

History, Politics, and Economic Development in Liberia

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*History, Politics, and Economic Development in Liberia**

We are insisting only on the direct relevance of the total social structure to economic activity, and on the need of its further analysis in relation to economic processes if we are to get at the big questions of economic progress.

JOHN E. SAWYER¹

There is a deep-seated yearning in social science to discover one general approach, one general law valid for all time and all climes. But these primitive attitudes must be outgrown.

ALEXANDER GERSCHENKRON²

It is of the nature of the social sciences that the more rigorous the demonstration, the less interesting or important the point demonstrated.

PETER WILES³

I

AMERICAN and European economists who work in the least developed countries of Africa, Asia, or the Middle East sometimes come away with the feeling of having learned more than they imparted. Nor is this surprising: the minds of economists are often more receptive to development than are the exotic economies in which they now work. In considering problems of underdevelopment and processes of development we learn—inadvertently, as it were—new things about conventional fields of economics and about the developed economies of Europe and America. These feedbacks have been particularly valuable to economic historians who have given us fresh insights into European, Russian, Japanese, and American development as a direct consequence of the present

* The author resided in Liberia in 1961-1962. With R. W. Clower, M. Harwitz, and A. A. Walters, he is coauthor of *Growth without Development: An Economic Survey of Liberia* (Evanston: Northwestern University Press, 1965), which is the source for most of the statistical tables and some of the text of this paper. On politics and history he has drawn from conventional published sources and his own observations. He is especially indebted to the work of J. Gus Liebenow, "The Republic of Liberia," in Gwendolen M. Carter, ed., *African One-Party States* (Ithaca: Cornell University Press, 1962); also, "Liberia," in James S. Coleman and Carl G. Rosberg Jr., eds., *Political Parties and National Integration in Africa* (Berkeley: University of California Press, 1964). The author is grateful to Edward Budd for his critical comments.

¹ "Social Structure and Economic Progress," *American Economic Review*, XLI (1951), 321-29.

² "Social Attitudes, Entrepreneurship and Economic Development," *International Social Science Journal*, VI (1954), 256.

³ "Pilkington and the Theory of Value," *Economic Journal*, LXXIII (1963), 195.

concern with developing the backward countries.⁴ Economic history is now wedded to economic development.

Concern with economic development has also brought about a shotgun wedding of economics and the other social sciences. No longer are Africa, Asia, and Latin America the sole preserve of anthropologists, nor is development the sole concern of economists. Anthropologists, economists, historians, sociologists, political scientists—we are all developers now.⁵ Indeed, economists now venture not only into the African bush but into the thickets of sociology as well.

Two kinds of analytical treatment of economic development now exist. (1) The adaptation of conventional fields of economics to the novel circumstances of underdevelopment has produced growth models, national income accounts, and foreign trade analysis for African, Asian, and Latin American countries.⁶ Actually, each of the conventional fields of economics—public finance, money, labor—now has its counterpart in the development literature. (2) Economists are also creating special socioeconomic analyses of development processes which have no counterpart in conventional fields of economics: Nurkse and Myrdal's analysis of cumulative causation,⁷ Hagen's analysis of institutional change,⁸ and Lewis' analysis of dualism,⁹ are cases in point. The reasons for these Veblenesque excursions into social organization, culture, and politics are clear. Economists want to say useful things about development processes and policy. To do so requires them to scrutinize the idiosyncratic structures of underdevelopment. And for the most backward parts of the world, development entails institutional change as well as

⁴ W. W. Rostow, *The Stages of Economic Growth* (Cambridge [Engl.]: Cambridge University Press, 1960); Alexander Gerschenkron, *Economic Backwardness in Historical Perspective* (Cambridge: Belknap Press, 1962); Barry E. Supple, ed., *The Experience of Economic Growth* (New York: Random House, 1963); Alec Nove, "Assessment," in *The Soviet Economy* (New York: Praeger, 1961).

⁵ For example, Paul Bohannon, "The Impact of Money on an African Subsistence Economy," *JOURNAL OF ECONOMIC HISTORY*, XIX (1959), 491-503; Wilbert E. Moore, "Labor Attitudes toward Industrialization in Underdeveloped Countries," *American Economic Review*, XXXV (1955), 156-65.

⁶ For example, L. H. Samuels, ed., *African Studies in Income and Wealth* (Chicago: Quadrangle Books, 1963). H. B. Chenery, "Comparative Advantage and Development Policy," *American Economic Review*, LI (1961).

⁷ Gunnar Myrdal, *Rich Lands and Poor* (New York: Harper, 1957).

⁸ Everett E. Hagen, *On the Theory of Social Change* (Homewood, Ill.: Dorsey Press, 1962).

⁹ W. Arthur Lewis, "Economic Development with Unlimited Supplies of Labor," *The Manchester School*, XXII (1954), 139-91.

change in production lines, and explicit concern with calendar time and practicable policy; it also demands what is new in economics—the need to do fieldwork. Economists contrive unconventional analysis where they are faced with unconventional structures, processes, and problems.

It is difficult to estimate how many of the hundred or so underdeveloped nations of the world are still “traditional societies” or are still acquiring what Rostow calls the pre-conditions for growth and development. Perhaps one third would be a conservative guess. These are countries in which the principal impediments to development lie in traditional social organization, culture, and politics—institutional arrangements unreceptive to development policies suggested by economists. It is these refractory institutional arrangements that have inspired the socioeconomic analyses of Myrdal, Hagen, and Lewis.

II

Liberia is an extreme example of underdevelopment which persists because of traditional social organization, culture, and politics. It is a dual economy and an enclave economy. Fewer than 10 per cent of its population are literate, and two thirds of its people still derive the bulk of their livelihood from subsistence activities. The few new production lines initiated by foreigners since the Second World War make for short-run growth but not long-run development: they do not induce complementary activities so as progressively to enmesh wider sectors of the economy in new skills, new technology, and higher productivity. There is no reason to believe that Liberia will be appreciably more developed in 1970 than it was in 1960.

Despite its smallness—it is about the size of Indiana, with a population of about one million—Liberia is of special interest from several points of view. It has a rich resource endowment relative to population. There is no land shortage. Its rainfall and soil make it highly suitable for growing tree crops. It has extremely large deposits of high-grade iron ore which are presently being mined on a large scale. Since 1950, four foreign firms have invested more than \$300 million in iron-ore mining alone. There are known deposits of other minerals as yet largely untapped. Liberia's iron ore and rubber are like oil and gold elsewhere: valuable export commodities, the initial exploitation of which could be made to serve

as the income source for long-term private and public development outlays.

Liberia is of special interest to the United States Government and to those concerned with the politics of underdeveloped nations. It is the only country in Africa with which the United States has had an historical affiliation, and Americo-Liberians (descendants of the freed slaves) regard the United States as friend, ally, and relative. English is the national language, the United States flag (with one star only) is the national emblem, and the United States dollar is the national currency. A professor from Harvard drew up its Constitution on the American model in 1838, and professors from Cornell codified its laws in the 1950's. Liberia declared war on Germany after Pearl Harbor and allowed the United States to station five thousand troops at a base to ferry airplanes to the war zones. The Voice of America has its largest African installation in Liberia. On a per capita basis, the United States Government gives more aid to Liberia than to any other African country. The Firestone Rubber Company of Akron, Ohio, was the first foreign firm to establish large-scale plantation agriculture (1926), and it still employs almost one fourth of the wage-earning labor force.

With the partial exception of Ethiopia, Liberia is the only country in Africa which was never the colony of a European power. It has been a sovereign republic since 1847. For those who are impressed by the favorite myth of African political leaders—that before European colonization Africa must have enjoyed some sort of golden age, because its present economic and social problems are the evil legacy of wicked European colonialism—an examination of Liberia is instructive.

III

The salient characteristics of Liberia's economy in the 1960's are the recency of private and governmental development activities, the unusual extent to which new lines of production are undertaken by foreign firms, the extreme degree of concentration of commercial activities in primary production for export (iron ore and rubber), and the absence of systematic national planning to transform traditional sectors of the economy and to initiate other long-term structural changes. From 1950 to 1962 Liberia had a high growth rate due to heavy foreign investment in iron ore and rubber, but it remains largely undeveloped otherwise. American and Euro-

pean investments affect Liberian development in two principal ways. (1) The wage bill grows absolutely as the number of Liberian wage laborers grows. The wage-earning labor force more than doubled between 1950 and 1960. But the increased effective demand due to higher wage incomes has not induced enlarged domestic production of goods bought by wage earners; it has increased imports. (2) Government revenue grew eightfold between 1950 and 1960, and the total of external borrowing by the government grew from almost zero to \$100 million. But for the most part the government spends its revenues and borrowings in ways that do not create enlarged productive capacity (nor, indeed, provide welfare services to any but a few Liberians). The bulk of government spending goes for wages and salaries of employees, and, on capital account, to public buildings, roads, and facilities to provide public utility services to the capital city of Monrovia. Cost-benefit analyses are unknown in Liberian public finance.

Whether one looks at national income accounts, at a functional classification of government expenditures, or at more qualitative indicators of structure and performance, the same picture emerges: labor's share of national income is among the lowest on record for

TABLE 1
LIBERIA: GROSS DOMESTIC PRODUCT AT MARKET PRICE BY INDUSTRY
OF ORIGIN*
(U.S. \$ MILLIONS)

Industry	1950	1960
Agriculture, forestry, fishing, hunting		
Subsistence	22.2	18.1
Peasant money	1.8	7.3
Large scale commercial	21.0	31.4
Mining and quarrying	0.1	31.1
Construction		28.0 ^a
Electricity, gas, and water	7.4	2.4
Ownership of dwellings		12.1
Others not elsewhere specified (distribution, transport, manufacture, etc.)		19.3
Public administration and defense	3.0	18.1 ^b
Services (including banking and insurance)	2.6	5.0
Gross domestic product at market prices	58.1	172.8

Source: *Growth without Development* (cited in footnote to title).

* Indirect taxes were \$15.7 m. (1960) and \$2.8 m. (1950).

^a A very rough estimate only.

^b Includes interest (\$1.5 million) on productive government debt.

TABLE 2
LIBERIA: DOMESTIC INCOME COMPONENTS, 1950-1960*
(MILLIONS OF U.S. DOLLARS)

Section A	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Wages, salaries, plus pay of the armed forces	11.5	14.0	16.5	19.0	22.0	25.6	30.2	31.6	35.6	41.2	46.9
Net money income of tribal households (other than wages)	1.8	2.2	2.7	3.0	3.4	3.9	4.5	4.8	5.5	6.3	7.3
Gross business surplus (including interest, rent, depreciation)	16.2	18.3	19.6	21.7	19.1	30.5	32.9	29.1	27.4	44.6	53.3
Concessions											
Other (including government but excluding interest on government debt)	3.5	5.1	8.1	8.2	9.8	12.1	14.2	16.1	18.7	22.5	29.8
Indirect taxes	2.8	6.1	5.7	6.5	6.2	7.0	7.9	9.3	9.9	15.5	15.7

TABLE 2 (continued)

Section B	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Gross domestic money income at market prices (excluding interest on government debt)	35.8	45.7	52.6	58.4	60.5	79.1	89.7	90.9	97.1	130.1	153.0
Plus subsistence agriculture not entering money sector	22.2	21.7	20.9	20.0	18.8	18.4	18.0	17.0	17.5	17.8	18.1
Gross domestic income at market prices	58.0	67.4	73.5	78.4	79.3	97.5	107.7	107.9	114.6	147.9	171.1
Less net property income paid overseas	9.8	11.1	13.2	14.2	10.6	17.1	19.0	16.3	16.6	28.9	34.6
Gross national income at market prices	48.2	56.3	60.3	64.2	68.7	80.4	88.7	91.6	98.0	119.0	136.5
Less indirect taxes	2.8	6.1	5.7	6.5	6.2	7.0	7.9	9.3	9.9	15.5	15.7
Gross national income at factor cost	45.4	50.2	54.6	57.7	62.5	73.4	80.8	82.3	88.1	103.5	120.8

Source: *Growth without Development*.

* Interest on all the government debt has been excluded throughout.

any country, which reflects the unusual proportion of unskilled labor to total labor supply; the low wage rates prevailing in the money sector are set by the low opportunity income available in the subsistence sector. But institutional arrangements also work to reduce wage rates: one fourth of the wage-earning labor force

TABLE 3
KEY INDICATORS OF LIBERIAN ECONOMIC GROWTH*

1. G.D.P. at factor cost per capita	\$ 150-170 (1960)
2. Rate of growth of real G.D.P. per capita	1955-60 annual, 11.0 per cent per annum
3. Rate of population growth over 1955-60 (latest five years)	about 1.0 per cent per annum
4. Imports/G.D.P.	49.0 per cent (1960)
5. Exports and re-exports/G.D.P.	49.0 per cent (1960)
6. Government tax revenue/G.D.P.	17.4 per cent (1960)
7. Government capital expenditure/Government recurrent expenditure	22.5 per cent (1960)
8. Capital formation/G.D.P.	33.6 per cent ^a
9. Government capital formation/Private capital formation	9.0 per cent

Source: *Growth without Development*.

* With the exception of 1 and 2, all calculations of G.D.P. and capital formation are at market prices and not at factor cost.

^a High value partly due to extensive mining investment. It is expected to decline to 20-25 per cent in mid-1960's.

TABLE 4
LIBERIA: GOVERNMENT ECONOMIC ACCOUNTS: 1960
(MILLIONS OF U.S. DOLLARS)

<i>Government Current Revenue and Expenditure Account</i>			
<i>Receipts</i>		<i>Expenditures</i>	
Direct taxes on income:		Current expenditure:	
Rubber concessions	7.0	Wages and salaries	8.8
Iron ore concessions	6.4	Travel and transport	1.3
Other	1.9	Other goods and services	8.3
Customs and external trade taxes	14.5	Transfers	2.0
Public utility revenues	0.8	Depreciation	0.8
Other revenues and fees:		Surplus on current account	11.0
Hut, health, and development taxes	0.7		
Other taxes and fees	1.0		
	<u>32.3</u>		<u>32.3</u>
<i>Government Savings—Investment Account</i>			
<i>Receipts</i>		<i>Expenditures</i>	
Surplus on current account	11.0	Gross fixed capital formation	4.9
Sales of government property	0.1	Transfers to local government	0.9
		Transfers to business sector	4.9
		Balance	0.4
	<u>11.1</u>		<u>11.1</u>

Source: *Growth without Development*.

is supplied involuntarily—labor recruitment is the euphemism for forced labor—and unions are kept ineffective by government. An unusual proportion of governmental expenditure is what Adam

TABLE 5
LIBERIA: FUNCTIONAL CLASSIFICATION OF GOVERNMENT
EXPENDITURES, 1960
(MILLIONS OF U.S. DOLLARS)

<i>Function</i>	<i>Current Expenditure</i>	<i>Capital Expenditure</i>	<i>Total Expenditure</i>	<i>Percentage of Total Expenditure</i>
<i>General services:</i>				
General adminis- tration	5.7	0.7	6.4	19
Foreign affairs	2.7		2.7	8
Defense	1.4	0.1	1.5	5
Justice and police	1.1		1.1	4
General services, subtotal	10.9	0.8	11.7	36
<i>Community services:</i>				
Roads, waterways, and fire protection	2.0	3.0	5.0	15
Water supply	0.2	0.3	0.5	1
Other	0.3	0.1	0.4	1
Community services, subtotal	2.5	3.4	5.9	17
<i>Social services:</i>				
Education	2.9	0.6	3.5	10
Health and welfare	2.7	0.3	3.0	9
Other	0.1	0.1	0.2	1
Social services, subtotal	5.7	1.0	6.7	20
<i>Economic services:</i>				
Agriculture	0.6	0.1	0.7	2
Fuel and power	0.2	0.3	0.5	1
Mineral resources, manufacturing		4.8	4.8	14
Transport and communication	0.6		0.6	2
Other	0.1	0.1	0.2	1
Economic services, subtotal	1.5	5.3	6.8	20
<i>Unallocable:</i>				
Transfers and subsidies	0.8	0.2	1.0	3
Misc. contingencies	1.1		1.1	4
Unallocable subtotal	1.9	0.2	2.1	7
<i>Total, all functions</i>	22.5	10.7	33.2	100

Source: *Growth without Development.*

Smith quite rightly would have regarded as unproductive: spending on public buildings and public employees. Government employs 15 per cent of all wage earners. In 1960 almost as much was spent on diplomacy as on education. Roughly, about 65 per cent of the Liberian work force are engaged in subsistence agriculture and to a minor extent in growing cash crops; about 30 per cent are wage earners, most of whom are unskilled workers on rubber farms who earned in 1962 about seventy-five cents per day (in cash and wage supplements); under 5 per cent comprise the professional, managerial, and entrepreneurial labor force, who work for government, are absentee owners (for the most part) of rubber farms, of transport facilities, and of buildings,¹⁰ or who provide legal services and to a small extent medical and commercial services. (Almost all staff positions in iron ore and rubber are occupied by foreigners. Where Liberians are employed in staff positions by foreign firms, they most frequently act as "consultants" on legal matters, public relations, and advertising.)

The only clearly successful growth activity undertaken by Liberians is rubber production. However, the conditions are very special. Aside from high prices during World War II and the Korean war, the growth is largely attributable to the extension services and demonstration effect provided by Firestone and to the fact that most of the rubber produced by independents is on farms owned by highly-placed Americo-Liberians rather than by tribal persons. Of some 2,300 rubber farms owned by Liberians, the seventy largest accounted for 60 per cent of the rubber grown by independents in 1960. Firestone's extension services to private growers have been effective because practical advice is given to Liberian producers on all aspects of rubber-farm management, and many of the farmers assisted are literate and commercially minded. As the sole buyer of rubber in Liberia, Firestone was able to impose quality standards on Liberian producers by using price differentials for different grades of rubber.¹¹ Aside from its interest in contributing to Liberia's development and introducing politically

¹⁰ Under Liberian law, only citizens may own land or commercial transport facilities, and only people of African descent may become citizens.

¹¹ It is almost certain that Firestone does not exercise its monopsonistic power for several reasons, the most important of which is that the largest Liberian producers Firestone buys rubber from are the president, vice president, cabinet members, etc. Firestone pays the price prevailing in New York the previous month, minus several cents per pound for processing and transportation costs. In 1960, Liberians produced 15 per cent and Firestone 85 per cent of all rubber exported.

TABLE 6
LIBERIA: ANNUAL PRODUCTION OF INDEPENDENT RUBBER FARMS

Year ^a	Production 000 lbs.	Number of Farms
1941	475	150
1950	2,716	477
1955	7,805	991
1960	13,926	2,312

Source: Firestone Plantation, Liberia.

^a Year is from November 1 of previous year to October 31 of current year.

important Liberians to a profitable plantation crop, Firestone has a financial stake in knowing exactly how much rubber is produced by Liberians (to ensure that the rubber it buys does not come from its own trees).

If conditions of the kind that characterize rubber production could be created for other cash crops, the success of Firestone's program of extension services might be duplicated and departure from subsistence agriculture become more frequent. However, unlike rice, palm kernels, sugar cane, and most other cash crops grown in Liberia, rubber has no domestic use and only one domestic market outlet. If rubber could be eaten, demanded as tribute, or stolen and sold with impunity, it is unlikely that its growth rate would have been so high.

In sum, the foreign enclave sector is growing, but Liberia is not

TABLE 7
AVERAGE FULL-TIME EMPLOYMENT IN MONEY SECTOR OF LIBERIAN
ECONOMY BY PRINCIPAL ACTIVITY OF EMPLOYER
(NUMBER OF EQUIVALENT MAN YEARS)

	1955 ^a	1958 ^a	1960 ^b
Agriculture:			
Concessions	22,000	23,500	24,500
Independent farms	5,000	6,500	8,400
Forestry and fishing	200	400	600
Construction	5,000	6,300	9,100
Mining	2,900	4,200	8,000
Trade	2,500	3,000	4,000
Manufacturing	300	500	1,100
Services	7,000	8,000	11,200
Transport and communication	2,100	3,200	3,500
Government	9,500	10,400	11,600
Total:	56,500	66,000	82,000

^a Based on U.S. Foreign Service Report No. 71, Monrovia, 1958.

^b Based on a sample census of employment conducted in 1960 by the Bureau of Economic Research and Statistics, Republic of Liberia. The statistics were processed for *Growth without Development*.

developing. Rapid growth in primary commodities for export produced by foreign firms has meant a higher wage bill paid to Liberian workers and higher taxes paid to the Liberian government, neither of which has induced significant output expansion in production lines undertaken by Liberians, except for the special case of rubber. The question is, why?

IV

What is disturbing to economists who work in Liberia is not so much its present state of underdevelopment—given the fact that most growth activities have begun only since 1950, it could hardly be otherwise; rather, it is the absence of those beginnings of a development program which would allow one to believe that the economy will be different in ten or twenty years. One may peel off the layers of causation in this fashion: in an extremely backward country such as Liberia, government must bear an unusually large burden of initiative to begin those long-range changes in economy, technology, and culture that we call economic development.¹² It must plan to transform subsistence agriculture to commercial farming,¹³ to educate and train young people to acquire skills in accordance with development needs,¹⁴ and to specify those conditions under which foreign firms in residence are to operate which will yield developmental effects.¹⁵ In a word, it must have some conscious strategy for development based on knowledge of present economic structure and performance and knowledge of economic processes.¹⁶ To contrive and implement development policies, the upper echelons of government must be sufficiently honest, sufficiently competent,

¹² Myrdal, ch. ii.

¹³ M. Yudelman, "Some Aspects of African Agricultural Development," in E. A. G. Robinson, ed., *Economic Development for Africa South of the Sahara* (New York: St. Martin's Press, 1964); C. Davis Fogg, "Economic and Social Factors Affecting the Development of Smallholder Agriculture," *Economic Development and Cultural Change*, XIII (1965), 278-92.

¹⁴ Charles A. Myers, "Human Resources for Economic Development," and C. Davis Fogg, "Manpower Planning," both in W. H. Hausman, ed., *Managing Economic Development in Africa* (Cambridge: M.I.T. Press, 1963).

¹⁵ W. Arthur Lewis, *Report on the Industrialization of the Gold Coast* (Accra: Government Printer's Office, 1953).

¹⁶ A. O. Hirschman, *The Strategy of Economic Development* (New Haven: Yale University Press, 1958); Jan Tinbergen, *The Design of Development* (Baltimore: The Johns Hopkins Press, 1958); W. Stolper, "The Contribution of Economic Research to African Development," in Robinson (ed.); Robert Clower, George Dalton, and A. A. Walters, "Statistics and Development Policy Decisions," *Development Research Review*, I (1962).

and sufficiently concerned with national economic development. These conditions are absent in Liberia. There is neither sufficient honesty, competence, nor concern with national development. To understand why and how this is so, one must understand the present political and social organization of Liberia, which, in turn, requires understanding Liberian history. The present structures and policies which prevent development are the unreformed, traditional, pre-World War II structures and policies carried into the new economic environment of massive iron-ore mines and rubber plantations. The dominant characteristics of Liberian political and social organization were embedded by the last quarter of the nineteenth century, after the first fifty years of settlement by the freed Negroes. The economic backwardness of Liberia is not attributable to lack of resources or to domination by foreign financial and political interests. The underlying difficulty is rather that the traditional Americo-Liberian rulers, for fear of losing political control to tribal people, have not allowed those changes to take place which are necessary to develop the national society and economy.

Like the Portuguese in Angola and the Africaaners in the Republic of South Africa, the rulers of Liberia are descendants of an alien minority of colonial settlers. Americo-Liberian families, who comprise 3 to 5 per cent of the population, control the country and govern the tribes on a colonial pattern of indirect rule. District Commissioners appointed by central government are local governors in the tribal hinterland. Paramount chiefs, who serve at the pleasure of the president, have local jurisdiction over everyday matters. With regard to taxation, land tenure, residence and movement, marriage and divorce, legal jurisdiction, access to education and medical services, obligatory (no pay) labor service to local authorities, labor recruitment (forced labor with pay), and extra-legal exactions of money, rice, and services, tribal Liberians in the hinterland are subject to a socio-legal system different from that of Americo-Liberians. Economic development requires the elimination of these distinctions to permit tribal Liberians to become increasingly enmeshed in new economic activities, skills, and values. But this would lead inevitably to demands by the tribal people for a voice in the political management of Liberia. At present, only those changes in economic and social structure are allowed that do not threaten the political control of the Americo-Liberians, and these changes alone are simply insufficient to transform the econ-

omy. The foreign enclave sector grows, but the country does not develop. The overriding goal of Liberian authority is what it has been for the past one hundred fifty years: to retain political control among the families of settler descent and to share out any material benefits of economic growth among its own members. It is the politics and society, not the economics, of Liberia that are arcane and problematical.

V

From the earliest days of settlement in 1821-1822 to the present, the Americo-Liberians have acted like Portuguese, British, and Africaaner colonists in other parts of Africa. They maintain an identity distinct from tribal persons in speech, dress, source and level of income, style of life and culture. Indeed, in their preference for politics, law, and plantations, and in their disdain for commerce, the descendants of the freed slaves are an aristocracy. Like European colonizers in other parts of Africa, the Americo-Liberians subdued the tribes with force and fraud for high-sounding purposes. The large land purchases (paid for with beads, muskets, tobacco, and umbrellas), were negotiated with chiefs to whom the practice of permanent alienation of land was unfamiliar. Americo-Liberian leaders said they had a manifest destiny to bring civilization to the tribal heathen; slavery was to be suppressed and the colony was to be a beachhead for Christianity in Africa.

From 1821 to 1839, several Americo-Liberian settlements, independent from one another, were established along the coast on the initiative of the American Colonization Society (to repatriate free Negroes) and similar organizations set up on its model in several American states. The first move toward consolidation into a central polity—the isolated coastal settlements joining together as a “commonwealth”—occurred in 1839 in response to tribal hostility. It was imperative that the isolated settlements band together for mutual defense. The Americo-Liberians learned early that the survival of their community depended on cohesion within. They learned also to defeat tribal uprisings with cannon and guns. As late as 1915 the United States Government provided the settler community with military advisers and weapons to put down an uprising among the Kru (an energetic people who rebelled again in 1931-1932).

The second and final move toward consolidation into a central polity—the formation of a nation-state claiming sovereignty over

a hinterland of tribes—occurred in 1847, again in response to external threat. This crisis was precipitated by British claims to territory on the Sierra Leone frontier and by a British challenge to the legality of the tax powers of the Liberian Commonwealth. The Americo-Liberians met this crisis by declaring Liberia an independent republic and calling upon the United States for aid and protection. The threat of European incursion, like the threat of tribal hostility, continued well into the twentieth century. As late as 1931, in response to a League of Nations inquiry into slavery and forced labor in Liberia, Britain wanted the League to set up a governing commission to displace Americo-Liberian rule.¹⁷

By the last quarter of the nineteenth century, after fifty years of Americo-Liberian settlement, much of the present structure of Liberian political and social organization was fixed. The leading families of the Americo-Liberian community (probably between ten and fifteen thousand persons in 1875) occupied the coastal strip and ruled a hinterland of tribes they had learned to subdue and treat harshly. Special taxes and coercive sanctions were imposed on tribal people, special regulations were in force to control tribal residence and migration, compulsory recruitment to work on private farms and public projects was imposed on tribal men, and extra-legal exactions of tribute were imposed on hinterland communities. The inferior status of tribal people hardened into policy. In law as well as practice, Americo-Liberians and Natives were distinct social classes with markedly different rights and obligations. The Americo-Liberians had also learned to retain their independence against British and French encroachment with the reluctant protection of the United States (which carefully avoided making Liberia an official appendage of itself).

Like the newer African nations, Liberia is a one-party state. The True Whig Party has been in office continuously since 1877. Unlike most African political leaders, the Americo-Liberians are not reformist intellectuals with ethnic roots in the tribes who fashioned

¹⁷ Two persistent themes in Liberian history are carried into the present scheme of things. The one we have emphasized is the Americo-Liberian community's defense of its autonomy in the face of tribal and European hostility. The other theme is fiscal irresponsibility. European loans in 1871 and 1906 were defaulted, as was an American loan in 1912. A \$5 million loan made by Firestone to the Government of Liberia in 1927 as part of its original concession agreement was finally repaid in 1952 but left a history of bitterness and recrimination toward Firestone. As recently as 1963, the Government of Liberia had to get emergency loans from the United States because of its inability to meet external debt.

their political movement in response to colonial domination and the urge to modernize their nation. Neither the Sorbonne nor the London School of Economics is the spiritual homeland of Liberian leaders. When Americo-Liberians speak of the "nation," they mean themselves. There is no nationalist mystique in Liberia. The Americo-Liberians do not yearn to transform tribal society. Ironically, it is the ethic of Mississippi that most nearly characterizes their outlook: to retain power in traditional fashion and to keep the Natives in their place.

In Liberia, political form differs radically from political substance, and official pronouncement differs radically from actual practice. Liberia had a compulsory elementary education law as early as 1912, but fifty years later less than 10 per cent of the population was literate. It has a constitution and governmental forms—executive, legislative, and judicial—modeled carefully on those of the United States, but without the remotest resemblance in actual operation. It has a declared policy of national unification, but—in 1962—the rights and obligations of tribal persons were utterly different from those of Americo-Liberians, and one fourth of the wage-earning labor force was recruited involuntarily, as in the harsh days of early African colonialism. It had two trade unions in 1962, but the President's son was the head of one and the President's social secretary was the head of the other, strikes were illegal, and there were no collective bargaining contracts. It had a minimum wage law (four cents an hour), but the law did not cover agricultural and domestic workers who comprised more than 80 per cent of all nongovernmental wage workers.

Since his assumption of office in 1944, President Tubman has initiated two new policies but has controlled the changes forthcoming to prevent any essential reform of the traditional political and social structure, thus preventing from happening what the Americo-Liberian leadership has always feared: losing control to Europeans or to tribal persons.

The most dramatic change has been President Tubman's "open-door policy": inviting European and American firms to extract iron ore, engage in plantation agriculture, and undertake a variety of other commercial ventures, and, concomitantly, seeking external loans, economic aid, and technical assistance. The result has been growth in primary production and the accumulation of new buildings, roads, and other social capital reflected in the national income

accounts. But Europeans cannot become citizens or own land in Liberia. They are contractual guests—resident aliens who take no part in political life.¹⁸ The few Negro immigrants from America and the West Indies who become citizens are almost never permitted to enter the higher echelons of government.

The second break with the past is President Tubman's "unification policy," reflected mainly in a noticeable decline in harshness of treatment of tribal persons. President Tubman himself visits hinterland areas, listens to grievances and petitions, and has been known to remove district commissioners guilty of brutality or theft. Compulsory labor has been made less onerous and the appropriation of tribal land without compensation is less frequent under the Tubman administration. And since so many countries in Africa have become independent, it is no longer acceptable in Liberia publicly to make distinctions between civilized and uncivilized elements of the population or, indeed, to use the traditional designations of Americo-Liberians and Natives. The fiction of equality receives official sanction; but in matters of structure and substance, it remains fiction.

Before 1944, the three hinterland provinces (in which most of the tribespeople reside) had no representation in the legislature. By paying \$100 a tribe could send someone to sit in the House of Representatives, but without a vote. Since 1944 the provinces have been allowed to elect six of the thirty-nine members of the House (but no Senators). Similarly, universal suffrage has been introduced in presidential elections. But elections are so rigged that it makes no difference to the result.¹⁹ The electoral reforms may give the tribes an illusion of participation, and may improve Liberia's "image" abroad, but they are a change in appearance with no change in reality.

¹⁸ As far as one can judge in these amorphous matters, the notion commonly believed in Africa and Europe that the U. S. Government and large American firms such as Firestone have real political control in Liberia, is utterly unfounded. The Government of Liberia is at least as jealous of its political autonomy as are its newly independent African neighbors. The ironic result—and, as with Cuba, the potentially costly result to the U. S.—is that while neither the U. S. Government nor American business controls the country, the U. S. is held responsible for events in Liberia.

¹⁹ For example, election returns for the Presidency in 1955 and 1959, were as follows:

	<i>Wm. V. S. Tubman</i>	<i>Wm. O. Davies-Bright</i>
1955	244,937	16
1959	530,566	55

See Liebenow's writings cited in n. 1.

Educated men of tribal background have attained high political office but only at the price of succumbing to the aristocratic embrace—of acting in all ways like Americo-Liberians.²⁰ In so far as there can be said to exist any unification or assimilation policy at all, it consists of transmogrifying tribal people into Americo-Liberians, one at a time, so to speak. There is no person in high office whose actions can be judged as representing the special interests of the tribes.

The governing authorities do not have a policy of denying material improvement to tribal persons and areas. There have long been educational and medical missionaries in the hinterland and medical and educational facilities provided by foreign firms. And, especially since 1955, some minor portion of educational outlay from public funds has been allocated to the three hinterland provinces (although never as much as is spent in Montserrado County, the home base of Americo-Liberian settlement). But neither is there anything that can be called national development policy—to transform subsistence agriculture, to choose the most gifted Liberians (regardless of status and family connection) for training and education abroad, to analyze various sectors of the economy and to project the requirements for structural improvement.

VI

Liberia enjoyed none of the benefits of European colonization which in some measure were conferred on most other African countries. It received neither the tangible benefits of roads and schools, nor the more important but less tangible benefits of trained administrators and a civil service ethic of efficient and honest performance. Instead, the traditional practices and values of Americo-Liberian society were carried into the postwar period. The traditional rulers of Liberia sustain their absolute political control by

²⁰ In Liberia, the phrase “a man of tribal background” applies to two very different kinds of persons. Children born out of wedlock to tribal women and Americo-Liberian men are frequently reared in the man’s “official household” in Monrovia and so grow up speaking English and acquiring the cultural attributes of Americo-Liberians. Such children have no connection with tribal life other than the accident of their mother. They are Americo-Liberians without any cultural or psychological roots in the tribes. Charles Sherman, the urbane former Secretary of Treasury is such a person. Persons born of tribal parents, reared in a tribal milieu, and without Americo-Liberian connections, very rarely rise to high office. (Three cabinet members “of tribal background” were fired from office between 1959 and 1963.)

dispensing patronage to the loyal and punishment to the restive, and by preventing political opposition from being expressed at all. In 1960 approximately one out of seven wage and salary earners (11,600 out of 82,000) worked for government, but there were only fifty elected officials in all (the president, ten senators, and thirty-nine representatives). The governing authorities reward loyalty and conformity with jobs, many of which are sinecures requiring not even the physical presence of the incumbent. To each level of governmental employment there is attached a special set of fringe benefits. The highest echelons and their kin obtain the most lucrative material prerogatives: purchases of shares of stock in iron-ore concessions at bargain prices; purchases of tribal land along new roads; sales of phantom services (public relations, advertising) to foreign concessions; sales of real economic services to concessions (for example trucking) but at higher cost than the buyers would incur in providing their own services; the acquiring of compulsory labor for their rubber farms; the right to impose private levies in rice on tribal groups; the use of government vehicles and other equipment for private gain; extraordinarily large expense accounts; free housing and trips abroad; government scholarships for education abroad, regardless of merit. Lower-echelon civil servants have a narrower but still impressive array of prerogatives.

Both the carrot and the stick are used to encourage loyalty to the governing authorities and to prevent the expression of opposition. The material rewards of faithfulness grow as governmental revenue and private economic activity grow. A person who expresses opposition to the authorities is denied access to good jobs and valuable perquisites of office, and his kin are made to suffer such deprivation as well. Collective punishment for individual disloyalty is visited upon Americo-Liberian families and tribal groups alike.

As with one-party states elsewhere, so also in Liberia there is no tradition, no concept, no practice of "loyal opposition." Criticism of the president, or of the government and its policies, is interpreted as disloyalty, sedition, subversion, and is punished severely. Democracy as we know it in the West requires the institutionalization of loyal opposition stemming from political parties out of office but in the legislature being endowed with real functions, power, and the possibility of achieving office without revolution; and from

newspapers, radio, unions, and university professors being allowed to express criticism of government and its works without calling down retribution.

The legislature has never been known to initiate legislation not previously approved by the president, nor—with one or two show-piece exceptions—to veto a bill or a budget proposed by the president. The judiciary is not independent. Supreme Court justices can be (and are) removed by a declaration of the legislature. Several times, court rulings have simply been ignored. The officer corps of the Army (Liberian Frontier Force) consists largely of sons of Americo-Liberians whose values and actions are no different from those of other government employees. The enlisted soldiers are unskilled young men recruited for the most part from the few Liberian tribes with a warrior tradition. The Frontier Force was formed in 1868 to punish hostile tribes and to collect taxes. When stationed in the interior, they still live off the land and are allowed license to requisition and pillage.

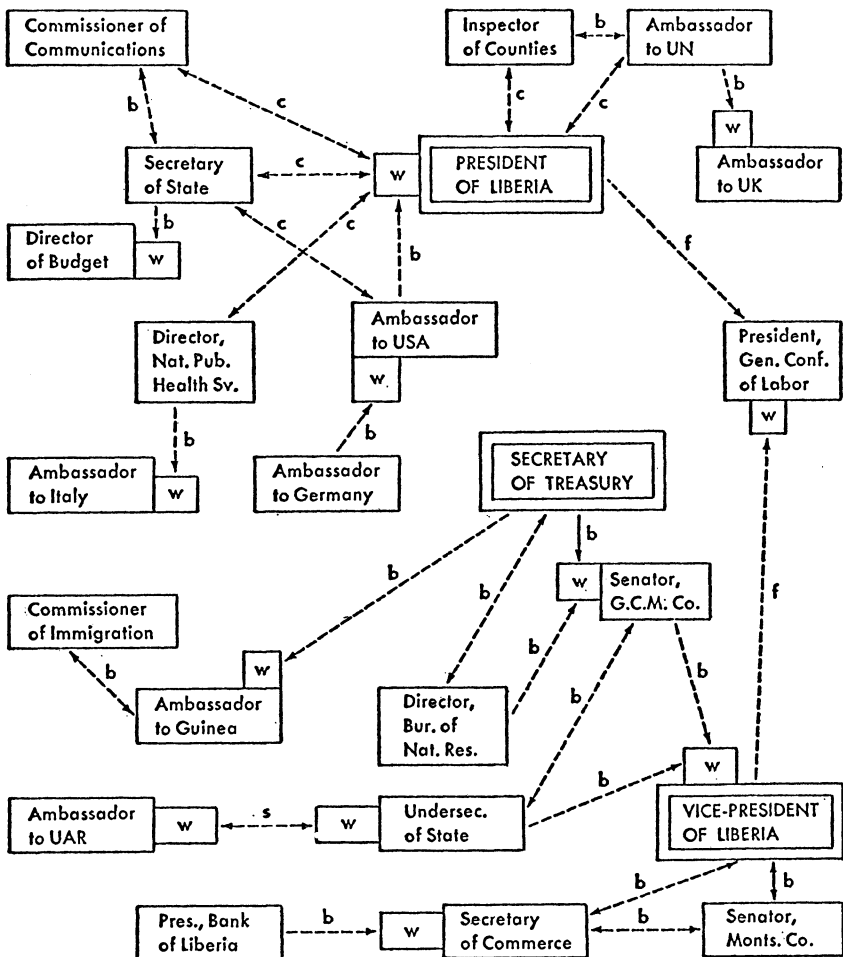
Voluntary associations and channels of public expression are either ineffective, silent, or adoring. The trade unions are allowed to exist on condition that they do not turn political, or, indeed, press economic demands too hard. The Liberian churches (as distinct from the European and American missionaries) are adaptations of low Protestant sects whose governing authorities are highly-placed Americo-Liberians. There are two newspapers in Liberia, one owned wholly by government, the other subsidized. Neither has been known to criticize the government and its works. (There have been elections in which the names of opposition candidates have not been mentioned in the papers.) There are two radio stations in Liberia. One is operated by the government, the other is owned by a Protestant mission and its broadcasts are concerned exclusively with matters relating to the next world.

A president elected for the first time has an initial term of office of eight years, after which elections are held every four years. The legally-minded Americo-Liberians go through a solemn minuet of conventions, speeches, and votes, without there being the slightest possibility that opposition can gain political power through elections. Indeed, it is a difficult task—as in Alabama in the United States elections of 1964—for opposition candidates to get placed on the ballot. Serious opposition will have been squashed long

before the appointees of the True Whig Party count ballots. There is no organized opposition party between elections.

To understand Liberian politics, knowledge of kinship connections among high government officials is more useful than knowledge of the Liberian constitution. Marriage and divorce make and break family alliances with important political repercussions. One manifestation of the historical cohesion within the Americo-Liberian community of families is shown in Figure 1.

FIGURE 1
FAMILY AND POLITICS IN THE REPUBLIC OF LIBERIA, 1960-1961



Key: b = brother; f = father; c = cousin; s = sister; w = wife.

Source: J. Gus Liebenow, "Liberia," in Carter, *African One-Party States*, p. 369.

President Tubman is not a dictator but rather a dedicated and—compared with former presidents—benevolent managing director of Americo-Liberian interests. For twenty years he has succeeded in keeping political control within the Americo-Liberian estab-

FIGURE 2
THE SOCIAL HIERARCHY [IN MONROVIA]

<i>Class</i>	<i>Characteristics</i>	<i>Occupation</i>
A. The élite	Dress suits; Dior fashions; children schooled overseas; own rubber-plantations; own large houses and lease out others. Large motorcars. Members of masonic lodges and crowds, Protestant, Episcopalian, Methodist or Baptist churches.	Senior officers of the three branches of Government, and their families.
B. Honorables		Other government officials from head of bureau up; certain doctors, lawyers, clergymen.
C. Civilized	Suit and tie to work; children sent to school and usually speak English first; some starting rubber-farms. Walk or on long distances hire taxis. Members of lodges, United Brothers of Friendship, and church associations. Own their houses and may rent out others. Inter-tribal marriage frequent.	Minor officials, clerks, school-teachers, nurses.
D. Indeterminate		Electricians, mechanics and drivers, craftsmen. Domestics.
E. Tribal or Uncivilized	Women wear lappas, men shirt and trousers; illiterate but majority speak some English. Pay hut tax. Walk long distances. Pentecostal, Methodist and Baptist churches and associations based on membership of specific tribes. Legal redress from urban tribal courts. Inter-tribal marriage rare.	Laborers. Stevedores. Fishermen. Petty traders.

Source: Merran Fraenkel, *Tribes and Class in Monrovia* (London: Oxford University Press, 1964).

ishment and enriching it beyond precedent out of the revenues and economic opportunities provided by foreign firms. This golden harvest, combined, perhaps, with the pressure of foreign aid and advisers, has induced some amelioration in the tribesman's lot. But no political power has accrued to the tribes. Neither factions from within the country nor African nationalism from outside—neither Liberian tribes and dissidents nor its leftist neighbors—have threatened the political dominance of the traditional rulers. Potential sources of internal opposition are brought within the True Whig fold by jobs and money. Students returning from abroad are embraced by the patronage system and their skins quickly thicken. And where the carrot will not work, the stick is applied.

Foreign economists who work in countries like Liberia confront a dilemma: if they confine themselves to conventional measurement, economic analysis, and policy prescriptions for development, they are wasting their effort. The governing authorities of Liberia have no intention of developing the national economy and the Liberian people. Under present political and social arrangements, offering economic advice to Liberian leaders is futile. What is the point of showing them how to increase tax revenues by \$5 million, if the revenue would be frittered away on objects and activities that had little if any effect on national welfare or development? Economic development is the proper concern of economists, but in Liberia political and social reform are the most important of all "preconditions" for development and so economists are forced into political and social as well as economic analysis.

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