

NBER WORKING PAPER SERIES

HEALING THE WOUNDS:  
LEARNING FROM SIERRA LEONE'S POST-WAR INSTITUTIONAL REFORMS

Katherine Casey  
Rachel Glennerster  
Edward Miguel

Working Paper 18368  
<http://www.nber.org/papers/w18368>

NATIONAL BUREAU OF ECONOMIC RESEARCH  
1050 Massachusetts Avenue  
Cambridge, MA 02138  
September 2012

This paper draws together findings from a number of different research projects. The authors gratefully acknowledge generous financial support from the National Bureau of Economic Research African Successes Project, the GoBifo Project, the Harry F. Guggenheim Foundation, the Institutional Reform and Capacity Building Project (IRCBP), the International Growth Centre (IGC), the International Initiative for Impact Evaluation (3ie), the MIT Horace W. Goldsmith Foundation and the World Bank Development Impact Evaluation (DIME) Initiative. The views expressed herein are those of the authors and do not necessarily reflect the views of the National Bureau of Economic Research.

NBER working papers are circulated for discussion and comment purposes. They have not been peer-reviewed or been subject to the review by the NBER Board of Directors that accompanies official NBER publications.

© 2012 by Katherine Casey, Rachel Glennerster, and Edward Miguel. All rights reserved. Short sections of text, not to exceed two paragraphs, may be quoted without explicit permission provided that full credit, including © notice, is given to the source.

Healing the Wounds: Learning from Sierra Leone's Post-war Institutional Reforms  
Katherine Casey, Rachel Glennerster, and Edward Miguel  
NBER Working Paper No. 18368  
September 2012  
JEL No. F35,H41,O40

**ABSTRACT**

While its recent history of civil war, chronic poverty and corrupt governance would cause many to dismiss Sierra Leone as a hopeless case, the country's economic and political performance over the last decade has defied expectations. We examine how several factors—including the legacy of war, ethnic diversity, decentralization and community-driven development (CDD)—have shaped local institutions and national political dynamics. The story that emerges is a nuanced one: war does not necessarily destroy the capacity for local collective action; ethnicity affects residential choice, but does not impede local public goods provision; while politics remain heavily ethnic, voters are willing to cross ethnic boundaries when they have better information about candidates; decentralization can work even where capacity is limited, although the results are mixed; and for all of its promise, CDD does not appear to transform local institutions nor social norms. All of these findings are somewhat “unexpected,” but they are quite positive in signaling that even one of the world’s poorest, most violent and ethnically diverse societies can overcome major challenges and progress towards meaningful economic and political development.

Katherine Casey  
Stanford Graduate School of Business  
655 Knight Way  
Stanford, CA 94305  
kcasey@stanford.edu

Rachel Glennerster  
Abdul Latif Jameel Poverty Action Lab  
MIT Department of Economics  
E60-275  
Cambridge MA 02139  
rglenner@mit.edu

Edward Miguel  
Department of Economics  
University of California, Berkeley  
530 Evans Hall #3880  
Berkeley, CA 94720  
and NBER  
emiguel@econ.berkeley.edu

## 1. Introduction

Academics and development practitioners agree that strengthening the transparency, accountability and inclusiveness of institutions could be important determinants of economic performance (Engerman and Sokoloff 1997, Acemoglu, Johnson and Robinson 2001, Banerjee and Iyer 2004). Yet they also acknowledge that it remains unclear what types of interventions could successfully make progress towards these objectives. Such concerns take on heightened urgency in a country like Sierra Leone, which has suffered decades of extreme poverty and recently emerged from a devastating civil war. In this context, the objectives of inclusive and participatory governance are twofold. First, enhancing accountability aims to provide a more effective vehicle to channel government and donor resources towards the reconstruction of public infrastructure and restoration of basic services. Second, creating avenues for public participation allows citizens to voice and seek redress for grievances regarding government incompetence and corruption, as well as confront and amend long standing social tensions and inequities that many believed helped fuel the recent violence.

This paper examines how different factors—including the legacy of war, ethnic diversity, decentralization and community-driven development (CDD)—affect local institutions and collective action, as well as national political culture and outcomes in Sierra Leone. The story that emerges is nuanced and does not confirm reflexive biases: war does not necessarily destroy the capacity for local collective action; ethnicity affects residential choice, but does not impede local public goods provision; while politics remain heavily ethnic, voters are more willing to cross ethnic boundaries in local elections where they have better information about candidates; decentralization can work even where local capacity is highly constrained, although the results are mixed; and for all of its promise and some positive impacts on local public goods provision, CDD does not transform local institutions nor social norms of behavior. All of these results are somewhat “unexpected,” but they are quite positive in signaling that even one of the world’s poorest, most violent and ethnically diverse societies can overcome major challenges and progress towards meaningful economic and political development.<sup>1</sup>

---

<sup>1</sup> This paper summarizes and brings together findings from four others: Bellows and Miguel (2009); Glennerster, Miguel and Rothenberg (2010); Casey, Glennerster and Miguel (forthcoming); and Casey (2012). For complete details on theoretical models, identification strategies, empirical specifications and datasets, please see these original papers.

The rest of the paper is structured as follows. Section 2 provides background on Sierra Leone's protracted decline into poverty and unrest, exploring prominent social divisions that may have encouraged young men to take up arms. Section 3 discusses the historical evolution of ethnic diversity and the complex role it plays in contemporary public life. Section 4 details key post-war institutional reforms including the restoration of multiparty democracy, decentralization and CDD; while Section 5 assesses the progress these reforms have made toward encouraging economic development, democratizing institutions and changing social norms. Section 6 concludes.

## **2. Legacies of Poverty, Corruption and Conflict**

After achieving independence from Britain in 1961, Sierra Leone enjoyed only a brief period of free and competitive democracy. Increasing political instability, worsening governance and deepening poverty marred the subsequent few decades, which terminated in institutional collapse and civil war. In the 1970's and 1980's the country was ruled by authoritarian leaders who enriched themselves through illicit deals involving diamonds, while doing little to provide needed services such as health care and education (Reno 1995). Eliminating threats to its absolute control, the government of President Siaka Stevens dismantled competitive democracy by abolishing district-level local government in 1972 and declaring the country a one party state in 1978. By the early 1990's, Sierra Leone had the second lowest living standards of any country in the world (United Nations 1993).

Figure 1 situates the economic experience of Sierra Leone in relation to the rest of sub-Saharan Africa. The comparative poverty of Sierra Leone is evidenced by real GDP per capita that falls significantly below the regional average for the entire period (1960-2010). Note further the economy's stagnant performance from 1970-90, followed by precipitous decline during the war. This paper focuses on the institutional factors surrounding the positive post-war recovery apparent in the upward trend of the last decade. While the particular confluence of events and reforms is unique to Sierra Leone, note that its strong performance in the last several years mimics broader trends of growth for the region as a whole (Miguel 2009).

The weak economic performance and poor governance of the 1970's and 80's steered the country toward civil unrest. Partially as a result of the widespread discontent towards the corruption and ineffectiveness of the government, a small group of rebels, who had entered the country from Liberia in 1991, were successful in recruiting disenfranchised youth to rise up violently against the status quo. As their numbers swelled by early 1992, these rebels, known as the Revolutionary United Front (RUF), spread the armed conflict to all parts of the country. The brutal civil war that ensued saw an estimated 50,000 Sierra Leoneans killed, over half of the population displaced from their homes, and thousands of civilians victimized by amputation, rape, and assault (Human Rights Watch 1999). A small cadre of British troops, along with a large international peacekeeping mission, brought the war to a decisive end with peace officially declared in January 2002.

Scholars point to a number of long standing social divisions that created frustration and may have helped incite violence. First, some have claimed that the initial motivations of the RUF were idealistic and that the early rebels were guided by a strong sense of political grievances related to the failings of the corrupt regime (Richards 1996). Such frustrations were particularly acute for young men, who were largely excluded from decision making and at times subject to coerced labor and capricious fines by traditional authorities. Second, colonial rule enhanced the historical legacy of inequality between local chiefs and their subjects. During the colonial period, the British implemented direct rule over residents of the Western peninsula (the Colony), yet exerted indirect rule over residents of the interior (the Protectorate). This latter system promoted chiefs loyal to the British, and institutionalized – and in many cases augmented – their autocratic power over their subjects, thereby exacerbating inequality and reinforcing social divisions. Third, although not likely a direct cause of violence, women have historically held less power in local governance and possessed weaker socioeconomic status as compared to men. After the war ended, major institutional reforms aimed to address these root causes of dissension, to both promote greater equity and preclude a return to violence.

Although devastating, the war did not leave the country so weakened as to be incapable of recovery. While violence inflicted during the war created incalculable human suffering and

destroyed much of the physical infrastructure of the country, the impact on institutions is more nuanced. Bellows and Miguel (2009) unexpectedly uncover a positive association between exposure to violence and subsequent increases in political and social activism. Their research suggests that individuals whose households directly experienced war violence are more active political and civic participants than non-victims: they are more likely to vote (by 2.6 percentage points), attend community meetings (by 6.5), belong to a social (by 6.6) or political (by 5.7) group, and serve on school management committees (by 3.8). In addition, these victims were no worse off in terms of standard consumption measures a few years after the war ended. While these findings underscore the extraordinary resilience of Sierra Leoneans, it is important to note that they are based on variation across individuals within the same village, and thereby do not estimate the net effect of civil war on the country as a whole. The authors conclude that while the “humanitarian costs of civil wars are horrific... it appears their legacies need not be catastrophic.”

### **3. Ethnic Diversity**

Ethnicity plays a nuanced role in the social and political life of Sierra Leone, defying commonly held conceptions about the adverse effects of diversity. Many scholars have argued that ethnic diversity is an important impediment to economic and political development. Economic growth rates are slower in ethnically diverse societies, and local public goods provision often suffers (Easterly and Levine 1997, Alesina et al. 1999, Alesina et al. 2003, Fearon 2003). The inability to overcome the public good free-rider problem in diverse communities, due to monitoring and enforcement limitations, is the leading explanation proposed for less developed countries (Miguel and Gugerty 2004, Habyarimana et al 2007, 2009). These issues are particularly salient in sub-Saharan Africa, the world’s most ethno-linguistically diverse region. Yet our research shows that while ethnicity is important for residential choice and political allegiances in Sierra Leone, it does not appear to hamper local collective action and was not an organizing factor in the civil war.

### *3.1 Historical View of Ethnicity*

As background, Sierra Leone is very diverse, ranking fifteenth on the Taylor and Hudson (1972) list of countries with the highest levels of ethno-linguistic fractionalization.<sup>2</sup> Specifically, of eighteen major ethnic groups, the Mende and Temne are numerically dominant, occupying shares of 32.2% and 31.8%, respectively; while the Limba, Kono, and Kuranko are the next largest groups, at 8.3%, 4.4%, and 4.1%, respectively (National Population and Housing Census 2004). Other groups occupy a substantially smaller share, including the Krio (Creoles)—former slaves who returned to Africa to settle Freetown—whose population share fell to only 1.4% by 2004. These groups are characterized by distinct customs, rituals, and history, and, most importantly, language. With the exception of Krio, an English dialect, the other languages are members of the Niger-Congo language family. Within this family, the most salient distinction is between the Mande languages—including Mende, Kono, Kuranko, Susu, Loko, Madingo, Yalunka, and Vai—and the Atlantic-Congo languages, including Temne, Limba, Sherbro, Fullah, Kissi, and Krim. These groups are mutually unintelligible to each other, and much further apart linguistically, for example, than English and German.

Over the past two centuries national politics have been heavily influenced by two distinct divisions along ethnic lines, where the early Colony versus Protectorate tension under the British was later surpassed by regional allegiances after independence. At the time of the founding of the Sierra Leone colony in the late 18<sup>th</sup> century and through much of the 19<sup>th</sup> century, the Krio enjoyed a relatively privileged political and economic position due to their facility with English and special links with the British even though they were numerically small. Before independence, the key political division in Sierra Leone was Krio vs. non-Krio, but because of growing tensions between the Krio and “up country” ethnic groups, the British progressively limited their political power. Thus as Sierra Leone made its transition to independence, the primary source of political conflict shifted. As stated by Kandeh (1992), “the salience of the Creole [Krio]-protectorate cleavage was eclipsed after independence by the rivalry between the Mendes of the south and Temnes of the north.” It is this largely regional divide that continues to galvanize national politics today.

---

<sup>2</sup> As cited in Easterly and Levine (1997).

Two facts about the Krio may have prevented ethnic political divisions from escalating into violent conflict. One key difference between Sierra Leone and many other African countries is that the “favored” ethnic group during early colonialism was not truly indigenous and no longer holds a position of power. They historically served as a common antagonist for the Mendes and Temnes together, and have since lost their political influence. Second, the Krio people gave Sierra Leone their language, also called Krio, which is a dialect of English that has been influenced by Portuguese, Arabic, Yoruba and many African languages as a legacy of the slave trade. Serving as a national lingua franca for decades, Krio is currently spoken (usually as a second language) by most Sierra Leoneans, and is increasingly taught in schools. In many other African countries the lingua franca is the former colonial language, usually English or French. While Krio has a base in English, it is unique to Sierra Leone and widely spoken even by those with no schooling. While the existence of a common national language is clearly insufficient to guarantee social stability—as the African cases of Rwanda and Somalia poignantly illustrate—Krio’s ubiquity in Sierra Leone may (through historical accident) help promote the consolidation of a common national identity that transcends tribe (Ngugi 2009), as with Swahili in post-independence Tanzania (Miguel 2004).

Perhaps due to these unifying forces and in contrast to most popular media coverage on African civil wars, neither ethnic nor religious divisions played a central role in the Sierra Leone conflict. The Revolutionary United Front (RUF) rebels targeted people from all ethnic groups, and statistical analysis of documented human rights violations shows that no ethnic group was disproportionately victimized. There is also no evidence that civilian abuse was worse when armed factions and communities belonged to different ethnic groups (Humphries and Weinstein 2006). Ethnic grievances were not rallying cries during the war and all major fighting sides were explicitly multi-ethnic (Keen 2005). The fact that the war was not fought along ethnic lines, and the central role that external actors played in bringing it to a conclusive end, may partially explain why there has not been a resurgence of violence.

### ***3.2 How Ethnicity Matters Today***

The fact that ethnic identity was not an organizing factor in the conflict does not, however, mean that it is unimportant. Glennerster, Miguel and Rothenberg (2010) show that a preference for

one's own ethnic group is a key determinant of residential choice for rural Sierra Leoneans. Using nationally representative household data that collected respondents' chiefdom of residence in 1990 and 2007, they estimate a discrete choice model to understand why different individuals moved across chiefdoms after the war. Since contemporary ethnic composition is in part endogenously determined by post-war migration choices, their empirical specifications use historical 1963 ethnic shares. They find that individuals are on average willing to travel an additional 10.1 kilometers to live in a chiefdom with a 10 percentage point greater share of her/his own ethnic group. While still strong, the co-ethnic preference is attenuated for people with some education (note that adult literacy is just 34.8%). In particular, educated individuals are only willing to travel an additional 8.6 kilometers to live in a chiefdom with 10 percentage point greater share of her/his own ethnic group, which suggests that education dampens co-ethnic residential preferences.

Yet the preference for living with one's own ethnic group does not translate into a weaker ability to work together with those from other groups. In fact, conditional on other factors (including remoteness from cities as well as population size and density), individuals exhibit a positive preference for diversity, though this is smaller than the preference for a higher co-ethnic share. Standing in sharp contrast to the bulk of the ethnic diversity literature, Glennerster et al. extend their analysis and find no negative effects of ethnic diversity on the provision of local public goods. The authors use a mean effects approach to summarize the average impacts of the project across a family of related indicators (following Kling et al. 2007). Specifically, they find no effect of ethnic—or religious—diversity on local collective action (as measured by road maintenance, group membership, self-expressed trust or disputes); no effect of ethnic diversity on the quality of primary schools (as measured by instructional supplies, facilities or teaching); and if anything, positive impacts of ethnic diversity on health clinic quality, supplies, and staff presence and quality.

Arguably the most salient arena of ethnic loyalties today lies in politics. Casey (2012) notes the tight correlation between voting choices and ethnic identity. The two major political parties—the Sierra Leone People's Party (SLPP) and the All People's Congress (APC)—have strong, long-standing ties to the Mende and other ethnic groups in the South and the Temne and other

groups in the North, respectively. As an example of the strength of these loyalties, in the 2007 Parliamentary elections the APC won 36 of 39 seats in the Northern Province, while the SLPP and its splinter party, the People's Movement for Democratic Change (PMDC), swept 24 of 25 seats in the South. At the individual level, voters are readily forthcoming about ethnic-party allegiances: laughter is not an uncommon response to questions about why someone voted for a particular political party, often followed by an explanation of how their father and grandfather voted for the same one. When asked which party they supported in the first round of the 2007 Presidential elections, 88.4% of Mende voters reported choosing the SLPP or PMDC, while 94.2% of Temne voters reported backing the APC.<sup>3</sup> Yet Casey argues that these traditional ethnic alliances are not immutable, particularly in local elections where voters have access to better information about candidates. Detailed exit poll survey data collected in 2008 shows that while party is equally as important as a bundle of individual candidate characteristics (like reputation in his/her previous job, education and kinship ties) in national elections, voters say that party is only half as important as these traits in local races.

#### **4. Institutional Reforms**

Sierra Leone emerged from the war in a very weak position economically, socially and politically. The country remained at the bottom of the UN Human Development Index ranking; families were mourning the loss of loved ones and grappling with the emotional and physical traumas of war; the network of infrastructure and public services was largely destroyed; and the government faced an institutional vacuum. At the same time, the people were ready for change and committed to preventing a return to violence. The Government of Sierra Leone and its donor partners responded with an ambitious program of institutional reform and economic development. The reforms aimed to foster economic growth while strengthening the institutional environment to promote better governance and lasting peace.

---

<sup>3</sup> Source: IRCBP, National Public Services Survey 2008. This is a nationally representative household survey of over 6,000 households. Survey responses are limited to those respondents who stated their voting choice and could verify the fact that they had voted by producing their voter identification card with a hole punch made by polling center staff indicating participation in the 2007 first round voting.

The most high profile political reforms were the restoration of multiparty democracy and the reconstitution of local government after over 30 years of dormancy. The National Electoral Commission (NEC) oversaw competitive elections for Parliament and the Presidency in 2007 and for the 19 Local Councils in 2004 and 2008. These reforms brought democratic competition back to national, district and ward-level institutions. The peaceful transfer of power from the ruling SLPP regime to the opposition APC challengers in 2007 stands out as a particularly impressive achievement. When compared to its counterpart for the Kenyan elections of the same year, the NEC distinguished itself by taking decisive action to address charges of electoral irregularities from both sides—the challengers and the ruling party. A report by Freedom House, the NGO watchdog, notes how the NEC “functioned with remarkable independence and helped to ensure the success of the balloting, despite postponements and other difficulties.” Understanding the factors that enable electoral commissions to succeed—and what role external donors might play in helping to protect their independence (the UN among others provided substantial support in Sierra Leone)—is important.

In addition to historical antecedent, the main theoretical motivations for decentralization seemed a good match for the post-war context, both in terms of providing local public goods and empowering the citizenry. On the public goods front, theorists point to economic welfare gains from decentralizing service provision to local governments that have better information about, and greater ability to tailor outputs to, differences in local preferences and costs (Oates 1999). By reducing the (geographic and bureaucratic) distance between frontline service providers and managers, decentralization can further reduce the cost of supervision and increase the speed and efficiency with which managers respond to needs on the ground. The informational and supervisory advantages of local government are particularly important in light of weak transportation and communication networks that exacerbate central government oversight challenges. Yet it is not clear that decentralized provision necessarily dominates centralized, as there are risks that the accountability gains from better information may be compromised by a greater risk of elite capture (particularly when only a small minority is literate and politically aware) or that services management will suffer in the hands of less competent local politicians (Bardhan and Mookerjee 2006).

Aware of the potential benefits and risks, the Government of Sierra Leone began to gradually transfer responsibilities and tied grants for public services in health, agriculture, education and other sectors over to the Local Councils in accordance with the Local Government Act of 2004. The extent of decentralization to date varies widely across sectors, where health takes the lead and education lags conspicuously behind. Yet even in health, decentralization remains at best partial since the power to hire, fire and remunerate staff is retained by the central government. To complement the conditional grants by sector, the Councils were given several million dollars worth of discretionary funds to use toward development projects in their districts under the Local Government Development Grants (LGDG) program.

Turning to civic engagement, scholars of decentralization emphasize the political value of creating greater opportunities for citizens to participate in government, which can be particularly important in developing countries that inherited highly centralized regimes from colonial powers (Oates 1999). They suggest that inclusion and participation carry both intrinsic value in empowering citizens as well as accountability gains in enabling the public to better monitor and constrain the behavior of elected officials. In Sierra Leone encouraging the participation of women and youths takes on added importance in light of their long standing exclusion and the role that resulting frustrations may have played in the war.

The government and donors sought to complement these national reforms with “bottom-up” initiatives aimed at strengthening community level institutions. Community driven development (CDD) is one such approach that has become very popular throughout the developing world: the World Bank alone has spent US\$50 billion on CDD initiatives over the past decade (Mansuri and Rao 2012). By emphasizing local participation in and control over project implementation, CDD aims to provide public goods through a process that empowers the poor. Advocates of participatory local governance promise a long and varied list of benefits ranging from more cost-effective construction of infrastructure, to a closer match between project choice and village needs, to the weakening of authoritarian village institutions.<sup>4</sup> Critics hold concomitant concerns

---

<sup>4</sup> For instance, Dongier et al. (2003) write that: “Experience demonstrates that by directly relying on poor people to drive development activities, CDD has the potential to make poverty reduction efforts more responsive to demands, more inclusive, more sustainable, and more cost-effective than traditional centrally led programs...achieving immediate and lasting results at the grassroots level.”

that participation requirements serve as a regressive tax, widening political participation clogs up rather than expedites decision-making (Olson 1982), and external resources attract new leaders, crowd out the most disadvantaged (Gugerty and Kremer 2008) or are captured by elites if the program is unable to change the nature of *de facto* political power (Bardhan 2002). Any real world program risks manipulation during implementation, and skeptical observers fear that donors simply use the jargon of participatory development for political or public relations purposes while continuing to operate in a “top-down” manner. Few studies provide rigorous empirical evidence regarding these claims (Mansuri and Rao 2004).

Using a randomized experiment, Casey, Glennerster and Miguel (forthcoming) evaluate the success of one particular CDD project in Sierra Leone, the “GoBifo” project (which means “Move Forward” in Krio). As is typical of CDD projects, GoBifo established village-level structures and provided tools to plan and manage development resources; provided communities with financing and technical assistance in implementing small scale projects (totaling \$4,667 per community or roughly \$100 per household); and created links between these processes and local government institutions. This “hardware” support was coupled with intensive community facilitation, or “software,” that promotes democratic decision-making, the participation of socially marginalized groups, and transparent budgeting practices. The CDD approach attempts to bolster local *coordination*—for example, by setting up village development committees—and to enhance *participation*, by requiring women and “youths” (adults under age 35) to hold leadership positions, sign off on project finances, and attend meetings. Project emphasis on inclusive and democratic decision-making aims to empower women and youth in other realms of local governance; and the learning-by-doing experience with successfully implementing communal projects aims to catalyze collective action beyond the immediate project sphere. The idea is that once communities have the institutions in place—a village development committee, plan, bank account and experience in budgeting and management—they should be better able to take advantage of new opportunities that arise after the program itself has ended. This latter emphasis on “help yourself” activism echoes current President Ernest Bai Koroma’s “Attitudinal Change” public messaging campaign that urges citizens to take responsibility for their own development.

## **5. Effectiveness of Institutional Reforms**

The following sections examine how successful these initiatives—multiparty democracy, decentralization and community-driven development—have been in instigating economic development and democratizing institutions, with an eye on changes in social and political norms of behavior. After a brief look at the post-war macroeconomic situation, Section 5.1 explores three areas of public goods provision: the impact of decentralization on access to services and supervision of field staff; how electoral pressures and ethnic-party allegiances influence the allocation of public spending across constituencies; and how effective CDD has been in delivering small scale public goods to communities. Section 5.2 then turns to participation, discussing the impact of the post-war reforms on information flows between citizens and their elected officials as well as on the direct participation of individuals in community-level decisions.

### ***5.1 Progress toward Economic Development***

Post-war recovery on the macroeconomic level has been relatively rapid and robust. The Ministry of Finance estimates that the economy has been growing at roughly five percent per year since the end of the war. Efforts to rebuild public infrastructure have largely restored the pre-war (although still woefully insufficient) stock of key public goods and flow of basic services. While this progress is encouraging, the country remains extremely poor: it again fell to the bottom of the latest Human Development Index, ranking 180<sup>th</sup> out of the 182 countries included (United Nations 2009).

While we have no rigorous test of whether local or centralized service provision performs better, evidence suggests that decentralization has been consistent with improvements in public services on the ground. Foster and Glennerster (2009) note that access to public services has improved over the period 2005 to 2007: the percentage of households reporting access to a primary school within half an hour increased by 5.5 percentage points; to a health clinic by 4.4 ppts; to a motorable road by 7.3 ppts; to a market by 13.0 ppts (within one hour); and to drinking water by 12.4 ppts (within 15 minutes). The only significant reduction was in access to an agricultural extension officer, which fell by 5.5 percentage points. For the sector that devolved the most—

health—a panel survey of clinics reveals that nearly all indicators of health care quality (including clinic staffing, supplies and equipment) improved significantly between 2005 and 2008. They further provide suggestive evidence that the gains from decentralization were largest where the reductions in the distance to power (i.e. from the national capitol to the relevant district capitol) were greatest. This implies that service improvements were most pronounced in areas located close to a new district government headquarters but far from Freetown. As a robustness check, they find no such differential change for education outcomes, which experienced no decentralization during this time period.

Despite the theoretical gains in supervision, evidence suggests that the newly elected Local Councillors were not particularly active in overseeing services in the field. Focusing on healthcare, while Councillors managed to visit roughly half of all clinics during their first year of office, these visits fell by 50% over the subsequent two years. Furthermore, interviews with clinic staff suggest that the real gains in oversight and technical assistance occurred within the ministry itself, with authority devolving from central government bureaucrats to district-level members of the health management teams. Taken together, these findings suggest that the substantial improvements in health care may be due more to deconcentration within the ministry than the oversight of local politicians driven by electoral concerns.

A key sector for economic development, agriculture, remains one of the areas where the decentralization process is yet to establish a clear division of roles between local councils and the central government (Casey, 2009). Market construction represents one of the major items of spending of local councils discretionary funding. Yet, the lack of a central agency devoted to market development<sup>5</sup> and the absence of specific transfers to local councils in this area are among the factors limiting access to markets for agricultural producers in the country (Srivastava and Larizza, 2011). One of the authors is currently leading a research team exploring potential innovative solutions to improve farmers' access to product market, credit market and agricultural extension. Results from the 2010 *Agricultural Household Tracking Survey*, the first post-war nationally representative agricultural household survey, informed some of these pilots. In one of the projects the team is partnering with the Ministry of Agriculture, Forestry and Food Security

---

<sup>5</sup> The Sierra Leone Produce Marketing Board was dismantled in 1989.

(MAFFS) to test the impact of an inventory credit scheme. By providing loans to palm oil producers, who can use stored product as collateral, the pilot aims to satisfy immediate liquidity shortages that farmers may face at harvest time. Such cash needs are reported to be one of the main reasons most sales occur in the peak harvest period, a time when farm-gate prices are typically low. Evaluation of the pilot will assess the extent to which improved access to credit may change storage decisions and the timing of product sales. Another project combines agricultural extension with temporary subsidies to promote the adoption of improved varieties among rice producers.

One area where electoral politics, service provision and ethnicity come together is in the allocation of public resources across constituencies. While we have seen that ethnic diversity does not affect public goods provision *within* communities, it does appear to influence how much political patronage *external* agents bestow upon their constituents. Since ethnic diversity signals greater political competitiveness, Casey (2012) argues that it attracts greater investment from candidates on the campaign trail and from politicians once in office. Given the long standing ties between particular ethnic groups and political parties, she estimates the competitiveness of a given race for a seat in Parliament or one of the Local Councils based on the ethnic composition of its constituency. To illustrate: the SLPP and APC have an equal chance of winning a maximally competitive constituency that has 50% Mende and 50% Temne residents; while the SLPP has little chance of winning a constituency that is 90% Temne. This logic provides a novel empirical test of the classic swing voter proposition that both parties favor constituencies with the weakest underlying party preference (Lindbeck and Weibull 1987). A test based on ethnic composition—which is largely stable over time and not subject to short term shifts in response to political patronage—does not suffer the endogeneity bias that plagues previous tests based on reported voting choices.<sup>6</sup> Under this framework, Casey finds evidence that moving from a jurisdiction that is perfectly homogenous to one that is maximally competitive results in a 1.02 standard deviation unit increase in the bundle of campaign goods distributed by national candidates and \$19,577 more public spending by elected local politicians. In a two group setting, these findings are equivalent to saying that political competition and thus patronage are

---

<sup>6</sup> Voting choices in part reflect transfers from political parties, which arise endogenously from the strategic game played by parties seeking to win elections. See Larcinese, Snyder and Testa (2008) for estimates of the resulting bias.

increasing in ethnic diversity, which could provide an alternative explanation for the counter-intuitive findings regarding clinic quality discussed in Section 3.2.<sup>7</sup>

Moving down to the community level, decentralizing service provision to villages through CDD proved effective in delivering smaller scale public goods. Casey, Glennerster and Miguel (forthcoming) find that strong implementation performance by the GoBifo project improved the stock and quality of local public goods as well as enhanced general economic welfare in treatment communities. In particular, the project successfully established Village Development Committees, plans and community bank accounts; and facilitated greater interaction between villages and elected local politicians and chiefdom officials. Community verification of project financial receipts further attests to minimal leakage of project resources, which is no small feat in an environment of endemic corruption. It also appears that communities used these grants productively: again using a mean effects approach, GoBifo led to a 0.204 standard deviation unit increase in the average stock and quality of local public goods (including the presence of a functional traditional midwife post, latrine and community center, as well as better quality construction of primary schools and grain drying floors, among other outcomes); and GoBifo enhanced general economic welfare by 0.376 standard deviation units (including the presence of petty traders, number of goods on sale, household assets and amenities, among others). These results suggest that CDD is a reasonable approach to delivering small scale local public goods in a way that is equitable, accountable and low cost.

## ***5.2 Progress toward Democratizing Institutions***

Our research suggests that the post-war institutional reforms have increased information flows between citizens and local politicians, with positive impacts on voting behavior and oversight of local public goods. Yet we find little evidence to suggest that community-level interventions have led to fundamental changes in social norms, particularly with respect to the voice and participation of women and youths.

---

<sup>7</sup> Note that of all the measures considered by Glennerster et al, clinic quality is the least influenced by local collective action, where major policy decisions—including clinic location choice, procurement and hiring/firing of medical staff—are all controlled more centrally. Health clinic quality may thus provide another example of how winning politicians reward more diverse and politically competitive jurisdictions with better public goods once in office.

Decentralization has lived up to its purported informational advantages in terms of increasing how much voters know about their politicians, which in turn reduces the salience of ethnic identity in voting choices and campaign spending. As decentralization brings government closer to the people, Casey notes that voters have more information about local politicians (for example, while 37% of respondents could correctly name their Local Councillor, only 17% could name their Parliamentarian) and more opportunities to interact with them (while 52% of communities reported being visited by their elected Councillor in the past year, only 27% report a visit from their MP). Adding a layer of information asymmetry onto the standard swing voter investment model, Casey demonstrates that increasing the amount of information voters have about candidates (beyond party affiliation), makes voters more likely to cross traditional ethnic-party lines for particularly attractive rival party candidates. Exploiting the information differences across levels of government and using individual fixed effects, she shows that the same voters are 11.3 percentage points more likely to cross traditional ethnic group-political party allegiances when voting in local as opposed to national elections. Knowing this, parties in turn respond by de-emphasizing ethnic-party allegiances in allocating campaign spending across constituencies. While parties continue to favor more diverse constituencies for both local and national races, the spending in local races is roughly half as responsive to ethnic composition as that for national elections. These findings speculatively suggest that providing voters with better information about candidates could help diffuse the ethnic tensions surrounding elections.

While CDD strengthened village-level public good provision and created meaningful links between villagers and the lowest tiers of elected government, it did not fundamentally influence social norms nor communal capacity for collective action. Yet, taking a step back, let us first question the assumption that the war left the communities highly compromised in terms of social cohesion and their ability to work together. Note that baseline levels of cohesion were high: over 81% of respondents had trusted a neighbor with goods to sell on their behalf in the local market; the average person was a member of more than 2 of 5 common social groups; and only 22% reported having a financial conflict in the preceding year. Glennester et al. further show that there is no evidence to negatively link ethnic diversity with such cohesion and the resulting ability to act collectively. In addition, Bellows and Miguel emphasize that if anything, survivors

of violence emerged from the war even more politically and socially active than they were before. Such initially high levels of cohesion throw into doubt the necessity of the social facilitation aspect of CDD in this context.

That said, there were clear social divisions—between women and men, and youths and their elders—that were creating frustration, and chronic poverty suggests that greater collective action toward local development would likely be welfare enhancing. Yet while CDD explicitly targeted these areas for remedy, we find no evidence that it had any lingering impact on the voice and participation of women and youth, nor on the likelihood that communities were able to take up development opportunities arising after the project ended. While these null results held true across a wide variety of outcomes, the following two examples from our “structured community activities” (SCAs) are illustrative. The SCAs were designed to unobtrusively observe members of treatment and control communities engaged in concrete, real-world collective activities and decisions. Regarding voice, the research team found no difference in the number of women who spoke publicly in a community meeting to decide between two small gifts offered by the research team as a thank you for their participation in the study. Regarding collective action, exactly 62 treatment and 64 control villages (roughly 50% across the board) took up a voucher opportunity to purchase building materials at a subsidized price for use in a community project. These findings (along with the other indicators studied) suggest quite conclusively that CDD had no impact on underlying attitudes towards women and youths, and did not serve as a catalyst for collective action beyond the life of the project.

## **6. Concluding Remarks**

Many would have said that Sierra Leone was condemned to be a basket case because of its war history, ethnic diversity and poverty, but the economic and political progress of the last decade belies this. In fact, war legacies and ethnic diversity do not appear to necessarily hinder local collective action. And while national politics remain heavily ethnic, power transferred peacefully between parties, and voters are willing to cross traditional ethnic allegiances when they have better information. Turning to public goods, decentralization has been compatible with steady improvements in service delivery, greater interaction between citizens and their

elected representatives, and enhanced supervision of front line workers by district-level managers. Ten years ago, few observers would have thought this last decade of peace and prosperity was possible for Sierra Leone.

In terms of policy lessons, it is useful to consider the role that external actors played in these achievements. Taken together, our research suggests that external assistance and interventions to support large scale institutional reforms have met with greater success than those targeting community level norms and dynamics. In particular, international donors and foreign governments made positive contributions to ending the civil war, restoring multiparty democracy and decentralizing public services. Implemented in partnership with the Government of Sierra Leone, these reforms have translated into substantial, and quite tangible, benefits on the ground. The experience with CDD, however, suggests that fundamentally altering community-level hierarchies and social norms is incredibly difficult, and not something that we, as outsiders, yet know how to do effectively.

Moving forward, much uncertainty remains regarding the potential for sustained economic growth and institutional development in Sierra Leone. The discovery of large deposits of natural resources (including iron ore and oil) provides hope for improved incomes but may also place additional pressure on weak institutions. As Sierra Leone celebrated 50 years of independence in 2011, the country faced an open question of whether these newly found resources would contribute more to general development than diamonds have to date. As with the successes we have seen in the last several years, the country's further progress ultimately rests on the resilience and determination of Sierra Leoneans striving for a better future.

## References

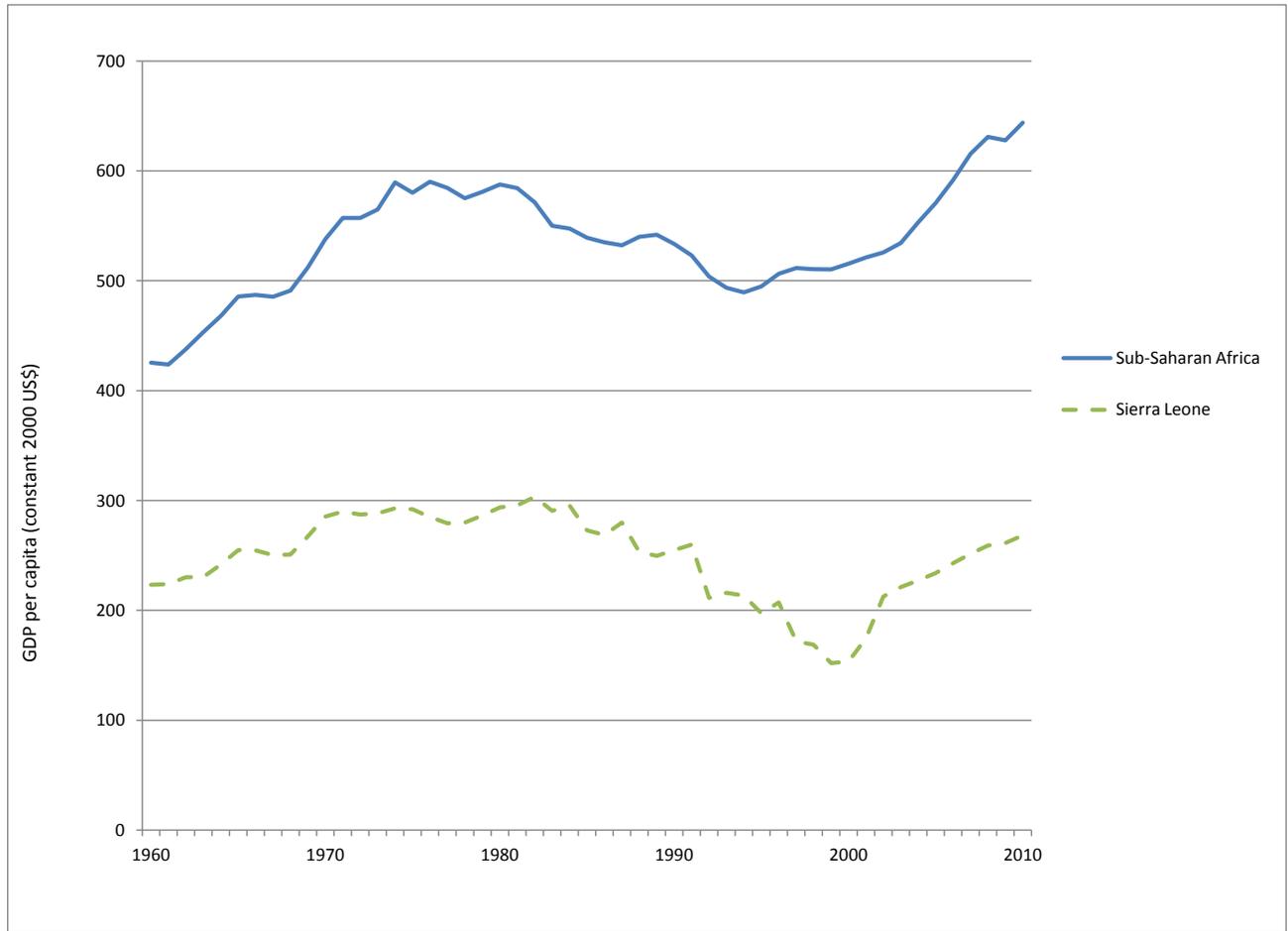
- Acemoglu, D., S. Johnson and J.A. Robinson (2001) "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*, 91(5), 1369-1401.
- Alesina, Alberto, Arnaud Devleeschauwer, William Easterly, Sergio Kurlat and Romain Wacziarg (2003) "Fractionalization," *Journal of Economic Growth*, 8(2), 155-194.
- Alesina, Alberto, Reza Baqir, and William Easterly (1999) "Public Goods and Ethnic Divisions," *Quarterly Journal of Economics*, 114(4), 1243-1284.
- Banerjee, Abhijit and Lakshmi Iyer (2005) "History, Institutions, and Economic Performance: The Legacy of Colonial Land Tenure Systems in India." *American Economic Review*, 95(4): 1190-1213.
- Bardhan, Mookherjee (2006) "Decentralisation and Accountability in Infrastructure Delivery in Developing Countries," *The Economic Journal*, 116(508), 101-127.
- Bellows, John and Edward Miguel (2009) "War and Local Collective Action in Sierra Leone," *Journal of Public Economics*, 93(11-12), 1144-1157.
- Casey, Katherine (2009), "Decentralization in Practice" in *Decentralization, Democracy, and Development: Recent Experience from Sierra Leone* (Ed. Yongmei Zhou) Washington D.C.: World Bank.
- Casey, Katherine (2012) "Crossing Party Lines: The Effects of Information on Redistributive Politics," *Stanford GSB Working Paper No. 2099*.
- Casey, Katherine, Rachel Glennerster and Edward Miguel (forthcoming) "Reshaping Institutions: Evidence on Aid Impacts Using a Pre-Analysis Plan," *Quarterly Journal of Economics*.
- Dongier, Philippe, Julie Van Domelen, Elinor Ostrom, Andrea Rizvi, Wendy Wakeman, Anthony Bebbington, Sabina Alkire, Talib Esmail and Margaret Polski (2003) "Chapter 9: Community-Driven Development." In *The Poverty Reduction Strategy Sourcebook Volume 1*, 301-331. Washington DC: The World Bank.
- Easterly, William and Ross Levine (1997) "Africa's Growth Tragedy: Policies and Ethnic Divisions," *Quarterly Journal of Economics*, 112, 1203-1250.
- Engerman, Stanley L. and Kenneth L. Sokolof (1997) "Factor Endowments, Institutions, and Differential Paths of Growth Among New World Economies: A View from Economic Historians of the United States." In *How Latin America Fell Behind*. Stanford: Stanford University Press.

- Fearon, James D. (2003) "Ethnic and Cultural Diversity by Country," *Journal of Economic Growth*, 8(2), 195-222.
- Foster, Elizabeth and Rachel Glennerster (2009) "Impact of Decentralization on Public Services: Evidence to Date" in *Decentralization, Democracy, and Development: Recent Experience from Sierra Leone* (Ed. Yongmei Zhou) Washington D.C.: World Bank.
- Freedom House, Inc. (2009) "Country Report: Sierra Leone," accessed 8 July 2010 on <http://www.freedomhouse.org/template.cfm?page=22&year=2009&country=7699>.
- Glennerster, R., E. Miguel and A. Rothenberg (2010) "Collective Action in Diverse Sierra Leone Communities" NBER Working Paper No. 16196.
- Habyarimana, J., M. Humphreys, D. Posner, and J. Weinstein (2007). "Why Does Ethnic Diversity Undermine Public Goods Provision?" *American Political Science Review*, 101(4), 709-725.
- Habyarimana, J., M. Humphreys, D. Posner, and J. Weinstein (2009) *Coethnicity: Diversity and the Dilemmas of Collective Action*. Russell Sage: New York.
- Human Rights Watch (1999) *Sierra Leone: Getting Away with Murder, Mutilation, and Rape*. New York: Human Rights Watch.
- Humphries, Macartan, Weinstein, Jeremy M. (2006) "Handling and Manhandling Civilians in Civil War: Determinants of the Strategies of Warring Factions," *American Political Science Review* 100(3), 429-447.
- Kling, J., J. Liebman and L. Katz (2007) "Experimental Analysis of Neighborhood Effects," *Econometrica*, 75(1), 83-119.
- Keen, David (2005) *Conflict and Collusion in Sierra Leone*. London: James Currey; New York: Palgrave.
- Lacrincese, Valentino, James M. Snyder and Cecilia Testa (2008) "Testing Models of Distributive Politics Using Exit Polls to Measure Voter Preferences and Partisanship," manuscript.
- Lindbeck, Assar and Jorgen W. Weibull (1987) "Balanced-budget redistribution as the outcome of political competition," *Public Choice*, 52, 273-297.
- Mansuri, Ghazala and Vijayendra Rao (2004) "Community-Based and -Driven Development: A Critical Review." *World Bank Research Observer*, 19(1): 1-39.
- Mansuri, Ghazala and Vijayendra Rao (2012) *Localizing Development: Does Participation Work?* Washington, DC: The World Bank.

- Miguel, Edward (2004) "Tribe or Nation? Nation Building and Public Goods in Kenya versus Tanzania," *World Politics* 56(3), 327-362.
- Miguel, Edward (2009) *Africa's Turn?* Cambridge, MA: The MIT Press.
- Miguel, Edward and Mary Kay Gugerty (2005) "Ethnic diversity, social sanctions, and public goods in Kenya," *Journal of Public Economics*, 89(11-12), 2325-2368.
- Ngugi wa Thiong'o (2009) *Something Torn and New: An African Renaissance*. NY: Nation Book.
- Oates, Wallace E. (1999) "An Essay on Fiscal Federalism," *Journal of Economic Literature*, 37(3), 1120-1149.
- Reno, William (1995) *Corruption and State Politics in Sierra Leone*. Cambridge and New York: Cambridge University Press.
- Richards, Paul (1996) *Fighting for the Rainforest: War, Youth and Resources in Sierra Leone*. London: James Currey; Portsmouth, NH: Heinemann for the International African Institute.
- Srivastava, Vivek and Marco Larizza, (2011), "Decentralization in Postconflict Sierra Leone: The Genie is out of the Bottle" in *Yes Africa Can: Success Stories from a Dynamic Continent* (Eds. Putnam Chuhan-Pole and Manka Angwafo) Washington D.C. :World Bank.
- United Nations (1993) *Human Development Report 1993*. New York: United Nations Development Program, Oxford University Press.
- United Nations (2004) *Human Development Report 2004*. New York: United Nations Development Program, Oxford University Press.
- United Nations. (2009) *Human Development Report 2009*. New York: United Nations Development Program, Oxford University Press.
- World Bank (2007) "World Development Report 2008: Agriculture for Development." Washington, D.C.: World Bank.

**Figure 1**

**Trends in GDP per capita 1960-2010 (in constant 2000 US dollars) for sub-Saharan Africa and Sierra Leone**



*Notes on figure: i) source of data is World Development Indicators, The World Bank; and ii) the sub-Saharan African mean is the “all income levels” series.*