; diamonds; titanium ore; bauxite; iron ore; gold; and chromites\(^{106}\). But in the 1970s and early 1980s economic growth rate slowed as a result of declining mining activities of the resource rich land and widespread governmental corruption\(^{107}\). Additionally, the outbreak of a civil war in the beginning of the 1990s, ending in 2002, caused deaths and displacements of more than 2 million people and further inflicted significant damages to the country’s investment and growth potential\(^{108}\). However, Sierra Leone consists of 5.36 million ha land suitable for cultivation, approximately 74 percent of the total land area\(^{109}\), which in conjunction with its natural resources constitute the main commodities used for export. Despite


\(^{106}\) Ibid.

\(^{107}\) Ibid.

\(^{108}\) UNCTAD 2010.

export of such commodities the state has an annually increasing foreign debt, currently at US$ 
1.4 billion\textsuperscript{110}; a small domestic market; undiversified economic structure; poor infrastructure; 
unskilled labor forces; and is underdeveloped in terms of lacking industrialization\textsuperscript{111}. These 
factors hinder development in the state due to lack of financial surplus and require the GoSL, 
which is the guarantor for good governance and rule of law\textsuperscript{112}, to take appropriate action in 
order to promote economic growth.

3.2 Accumulation of state revenues

Due to lack of financial resources in Sierra Leone, the government has identified sources of 
potential revenues and adapted strategies in order to attract FDI as a way of kick starting the 
economy. These strategies are a result of structural reforms carried out during the 1990s which 
generally focused on reducing the government’s role in the economy and improving the 
investment environment for the private sector. “The exchange and trade systems were 
liberalized, and price controls were reduced. A substantial proportion of public enterprises was 
privatized, liquidated, or put under private management […]”\textsuperscript{113}. These measures were assumed 
to boost the economy, and the president of Sierra Leone, Ernest Bai Koroma, is determined that 
foreign investments is the answer to all the country’s development challenges\textsuperscript{114}. Therefore, 
Sierra Leone’s natural resources and land suitable for cultivation became available on the global 
market due to a high demand for food, energy and commodities\textsuperscript{115}. Current sales and land leases 
by TNCs in the agricultural and extractive sector include about 500 000 ha and much more is 
available for sale\textsuperscript{116}. The land lease between AML and the GoSL established in 2010\textsuperscript{117} created 
opportunities for the GoSL to accumulate revenues in exchange for guaranteeing exclusive 
rights to the company. The agreement gives the AML sole right to; explore for iron ore and 
associated minerals; carry out mining operations; and transport, export and market iron ore from

\textsuperscript{110} The World Bank, ‘External Debt Stocks’, \url{http://data.worldbank.org/indicator/DT.DOD.DECT.CD}, 2015, 
\textsuperscript{111} UNCTAD 2010.
\textsuperscript{112} CIA, ‘The World Fact Book Sierra Leone’.
\textsuperscript{113} International Monetary Fund and The International Development Association, ‘Enhanced Heavily Indebted 
\textsuperscript{114} J., Melik, ‘Selling Sierra Leone to Investors’, \url{http://www.bbc.co.uk/news/business-11774744}, 2010, 
\textsuperscript{115} Cotula, et al.
\textsuperscript{116} The Oakland Institute, ‘Understanding Land Investment Deals in Africa’.
\textsuperscript{117} Mining Lease Agreement.
the Tonkolili mining site\(^{118}\). Additionally, AML has the right to occupy and utilize the surface land area indicated within the mining licenses including infrastructure facilities and parts of the land which may be required for exploration purposes\(^ {119}\). The price for the two mining licenses at Tonkolili mining site was set at US$ 1 million annually\(^ {120}\). With the help of a Sierra Leonean board member, AML received the mining licenses without delay and the development of the infrastructure needed for iron ore extraction came in place very rapidly\(^ {121}\). AML also agreed to pay royalties at the rate of 3% of the market value of extracted resources\(^{122}\). The agreement entered into force, but lack of governmental capacity resulted in it not corresponding to current domestic legislation and other international governmental undertakings.

### 3.3 Non-compliance and inefficient governmental institutions

The agreement between the GoSL and AML does not correspond to the MMR Act resulting in loss of revenues for the state. AML received favorable contract terms as the company was granted a rate of 25% in paid income tax rate\(^ {123}\) which is 5% lower than what is stipulated in the act\(^ {124}\). Moreover, AML and its subcontractors are exempted from all duties and taxes in respect of; imports of mining machinery; plant and equipment; infrastructure; and consumable mining stores\(^ {125}\). Additionally, the mining licenses include sole right to explore for iron ore and associated minerals. This implies that AML can extract any raw materials, which is then transported on a railway from the mining site down to the port in Pepel and shipped abroad for processing\(^ {126}\). There are several minerals associated with iron ore and especially “[…] wherever you find iron ore you will find gold”\(^ {127}\). In order to ensure compliance by the mining company with the agreement and national legislation, arrangements for monitoring the mining activities were established.

\(^{118}\) Mining Lease Agreement, article 7 a.

\(^{119}\) Mining Lease Agreement, article 12 a and b.

\(^{120}\) Mining Lease Agreement, article 19 a.

\(^{121}\) Field note 1, observations by Maria Persson, 2013, Lungi, Sierra Leone.

\(^{122}\) Mining Lease Agreement, article 19 b (i).

\(^{123}\) Mining Lease Agreement, article 19 c (i).


\(^{125}\) Ibid., 11.

\(^{126}\) Field note 1 observations, 2013.

\(^{127}\) Interviewee 6 interview, 2013, 7.
In 2008 the GoSL became a candidate to the Extractive Industry Transparency Initiative (EITI) 2008\textsuperscript{128}, which aims at promoting full disclosure of payments and agreements between government organizations and extracting companies\textsuperscript{129}. Full disclosure of such information would promote effective management of public revenues generated from extractive industries. The agreed undertakings under the EITI lead to the establishment of the National Minerals Agency (NMA) formally recognized by parliament in 2012, and it “is like a baby of the Ministry of Mines in Sierra Leone with the duty to implement policies that have been created by the ministry”\textsuperscript{130} and ensure compliance with the MMR Act\textsuperscript{131}. The Ministry of Mines (MoM) is supervising agency activities and their duty is; “We are trying to regulate the mining sector, in a way to push for sustainable mining and maximum benefit for people in this country”\textsuperscript{132}. The agency is not monitoring the government but carry out examinations of mining companies through its compliance officers\textsuperscript{133}. Examinations are carried out through strict surveillance conducted by compliance officers from offices based on the mining sites of the companies. Such surveillance requires the companies to report to the agency on a monthly basis about their production and staff so that the compliance officers can ensure compliance with domestic legislation. But “[…] for now I cannot tell you clearly if we have someone there [stationed at AML operational sites]”\textsuperscript{134}.

The government has not made any arrangements so that the government eye and the community eye can be on the operating site [Tonkolili mining site], so that we will see exactly what they extract. We do not know if it is deliberate on the part of the government cause the government has all the powers to protect the mining, the community has no power.\textsuperscript{135}

As a result of inefficient institutions Sierra Leone was suspended from the EITI in February 2013 because of failure in meeting the reporting and disclosure of documents requirements\textsuperscript{136}.

\textsuperscript{129} SLEITI, ‘Reconciliation Report for the Year 2011’, 7.
\textsuperscript{130} Interviewee 29, interviewed by Maria Persson, 2013, Freetown, Sierra Leone, 812_0052, 1.
\textsuperscript{131} Interviewee 29 interview, 2013, 2.
\textsuperscript{132} Ibid.
\textsuperscript{133} Interview 29 interview, 3.
\textsuperscript{134} Interview 29 interview, 4.
\textsuperscript{135} Interview 6 interview, 7.
3.4 Protection of public interests and adequate compensation

As a result of AML’s sole right in occupying and utilizing the area covered by the agreement three communities were relocated and resettled by the company in conjunction with the GoSL causing several restraints on affected individuals. “[…] They [the relocated and resettled communities] have been asked because the interest of our country and the interest of our government and the interest of the authorities of this chiefdom to leave and move to another home […]” In most of the cases AML leased the land from the right full community owners and are paying an annual surface rent, but in a few cases AML bought the land and made a one off payment. “The paramount chief is here to safeguard land and property for the community but when the landowners say that they want to sell there is no option, he can only guide them and then people have to make their own decision” The landowners out leased and sold their land because of poverty. They came from an environment where they could live off the resources in their immediate surroundings. The communities survived on; farming; small scale gold mining; natural food from the bush; natural water from the stream; and natural medication such as herbs and roots, and were able to send their kids to school. But now “they have become strangers to their new land area. They came from a tropical rainforest area to a desert area”. In their new locations they have no access to farming land or small scale mining opportunities because the areas for the relocated and resettled communities are bought by AML from other communities and not very fertile. However, the company had agreed to provide and replace facilities for the purpose of fulfilling basic human needs, but because of lack of knowledge on local conditions these facilities are muddled.

Unsuitable facilities in conjunction with insufficient investments in public interests, further inflicted hardship upon the affected communities. The housing facilities were constructed by AML, but due to lack of knowledge on local conditions they crack during the rainy season. However, “the toilet facilities, which they introduced are fine but we cannot afford to use it cause the exceptive tank is a flush but there is no provision of water, so we cannot flush without

137 Field note 1 observations.
138 Interviewee 25, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0042, 1.
139 Interviewee 20, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0038, 3.
140 Interviewee 4, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0015; Interviewee 3, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0012, 1.
141 Interviewee 6 interview, 2013, 2 and 6.
142 Interviewee 13, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0030, 3; Interviewee 5, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0016, 1.
143 Interviewee 3 interview, 2013, 2 and 6.
Wells and boreholes have been provided for water supply, but the main problem is that these were constructed during the rainy season resulting in contaminated water. At present water is provided daily by a water truck serving three communities, but the access to water storages is very limited. One community has a spear tank but, “[…] that does not take us far. It is like buying petrol mile by mile.” The two other communities store water in buckets, and if the community members are not present when the water truck arrives, they will be without water for the rest of the day. Furthermore, AML also built a medical center to serve two of the relocated and resettled communities, but the facility lacks equipment such as; beds; desks; chairs; and supply for medical treatment. The GoSL “[…] posted two nurses to start operating in this health center, but when they came they did not find any furniture nor equipment so they left. Additionally, a school which was meant to serve two relocated and resettled communities has also been constructed by AML. “Then when they built the school here the government got frustrated because now the school was closer to many other villages. So the school is now serving six villages instead of the two it was meant to serve.” The great influx of children resulted in; student congestion; lack of school supply; lack of facilities; and lack of teachers.

In return for full access to the land of Tonkolili mining site, AML undertook the duty to pay a fair and reasonable compensation to the relocated and resettled communities for damage to; crops; trees; buildings; and works, which should be based on a certified valuation carried out by a government valuator. Before the relocation and resettlement of the communities, AML representatives came to the villages and carried out an assessment for the purpose of adequate compensation. There was no certified valuation determined by a government valuator in regards to the amount of compensation. The amount was negotiated between the paramount chief and AML. “The paramount chief has made the agreement on our behalf. He is the one having the written agreement.” The amount of compensation was agreed to include; surface

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144 Interviewee 1, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812 0009, 1.
145 Interviewee 26, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812 0043, 3.
146 Interviewee 25 interview, 2013, 3; Interviewee 3 interview, 2.
147 Interviewee 24, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0028, 4.
148 Interviewee 3 interview, 2.
149 Interviewee 4 interview, 2013, 4; Interviewee 25 interview, 3.
150 Interviewee 4 interview, 4.
151 Interviewee 24 interview, 2013, 2.
152 Interviewee 24 interview, 5.
153 Mining Lease Agreement, article 12 b.
154 Interviewee 4 interview, 1.
155 Interviewee 13 interview, 2013, 3.
rent paid annually to the chiefdom; maintenance allowance paid monthly; disturbance allowance as a one off payment for the relocation; and crops compensation as a one off payment. These different types of installments were to ensure reasonable living conditions for the relocated and resettled communities, but even these agreements were impregnated with lack of transparency.

The lack of transparency within the extracting business also includes non-disclosure of documents and payments between different domestic stakeholders affected by the mining operations. Documents stipulating the size of the concession is not fully known to the chiefdom. “For example AML are paying surface rent, this surface rent that have been paid to the chiefdom for a land size we do not know. Why are we not informed about the size of the land? This means that they are hiding something from us.” The surface rent is paid by AML “[...] to the central government through the MoM and they forward it to the local government. The local government pass it on to the paramount chief which receives the money on behalf of the people because he is believed to be the custodian of the land. The paramount chief distributes the money to the villages “[...] we do not know the distribution and how genuine it goes across but they [relocated and resettled communities] are paid every year”. The distribution of surface rent lacks transparency, but follows a well-known procedure which enable personal accumulation of wealth.

For example the paramount chief will get 1000 leones, he will keep 200 leones for himself and then give 800 leones to the section chief. The section chief will take 200 leones and give 600 leones to the village chief. The village chief will take 200 leones and distribute the remaining 400 leones to the locals for them to share.

This well-known procedure has been illuminated and presented to governmental institutions, but measures to prevent such unequal distribution are yet to be taken.

We have taken this matter to the anti-corruption in Makeni, that this paramount chief is not supposed to collect this money, our own shares. He is not supposed to take from the surface rent because the land belongs to the land owners, but he has been taken this money and give it to some people he is related to. Some towns he give the correct

156 Interviewee 2, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0010, 2.
157 Interviewee 5 interview, 2013, 2; Interviewee 4 interview, 1.
158 Interviewee 13 interview, 3.
159 Interviewee 26 interview, 2013, 5.
160 Interviewee 25 interview, 4.
161 Interviewee 6 interview, 4-5.
162 Interviewee 2 interview, 2013, 2.
163 Interviewee 26 interview, 5.
164 Interviewee 16, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0033, 4.
165 Field note 2, observations by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone.
Moreover, initially the maintenance allowance was fixed at a very small amount plus one bag of rice. The relocated and resettled communities showed their dissatisfaction through several strikes and clashes with AML staff. These events resulted in several arrests of community members by the Sierra Leonean police, and extended detentions. “We are supposed to be protected by the government, but the government is now victimizing us based on the story from the company”\textsuperscript{167}. After these events, the monthly maintenance allowance increased but the problem is still that it is paid per house and not per household\textsuperscript{168}. “[…] when we are talking about families in our own communities we are talking about a wife or two or three and several children. Some have ten to twenty children”\textsuperscript{169}. Additionally, the crop compensation does not reflect the amount of income loss. “They pay us 30,000-50,000 leones (less than 10 dollars). We are not pleased of that. We informed them that the crops produce every year, we harvest our crops every year so they should extend the payment for ten years as crop compensation but they never did”\textsuperscript{170}. “People are crying and the government is doing nothing. The government should have come in and make sure that the arrangements were fair”\textsuperscript{171}. The lack of governmental policy, regulatory and operational framework for the relocated and resettled communities have resulted in “[…] serious problems such as starvation and poverty”\textsuperscript{172}.

3.5 Opportunities - a result of companies’ presence

The relocated and resettled communities are really being affected by the presence of AML and its subcontractors but this presence also created opportunities for Sierra Leoneans. AML undertook the duty to give preference to Sierra Leoneans in all levels of employment to the extent possible and train their employees\textsuperscript{173}. AML is the biggest employer in Sierra Leone\textsuperscript{174} and together with its subcontractors over 2500 Sierra Leoneans are put into work. Salary rates are high compared to other professions in the country resulting in many locals leaving their old professions in favor of working for AML. The company also provides other benefits such as

\begin{itemize}
  \item Interviewee 27, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0044, 5.
  \item Interviewee 1 interview, 2013, 2.
  \item Interviewee 1 interview, 1.
  \item Interviewee 6 interview, 3.
  \item Interviewee 4 interview, 1.
  \item Interviewee 6 interview, 5.
  \item Interviewee 3 interview, 2.
  \item Mining Lease Agreement, article 15 a and c.
  \item Filed note 1 observations, 2.
\end{itemize}
free health care for the worker and up to five family members\textsuperscript{175}. In a sense the local people have been educated and familiarized with the mining industry and other type of construction and hospitality work carried out by its subcontractors\textsuperscript{176}. But of course, AML should expedite the process of planning so that more Sierra Leoneans moved faster up the rank\textsuperscript{177}. One of AML’s subcontractor is Allterrain Services Group Ltd (ATS) which provide hospitality and kitchen services to AML\textsuperscript{178}. ATS contract local suppliers of different food crops such as; vegetables; cow meat; fruits; fish; pork; and palm oil\textsuperscript{179}. “We are […] buying a lot of foods and crops from the locals because there is no point of going out of this region to buy food when we have it right here. So we always look around for local suppliers to supply what we need”\textsuperscript{180}. Some of the local suppliers are former employees\textsuperscript{181}, but ATS community engagement activities (CEA) officers also identify and recruit them or individuals can send a business proposal to the company. Then ATS will send a representative from its health and safety department, who will carry out an inspection to ensure that the quality and quantity of the goods meet the company’s standards. If the potential local supplier pass the inspection, an official license will be issued and supply of goods initiated\textsuperscript{182}. At present ATS has 9 different local suppliers and 3 new opportunities under inspection\textsuperscript{183}. One of its local suppliers buy the food from the local market and resell it to ATS. “I am getting the food from the locals and the agriculturists. They have some women here and I do buy food from them and from some traders at the market. I buy specific food from them here at the market. Many of them are my customers”\textsuperscript{184}. As a result of the growing population and AML presence, a high demand for food crops exists leading to a growing market and increasing amount of sales and traders\textsuperscript{185}. However, in order to get employment and becoming a subcontractor to AML and ATS personal contacts are needed.

\textsuperscript{175} Interviewee 10, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0024, 2; Field note 1 observations, 2.
\textsuperscript{176} AML 2011, 11.
\textsuperscript{177} Interviewee 29 interview, 4.
\textsuperscript{178} Interviewee 12, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0026, 1.
\textsuperscript{179} CEA Programme Officer – Tonkolili (CEA Programme Officer), \textit{Community Engagement Activities Summary Report – Tonkolili January 2013}, 2013, 4-5.
\textsuperscript{180} Interviewee 12 interview, 2013, 2.
\textsuperscript{181} Field note 9, observations by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone.
\textsuperscript{182} Interviewee 12 interview, 4.
\textsuperscript{183} CEA Programme Officer, \textit{Community Engagement Activities Summary Report}, 4-5.
\textsuperscript{184} Interviewee 9, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0022, 1.
\textsuperscript{185} Interviewee 18, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0036, 1; Interviewee 17, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0035, 1; Field note 17, observations by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone.
All vacancies with the AML and its subcontractors are advertised at the employment office in Kalansogoia chiefdom, resulting in personal contacts being necessary to gain employment. By establishing the employment office in the chiefdom a bigger percentage of the jobs can be given to the locals as in compliance with what AML has agreed to in its contract with the GoSL. The only problem is that many locals are uneducated resulting in that many jobs were given to Sierra Leoneans from other parts of the country. Therefore, the locals within the chiefdom and surrounding area of the Tonkolili mining site carried out a strike because they were not able to get employment with AML or any of its subcontractors. This strike resulted in a new procedure of accessing the chance to get employment with the companies. In order for a person to be considered for employment that person has to register their CV with the employment office and attach a note of recommendation from the paramount chief. Therefore, the person must pay a visit to the paramount chief and beg for the note of recommendation which will depend on if the same tribal belonging is shared or if he is willing to help or not. This procedure makes it hard for people from other parts of Sierra Leone to have access to the chance of getting employment with the companies. There are also special procedures for the unskilled locals but they are still facing huge difficulties because of illiteracy. Moreover, if a person does not want to beg for a note of recommendation, it can bribe someone within the company to get employment even though the person is not qualified for the job. This someone is a Sierra Leonean with a higher position within the company. “But if you do not have the money to pay somebody you will not get the job.” Personal connections are needed both within the companies and at the employment office. “[…] when you go there [to the employment office] with your application, they will hold it unless you do not have someone to work on your application or to put pressure on your application. If you do not have anyone to put pressure on your application you will definitely not find work easy.” Additionally, local suppliers are also recruited based on personal connections. “It happened that I was there when my brother came I saw him doing the same supply when AML came here. So I asked him why cannot you help me so that I can come and do a contract and he said ok I will help you.”

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186 Interviewee 12 interview, 2.
187 Ibid.
188 Interviewee 13 interview; Interviewee 1 interview, 3; Interviewee 6 interview, 4.
189 Field note 7, observations by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 1.
190 Field note 12, observations by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone.
191 Field note 7 observations, 2013, 1.
192 Interviewee 12 interview, 4.
193 Field note 7 observations, 1.
194 Interviewee 10 interview, 2013, 3.
195 Interviewee 9 interview, 2013, 1.
evident, the beneficiaries from AML and its subcontractors’ presence “[…] are the workers because they earn their salaries but for the environment as a whole I do not see any development”\textsuperscript{196}.

### 3.6 Community development

AML agreed to undertake several duties in order to assist in community development and has established procedures to meet this end.

The company takes its social responsibility towards local communities seriously and has already been very active in community development in chiefdoms and districts in which exploration operations are in progress by the provision of scholarships, roads and pipe borne water supply amongst others. These programs will be continued with the host communities fully involved […].\textsuperscript{197}

The AML has employed Community Liaison Officers (CLOs) which are natives from the communities in the chiefdom and function as a link between the company and the community. Those are mostly connected or related to the paramount chief, so in many instances we can address issues without meeting the paramount chief, and those that are beyond our control we normally meet the paramount chief to assist and inform him about the problems on the ground so that he can have a solution to them.\textsuperscript{198}

The company is not actively assessing what community projects needs to be carried out, but the communities rather demand certain projects by informing the CLOs or through the paramount chief\textsuperscript{199}. The CLOs in conjunction with the paramount chief assess the potential of the project and then the CLOs make a recommendation to AML\textsuperscript{200}. “[…] the authorities that are there now [CLOs], some might be interested in carrying out a project, but if that project has not been completed and they have left their job, then definitely that program will lie down”\textsuperscript{201}. However, the paramount chief has direct contact with AML and as a result development projects has been carried out to support the chiefdom\textsuperscript{202}.

AML has assisted in several projects through financial or material contributions in order to support the community. These contributions are made to; the church\textsuperscript{203} and mosque\textsuperscript{204}; several

\textsuperscript{196} Interviewee 10 interview, 2.
\textsuperscript{197} Mining Lease Agreement, article 20.
\textsuperscript{198} Interviewee 26 interview, 1-2.
\textsuperscript{199} Interviewee 28, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0049, 3; Interviewee 26 interview, 3; Interviewee 6 interview, 7; Interviewee 2 interview, 2.
\textsuperscript{200} Field note 17 observations, 2013.
\textsuperscript{201} Interviewee 23, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0041, 2.
\textsuperscript{202} Interviewee 5 interview, 2.
\textsuperscript{203} Field note 16, observations by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone.
\textsuperscript{204} Interviewee 19, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0037.
schools\textsuperscript{205}; and the chiefdom community in terms of building a community storage\textsuperscript{206}. AML also bought a farming land for the relocated and resettled communities but it is not yet put into use because the land had to be cleared before any operations can start\textsuperscript{207}. Additionally, AML agreed to contribute monthly to a community development fund\textsuperscript{208}, and the money is used to support three sectors; agriculture; medical; and education\textsuperscript{209}. The money is paid to the chiefdom and then redistributed to the different sectors. The agricultural sector uses the money to do farming activities in the land that is to be cleared\textsuperscript{210}, and the education sector pay salaries to community teachers because they are not paid by the government\textsuperscript{211}. The company also provides scholarships to children from the relocated and resettled communities so that they can attend secondary school. The names of children from these communities are presented by the paramount chief to AML which pays their fees and also cover the cost of a school uniform\textsuperscript{212}. In addition, ATS is also carrying out several development projects such as; giving away used items; provide donations to an orphanage school; and has identified a fertile land for farming which is planned to be purchased for the community to develop\textsuperscript{213}. On the other hand, very few development projects has been carried out by the GoSL.

The GoSL has not conducted any development projects in the chiefdom except for the construction of a roundabout and a small contribution to the radio station\textsuperscript{214}. No, no, no I have not yet seen any [governmental development projects]. But the government is pressuring AML because they have to honor their cooperative social responsibilities. So what the government has to do sometimes AML is coming in to help […]. The government has not come here since AML started their operations. We have not seen any major project from the government. I have not seen it, I have not seen it.\textsuperscript{215} The lack of further governmental investments in developing projects may be because all such are administrated by the paramount chief in the chiefdom. He and the district counselor discuss projects and the allocation of resources, and then the paramount chief is responsible for putting

\textsuperscript{205} Interviewee 22, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0040; Interviewee 23 interview, 2013.
\textsuperscript{206} Interviewee 21, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0039, 1.
\textsuperscript{207} Field note 11, observations by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone; Interviewee 26 interview, 3-4.
\textsuperscript{208} Mining Lease Agreement, article 19 (r).
\textsuperscript{209} Interviewee 26 interview, 4.
\textsuperscript{210} Interviewee 20 interview, 2013, 1.
\textsuperscript{211} Interviewee 24 interview, 2.
\textsuperscript{212} Interviewee 15, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0032, 1; Interviewee 23 interview, 1.
\textsuperscript{213} Interviewee 12 interview, 6.
\textsuperscript{214} Interviewee 8, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0021, 4.
\textsuperscript{215} Interviewee 20 interview, 3.
them in place. “[…] The company [AML] is paying a huge tax to the government so they will also have the responsibility [to carry out development projects], but they do not care about it. They [GoSL] divert this money elsewhere and where this money is coming from they benefit from it. The government benefit from AML a lot. Therefore, the government has to prioritize the land and the people where this money is coming from. However, a lot of money is also given to the paramount chief but he is a thief. The lack of development in this chiefdom is not the fault of AML. “People has to understand that AML is a business, making money for themselves not a charity organization taking care of everybody”.

AML investments alone cannot cover the great need for development of public interests.

3.7 Difficulties - a result of companies’ presence

The great population increase and lack of governmental investments in public interests in the chiefdom have resulted in several difficulties for the area, such as; security issues; social problems; housing; and infrastructure. As a result of new technology brought by AML thefts has increased and the existing police force faces difficulties in managing the problem.

The increasing population has contributed to skyrocketing of prices for housing and prices at the market, which drastically affect individuals without employment. The boosted population also contributed to congested schools and lack of teachers for the purpose of carrying out sufficient education activities. Moreover, the great influx of male workers has resulted in sexual transmitted diseases (STDs), teenage pregnancies and school drop outs. In order to deter this problem, the necessity of school transportation to protect the girls has been raised but not dealt with as of yet. School transportation is also needed to enable children from faraway

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216 Field note 11 observations, 2013.
217 Interviewee 6 interview, 6.
218 Field note 8, observations by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone; Interviewee 6 interview, 6.
219 Interviewee 8 interview, 2013, 6.
220 Field note 4, observations by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone.
221 Interviewee 22 interview, 2013, 1.
222 Interviewee 6 interview, 8.
223 Interviewee 11, interviewed by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone, 812_0025, 2.
224 Interviewee 1 interview, 2.
225 Ibid.
226 Interviewee 22 interview.
227 Field note 18, observations by Maria Persson, 2013, Kalansogoia chiefdom, Sierra Leone; Interviewee 27 interview, 2013, 2; Interviewee 16 interview, 2013, 3.
villages to attend schools\textsuperscript{228}. Furthermore, the newly constructed railway causes great disturbances for surrounding villages in terms of loud noise and the houses crack because of the vibrations from the train. The construction of the railway also causes flooding during the rainy season due to insufficient drainage\textsuperscript{229}. Additionally, the road network in the area is trafficked by heavy duty vehicles which contribute to road destruction and huge amounts of dust. Since no road maintenance work is carried out\textsuperscript{230}, the dust is causing health problems for the population\textsuperscript{231}. “We are thinking about the government and the benefits this area give to the nation. We are not getting anything in return for what we give to the nation”\textsuperscript{232}.

\textsuperscript{228} Interviewee 14, interviewed by Maria Persson, 2013, Kalansogoia chiefldom, Sierra Leone, 812_0031, 4; Interviewee 27 interview, 2-3.
\textsuperscript{229} Field note 14, observations by Maria Persson, 2013, Kalansogoia chiefldom, Sierra Leone; Interviewee 14 interview, 2013.
\textsuperscript{230} Interviewee 25 interview, 4; Interviewee 27 interview, 2.
\textsuperscript{231} Interviewee 22 interview, 3.
\textsuperscript{232} Interviewee 4 interview, 5.
4. Analysis

This chapter will consist of an analysis of the existing structures of the global economic system and domestic social fabric which may hinder public development in Sierra Leone. Such structures have illuminated through the development of themes and codes and comprise; the structure of dependency; FDI – the new dependency; the structure of the formal state system; the structure of the informal state system; the structure of informal institutions; and the structure of social networks. Each of these six structures will be discussed separately below.

4.1 The structure of dependency

Sierra Leone’s inability to accumulate surplus from participation at the global market are due to limitations caused by dependency. The state must be characterized as belonging to the periphery/satellite category due to its status as a former colony. But a more important indicator for such belonging is that it adjusts its production of commodities to international demand. The high demand for natural resources and land suitable for cultivation, has lead to Sierra Leone carrying out two attempts in order to accumulate financial surplus through participation at the global market. The first attempt was carried out immediately after the state gained independence, during the time when global demand for natural resources was high. Sierra Leone specialized its export sector in these types of commodities since it has very resource rich land, but was unindustrialized due to the plunder by the formal colonial power. Due to lack of industrialization and unskilled labor forces using obsolete means of production, the quantities of extracted resources was very low. Consequently, the profitability on the production process and the competitive capacity of the products on the global market decreased. The low competitive capacity depended on the fact that non-processed raw materials were exported which normally sell for a lower price than processed goods and the low quantities did not allow for an attractive price. As a result, the mining activities declined and contributed to less resources ready for export. The low quantities of export products decreased Sierra Leone’s participation at the global market, which in conjunction with its specialized export sector, ultimately lead to lack of opportunities in order to accumulate financial surplus. Lack of state
revenues in conjunction with a growing deficit due to import needs consequently undermined state capacity and resulted in no reinvestments in the domestic market and production process. The limitations posted by the structure of dependency left the state in a condition characterized by stagnation and lack of access to revenues for further investments. It was now in a subordinate position in the global economic system, and its ability to accumulate revenues was dependent on external economies.

Even though SAP reforms were introduce to promote economic growth within Sierra Leone, structures of dependency are being reproduced in the state’s domestic market which therefore remain controlled by external economies. At the time of introducing these reforms, Sierra Leone was dependent on external economies which enforced exploitative structures in the domestic economy resulting in foreign control of state access to revenues. The problem with creating an environment for private sector investments and trade liberalization when the country is in this state is that it has no other option than to follow international demand. In this case, Sierra Leone had; enormous foreign debts; an undeveloped domestic market; non-industrialization; and a population which suffered enormously from a civil war. It is quite clear that the country was in a desperate need of revenues which lead to a second attempt in order to accumulate such. This attempt is ongoing and due to SAP reforms the state has two ways of accumulating surplus. One is through an expansion of its existing export sector, which is impossible in Sierra Leone due to lack of industrialization and revenues for reinvestments in such. The other option was for the state to identified new domestic commodities which would allow for participation at the global market through possession of comparative advantage. As mentioned earlier, comparative advantage implies that commodities must be cheap to produce but subject to high demand on the global market. As a result of ongoing food insecurity and scarcity of raw materials, land rich in natural resources and suitable for cultivation are commodities subject to high demand on the global market. In the case of Sierra Leone, a non-industrialized country, no considerations had to be taken in regards to the production process since such was non-existing. Therefore, land leases were considered to be the best option for the state to accumulate surplus since it had no expenses in regards to the production process and a population suffering from underdevelopment and a civil war. However, the state had no bargain power which resulted in the prevailing conditions of continues foreign exploitation and reinforcement of dependency structures. Sierra Leone had once again specialized its export sector according to the international demand and as a result access to accumulation of revenues was once again conditioned by a superior economy.
4.2 FDI – the new dependency

FDI maintains the exploitative conditions in Sierra Leone’s domestic economy and prevents the state from accumulating revenues by concentrating such on the global market and in the hands of foreign investors. A business environment with the aim to attract FDI was created in Sierra Leone and resulted in several favorable conditions for AML. The company had sole right to; explore iron ore and associated minerals in the leased land area; export such minerals; market such minerals; and occupy and utilize the surface area including construction of facilities and infrastructure. The sole right to; exploration; export; and marketing of minerals from the area basically means that AML can extract whatever they want in whatever quantity they want. Sierra Leone is to profit 3% from the market price and therefore the country’s profit depends on the competitive capacity of produced products. If such is high, automatically the revenues from the land lease will generate more financial surplus for the state. But it also implies that the accumulation of surplus is controlled by AML and not the GoSL, which is dependent on the performance of AML in order to access revenues. On the other hand AML is paying a large amount annually for its mining licenses, but it may be assumed that this amount does not correspond to the value of extracted resources since AML is controlling the world’s largest deposit including associated resources such as gold. Consequently, AML has monopolized the surplus deriving from the production process of such resources due to Sierra Leone’s lack of industrialization. The fact that AML has exclusive right to construct and utilize facilities also prevents Sierra Leone from participation in technological development. This means that AML can hire any subcontractor of its choice to create facilities and since the Sierra Leonean labor force is unskilled, it remains excluded in the process. Such exclusion in conjunction with no control over revenues further contribute to an undeveloped domestic market and lack of industrialization. The access to revenues is further undermined through trade liberalization reforms.

The implementation of trade liberalization reforms further deprive the receiving state of access to economic surplus because of beneficial tax conditions for the investor. The GoSL agreed to grant AML favorable tax terms at a rate of 25% in paid income tax which is 5% lower then what is stipulated in the MMR Act. Furthermore, the company and its subcontractors were also granted tax exemptions in regards to imports of materials and equipment used in mining operations. The income tax solely depends on AML performance. If the company extract a lot of natural resources it needs more staff which will generate larger revenues for the GoSL. But
if the company refine its production process which is assumable since they also want to make profit, probably less staff are being hired and consequently the amount of revenues for the GoSL decreases. In addition, the state is not accumulating any financial resources on AML and its subcontractors’ imports since these are subject to tax exemptions. It is evident that these exploitative contradictions maintained through the FDI and stipulated in the agreement between AML and the GoSL, further post limitations on the state’s access and control over accumulation of financial resources. Revenues are concentrated at the global market and controlled by the superior TNC, leaving Sierra Leone in a condition characterized by stagnation and underdevelopment due to continuous reproduction of a structure of dependency.

4.3 The structure of the formal state system

SAP reforms, requiring reduced governmental institutions and spending, result in the GoSL not taking any responsibility to protect public interests. Obviously, such requirement was aimed at concentrating revenues in the state apparatus in order for it to reinvest in the domestic market and promote industrialization. However, such logic is disabled in post-colonial states due to the structure of the state itself. Two different systems of governance are present in Sierra Leone, one formal and one informal. The formal system is set up to govern citizens in civil society but also excludes individuals from such civil freedoms. The excluded individuals are tribe members governed by the informal system. On paper, the GoSL was supposed to ensure that the relocated and resettled communities received fair and reasonable compensation, but in reality this amount was never determined by a governmental valuator. Furthermore, the assessment carried out before the relocation and resettlement of the communities was conducted by AML only and not supervised or monitored by any representative from the GoSL. Additionally, the GoSL has not adopted any requirements regarding building of infrastructure by AML. The company has built a railway and utilize the road network in the chiefdom inflicting great restraints on the wellbeing of the community and their property. This implies that the formal system does not recognize any citizens within the chiefdom because the GoSL has not established any regulations or policies in order to protect public interests in such. As a consequence, the GoSL takes no responsibility towards the tribe members within the chiefdom because they do not have the status as citizens.

The absence of citizens within the chiefdom results in no reinvestments in public interests and concentrate revenues in the state apparatus. Since no citizens exist in the chiefdom, the GoSL
does not have any obligation to carry out reinvestments in public interests. The chiefdom suffers from several restraints due to the great population influx caused by AML presence, and include; security issues; social problems; housing; and infrastructure. Reinvestments in these areas to ensure the best public interests may be granted to citizens in the formal system of governance. But since the individuals in Kalansogoia chiefdom are not recognized as citizens these individuals may not be eligible for all types of reinvestments in public interests within the chiefdom. A roundabout and two nurses have been invested in the chiefdom with the help from the GoSL. However, it is not really clear whether these investments are made based on a governmental or chiefdom initiative and the two nurses could not take up their duties due to lack of supplies and equipment. No other assistance has been given by the GoSL in order to ease the situation. Especially the need for educated teachers is pressing, since many schools have to rely on community teachers which does not have any proper education to teach. The lack of reinvestments in public interests by the GoSL further support the interpretation that the individuals in Kalansogoia chiefdom are not recognized as citizens governed by the formal system. Because the individuals are not recognized as citizens the GoSL does not have any obligation to promote development of a domestic market and industrialization in the chiefdom. Furthermore, the NMA has been established to ensure adequate payments by the AML but no compliance officer has been appointed to carry out any compliance work. It may be because of lack of governmental capacity but it may also be an indicator of the GoSL not wanting the population to know the amount of revenues deriving from AML operations. The later suggestion is supported by the fact that Sierra Leone was suspended from EITI. By not disclosing documents, revenues can be concentrated in the state apparatus for it to spend according to its own needs. The SAP reforms enabled and maintain this concentration of state revenues which inevitably affects the society.

4.4 The structure of the informal state system

The informal system consisting of a tribal authority shares the same characteristics as the formal system and inevitably concentrate revenues with the paramount chief. The native authority in Kalansogoia chiefdom consists of a hierarchy of chiefs headed by the paramount chief. He is the custodian of the land and believed to protect it and the chiefdom’s interests. In the case of granting AML access to the Tonkolili mining site, the paramount chief was certainly involved. Even though the community landowners could decide whether they wanted to out lease the land
or not, a land lease can never take place without the consent of the paramount chief. As discussed above, that is not a question for the actors in the formal system. The paramount chief is answerable to the higher authority which is the authority in the formal system, and most often this relationship involve conflicting interests. On the one hand, the GoSL must create favorable conditions for AML, in other words exploitation of the local communities will occur. However, in such situation strikes will take place which is not beneficial for the company. Therefore, the company’s interest and the community’s interest must be considered. That is when the paramount chief becomes important because he governs the chiefdom community. Of course it would be in the paramount chief’s interest to host TNCs because they tend to be accompanied by a lot of revenues, but also to keep the community satisfied with what they receive in the exchange. Since he is the custodian of the land, he negotiated the amount of compensation with AML. This means that he has absolute and unchecked power over if the relocated and resettled communities get a fair and reasonable compensation or not. It may be suggested that the paramount chief should have been able to get a much better compensation agreement and foresee some of the problems affecting the relocated and resettled communities. But if he was to put any kind of pressure on AML, such pressure would have affected the GoSL which then would affect the paramount chief. He must be loyal to his community but also to the GoSL because it gives him access to financial resources and without such, he and his chiefdom community cannot accumulate private revenues. In this way the formal system which is upheld by SAP, legitimize and reproduce the informal system and vice versa. This post-colonial structure of society in Sierra Leone is characterized by absence of protection and reinvestments in public interests in favor of personal enrichment. Consequently, the people comprising the state are left alone to ensure their personal accumulation of revenues needed for survival.

4.5 The structure of informal institutions

The accumulation of revenues in the present state structure are strictly dependent on building successful relations of power. It is evident that the SAP reforms have enabled control and access to state revenues but this control is also dependent on building relationships with important stakeholders included in the matter. The FDI made by AML was probably enabled through the personal contact between the AML board member and the GoSL. This person more or less functioned as a guarantor for the company in terms of establishing favorable investment conditions. In turn Sierra Leone had been granted access to state revenue but was dependent on
the paramount chief in order to close the deal. On the other hand the paramount chief was also dependent on the GoSL in order to access revenues so the bargain began. The paramount chief needed promises that would promote development since such was not carried out by the GoSL. The GoSL had no capacity or willingness to promote such and therefore required AML to meet this obligation. In turn AML got access to the land and the paramount chief received access to revenues. A new power relationship had been created between AML and the paramount chief. AML had capacity to enable employment and carry out development projects which the paramount chief needed, and in return the paramount chief could guarantee a safe environment for the company through control of the community members. In turn the community members, through the hierarchy of community chiefs, depended on the paramount chief in order to secure their livelihood, but he also depended on them to close the land lease. Evidently, a structure of dependency between the different stakeholders was created because the actors had access to something which another stakeholder needed in order for accumulation of revenues. The same power relationships are built between community members in order to promote personal enrichment. This is the reason why formal rules are not abide by since they do not promote and maintain power structures which are established to promote personal enrichment. Finally, the dual system of governance, set up to exploit the population, cannot work without power structures which in turn establish informal institutions aimed at promoting growth, redistribution and safety since such cannot be guaranteed by the dual system of governance.

Informal institutions are maintained through the monopolizing of merchant capital which is captured and pillaged by all actors involved in the post-colonial state structure. The capture of state revenues by the GoSL is enabled through the SAP reforms and consists of the access to state revenues generated from the agreement with AML. The capture is maintained and will increase due to the government refusing to carry out any development projects in the chiefdom. In this sense the GoSL has monopolized the domestic means of production because it possesses revenues which other actors in the state desire and can benefit from. Since the GoSL is not carrying out any; reinvestments in the domestic market; efforts in promoting industrialization; and development projects it also prevent economic competition in the country. Such competition is prevented because the country is situated in a very vulnerable position as discussed above, and therefore private domestic attempts to establish enterprises are disabled. Moreover, the paramount chief also has monopolized merchant capital in the form of controlling the access to requesting development projects from AML and the access of gaining employment and education. Furthermore, the CLOs from AML and the CEAs from ATS also
obtained a position where they act as gatekeepers and intermediaries between the resource of accessing revenues and the community members. Additionally, private individuals in the community and employees at AML; ATS; and the employment office, also possess different access to revenues such as employment and realization of development projects. All these different types of merchant capital is frequently redistributed within the state. For example, the relocated and resettled communities are suffering from AML presence while other individuals benefit through obtaining employment. The chiefdom as a whole is affected due to consequences from road usage by heavy vehicles while the commerce at the local market is booming resulting in profit for traders. The great population influx and increased purchasing power contribute to a growing market and better housing opportunities, but also impose restraints on people who does not have access to employment. Informal institutions promoting growth and safety are maintained since the redistribution of opportunities provide access to personal enrichment, and reproduced through social networks resulting in great inequalities within the state.

4.6 The structure of social networks

Reproduction of informal institutions includes distribution of wealth, which is affected by the degree of loyalty within the patron-client relationship. The surface rent paid to the Kalansogoia chiefdom passes through the MoM and the local government down to the paramount chief. When he receives the surface rent, some of it has already been captured by the local government. Then he will save a certain percentage for himself and then pass the rest down the hierarchy of chiefdom chiefs. These chiefs will do the same as the other actors in the distribution chain, take a percentage for themselves before they pass the revenue on. Such interpretation is supported by the fact that no documents have been provided the chiefdom stipulating the actual size of the land lease and the actual surface rent to be paid by AML. The written agreement concerning the surface rent and compensation agreement is in the hands of the paramount chief and has not been presented to the chiefdom. The lack of transparency in the financial distribution process is an indicator that the distribution of resources may be incorrect, but loyalty and having good relationships with actors involved in the distribution chain will increase the chance of a big share of the revenues. Therefore, subordinate actors tend to accept lack of transparency and exploitation by superior actors in the distribution chain. As evident, providing loyalty to a superior actor will result in accumulating personal revenues which are extracted
from the distribution process. Consequently, actors will accumulate desirable revenues and through such possession remain in a hegemonic position. In this way, informal institutions are reproduced and maintained due to constant exchange of desirable goods enabled by patron-client relationships.

The process of reproduction of informal institutions are affected by patrimonialism and tribalism which favors personal enrichment and result in lack of public development. As discussed above, the dual system of governance is reproduced due to patrimonialism, but private individuals also reproduce informal institutions between each other. The actors controlling access to different types of employment and development projects within the chiefdom also acquire revenues for personal enrichment. For example, the chance of receiving a note of recommendation from the paramount chief depends on the ability to pay the bribe asked for, and the possibility of getting grants for a development project depends on what the middlemen ask for in return. Furthermore, accessing revenues does not only depend on the ability to meet payment requirements, but rather who you know and if that person is willing to help. The existing practice of tribalism in the chiefdom is supported by the fact that the paramount chief is controlling access to employment due to the note of recommendation which is preferably issued to tribe members and the special procedures for such. It may also be assumed that having personal contacts belonging to the same tribe in the employment office or in AML or ATS may increase the chance of gaining employment. These two types of patron-client relations strongly affects informal institutions and result in these institutions responding to personal needs and interests instead of promoting public development. Consequently, the possibility of personal enrichment in Sierra Leone undermine public virtue.
5. Conclusion

The findings of this study suggest that a structure of dependency set up during the colonial era and maintained and reproduced through the introduction of SAP and FDI, limit Sierra Leone’s ability to reinvest in public development. The global economic system comprises structures of dependency which concentrate revenues on the global market and in the hands of foreign investors. The structure of dependency implies that Sierra Leone’s economy is conditioned by the competitive capacity of its products on the market and the development and expansion of TNCs operating in the state. In this sense the global market and foreign investors control Sierra Leone’s access to revenues, and such access has been further restricted due to the introduction of SAP reforms. These reforms called for trade liberalization which further undermined the state’s capacity in accumulating revenues. Not only is Sierra Leone dependent on foreign actors for access to state revenues, but such revenues are also limited due to favorable tax terms and exemptions granted to the TNCs. Consequently, the foreign investor becomes the sole beneficiary in this partnership resulting in Sierra Leone lacking sufficient revenues in order to carry out reinvestments aimed at promoting public development.

The lack of sufficient revenues for reinvestments aimed at promoting public development is also a product of several domestic structures which all favors personal enrichment on behalf of public virtue. The Sierra Leonean domestic state system imposed by the colonial power, aimed at creating inequality and personal enrichment, is maintained and reproduced with the most recent assistance from SAP reforms. The structure of the Sierra Leonean state comprises two different systems which both lack mechanisms for protection and reinvestment in public interests. Due to the absence of these mechanisms a condition of insecurity and exploitation is created affecting all individuals governed by this dual state system. In order to bare with this situation a structure of informal institutions is established with the aim to promote growth and safety through redistribution of revenues. However, the level of individual safety and growth in this structure depends on the structure of social networks including tribalism and patrimonialism. All the three structures; the formal; the informal; and the informal institutions are upheld through the establishment of successful power relations financed by redistribution of revenues. Such revenues are strictly personal and reinvested for personal development. It
may be suggested that personal development is enabled in Sierra Leone, but because of high costs in upholding the three abovementioned structures any development within the country becomes and remains strictly individual. The present Sierra Leonean state system comprising the different structures; introduce, maintain and reproduce inequality and creates a few winners and countless losers resulting in a position among the poorest LDCs in the world. The structure of dependency and structures upholding the Sierra Leonean state must be altered in order to enable and promote public virtue.

5.1 Further research

Throughout this research the role of the foreign investor has been highlighted by the informants and therefore further research regarding this area may be of interest for development studies. The paradox regarding FDI in Sierra Leone is that the state lacks capacity for many different reasons and the foreign investor tends to undertake obligations towards the population which should be undertaken by governmental institutions. This paradox creates new structures of dependency between the population and the foreign investor and legitimize lack of governmental accountability. Consequently public development is being outsourced on the global market. Carrying out research regarding this paradox may add new knowledge on how to promote public development by illuminating what roles the foreign investor play and how these roles affect the domestic social fabric.
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