

# Trade and Development IN AFRICA

Special Trip Report | Issue No. 2

## Congressional Study Trip to Ghana and Liberia

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**  
**MARCH 20-26, 2011**

The Woodrow Wilson International Center for Scholars (Wilson Center) sponsored a congressional study trip to Ghana and Liberia from March 20 to March 26, 2011. It was organized by *Wilson Center on the Hill* and the Africa Program at the Wilson Center. This trip was funded by the William and Flora Hewlett Foundation.<sup>1</sup>

The trip objective was to provide an opportunity for Members of Congress to gain a first-hand understanding of a wide range of issues that are critical to the U. S. relationship with Africa, and, in particular, the nations of Ghana and Liberia. In their meetings with executive, legislative, and private sector leaders from both countries, the delegation focused on issues related to economic growth and sustainable development, education, infrastructure, initiatives to build trade capacity and justice, transparency, and the rule of law.



## THE CONGRESSIONAL DELEGATION INCLUDED:

**Representative Peter Roskam (IL)**, a member of the Committee on Ways and Means and the Chief Deputy Whip.

**Representative Bobby L. Rush (IL)**, a member of the Committee on Energy and Commerce and ranking member of the Subcommittee on Energy and Power.

**Representative F. James Sensenbrenner, Jr. (WI)**, a member and former Chairman of the Judiciary Committee and Science, Space, and Technology Committee.

**Representative Adrian Smith (NE)**, a member of the Committee on Ways and Means.

The delegation was accompanied by staff from the Wilson Center's Africa Program <sup>2</sup>, *Wilson Center on the Hill* program<sup>3</sup>, a representative of the William and Flora Hewlett Foundation<sup>4</sup>, and the spouses of two of the Members.<sup>5</sup>

## KEY ISSUES

### ECONOMIC CHALLENGES

On the economic front, an agenda of meetings and visits to economic facilities provided the participants with the chance to assess the economic challenges and opportunities in both countries. In many respects, Ghana and Liberia highlight the varying stages of development across the African continent. Ghana is often viewed as a model for African development. By contrast, Liberia is one of the poorest countries in the world with an economy recovering from a devastating war. It remains

primarily a producer and exporter of basic products without significant value added processing or manufacturing. In both countries, the delegation examined issues related to agriculture and initiatives that would increase the productivity of African agriculture and provide increased market opportunities for small farmers.

### OIL

The delegation's examination of transparency and anti-corruption initiatives with regard to oil development in Ghana was particularly timely since Ghana only started producing oil at the end of 2010, with the government in the midst of considering legislation on the use of oil revenues, the establishment of an independent oil commission, and other anti-corruption initiatives. In Liberia, conversely, oil concessions in the Mano River Basin have just been awarded and the government is in the process of designing how it will manage the exploitation and revenue flows.

### GHANA

The economic agenda in Ghana focused significantly on the policies that helped the country raise average per capita income to \$1,300 per year, which formally shifted the country into lower middle income status. The teeming local economy was evident as the delegation traveled throughout Accra and the countryside, but the lack of adequate

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infrastructure necessary for continued growth was equally apparent. The mid- to long-term economic future may be driven by the emerging oil development, but the bulk of Ghana's population remains heavily dependent upon increasing the productivity of its small-holder farms. As such, the delegation focused heavily on agriculture and, in particular, the estimated 750,000 to 800,000 small farms that rely on cocoa as their primary income crop.

## **LIBERIA**

In Liberia, the delegation examined a country that is working to rebuild following the 1989-1996 Civil War that destroyed much of the country's infrastructure, economy and social structure. The meetings focused, therefore, on issues related to the critical development of a formal justice system and rule of law that form the necessary foundation for future investment and growth. The country must address significant issues related to land ownership and control – issues that in many cases predated the civil conflict but are now complicated by post-conflict differences and disputes. Because Liberia's economy remains dependent on resource extraction, the delegation therefore toured the Firestone rubber plantation and held meetings focused on the country's anti-corruption initiatives and the Extractive Industries Transparency Initiative (EITI) for oil, diamonds and other resources. The delegation also examined Liberia's education policies and NGO and multinational initiatives to improve early childhood and pre-school education. With more than 500,000 of the country's approximately 3.78 million in population currently enrolled in early childhood and pre-primary education programs, this represents the future of the country. The delegation also examined issues regarding refugees from the on-going conflict in Cote d'Ivoire, which borders both countries.

## **BACKGROUND**

### **GHANA**

Ghana's importance as a strategic and long-standing regional partner to the United States cannot be overstated. In 1957, Ghana became the first sub-

**Increasing the productivity of African agriculture by only 1 percent would lift more than 2 million people out of poverty.**

Saharan African country to win its independence and has evolved to become one of the most flourishing democracies on the continent. A country of 24 million people and more than 100 ethnic groups, it has overcome numerous obstacles and challenges to its democratic stability, mostly in the form of authoritarian rulers, failed economic policies, and ethnic violence. Indeed, Ghana is now commonly referred to as an "island of peace" in a part of West Africa that is often beset with ethnic violence and strife, and in recent times has seen a series of fair elections and steady economic growth. As a result, Ghana enjoys the distinction of being one of the United States' most trusted partners in the region. The United States provides military support to the country through the International Military Education and Training (IMET) program and the African Contingency Operations Training and Assistance (ACOTA) program. In return, President Mills has been a vital ally in the region on all important security operations, including counterterrorism. Ghana is also very active in the United Nations and, as one of the largest African peacekeeping contributor nations, plays an integral role in UN peacekeeping operations.

The delegation's visit to Ghana coincided with a period of increasing political stability and economic growth. The government under John Atta Mills, sworn into office in 2009, enjoys widespread international backing and significant popular support. The ruling National Democratic Congress (NDC) party platform is focused on protecting worker rights and reducing poverty by trying to harness the power of the free market, while upholding the rule of law and basic human rights.





CONGRESSMAN PETER ROSKAM AND REPRESENTATIVES  
FROM OPPORTUNITY INTERNATIONAL

President Mills, who inherited a financial crisis when he took office, has had success in meeting the economic challenges through policies based on decentralization, higher private investment, and overarching social and rural development coupled with direct efforts to alleviate poverty. Despite this progress, however, individual Ghanaians still have inadequate access to all -- elementary, high school, university -- levels of education (due to the lack of facilities) and the nation continues to contend with the pervasive mismanagement of natural resources and a business climate that does not encourage private sector-led growth.

The economic relationship between the United States and Ghana is equally close. The United States is one of Ghana's primary trading partners, and Ghana is known for being the West African center for American businesses. This commercial interest in Ghana has only escalated since Ghana discovered oil off its coast in 2007, which experts say is likely to make Ghana the third-largest exporter of oil in West Africa, behind Nigeria and Angola. Thus, Ghana's overall economic stability is in the United States' best interest. As

such, Ghanaian development efforts have been spurred in large part by U.S. assistance through organizations such as the African Development Foundation, the U.S. Agency for International Development, and the Millennium Challenge Corporation. The most significant point in U.S.-Ghanaian relations was in 2006, when Ghana signed a 5-year, \$547 million anti-poverty contract with the United States' Millennium Challenge Corporation, an independent U. S. foreign aid agency that is helping in the fight against global poverty, in recognition of its political and economic achievements.

## **LIBERIA**

The Republic of Liberia is a country of just under 4 million people and ranks among the poorest nations in the world. In the 1840's, Liberia was used for the resettlement of freemen and freed slaves from the United States by the American Colonization Society, an organization of prominent American leaders and intellectuals who believed that black Americans could never successfully integrate themselves into white society and thus needed to be expatriated back to Africa. The United States formally recognized Liberia in 1862 and since then the two states have shared exceptionally close relations, especially during World War II and the Cold War.

From 1980 to 2003, however, Liberia experienced an era of political instability during which it was almost torn apart by two consecutive civil wars. In the course of those brutal wars and in the face of despotic leadership, the relationship between the two countries soured. However, the United States played a key role in ending the war and bringing about a Comprehensive Peace Settlement in 2002. At present, the United States is Liberia's

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**If oil represents the future  
for Ghana and Liberia, then agriculture  
is the present.**

strongest supporter in its struggle to democratize and reconstruct its economic and political institutions. Indeed, U.S. bilateral assistance to Liberia totalled almost \$230 million in 2010. That same year, the Liberian government signed a \$15 million Threshold Program with the Millennium Challenge Corporation to strengthen land reform, female education, and trade.

Although there have been significant improvements in recent years, the Liberian economy and society are still reeling from the repercussions of more than 20 years of internal strife and violence. The political situation has remained relatively stable since the 2005 elections, which were won by Ellen Johnson Sirleaf. Upon taking office, President Johnson Sirleaf became the first elected female leader in Africa and has worked tirelessly on Liberia's development. At the time of the delegation's visit, Liberia was still in the process of going through considerable transitional change and reform, with ethnic tensions and land disputes, demobilized veterans, and refugee and displaced populations persisting as problems.

While domestic attitudes toward her are still divided, President Johnson Sirleaf enjoys widespread international support. Her government won overwhelming donor support for its new Poverty Reduction Strategy (PRS) at the June 2008 Liberia Poverty Reduction Forum in Berlin, Germany. The government is now in its final year of its PRS, concluding the Governance and Economic Management Assistance Program (GEMAP), an effort by the Liberian government and the international community to reshape the system of governance. Liberia also reached the completion point for the Heavily Indebted Poor Countries (HIPC) program, which provides debt relief and low-interest loans to cancel or reduce external debt repayments to sustainable levels. The reformation of Liberia's security sector has led to the disarmament of more than 100,000 ex-combatants, a U.S.-led renovation of the Armed Forces of Liberia, and a UN-led effort to improve the Liberian National Police.

These initiatives have opened up the Liberian economy and there are signs of economic growth and recovery. Liberian diamond exports have resumed after the lifting of sanctions by the UN Security Council when the Liberian government certified its compliance to the Kimberly Process, the process designed to certify the origin of rough diamonds from sources which are free of conflict. Gold deposits are nearing production as well. In addition, significant offshore crude oil deposits have been discovered in the Mano River Basin and oil concessions are being awarded for the exploitation of those resources.

Despite such improvements, Liberia's production capacity is significantly constrained by high unemployment, low literacy, poor health, and corruption. Liberia's economy is also constrained by the exorbitant cost of operating in the country. There is an overwhelming need for private security and local human resources, as well as the need to address the lack of essential infrastructure such as roads, electricity, and water/sewage systems. Despite government and multilateral initiatives, pervasive corruption and patronage inhibit transparency in the government procurement and concession processes, further driving up the cost of doing business and slowing the economic recovery.

## TRIP REPORT

### GHANA

The delegation's meetings in Ghana began on March 21 with an economic briefing by the World Bank, representatives of Opportunity International, a non-profit that provides microcredit services in Ghana and across Africa, and the Civil Society Platform for Oil and Gas, a forum for civil society to share knowledge about oil and gas exploration and governance. This briefing and the country briefing by U.S. Ambassador Donald G. Teitelbaum and Embassy officials highlighted the key economic and political issues that the delegation would examine in Ghana. The delegation also discussed key regional issues such as the conflict and refugee situation in Cote d'Ivoire and the internal uprising in Libya.



THE DELEGATION MEETS WITH MEMBERS OF THE GHANAIA PARLIAMENT

Following an overview of the Ghanaian economy and World Bank projects in the country, the discussion with the World Bank officials focused on the key challenges and opportunities facing Ghana. While the country's manufacturing sector is relatively advanced compared to other African nations, Ghana remains primarily dependent on agriculture, which employs more than 55 percent of the workforce. The small and growing manufacturing sector is primarily engaged in import substitution products such as steel, textiles and simple consumer goods, with the largest exports being cocoa (\$1 billion/year), gold (\$2 billion/year) and oil (soon to reach \$1 billion/year). The delegation was also briefed on the expanding role that microcredit can provide to women, particularly small-holder women farmers.

One of the key points of the introductory briefings and subsequent meetings was Chinese investments in Ghana and across Africa. The World Bank officials briefed the delegation on a \$3 billion project finance agreement Ghana signed with China in 2010 and a \$5.9 billion infrastructure finance agreement recently signed with the Chinese EximBank. These agreements hold significant promise for future

investment, but to date there has been little progress on specific projects within the master agreements.

In general, Chinese investment has been welcomed by African countries as a source of capital and jobs – as one Ghanaian official noted, “we want to make friends with those who want to be friends with us.” However, the briefers noted that the Chinese have tended to invest in “showpiece” projects such as stadiums, hospitals, and government buildings, but in some cases have not provided the necessary operational funding to make these projects a success. For example, the Chinese built a hospital in Monrovia that soon after opening stood empty and unused because there were no funds for doctors, nurses, and other necessary hospital staff. The briefers also noted that public perception of the level of Chinese investment is often distorted by the presence of Chinese contractors on projects funded by the World Bank or other multi-nationals. For example, a Chinese company won a World Bank contract to rebuild a major road in Liberia. Although the project was funded by the World Bank, many Liberians incorrectly believed it to be a Chinese investment because they saw a Chinese company overseeing the work and Chinese workers.



The delegation's focus on oil development and production in Ghana was particularly timely since the Ghanaian parliament was in the midst of considering several major bills on this issue. Following a briefing on the key challenges related to transparency, the use of oil revenues, and the proposed establishment of an independent oil commission, the delegation met with the Vice-Chairman, Ranking Minority Member, and other Members of the Parliamentary Select Committee on Mines and Energy. The discussion with the parliamentarians examined different ways in which the Ghanaian government is working to prevent corruption and direct the revenues in order to benefit the population. While recognizing that local content requirements can lead to win-win partnerships between international companies and local businesses, the delegation shared its concern that various "local content" requirements under consideration be designed in such a way as to not inappropriately disadvantage U.S. firms.

The other major focus of the delegation's agenda in Ghana was on programs to increase the productivity of agriculture across Africa through improved research, extension services, and efforts supported by USAID, USDA, and multinational organizations. The delegation's meeting with the Alliance for a Green Revolution in Africa (AGRA) and Forum for Agricultural Research in Africa (FARA) examined the challenges and opportunities for African agriculture. As one official noted, increasing the productivity of African agriculture by only 1 percent would lift more than 2 million people out of poverty. The delegation was encouraged to learn that African governments have made a pledge to expend 10 percent of their national budgets on agriculture. By contrast, according to this official, only 1 percent of current bank financing across Africa goes to agriculture even though it accounts for 70 percent of employment and 25-30 percent of GDP on the continent.

The delegation was briefed on research initiatives into new seeds and fertilizers, the impact of U.S. biofuels policy on the African markets, livestock

practices, the U.S. Feed the Future initiative, and the role of the Millennium Challenge Corporation. The discussion also examined Chinese investments in African agriculture, which include the establishment of 12 agricultural research and development centers across the continent. This is a reasonable investment since Africa has more than 60 percent of the unused arable land in the world, and the 40 percent that is used produces only 20 to 25 percent of its potential. The briefers noted, however, that the Chinese investment appears to be driven by concerns about Chinese food security rather than initiatives to reduce hunger and poverty in Africa.

The delegation's focus on agriculture included a meeting to discuss issues related to the growing, processing, and exporting of cocoa, the major agricultural crop in Ghana. There are estimated to be 750,000 to 800,000 small-holder cocoa farms in Ghana, and at one time cocoa represented as much as 10 percent of the total Ghanaian economy. The delegation met with representatives of the World Cocoa Foundation and the two leading processing companies to discuss initiatives to increase the productivity of small cocoa farms, improve seed research, and increase the income of cocoa farmers across Ghana. The delegation also examined the impact of the conflict in Cote d'Ivoire, the world's other main cocoa producer, on the world cocoa market.

In order to broaden its economic view beyond agriculture and oil, the delegation made a site visit to the West Africa Trade Hub in Accra, one of four trade hubs in Africa established by the African Growth and Opportunity Act (AGOA)

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to provide support and enhance opportunities for African companies to export to the United States and around the world. The West Africa Trade Hub uses a market-driven approach to increase exports from the region, providing direct assistance to hundreds of companies in six value chains. That work is complemented by teams addressing problems in transportation, telecommunications, access to finance, and business environments that make it difficult for West African companies to compete. The delegation met with the staff of the Trade Hub, as well as several of its clients, and were briefed on its operations. In addition, the Deputy Chief of Mission of the U.S. Embassy hosted a reception for the delegation with representatives of private sector companies that are investing in Ghana and across Africa. The individual conversations provided the members of the delegation with the opportunity to appreciate the opportunities in Africa, as well as the unique challenges that are present when doing business on the continent.

The delegation examined U.S. relations with Ghana in a meeting with the Honorable Alhaji Muhammad Mumuni, the Minister of Foreign Affairs and Regional Integration. The delegation discussed Ghana's position on the conflicts in Libya and Cote d'Ivoire, including the impact of refugees from Cote d'Ivoire on Ghana, as well as

of local governments. The delegation also made a site visit to the former slave castle in Cape Coast and was briefed on the role of the castle in the history of the transatlantic slave trade.

## **LIBERIA**

The delegation traveled to Liberia on March 23 where its meetings focused on the significant challenges that Liberia has faced in the ten years since the end of the civil war, and the progress that has been made to establish the foundation for future growth and development. The war devastated the physical, social and economic infrastructure of the country. In its meetings with government, private sector, and NGO leaders, the delegation assessed the progress that has been made and ways in which the United States and its international partners could contribute to the rebuilding and stability of the country.

In its initial country briefing, led by Chargé d'Affaires Karl Albrecht, the delegation discussed the importance of national and legislative elections scheduled for October 2011 and the implications of the range of potential outcomes. The leadership of President Ellen Johnson Sirleaf, elected in 2005, has provided stability for the national government and significant credibility in the international community. The upcoming elections will be a critical test of Liberia's emerging democracy and the country's commitment to the rule of law. The Chargé d'Affaires hosted a reception for the delegation where the Members had the opportunity for one-on-one conversations with United Nations and Liberian government officials, as well as representatives of NGOs and private sector companies doing business in Liberia.

The briefing also discussed U.S.-Liberia relations, the current and future role of the United Nations, Chinese investment in Liberia, the education system, anti-corruption initiatives, and progress in the development of an effective judicial system. With an estimated 80,000 or more refugees entering Liberia from Cote d'Ivoire, the delegation discussed the location of UN refugee camps and the potential that the UN may request an additional \$140

## **The upcoming elections will be a critical test of Liberia's emerging democracy and the country's commitment to the rule of law.**

climate change and energy security. In a meeting with officials from the government of the city of Cape Coast, the delegation gained insights into the continuing role of traditional government structures and officials in state and local government affairs, as well as a perspective on the concerns and priorities





CONGRESSMEN BOBBY L. RUSH AND ADRIAN SMITH VISIT WITH STUDENTS AT THE CAP SCHOOL

million from the international community to help Liberia provide stability for the refugees and manage the flows across the border.

The delegation had the opportunity to meet with the Honorable Joseph Boakai, Vice President of Liberia, to discuss U.S. relations with Liberia and a broad range of issues related to the country's future. The discussion of the country's capacity following 14 years of civil war focused on the physical infrastructure of roads, telecommunications, and investment, as well as the post-conflict social challenges. Vice President Boakai raised the need for doctors to provide health care, suggesting that the Peace Corps could recruit doctors who are "retired but not tired." He emphasized the importance of developing an education system for young children, technical education for the approximately 90,000 ex-combatants, and college level programs. Looking forward, he

expressed the hope that in 10 years Liberia would be a model democracy, recovered from the conflict with opportunities for young people to build the country. He also discussed the important role that the diaspora can play in Liberia's future, noting the strong historical ties between the United States and Liberia that provide the basis for a strong relationship in the future.

The delegation had a similarly wide-ranging discussion during a meeting with seven members of the Liberian legislature representing both ruling and opposition parties. In addition to discussing the economic and social challenges that Liberia must address, the legislators shared their expectations for the Presidential and legislative elections that are scheduled for October 2011. They all agreed that the upcoming elections are an opportunity for Liberia to solidify its commitment to democratic



A STUDENT WELCOMES CONGRESSMAN JIM SENSENBRENNER AND THE DELEGATION TO THE CAP SCHOOL

governance, which makes it critical that the election process be seen as fair and the results respected by all parties. The start of the election process was evident as the delegation traveled through Monrovia, as seen in numerous roadside signs and several rallies.

### **POST-CONFLICT RECONSTRUCTION AND BUILDING THE RULE OF LAW**

The delegation held a series of meetings with key government officials, NGOs, and private individuals related to post-conflict reconstruction, the rule of law, and anti-corruption initiatives. The first

such meeting was with the Honorable Roosevelt Jayjay, the Minister of Lands, Mines, and Energy, who addressed the country's process for resolving issues related to property ownership. This is a particularly serious problem in some areas of the country where significant amounts of land are in dispute, and the uncertainty often presents a major obstacle to reconstruction efforts throughout Liberia. The issue is complicated by the lack of formal records, absentee owners who left during the war and have not returned, and the relationship between formal and customary traditional rules regarding land ownership. The government is working to create a land recording system that will eliminate future disputes, but resolving the current land ownership issues is the clear priority. With regard to mining contracts, Minister Jayjay noted that Liberia is working to establish social development funds in conjunction with awarding of those contracts. These funds are used to build schools, roads, and other infrastructure in the areas where mining takes place. He also endorsed the need for transparency in the process as the country develops new energy facilities.

The delegation held two meetings regarding post-conflict initiatives to build an effective judicial system and eliminate corruption in government contracting and other activities. The Honorable Christina Tah, the Minister of Justice, opened the first discussion with an overview of the many challenges that must be addressed to reestablish the rule of law in Liberia. She emphasized the need for a holistic approach that promoted healing, reconciliation, and counseling within the judicial system, as opposed to an overemphasis on enforcement and prosecution. It will be necessary to change the mindset of many Liberians, particularly the former child soldiers from the Civil War, so that they understand and appreciate why criminal behavior such as theft, rape, and other crimes are wrong. There is currently too great a reliance on the informal judicial system, which may handle as much as 90 to 95 percent of the cases across the country. The informal system has grown as a result of an absence of access to and trust of the formal justice system. According to Minister Tah, a key challenge

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is to determine how to harmonize the formal justice system and the informal tribal-based justice system, and whether they should be merged or continue as parallel systems of justice.

Several judges who participated in the discussion emphasized the importance of credibility in the judicial system, asserting that “we need to present a face of justice to the people that can be trusted and relied upon.” With a population of approximately 4 million people, Liberia currently has about 1,500 people in prison – many are imprisoned on pre-trial detentions and their incarceration already exceeds the punishment for the crimes with which they are charged. The judges also emphasized the importance of public education to establish and build credibility in the rule of law. The President of the Liberian Bar Association, the head of the Association of Female Lawyers and the Dean of the L.A. Grimes School of Law also participated in the discussion, noting that the future may depend on “the will power of all the judges.”

The meeting on anti-corruption initiatives included Frances Johnson-Morris, the Chair of the Liberian Anti-Corruption Commission, a representative of the Liberian Extractive Industries Transparency Initiative (EITI)<sup>6</sup> and a representative of Chevron Oil Company. Ms. Johnson-Morris presented troubling statistics regarding the progress of the anti-corruption initiative. Although the initiative has 50 cases pending, only seven have been fully investigated and there have been no convictions. The one case that went to trial resulted in a hung jury. The discussion also focused on the government procurement process, including the process through which the government had recently sold a series of oil leases to international companies including Chevron. The Liberian officials stressed their view that oil could be an important source of revenue in the future, but it is critical that it be managed through a sound procurement process that does not allow oil to become a “curse” as it has in other African nations. The Chevron representative indicated that the Foreign Corrupt Practices Act was a helpful restriction because it provided a basis

for U.S. and other companies to refuse to provide bribes or other incentives that could lead to criminal liability for the company and the individual. The delegation also discussed with Chevron the potential for Liberia to eventually build a refinery in order to get added value and more jobs as a result of oil production in the country.

The delegation also met with representatives of the Women Peacebuilders Network (WIPNET) to discuss the important role that women organizers played in bringing an end to the civil war. The group also discussed their ongoing efforts and programs to move Liberian society beyond conflict, including programs directed to women and children.

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#### **LIBERIA’S EDUCATION SYSTEM**

The delegation’s examination of issues related to Liberia’s education system focused primarily on preschool and early childhood (through grade 2). This included a site visit to the Children Assistance Program (CAP) school, a private school for approximately 200 children ages 3 through second grade. The grades 1 and 2 classrooms at CAP had 40 to 50 students each with one teacher, which is smaller than the typical classrooms at other Liberian elementary schools where class sizes can be as high as a hundred or more. The preschool and kindergarten programs at CAP represent a model for the type of classrooms that Liberia hopes to establish throughout the country. With smaller class sizes (approximately 20 students) and a teacher aid and parent volunteer in the classroom, the student-teacher ratio

is about 7 to 1. The program emphasizes parental involvement and a less structured classroom environment that allows time for the children to choose the activities that are of greatest interest to them.

After touring the classrooms, the delegation held a forum for a wide ranging discussion on education issues with a representative from the Office of the President and the Ministries of Education and Health, the We-Care Foundation, the World Bank, the Open Society Institute, and the administrators, teachers, and parents from the school. In addition to discussing education policy and funding, the delegation heard from parents on their view of the school and the importance of educating the young children of Liberia for the future of the country. The delegation questioned the World Bank representatives regarding the low priority that has been placed on funding early childhood education. There are an estimated 549,836 children between ages 2 – 8+ years enrolled in Nursery and kindergarten programs across the country. Overage children (6 – 8+) account for over half (61%) of the pre-school population (335,116). Children enrolled in pre-school classes therefore account for a significant proportion of the total number of children enrolled in Liberian schools. However, the World Bank is expending only \$1million of a \$440 million multi-donor trust fund on early childhood development.

The delegation also met with representatives of YES, an organization that provides educational opportunities for teenage girls.

#### **FIRESTONE RUBBER PLANTATION**

The delegation made a site visit to the Firestone Rubber Plantation, one of the world's largest rubber plantations which opened in 1926. The plantation has a workforce of approximately 14,000 employees, almost all of whom live with their families in housing provided by the company. Firestone recently signed an agreement with the Liberian government extending its concession on the enormous property to 2030, and has committed to replanting 3,500 acres of rubber trees each year. The delegation toured a small area of the plantation's almost

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200 square miles, seeing demonstrations of how rubber trees are tapped and trees are cloned for future planting. The delegation also visited the hospital and as they toured the plantation saw the wide range in the quality of the housing and schools provided to employees and their families.

The visit to the Firestone Plantation provided the delegation with a first-hand perspective of a company operation that has been highly criticized for the conditions of the housing that it provides, its encouragement of child labor through the daily quotas that the workers must meet, and its environmental practices. The delegation learned that a “tapper” will work 6 days a week and earn about \$4.47 per day. On the other hand, this seemingly low wage provides the worker with an annual income three to four times the average per capita income in Liberia, and the worker is also provided housing, education, and health benefits at no cost. While the living conditions can be criticized, the average age of approximately 5800 retirees living on the Firestone Plantation is 71 – almost double the 41 year life expectancy of a Liberian male and 43 year life expectancy of a Liberian female.

## **CONCLUSIONS**

The delegation traveled to Ghana and Liberia the week of March 20-26 to examine a broad range of issues in the two countries and across Africa. Within Africa, the two countries represent the opposite poles of the economic spectrum – Ghana is one of the richest, most successful countries in Africa while Liberia is one of the poorest. Yet,





CONGRESSMAN BOBBY L. RUSH WITH TRIBAL GOVERNMENT OFFICIALS IN CAPE COAST, GHANA

when economic status is measured against the world's economies both countries are at the lower end of the spectrum and face significant challenges to move beyond their current agriculture- and resource-based economies. Oil development and production holds promise for both countries, with Ghana having just begun producing oil from its offshore fields in late-2010 and with Liberia at the very beginning stages of development. Government and private sector leaders in both countries appreciate the potential for oil to become a curse rather than an engine for economic growth and a means to raise the living status of their people. It remains to be seen whether the tragic lessons from Nigeria, Equatorial Guinea, and other African oil-producing countries will be applied or forgotten.

## GHANA

In Ghana, the delegation was impressed at the strength of democracy and the commitment to the rule of law. Ghana has established a history of fair elections that can lead to peaceful transitions of power, the hallmark of a healthy democracy. Its established system of justice and low crime rates

are evidence of a stable government and healthy society. These provide the foundation for Ghana to continue its economic growth and achieve significant prosperity.

Oil can be a key to this growth if the country is able to resist the urge to overspend by using future oil revenues as collateral for current debt. Economic policies must also continue to support cocoa, fisheries, increased manufacturing, and other elements of a diversified economy. An enlightened policy on oil revenues, transparency, and anti-corruption initiatives can provide the accountability necessary to achieve these objectives. In this regard, the delegation noted that the current government structure in Ghana provides greater power to the executive branch than in the United States. In Ghana, the executive appoints 30 percent of the legislature and local officials across the country, and has the sole authority to introduce bills in the legislature. The delegation is concerned that a lack of executive branch accountability may result from this uneven balance of power, which suggests that measures to achieve

transparency and public accountability will be important in the future.

## **LIBERIA**

The rule of law, transparency, and a commitment to democracy are less developed in Liberia, but can also provide the foundation for the future. Transparency is the thread that will help democracy work or fail in Liberia. In the delegation's view, transparency and rule of law must become a part of the Liberian culture for the nation to succeed. The upcoming presidential and legislative elections will be critical markers for Liberia's post-conflict recovery. The pathway to Liberia's prosperity lies in the hands of the Liberian people to endorse a stable, transparent government that has credibility within the country and in the international community. The United States and the world should help and support Liberia in this direction, but Liberians must assume more responsibility for institution building in the future.

Education also will be essential to Liberia's future growth and development, and to bridging the wide divide between the 'haves' and the 'have nots' in Liberian society. One of the challenges for the country will be to implement an inclusive approach to development so that it helps the greatest number of Liberians. Education is a priority, but it must also be balanced with the need for roads and other infrastructure since roads and transportation are necessary for children to get to school, goods to get to market, and the economy to grow. In this regard, some Members of the delegation had a particular

concern that the multinational donors, coordinated by the World Bank, are not committing sufficient resources to preschool and early childhood education. The World Bank is the 'supervising entity' for the Education for All Fast Track Initiative Catalytic Fund investment grant for Liberia, a multi-donor trust fund that provides \$40 million through June 2013. Although more than 40 percent of Liberia's 1,190,000 children in school are in preschool, the World Bank has committed only \$1 million of the \$40 million to this group.

## **ECONOMIC CHALLENGES**

If oil revenues represent the future for Ghana and Liberia, then agriculture is the present. Approximately 55 percent of the Ghanaian workforce and 70 percent of the Liberian workforce are engaged in subsistence agriculture. Two key points of the briefing by AGRA and FARA were that 1) African agriculture is only about 25 percent as productive as it could be, and 2) a one percent increase in the productivity of African agriculture would lift 2 million people out of poverty. It is clear that providing agricultural extension services in Liberia and Ghana, as well as across Africa, should be a priority. The delegation was concerned, however, that there needs to be better coordination between the U.S. government and the NGO community, and that the U.S. government agencies such as USAID and the Agriculture and Labor Departments need to coordinate better. Recently released by USAID and the U.S. Department of State, the Quadrennial Diplomacy and Development Review makes much the same point. It appeared to the delegation that a lot of government effort and funding is going into writing reports assessing the problem rather than addressing the already clearly identified problems that exist.

The delegation identified four additional important economic and social issues in its meetings and site visits. First, the delegation was highly impressed at the work being done at the West Africa Trade Hub. It is clear that the Trade Hub is focused strongly on

**Ghana has established  
a history of fair elections that can lead  
to peaceful transitions of power, the  
hallmark of a healthy democracy.**

## Transparency is the thread that will help democracy work or fail in Liberia.

results—significantly, they measure their progress only in terms of cases closed. In the delegation's view, programs such as the Trade Hub need to continue and be improved. Second, the delegation is concerned that the Chinese investments in Africa represent an agenda of resource exploitation and high profile, showcase projects without the commitment to provide the resources necessary for ongoing operation. The delegation is also concerned that U.S. companies are withdrawing from bidding on projects in Africa because of a fear that they will be underbid by Chinese companies using low-cost Chinese labor. Third, the delegation recognized the efforts that are being made to support the empowerment of women within Africa. It is now evident that many small businesses and farms are run by women, and women play an increasingly important role in government and society. The efforts of Liberian women to bring about peace in the civil war and continue to build a peaceful and stable country are worthy of support. Fourth, a repeated theme in the delegation's meetings was the role that the African Diaspora can play in Africa's future. If mobilized, it can be a source of financial investment, human capital, and critical skills, particularly in a nation such as Liberia.

With regard to the refugee situation from Cote d'Ivoire, the delegation was concerned that the

influx of refugees has the potential to destabilize its neighbors, including both Ghana and Liberia. In the delegation's view, this needs to be a higher priority for the United States and the international community because it may have an enormous humanitarian and economic impact if more attention is not given to the situation.

In conclusion, it was clear throughout the delegation's meetings and site visits that Ghana and Liberia are nations that greatly value their relationship with the United States. The United States has an important role to play in supporting both countries as they move to build and solidify their democratic traditions, grow their economies, and establish peaceful societies in which their citizens can prosper.

### NOTES

- 1 The William and Flora Hewlett Foundation has provided several grants to the Woodrow Wilson International Center for Scholars to fund the establishment of *Wilson Center on the Hill* program. The grants fund approximately 20 programs each year on Capitol Hill, as well as several study trips for Members of Congress and senior congressional staff. It does not specify the destinations or agendas for the congressional study trips.
- 2 Mame-Khady Diouf, Program Associate
- 3 David M. Klaus, Consulting Director and Elizabeth Byers, Program Assistant
- 4 Karen Lindblom, Fellow, Special Projects, Office of the President
- 5 Elizabeth Roskam and Carolyn Rush
- 6 The Liberian EITI works to implement global standards for transparency in oil, gas, and mining that are established by the Extractive Industries Transparency Initiative, an effort of the international community that is supported by a multi-donor trust fund and coordinated by the World Bank.

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