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# Managing Mining: Transparency in the Shadows

An Anthropological Exploration into Global Policies and Governance in Sierra Leone

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## **Abstract**

The management of the mining sector in Sierra Leone is characterised by numerous integrations of government and donor agency policies, resembling that of global development agendas advocating for improvements of governance, transparency, capacity building and revenue generation.

We must view the global policies in their local scales in order to substantiate their actual effects. The central argument is that in the frictions among the actors seeking influence on managing the mining sector, we can identify moves towards both enhanced transparency, as well as counter-moves that resemble the shadow affairs that historically has characterised the mining sector in Sierra Leone. Such processes underline the importance to locally appropriate policies to evaluate their effects and implications.

The thesis takes point of departure in the signing of two mining license agreements that failed to live up to the expectations of a recently embarked process in Sierra Leone to improve on transparency and economic contribution. By studying the context in which these processes and events took place, it is an exploration into policy and governance in a developing country. It raises the point that global mining policy schemes are perhaps not yet completely grasping the problems of the mining sector that are external to the countries where mineral extraction takes place, failing to provide measures to counter illicit capital transfers and corruptive behaviour of the mining companies.

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## Introduction to Case and Research

During 2010, two mining agreements were signed between the Government of Sierra Leone and two international mining companies mining iron ore. The two companies were new to a country with a long, complex and often appalling history of mineral resource extraction. The two agreements are exemplary as they were signed immediately after the Parliament had ratified a new Mines and Minerals Act in 2009 that had followed various processes to review the legislation. The review process was intended to reflect an improved legislative scheme that would generate more revenue for Sierra Leone's treasury, and in general improve the economic, social and environmental repercussions of mining activities.

However, both contracts were immediately criticised by various national and international organisations for breaching both the new Mines and Minerals Act, and importantly, also the Income Tax Act, as both contracts provided for tax exemptions for the companies. The two contracts specified 6 percent and 25 percent in corporate taxation, respectively, well below the 30 percent, the Income Tax Act specified (Fofanah 2010: 13; GOSL and AML 2010: 12; Government of Sierra Leone 2000; Open Society et al 2002: 25).

In Sierra Leone, mining has historically and presently been promoted as one of the most important sectors for the economy, politics and power, and a means for contributing to household economy, as it is said that the sector employs hundreds of thousands. It has also been given the blame for the civil war that ended a decade ago, so it is hardly surprising that attention is paid to the signing of contracts. These contracts are a matter of national public concern. But as I looked closer on the economic data, I could not solidly recognise the importance of this sector to the Sierra Leonean economy. Indeed, the mining activities are on everyone's lips, diamond diggers and the open pits are very visible, but I could hardly find any traces of large revenue in state budgets or other reports clearly stating the current economic benefits of mining.

The crucial question of how and why the Government agreed on breaking their own laws to make a worse deal than the laws provide remains difficult to answer as these negotiations took place in a confidential environment. But I can explore the context in which the law and contract signing took place. Ultimately, we may become equipped to analyse the relationship

between the expectations of the policies and laws to the practice and actual management of the mining sector, and this meagre negotiation result.

The composition of the involved institutions, organisations and government offices are thus a key point of attention to grasp the dynamics of the context in which the management of mining takes place. As is the case for many developing countries, donors are influential in deciding budget allocations, official government policy, and in many cases, they are also the practicing agencies of writing the policies (Bøås 2008: 547-550), which I could confirm when discussing with donor agencies operating in the mining sector in Sierra Leone.

The present thesis focuses on present policies, actors and relationships in the arena we can label 'mining sector management', as well as it is an exploration into the history of mining in Sierra Leone to uncover key developments in the mining sector as these provide us with some explanations why the country is still facing problems in generating formal income from mining. Of particular interest is also the close relationship between mineral extraction and the development issues affecting the processes of managing.

The research that is presented in this thesis thus revolves around two central questions:

- 1) How are global development agendas inflicting on mining management in Sierra Leone?**
- 2) How can we interpret the interests, processes and practices in the relationship between the institutions involved in shaping the governmental setup for managing mining activities?**

Subsequent themes address the historic context of mining in Sierra Leone and the relationship between historic and present conditions. Also, I will address the element of actual revenue generation and explore to what extent we can argue if Sierra Leone is improving on actual economic earnings from mining activities. These elements are thus hereunder further elaborated to ease the entrance into a complex field of policies, interests and actors.

## Context and arguments

The signings of contracts are merely events that open for a look into the governance of the mining sector; a sector with an enormous amount of actors and interests. Having worked with an international development NGO in Sierra Leone previously, I had become acquainted with some of the issues and institutions involved in the 2010 critique of the Government, and I had observed that the mining sector was, if not infested, then definitely crowded with actors, both within the Government but also from external institutions and organisations, all of whom seeking to shape the country's policies and laws; thus seeking to bring their ideas about mineral resource management into actual and practical management of the sector. The mining industry is the preoccupation of a large number of so-called development actors and donor agencies who seek such influence. As one representative of a major donor agency expressed: *“Talking about donors forcing governments to do things, [the mining sector] is where there has been the most pressure to be setting policies, of any area I can think of on government. And the government has been taking on most of them”*<sup>1</sup>.

The failure of the Government to actually generate money from mining is one part of the explanation why development actors have constituted this sector as a key area of intervention. This is interlinked with the notion of the *resource curse* which has become a prominent explanation to account for the many failures around the globe for developing countries to make money out of mineral extraction. On this basis, a development perspective on mining activities has been built up. It becomes linked to various international policy agendas of financing development programmes, building capacity and technical assistance to improve on the ability to generate revenue within the government. I am arguing that the policies found in the mining sector management are formulated and sought implemented from a development agenda of governance, transparency, revenue mobilisation, and to some extent also security and stability, and rooted also in the notion of the resource curse.

Considering an anthropological insight that “local narratives of resource developments are imbued with historical analogies and cultural perceptions quite unlike those, or overlooked

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<sup>1</sup> References from interviews will throughout this thesis not be specified upon individuals or concrete organisations as agreed with interviewees.

by, the international advisors descending on local situations and making recommendations for betterment” (Weszkalnys 2010: 87), we must equip ourselves with an analytical framework to grasp the relationship between these global development policies and the local appropriation.

Anna Tsing can provide us with an analytical framework to grasp these dynamics of global development policies and the local managing of the mining sector in Sierra Leone. With Tsing’s notion of *scale making* projects (2000: 120), we can understand the global context of policies and development agendas by analysing how they come into being locally in the interplay among the actors in managing the mining sector in Sierra Leone, as well as it equips us to follow the tracks of different policies from our local context into a global arena. We can conceptualise policies as shapers of processes of culture and power, much like Tsing (2005) conceptualises *friction* as points of productive encounters. In the friction between the various actors we are equipped to analyse the relationship between policy and practice.

The long and aggravating story of mining in Sierra Leone include international and national actors who develop policies and seek influence. We therefore need to map out their interests. The stage on which the management of the mining sector takes place is hardly an open one, and it can seem like the back stage has more action than the front. Murky affairs has characterised the mining sector since the first diamonds were found in 1927. I am arguing that the crowded stage of government committees and donor agencies with their policies can become yet another confusing element on the stage, as it is a struggle to influence the instructions of the play. However, it often seems like it is circling around an empty director’s chair.

Through decades the mining sector management was characterised by the incentive of the President and his political elite to secure both political support and economic benefits for the few select, William Reno (1995) argues. The mining sector was hardly ever the economic contributor as it was always hoped to be. Rather, it is in Reno’s and others’ analyses best understood as existing in the context of the Shadow State and dual logic of a coexisting bureaucratic and patrimonial state. Can we ascribe similar conditions upon the current management of the mining sector or have we entered another era of mineral resource extraction? If so, is this due to the reigning development agenda of governance and

transparency? How can we place the new actors that are present in the mining management in relation to this historic background?

I will argue that the management of the mining sector is circumscribed by a laden history of legal-illegal practice and an overwhelming presence of actors seeking influence. The result is a confusion of political and practical management instead of a transparent field of governance. At worst, the result becomes a vision of global standards departed from the historic trajectories that have contoured this sector, which can potentially fail to be in correspondence with the resulting practice of the management and not face the existing problems of the industry.

## **Structure of thesis**

The structure of this thesis is organised into five main chapters and a conclusion. Chapter 1 introduces the theoretical and methodological foundations of the thesis, elaborating on the central analytical tools, and providing key definitions. In this chapter, I also deal with aspects of positioning and the chosen methods and strategies. Chapter 2 introduces the global scale and the policies that I have identified as influential in the context of mining management in Sierra Leone, as well as the so-called resource curse narrative is introduced, upon which I will highlight the foundations for development and mining policies having become so tightly related. Chapter 3 sets off the Sierra Leonean case portraying the history of mining in the country as integrated with a Shadow State logic where informal and formal economy have been the order of the day. Chapter 4 outlines the present context of actors who are involved and presents their interrelationships, as well as it will address the issue of the failing revenues. Chapter 5 combines the threads in an analysis of the present and historic elements of the mining management, and their interrelationship. The theoretical lenses are applied upon the material, and new perspectives are promoted. The conclusion will highlight my arguments and place these in a more general discussion of policy processes in developing countries.

# Chapter 1: Methodological and Theoretical Foundations

## Theoretical and analytical concepts

### *Friction, scale making and studying policy*

When the global meets the local has been the point of attention for a wide array of anthropological and development studies literature, not to say that it has been the central point of the joint effort of the two disciplines. Seeking to capture the political aspects of these connections (Tsing 2005: 1,3), we can apply a focus on the productive frictions that are created in these connections. Anna Tsing defines ‘friction’ not as a unilateral power relation or hegemony; rather it can encompass the possibility that “[h]egemony is made as well as unmade with friction” (ibid.: 6). This provides an analytical tool that is more open towards the material and agents that the anthropologist meets in the field. Rather than reproducing inherent inequality positions as can often be seen in development and anthropology literature (see eg. Di Muzio 2010: 94; M. Jackson 2005: 159-160,165-167), friction opens for reconfigurations of the power relations with regards to their locality, or in Tsing’s words, “friction gets in the way of the smooth operation of global power” (Tsing 2005: 6). Similarly to the field of mining and logging activities in Indonesia in which Tsing coins her understanding of friction, mining in Sierra Leone (and many other developing countries) constitutes an encounter that “lead to new arrangements of culture and power” (Tsing 2005: 5). This is not to downgrade the power relations in the contextual field of mineral extraction where it is not hard to tease out a number of hegemonic relations, but rather to epistemologically remain open towards how the studied field takes shape.

Tsing uses the analogy of the road to make us understand her conceptualisation. Where the road eases our access, it also limits us to where we can move, thus “[f]riction is not just about slowing things down. Friction is required to keep global power in motion” (ibid.: 6). It is in the encounter that interconnections are reproduced and in my approach to grasping the complexities of mining in Sierra Leone, it is a constant attempt to unfold the encounters where “[f]riction inflects historical trajectories, enabling, excluding and particularizing” (ibid.). What has caused the enormous amount of actors to intervene in the mining sector? And how are local perceptions and narratives of mining and management interfering and reproducing these interventions? Are they detected, considered, and influencing? Friction

provides us with the analytical tool to dig into the processes and practices and realize their interconnections. Behrends and Schareika, having studied the importance of oil in Africa, are advocates for “the ethnographic study of practice” that “can reveal how...a localized mix of actors, stakes, interests, resources of power and cultural understandings enter processes of interaction and negotiation that yield specific outcomes” They continue: “It is by looking into such actual processes in the making that the complex interlocking of multiple factors becomes understandable” (Behrends & Schareika 2010: 84). Analogously, my aim here is to look into those processes and practices of managing the mining sector to seek to understand the friction between global and local, between policy and reality, between universals embedded in global standards and the actual functioning in a Sierra Leonean context of mining management.

The analytical approach is elaborated and concretised in a more methodologically useful approach with the incorporation of a similar element of Tsing’s analytical tools. Tsing (2000 & 2005) proposes the analytical term of *scale making*, and suggest that “scale must be brought into being: proposed, practiced, and evaded, as well as taken for granted” (Tsing 2000: 120). Scale and scale making is for Tsing not a neutral articulation of regional or global spatiality, but rather a concept that is brought into being in “cultural and political projects”. Her example is neo-liberalism, “an economic doctrine” (ibid.) that has shaped politics and development interventions through its resonance among both governments and for those I refer to as donor agencies. Utilizing scale making in a perhaps more practical and reified manner than Tsing would propose, we can apply the scale making upon the prevalence of certain policies in the field of managing the mineral sector in Sierra Leone. It is a look to what is reproduced locally in the reproduction of, for instance, global mining policies and initiatives. What are the projects and doctrines that shape mineral extraction policy in Sierra Leone? How are the actors, and the relationship between these, experiencing and reproducing policies and doctrines, and to which consequences? I propose that to understand the relevant scales, we must conduct a study of the governing and influencing policies that, paraphrasing Tsing, comes into being within the workings of the various involved actors.

Shore and Wright refers to policy as “the ghost in the machine” (1997: 5), implying that these documents and underlying thoughts and intentions are governing and directing decision making (ibid.). But as ghosts, they are not clearly visible, and so acquiring a total overview of all governing policies for the mining management in Sierra Leone is a difficult task.

However, I will attempt to outline the influential global policy tracks that I interpret as having influenced policy in Sierra Leone, and which eventually have brought us to the current situation. This might be able to inform us about the future for mineral extraction in Sierra Leone.

Policies are political as well as anthropological phenomena (Shore & Wright 1997: 7-8). They are instruments of governance, or to use Foucauldian terms, policies are political technologies (ibid.: 3-5). Shore & Wright argue that this is evident in language, rhetorics, discourse, and the documents of the institution concealing a political nature in “objective, neutral, legal-rational idioms” (ibid.: 8). In the case of this thesis, I have been dealing with a large number of different institutions and it is clear that there are a large number of documents and policies that were referred to as guiding the work of the institution in question, in relation to their stance and intervention in the mineral sector. However, many of the people I interviewed often did not seem to be fully aware of what policies formed the background of his work. For instance, in the Ministry of Mineral Resources, several of my informants referred to the Core Mineral Policy as *the* guiding policy. But it was not a document they had themselves. It was so to speak the ghost in the ministry.

Shore and Wright further underlines that policies must be understood as cultural phenomena as well, exactly through their presentation as cultural products of the society and social arena in which they have been constructed and exist in. Policies are thus objects to be studied through political and implicational meanings, and as cultural products; but the implicational element is no less anthropological as it is political. According to Shore and Wright, documents and speeches are comparable to Malinowski's notion of myth and its function for society: “a policy can serve as a guide to behaviour and ‘charter for action’” and continue: “policies encapsulate the entire history and culture of the society that generated them” (Shore & Wright 1997: 7). For this thesis, the labelling of documents as policy in the conceptualisation here above suggested, is applied to documents that among the different actors of the mining sector field might have different names, such as project documents and strategies. They can however analytically be seen as cultural and political representations of the larger development agenda issues that characterise the interventions and relationship between donors and governments. Applying this view on policies in the context of managing the mineral sector in Sierra Leone requires us to make certain scales in order to realize the entirety of what this is encapsulated by.

When Anna Tsing proposes that “scale must be brought into being” (2005: 58) she provides us with an analytical lens to grasp global issues relevant for local social environment and experience, quite similarly to Shore and Wright who argue that studying policy can provide a method for “studying the localization of global processes in the contemporary world” (Shore & Wright 1997: 13-14). Their methodological take is to *study through* and “tracing ways in which power creates webs and relations between actors, institutions and discourses across time and space” (ibid.). Studying through the policies that are inflicting on the management of the mineral sector in Sierra Leone provides one method of understanding the interrelationship between the institutions and organisations, and we can develop tracks of discourse and interests through these relationships.

Hence, we are equipped with the concept of scale making to address the global and local intersections of development policies and agendas, thus providing the theoretical framework to address research question 1, while friction can serve to respond to question number 2 by its ability to analyse the specific processes and interest as they are played out.

### ***Institutions as actors and management as a stage***

Understanding the contemporary events in the mining sector requires a grasp of the conceptualisation of the actors that I propose are players in the management of the mining sector. The arena of shaping the policies to govern the mining sector contains a large number of organisations, committees, institutions, consultants, etc. who all have a smaller or bigger role to play. It is not my intent to account for every single unit’s power wielding, as well as many have been left out, either because I deemed their influence less relevant or because I was not able to develop information or access. I will rather stress a few key players who exemplify a crucial role in the manner in which the mining sector is managed. The intent is to exemplify that the scale making processes of actors’ collaboration with each other, demonstrate how global discussions and policies are reproduced in local negotiations with the government; how donors in fact seem to be main agenda setting rather than the government’s own policies. Upon this we can return to exemplify how these relationships and encounters are productive frictions in which we can find inconsistencies to this assuming hegemony of policy negotiation. We can theoretically substantiate the approach to analyse the managing of the mining sector as a stage where actors are playing out several analogous, and perhaps competing, plots.

When Bruno Latour makes use of the notion of actor, he is aware that the terminology departs from a theatrical context. The usage of actor implies that it is not entirely definite or clear what the actor does, exactly because the actor is never alone or unnoticed on the stage. Once on the stage, the complications begin and one also has to consider that what happens on the stage is not the full story. What are the effects of the audience, light, etc., and what happens behind the stage? (Latour 2005: 46). Understanding the mining sector in Sierra Leone requires a similar understanding. The stage of managing the mineral extractive sector, negotiating and signing contracts, assessing capacity needs in the ministries are just some of the plots that are being played out on stage, back stage, and in relation to the audience. Latour establishes a premise concerning action on behalf of the actor: it is “dislocated”. “Action is borrowed, distributed, suggested, influenced, dominated, betrayed, translated” (ibid.). According to Latour, the uncertainty about an action is the crucial element to understand. It is not to say that the actor does not know what he does or that the social scientist does, but it is the uncertainty of the source of action that is crucial; the uncertainty that is established by the dislocation in response to the social setting (ibid.), and theatrical setting, one might add. When the Government of Sierra Leone in 2004 began a process of reviewing the legislation governing the mineral extraction, they opened a stage that remains open, and on which new actors are invited and at times invite themselves to participate in the plot. There seems to be no author or director, and nobody to write the final act, but indeed a stage; and most likely, some of the important acts are played out on the back stage.

By viewing the institutions and organisations that each have played a role in the mining sector management as actors, my premise is that they each represent an interest that may be more or less formulated, but at least it comes into action on the stage; they are players with significance for the plotline and turnout of the play. Through the theatrical analogy we can with a better overview of the immense number of offices, people, commissions and committees, institutions and ministries that comprise these interests, more easily understand the complexity of their interplay and the consequences; being aware that it will not be possible to eliminate all “uncertainties”. If we establish as a premise that these actors have an interest they seek to influence by, their interest wielding actions become dislocated as they are experienced and translated by other actors (and their actions), and by the events that occur front and back stage, as well as among and in relation to the audience. The interests and central plots that in such a way seem to skew each other are represented in the notions of economic wealth, governance, transparency and anti-corruption, investor attraction, revenue

and taxation, environment and community development, historic mining trauma, security and peace-building, to mention but a few.

Before moving on to describe some of the methodological considerations and implications, I will briefly touch upon some definitions of elements used herein.

## **Definitions of central concepts**

### ***“Managing”?***

Anthropology of development has traditionally dealt with discourse and the relationship to practices of development (cf. Escobar 1995; also see Cooke & Kothari’s (2001) collection of critical perspectives on *participation*). As much as this tradition reminds us of the importance to critically assess the concepts and notions that we observe used and referred to in our field, it also requires us to critically assess our own usage of terminology and define the meaning we ascribe. As Mosse astutely notices studying participatory workshops for farmers, “it is farmers who acquire new ‘planning knowledge’ and learn how to manipulate it, rather than professionals who acquire local perspectives” (Mosse 2001: 21). I do not doubt the capability among government officials and donor agency workers to acquire the terminology that their field of work determines nor the power of such words to find the way into the conversations concerning mining and management. The nature of the language of governance and transparency are no different than those of farming and planning. One donor agency worker told me that “gradually you begin to hear the international development words from the lips of the beneficiaries [government] – transparency and good governance”. That is no surprise to an anthropologist, although if you keep listening you will probably also hear the donor agency worker make use of specific cultural terms acquired from the field. The governance and mining sector in Sierra Leone is as much a cultural sphere where language and meanings are constructed and dynamic.

The implication for me as an ethnographer in the field is to deal with the acquired terminology, and analytically assess the meanings I ascribe to my reproduction of the knowledge I have generated from my immersion into the field. I, as the observer have to distinguish between the meanings of empirical notions of the field and the analytical usage

that is applied upon the ethnographic material. Development discourse has been the attention of anthropologist as mentioned, and the development society is notoriously and facetiously known to construct terminology that is more referenced than understood, commonly referred to as buzzwords, as for instance ‘governance’ (Doornbos 2003). What terminology could I make use of that would not be confused with the commonly used ‘governance’, ‘good governance’, and ‘weak capacity’, when discussing donor agencies’ intervention in developing country government institutions?

‘Management’ of and ‘managing’ the mining sector provides me with less laden terms despite their clear commonality with governance. In the popular sense, management refers to “the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively” (Wikipedia 2011: ‘management’). This conceptualisation could well refer to the coming together of actors in the mining sector to strive for reaching defined goals, although such goals may not necessarily be the same for all actors. By viewing the processes in the mining sector in the relationship between the actors as a field of management, we must however maintain an understanding that does not define a specific leadership or order in which the mining sector is managed, as I could not observe and evidence such a leadership. Rather managing and management must be understood open-ended and questionable: “how are we/they managing?”.

In Sierra Leone, you will often get the response “we are managing” when you ask how people are doing. In its cultural and social meaning, it is not meant to say that they are taking leadership. It has an economic signification and is perhaps best understood to mean, “that despite hardships of making ends meet, we are getting by”; often “by the grace of god”. To be ‘managing’ in Sierra Leone is open-ended and less defined by a method, by what specifically you do to be able to get food on the table. Managing the mining sector in Sierra Leone is incontestably a matter of securing money for the state treasury, and indeed an open-ended affair. (Observe however, that securing money may not be the practical result, but it is indeed part of the managing sphere). The “cultural” conceptualisation prescribes the usage of management and managing when seeking to analyse what takes place in the processes of negotiating contracts, cooperation and supporting between donors and government that characterise the relationship between the actors in the sector.

### ***“Development”?***

Among donors and academics, the concept of development has undergone many definitions and been disputed as much as culture in anthropology. The consensus seems to have landed in the vicinity of a common understanding that development is as much about both social, political and economic development (Thirlwall 2008: 37). Coupled with Jeffrey Sachs’s formulation of “the multidimensionality of poverty” (White 2008: 25; Sachs 2005) and the influence and recognition of e.g. Amartya Sen’s coining of “Development as Freedom” (1999), the result is an approach to development that has to counter problems with economic wealth, livelihood, human rights, governance, basic human needs, agriculture, health, urbanization, education, and many more. This approach has resonance in some of the documents, policies to be found in the field of managing the mining sector, e.g. a World Bank policy initiative labelled the Extractives Industries Review (EIR) that acknowledges a comprehensive approach to include aspects of human rights, environment, transparency and even bureaucracy when the World Bank institutions operate in mining (Campbell 2009: 6-10).

I sustain that as long as this remains a study of the actors that are operating on the stage of managing the mining sector, the notion of development we can refer to is that of their realm, rather than include more popular<sup>2</sup> understanding of development which belongs to another study. We thus accept that mining has been constituted as part of a development agenda, and vice versa, that the development agenda is one constituent of the managing of the mining sector.

Upon this establishment of theoretical and analytical tools that will be sought applied upon the ethnographic material, we must investigate the methodologies chosen and the implications it has on generation of the material.

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<sup>2</sup> Popular here refers to the meaning of ‘population’ and ‘people’

## Methodological foundations

### *Positioning*

My initial entrance into the field of mining and mining management in Sierra Leone was from a development practitioner perspective. In 2010, I was involved in the mineral sector for an international NGO working with national civil society actors who sought to monitor the mineral extraction in Sierra Leone. Naturally this posed both threats and opportunities to my methodology. How would I strive for objectivity? Would previous contacts limit or ease my movement and access?

Anthropological scholars have attempted to make a division between *development anthropology* and *anthropology of development*; a division that can be viewed more theoretical than practical as the one and same person often would be involved in both arenas (Grillo 1997: 1-2). I returned to the capital Freetown in 2011 as “a researcher of development studies” attempting to “be able to capture more accurately the historic context of its subjects, and to register the constitutive workings of impersonal international political and economic systems on the local level where fieldwork usually takes place” (Marcus & Fischer in Grillo 1997: 3). Automatically and non-debatable, my knowledge base until then was built upon the information that was accessible and relevant to the NGO position. Such information is not wrong or false, but if it is not considered to be biased towards the interests of the NGO in question and the relationship to which it belongs, I cannot claim a strive for objectivity. (Warnke 1987: 1). How could I define objects, subjects and context from a distanced position rather than that of an international NGO position? I would have to position myself deliberately different in order to personally and analytically remove myself from the infamous resource curse (see below) advocates to whom I used to belong. The functioning of my development researcher category will be exemplified with an experience in the Ministry of Mineral Resources here below, but I will also seek to explain how the positioning becomes a determinant in shaping the field of study.

When I began contacting people and organisations in Freetown and abroad and finally went to Freetown in May 2011 for fieldwork and interviews, I entered with an approach of anthropology of development as “an engagement with critical perspectives on development and the development process” (Grillo 1997: 10). I wanted to understand the arena in which

the specific objects took shape and came into being (cf. Tsing 2000: 120). The mining legislation, mining contracts, and various other documents are objects created in a contextual matter that may or may not be strongly influenced by a development agenda. The processes revolving the creation and shaping of such specific objects were the interesting element for me to understand with an underlying focus to bring out knowledge about policy processes in a developing country. The strength of an anthropological approach is to address and analyse the relationships and interplay that create the development processes, Grillo mentions. Surely, I could have chosen to continue a strong linkage to the NGO and national critical advocates, but I assumed that this would ultimately limit my access to other viewpoints such as the Government and the companies which is best exemplified by an experience in the ministry.

Coincidentally, I was moving around in Freetown and the Ministry of Mineral Resources at the same time as a Danish group that my ministry gatekeeper called “NGO-journalists”. They were interested in exposing some of the financial repercussions of mining in the country. While the Danish group were denied access to certain people in the ministry, I was allowed to continue my planning of meetings and interviews. The ministerial representative (my gatekeeper) gave the reason to both of us that I, as a “researcher”, had a more acceptable purpose, whereas he confided in me saying that “you can never know where the information given to NGOs end up” (Freetown, May 2011). Thus warned about how the ministry viewed the information in question that we were both coming to ask for, I could first of all assure him that I would be anonymising everyone<sup>3</sup>, as well as my purpose was more in the line of donor-Government relationship which appeared more acceptable. Secondly, I was now aware that my NGO position should consequently be downplayed as much as possible in order to obtain the information that I needed. It has the consequence for this thesis that the most updated critical reactions of Sierra Leonean civil society in relation to the most recent events has not been included. Alternatively, I would get insight into these viewpoints as they had produced a number of reports, articles and press releases in cooperation with some international campaign supporters. I had initially intended that also mining companies should be in focus for my research, but as the chosen strategy for access failed in this situation, their viewpoint has as well been left out from this thesis. It however underlines the close relationship between the empirical object and the method that Hastrup suggests (2003: 399). As she argues, the

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<sup>3</sup> All informants in this study are anonymised, as well as I only reference organizations/institutions when referring to publicized documents, or as agreed upon with the individual representative.

method “always bends toward the direction of the material”, and as will be exemplified below, my strategy to engage the mining companies was barred by my scope of study and my definition of the empirical object. The following will be a closer look into the practical methodological conditions, choices and considerations.

### ***Field methodology – interviews and ethical practices***

The information that ultimately became available to me is a product of the conditions of the field. Large bulks of my material are documents and policies and often, these were not publicly available or easily accessible. Their existence could not always be foreseen, and ended up with me through various channels via my negotiation or via the interest of the source to provide this material to me. However, I will for this part focus on the interviews that were conducted during May 2011 in Freetown in the Ministry of Mineral Resources with mainly senior officers; with some of the main donor agencies, such as World Bank, UNDP, DfID; other government officials in other institutions; and also some representatives of contracted consultancy agencies. All had presence in Freetown, as well as I have had email correspondence with different actors not based in Freetown. It goes for all of the interviews that I cannot disclose any individuals and neither the position of the person. This was applied in order to ensure that people could be speaking as freely as possible.

If the management of the mining sector can be viewed as a stage on which the actors play out their acts of cooperation and capacity building, it must constitute me as a performer as well, however small my role may be in the main plot(s), as I enter the stage and seek to understand the relationship among the actors. But could I get someone to invite me back stage, or at least tell me about what happens back there? It seemed obvious that not everything was publicly performed, as the contracts are confidential, and further the circumstances revolving the actual negotiations were surrounded by some mysticism.

Even before I began interviewing and talking to people involved in the minerals sector, I had planned to be a manipulating interviewer. I claim to have come to know this sector well enough to believe that asking the too direct questions would block me off too soon, while also being aware that asking too vague questions would just kick start an institutional rambling on about what they were doing, had done, and what general ideas that guide their

work. The people I was targeting, I have usually found to be well-equipped to lead such conversations about themselves as institutions.

I developed various approaches of how I would make initial contact, either verbal or written, to the different institutions and organisations. For instance, when I wanted to speak to the Ministry, I tended to use the explanation that I was studying elements of the relationship between the donor agencies and the government institutions. When attempting to speak to the mining companies, I would present myself as a student of governance and interested in looking at the capacity of the government institutions and what consequences that would have on investment security. The latter strategy in relation to the companies maybe proved not to be the most fruitful approach to get the information I was looking for, as none of the companies wanted to say anything about their relationship to the Government which left me little opportunity to be asking about anything else, having once introduced my “official” motive. When approaching the donor agencies, my explanation of my study would be more centralised around issues of governance and government ownership over reform processes. All the while this was sought communicated to my interviewee, my interest was to eventually also hear what the person would have to say about what happened when the signing of contracts occurred, and the context in which this took place. Thus, while my introductions of myself were not exactly lying to them as I did in fact ask about the initially warned issues during the interview, I hoped that this method would have a double mechanism. Firstly, it made use of words and issues that I assumed would be part of their agenda and vocabulary, while secondly it would present me as someone not studying the touchy issues of contract awarding and, for instance, also concealed to the government institutions and donor agencies that I would be asking about the Government’s relationship to the mining companies. This strategy, I expected, gave me a better chance to reach the level in the institution that was necessary to get the right type of information. With some variation from institution to institution, usually this would be those people actually working with the issues rather than those with the ultimate decision power, thus excluding ministers and director generals. Those were the interesting people to speak to, as I assumed that they were less bound by their position, but would to some extent have been part of the preceding events concerning the process of reviewing the Mines and Minerals Act and the signing of contracts with mining companies.

The strategy often proved efficient or rather sufficient to end up in the right organisational location, but getting there also required appropriation of different techniques from institution to institution. The incident from the Ministry of Mineral Resources and the encounter with “NGO-journalists” has been presented elsewhere and exemplifies my necessity to find the right balance in which I would be considered acceptable to have moving around the ministry asking senior staff members about potentially political issues, as well as I was free to speak to anyone else in the well-visited offices. In most places, getting appointments can be a difficult task as few organisations have clear contact information or list names and positions anywhere public. This is information you need to work out for yourself asking the right people and remembering to get as many phone numbers as possible to constantly have the opportunity of calling one more to get somewhere inside an organisation. Inside the office, I was further faced with the two-sided gatekeeper. Some receptionist and personal secretaries to various senior staff were at one hand powerless as they could not get me further inside the system, or even to meet their “mammy” or “bossman”, which at the same time then reconfigured them as powerful gatekeepers. The powerlessness was grounded in a lack of resources and information, as the secretary only in rare cases had any knowledge of the presence or movement of their boss. Without the possibility to make specific arrangements, I was forced to trust secretaries and receptionists to present my case to the system, or convince them to give me phone numbers, which was not always them allowed. In practice, they thus became powerful in the negotiation relationship with me. I could only hope that I could convince them to cooperate with me in providing me with the necessary information to make the next move.

I needed the interviews to move into a balance between formal interview and casual conversation, since I wanted to ask questions outside the formal and legitimate claim for information sharing, given that they had granted me access to ask about those elements already warned about in my initial presentation. Sometimes, I would take the opportunity to feed back some information that I realised they were lacking; commenting and agreeing with an explanation or analysis for a while; or sharing a short example from another context that seemed relevant. In some situations, I would be the one rambling on about an element circling around the actual question, continuously elaborating on an issue, sensing the reactions of the interviewee. When the person seemed ready to respond to something that I had touched upon in the vicinity of my actual intent, I would finish off with a question, having then inducted a couple of elements that I would like to hear some reactions to. At

other times, I would plainly just imply elements of the answer in the questions, as one conversation with one of the donor agencies developed from a small exposé from his side on “weak capacity” in the Government:

*Me: On this background of lack of capacity in the ministry [Ministry of Mineral Resources], how would you say they managed the negotiations with the companies?*

*Him: My brother (while laughing), that is a mystery, I don't know.*

*Me: You don't know, but who knows what goes on?*

*Him: Well, I don't know who knows that, even if people know, they would not like to say things in that way. But you can tell that if now there is another bid to negotiate certain contracts that should just tell you what it is all about. (Thus implying that the contracts were signed on bad terms).*

*Me: But if we look at it objectively, a relatively weak government, lacking institutional capacity, as opposed to a strong company with big lawyers and all this, what are the negotiation terms?*

In this situation, rather than asking what he had meant with lack of capacity as maybe would have also been a relevant question to get more detailed answers to, I felt I needed to take the opportunity to take one step deeper. I needed to accept that there is something called weak and lack of capacity without knowing completely what he had meant, but instead make use of the flow of the conversation, and inducting this as a premise in the negotiation relationship between the companies and the Government.

My strategy is comparable with what Højbjerg (2003) refers to as an ethical practice based on the local conditions. For Højbjerg, this practice should be decided upon with respect to your qualified insight into the locality rather than on principles of “value free, scientific objectivity” (ibid.: 304). Seeking scientific truth, I should maybe have asked about what he meant when describing the government institutions as lacking capacity as there were many other elements that I should maybe have had my interviewees clarify. But this would also have been an obstruction in my strategy to be able to ask about contract awarding and other elements that were part of a secretive realm. Rubow (2003) defends the interview as a methodology in opposition to the traditional fieldwork. She constitutes the interview as a conversation as the conversation appears normal in her context of burial rituals (Rubow 2003: 234-235). Similarly, on the stage of managing the mining sector, the conversation and

meeting in offices is a normal event in which the interviewee remained in a cognitively recognizable situation. In the same way as Rubow experienced, I could recognize in my field that it was difficult to maintain the focus on the “ritual as text, around which there is context, because it is the context that people tell me about” (ibid.: 237, my translation). Equally, I would be listening and talking to people about the context to the management and administration of the mining sector. My project that I was setting out to gather knowledge about was nothing specific but constitutes a sphere of social and political relations that must be reinterpreted and formulated as actual elements that could form the basis for a conversation. If I wanted to know how a donor agency or a consultancy firm experienced the cooperation with a specific office of the Ministry of Mineral Resources, I was not necessarily in a permissible position to ask about this, due to demands of confidentiality on the interviewee, but we could encircle the context in our conversation. As such, in line with Hastrup (2003), I argue that in the practice of generating your material, you need to understand that “method cannot be reduced to neutral techniques, but is closely related to a specific knowledge project and a particular theoretical horizon” (Hastrup 2003: 400, my translation). A point which is resembled in the choices I made, as presented hereunder.

I did not expect many people to be willing to tell me much about the actual decisions and what in the end made the Government sign off to these agreements. This assumption rested on the high level of confidentiality and secrecy engulfing the minerals sector. How could I get to people positioned in places where they would have information about this, and how could I ensure that what they told me was in fact true? I needed a methodology that would grant me access to formal institutions but once inside, I would need to shy away from formalities and maybe provoke people to speak about issues that they would not normally want to comment on. As introduced above, Højbjerg (2003) addresses the scientific ethical dilemma that anthropologists can be met with when necessarily engaging in interpersonal relations and the secrecy that often becomes a constituent of that relationship on one side, and on the other, the retaining of such secrets might be a predicament for the production of knowledge. Rather than providing your answers to overcome the dilemma before it is experienced, he promotes an approach to deal with issues of secrecy as it is used and defined locally. At this stage you are in a position to estimate the “demand on ethical responsibility in anthropological methodology” relevant (Højbjerg 2003: 298-299, 301, my translation).

## Limitations

Before setting off to the ethnographic material, it is necessary to promote one last element with regards to the limitations of this study. As with any study, only certain themes can be uncovered; and I have already described how the perspectives of civil society organisations and mining companies have not been included, despite that they are actors on the same stage of managing the mining sector. However, the minerals extraction sector is a complex web of interrelations and discourses including local communities, economic growth discussions, international campaigns for transparency and justice, donor agency agendas for good governance, corporate social responsibility, and much more. My limitations are from an initial standpoint marked up by looking at a policy process and the actors who are part of this play, guided by my central research questions. This does however not at first limit me from asking about, for instance, the consequences for miners, local communities and the environment, implementation of companies' corporate social responsibility (see eg. Rajak 2010), and the so-called *down-streaming*<sup>4</sup> effect, etc. Also in particular, and perhaps by tradition, the local community perspective has received the attention of anthropological studies (ibid.; cf. Di Muzio 2010). Nevertheless, the central focus is on the relationship between the government institutions and the donor agencies, and in which way global development agendas are inflicting on this relationship in the management of the mining sector. Hence, the next chapter will lead us onto the global policy track that I promote resemble the scale making project of governance and transparency which is sought promoted in the mining sector in Sierra Leone.

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<sup>4</sup> Referring to further investments from mineral resource extraction, e.g. oil refineries or iron smelters.

## Chapter 2: Global Scale of Policy and Processes

This chapter will outline a number of processes that are contextually relevant for the mining sector in Sierra Leone. I argue that these global development policies or agendas form the background for many of the specific interventions in Sierra Leone. Hence, the central commonality among these global policies outline what I will refer to as the scale making projects that we can identify in Sierra Leone and analyse their local implications. The notions of governance, transparency, and strengthening capacity of developing countries is that scale making project that is evident in these global development policies. Firstly, I will provide an overview of the relevant donor agencies in Sierra Leone to provide for an overview upon which we can hinge these policies.

### Donor agencies

Donor agency has already been introduced as a terminology used herein, and it will be fair to specify this category to ensure full understanding. The influential donor agencies are for this study limited to those who I would not categorize as NGOs, despite that in other circumstances, indeed some international NGOs would have more similarity with exactly a donor agency rather than a civil society organisation. The donor agencies are institutions that are bilateral development aid departments of governments in donor countries, such as UK Aid/DfID and GIZ<sup>5</sup>, the British and German government agencies, respectively. Similarly, the European Union has a representative and functions as funders of various programmes. All have local offices in the capital, Freetown. Other institutions in this category are the United Nations (UN) organs where UNDP (United National Development Program) is the most important one for this case, as well as the international financial institutions (IFI), such as the World Bank (WB) and International Monetary Fund (IMF). I find it relevant to establish such a category as they are funders and lenders of money and aid to the Government of Sierra Leone, but are different than for instance NGOs in their ability to be publicly vocal about their discontent with the Government of Sierra Leone (GOSL). This is a commonality among,

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<sup>5</sup> Both institutions recently changed names, from DFID to UK Aid, and from GTZ to GIZ. I will however use DfID for this study as their name change has not yet had resonance in Sierra Leone.

for instance, DfID and GIZ, who are to some extent bound by their governments in home countries (Interviews in Freetown, May 2011). Civil society organisations are thus considered, for this thesis, to comprise of local organisations involved with mineral extraction, and the international NGOs that are part of this sector, are mainly siding with these civil society organisations. The distinction is commonly used (see eg. Bourgouin 2011; Doornbos 2003) and donor agencies resemble also that of Reno's (1995) labelling donors as *creditors* (see below), enhancing the economic conditions of their relationship with the government which is indeed often relevant to keep in mind. This division into donors and NGOs is relevant for the mining sector in Sierra Leone; however it may not be relevant for the mining sector in another country, or for another sector in Sierra Leone.

### **Policy tracks: financing, governance and transparency**

In 2002, the UN hosted a conference on Financing for Development (FfD), referred to as the Monterrey Consensus. It was followed up in 2009 by another conference and report referred to as the Doha Declaration (UN International Conference on Financing for Development 2002 and 2008). The FfD track outlines a number of areas (and views on) where developing countries should seek to generate income and revenue in order to finance development programmes themselves. It discusses domestic revenues, international (private) investments, trade, debt issues, and some other aspects not needed to elaborate further. One change from Monterrey 2002 to Doha 2009 is an increased focus on tax and tax reforms and a mentioning of capital flight which I will return to towards the end of this thesis. However, the central point here is that taxation and levying your own money as a country, is through this UN track recognised as an important element to sustain your own development (ibid. 2008: 8-10). A similar focus of mobilising your own resources can also be seen in policy developments in the Organisation for Economic Cooperation and Development and the African Development Bank in e.g. their 2010 African Economic Outlook (OECD & AFDB 2010), as well as in the EU (European Parliament 2010; European Commission 2010). I am arguing that this process has had an effect on how some of the actors in the mining sector intervene, seen in their approach to sustain the capability of the government to tax and generate earnings from the mining activities.

The FfD track was initiated whilst the World Bank Group<sup>6</sup> began focusing on some changes for the mineral extraction sector globally, with a view on how developing countries were failing to benefit. The Extractive Industries Review (EIR) report from 2003 provided a number of recommendations that would hopefully improve the governance and institutional change of the mining sector (governments and companies), the conditions for local communities and poor people, and a number of other appealing recommendations concerning the environment and transparency (Campbell 2009: 6-10). The more specific recommendations are clearly parallel to the World Bank intervention in Sierra Leone, and visibly the EIR have outlined much of this more recent work in Sierra Leone (World Bank 2009: 11; World Bank 2011: 2; Interview in Freetown, May 2011).

Whether parallel or inspired by, the Extractives Industry Transparency Initiative<sup>7</sup> (EITI) clearly has a direct influence on the management of the mineral extraction, as the Sierra Leonean Government is a “candidate” country seeking to become “compliant”. Meaning that the sector represented by both companies and the government live up to certain requirements mainly concerned with making public the amounts of tax and duties that have been paid (EITI web site 2011; Ministry of Mineral Resources interview in Freetown, May 2011; Verdi Consulting 2010). Despite its voluntary nature, the EITI seems quite renowned and is widely used and referred to, globally. The Ministry of Mineral Resources (MMR) has an assigned senior level official to be part of this, as well as the so-called multi-stakeholder group, which is the implementing organ in Sierra Leone, is led by the President’s office (MMR interview in Freetown, May 2011). Despite that Sierra Leone barely passed the first round of assessment (ibid.), the EITI seems to only pull in the direction of transparent management, as the revenue figures necessarily becomes public. However, the first report from 2010 only included numbers for 2006 and 2007 (Verdi Consulting 2010) which I would argue is a showing delay.

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<sup>6</sup> The World Bank Group is the gathering of four institutions under the World Bank: International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), and Multilateral Investment Guarantee Agency (MIGA). The latter quite possibly has influence on investor attraction in Sierra Leone, and thus wield some influence on the mining sector, but it is difficult to confirm exactly which.

<sup>7</sup> EITI was officially launched in 2002 with the British government being the main proponent, and has later been endorsed by a range of mineral resource producing countries and companies. The main element is to disclose and compare companies’ payments and governments’ receipts of payment from mineral resource production (EITI web site 2011).

Both because there is yet a lack of automatic disclosures of such information in Sierra Leone, but also because it signals that crucial information about the economic benefits to the country are delayed several years which is by all means an evidence of limited resources and capacity in the government institutions.

The EITI and EIR are clearly global policies and agendas that are influencing the management of the mining sector in Sierra Leone, whereas the FfD more functions as a reference point for a view to how the country can generate its own revenues. This can be seen for instance in the current establishment of a Wealth Creation Team in the local representation of the British Government's development agency, DfID, who will be assisting the Government of Sierra Leone and the Ministry of Finance on issues of macroeconomic aspects and private investments. More centrally in the DfID structure, the conceptualisation of resource mobilisation and taxation are coined in a study that provides various policy lessons for intervention in the different countries where DfID operate (DiJohn 2010: 25-27). The FfD idea is also evident in the UNDP's regional scheme for intervention in the mining sector which is directed towards ensuring that investments in West Africa are ensuring benefits for the host country (UNDP 2008a and 2008b).

I thus argue that these three policy pillars of financing, governance and transparency, and the inhibited possibilities of intervention, either directly with the involvement of the Government as with the EITI, or through the work of a donor agency, constitute a central part of setting the arena in which the mining management is played out. In other words, this exemplifies a global scale that is locally appropriated which we will look further into below.

The global attention on the extraction of mineral resources is also exemplified through in particular one major discussion of the relationship between mining activities and developing countries' economy: The so-called *resource curse*. Often during interviews with representatives of government and donor agencies, the resource curse was referred to in an explanation of the current situation. An interviewee in the Ministry of Mineral Resources interrupted me on my first question to explain me the "background": "You know from 1930 we have had diamonds and minerals mined in the country, and the result has been a resource curse" (MMR representative, May 2011). The resource curse deserves some attention in relation to the scope of this thesis. Not so much for its theoretical applicabilities but more for its discursive influence on most actors.

## The resource curse

The resource curse narrative was maybe once an academic theory promoted by well-established economists based on (economic) empirical evidence (Collier 2007: 2; Robinson et al. 2006: 447-451; McGuirk 2010: 4-5), but can be seen as having become more of an NGO, donor agency, and even government explanation to why a country like Sierra Leone has not benefitted financially and developmentally from its rich mineral resource base (MMR interviews in Freetown, May 2011; NACE 2009; Open Society Institute of Southern Africa et al.; Oxfam America et al. 2010; World Bank 2009: 2; UNDP 2008b: 15). My proposition is that the resource curse is a theoretical label that has been easily endorsed if not taken over from academic theory by the many actors and interests, and should rather be understood as a discourse in the mineral resource extraction sphere rather than an analytical lens, cf. the attraction to buzzwords in the development community as previously claimed<sup>8</sup>. As I could observe both from interviews and various documents from the donor agencies, the resource curse was mentioned without much further explanation.

The basics of the resource curse theory argues that instead of experiencing the potentials of mineral resources as would be the normal procedure in economic theory, Sierra Leone as the ‘developing’, ‘post-colonial’, ‘war-ridden’, ‘recovering’, ‘neo-patrimonial’ state that it is, the country is rather experiencing exploitation from international companies coupled with ‘weak capacity’ in the government institutions. Besides, they are facing harsh ‘corruption’ (my quotations, cf. Ferguson 2006: 1-23; Collier 2007: 2; Robinson et al. 2006: 447-451; McGuirk 2010: 4-5). This is the cynical short version of the resource curse. In accordance with Weszkalnys and Di Muzio, “the role of anthropologists is not to provide social justifications for economic models gone wrong” (Di Muzio 2010: 94; Waszkelnys 2010: 87-88) but rather to provide insights into local “experiences of resource exploitation” and “problematize the idea of ‘the resource curse’ by considering the specificity of the local environment and how locals understand the relationship between resources and development” (Di Muzio 2010: 94). Hence it is not my aim to debate any rightful appropriation the resource

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<sup>8</sup> This may not be counterproductive to the intent of the theorists; rather it could very likely have been the intent of the economic megastars such as Paul Collier and Jeffrey Sachs to position the resource curse agenda well inside the World Bank and the IMF (cf. Weszkalnys 2010: 87; cf. Robinson et al 2006: 451; cf. McGuirk 2010: 4-5)

course theory might have in many situations and in Sierra Leone, but rather argue that the high amount of literature to be found can be understood as a condition for numerous policy interventions from various institutions, and as such, a discourse that has functioned for the agitation and advocacy for reactions in the development community to counter problems of the mineral extraction in developing countries. The resource curse is then not only an explanation, but also the point of departure for intervention from, for instance UNDP, World Bank, and not least the fluid category of civil society organisations. The word pun and devilish reference seems attractive to use if you wish to achieve reaction, and in practice, the curse seems right if you wish to agitate for change in the mining sector.

The resource curse narrative thus constitutes one connection between the mining industry, as a hard industry with national and international economic importance, and development agenda issues, as the curse draws in notions of governance and lost opportunities for home-grown financing for development projects. In Sierra Leone and elsewhere (Open Society et al. 2009: ix), the resource curse is a global discourse and reference point that justifies the international institutional interventions and policy pressure on governments and companies. Despite that the resource curse here is presented more as a rhetorical notion, it is not an attempt to diminish the economic consequences for many African countries and the causes which have produced the conceptualisation of the resource curse. On the contrary, the economic situation that mining activities are creating in many African countries and in Sierra Leone is a shaping and motivational factor for this thesis. The rhetorics of the curse has a real consequence represented in the form of interventions from development actors. In our case of the processes of managing the mining sector, we must thus understand how the resource curse, as another scale making concept, functions as a good reason for doing something, because Sierra Leone is cursed.

## **Mining is development**

Sierra Leone is economically in very difficult situation. Their dependence on donor aid is high with 43 percent of the government budget in 2007 being supported by international aid (Eurodad and CGG 2008: 7). The Gross Domestic Product (GDP) per capita is still extremely low, \$ 391 in 2008, although the country is experiencing a real GDP growth of 4-5 percent

these years (Statistics Sierra Leone 2010c: 2). The horrific figures of life expectancy and child mortality and the placing of Sierra Leone close to the bottom on the Human Development Index in recent years (Government of the Republic of Sierra Leone 2008: 37) is often also seen presented to describe the development status of Sierra Leone. These figures position Sierra Leone as financially weak and in dire need of money to improve on a range of development issues. The figures are in many instances comparable to a range of developing countries, and summarized, such figures provide the basis for mentioned global policies and documents to be formulated in the first place as well as the ascription of the resource curse. But these figures for Sierra Leone specifically are also highlighted as they thus also make such policies relevant for intervention from, for instance, the World Bank, the UN and bilateral development agencies – the donors.

The resource curse can be understood as defining one connection of mining and *development*, as the extraction of mineral resources is linked to counter-progress, to bad or worsened economic conditions, to governments not living up to their responsibility. My argument here is that the resource curse, along with such international policy tracks as the above mentioned are important rhetorical props on the stage of managing the mining sector in Sierra Leone. The ideals and notions that lie behind the resource curse, the EIR, FfD and EITI, and more could be added, are constitutional to the relationship between the donor agencies and the Government of Sierra Leone. It results in a combination of numerous agendas of development with industrial mining policy; a cocktail that only increases the political attention and tension. As one representative of a donor agency said to me, not unlike others: “I need to be a little careful what I say, since some of it is a bit sensitive”. Another exclaimed “only [the head of the organisation] can make statements about this [mining issues], because it is political”. The political nature that causes such sensitivity is contrary to the ideals of transparency which these same actors are seeking to introduce. This evidences some of the frictions of the relationship between policy and practice to which we will return.

The linkages between development and mining thus constitutes the mining sector as an entrance to understanding the arena of donor-government cooperation and as a window to observe the functions and practices of this relationship. It also necessitates that we investigate whether this has a relevancy based in perceptions and experience in Sierra Leone. Mining is internationally and in donor circles accepted as a development issue, including the government offices who, without too much exaggeration, are part of the donor circles and the

rhetorics and discourse of development. I will subsequently seek out some relevant historical trajectories that exemplify how mining historically has been linked to the economy and livelihood improvements of Sierra Leone.

## Chapter 3: Sierra Leone as a Shadow State

William Reno in his *Corruption and State Politics in Sierra Leone* (1995) provides a historic account and analysis of the relationship between the state power and the private sector which also identifies the mining sector as the most crucial sector for understanding the governing of Sierra Leone. In his analysis, he argues that since diamonds were first discovered in Kono district in the Eastern region in the 1920s, the mining sector has fed off a channel of money, both officially but noteworthy, also informally. Leaders of the country have provided the possibility “to supplement loyal followers’ incomes with informal market opportunities, selling exemptions to others, and struggling to prevent rivals’ access to informal markets” (ibid.: 15). Informal markets and trades are present in many sectors of the Sierra Leone economy, but in particular the mining sector has contributed to the establishing of such patrimonial networks for the different governments over time (Reno 1995: 4; cf. Richards 2002: 34-37). Reno develops an analytical lens based on his studies of the Sierra Leone state which he concentrates in his term, the “Shadow State” (consistently written with capital letters).

*“The survival of this Shadow State founded upon informal, private control of exchange, alongside internal economic crises and international pressures for reform, indicates that the post-colonial institutional state is no longer the principal authority that many have assumed it to be since the independence of Sierra Leone, or Africa generally”* (Reno 1995: 3, 1-2).

His argument is that if we have to understand the function of a state like Sierra Leone, it is necessary to include the practices and politics of the Shadow State as a premise. As much as his Shadow State at times can seem more imposed upon the historic developments rather than empirically founded in different events in time, his analysis is useful to understand the role of the mining sector in the political economy of Sierra Leone throughout the entire period when minerals have been known to exist in the soil. Provoked by his statement of what is the principal authority, we can test if he is still correct in proclaiming a Shadow State functioning of the governance of Sierra Leone.

## **Foundations and developments of the Shadow State**

At the time of the diamond find in 1927 (Reno 1995: 46-47), the British colonial rulers had already developed a strong allegiance with the local chiefs across the country, and made a high amount of treaties to maintain some control and peace of the hinterland and “extend British Authority” (Reno 1995: 31-35). As a result, chief power and authority increased, as well as they sought to entrench “their clan’s power” leading to, for instance, the official British accept of forced labour in the command of the chiefs (ibid.: 35, 37). Reno argues that the colonial rulers could through the support to incumbent clans avoid dealing with local disputes, but the challenge developed to be a “growing gap between legal limits on chief’s powers and the actual exercise of power” (ibid.: 40). As these “partners in accommodation” (colonial rulers and chiefs) became “caught between two vision of colonial rule”, we can establish one main foundation for the Shadow State as “[c]olonial officials and chiefs both participated in building a parallel authority that was separate from, but still dependent upon the formal structure of the colonial state” (ibid.).

The allegiance was challenged at the find of diamonds as these potentially could become the largest source of revenue for the colony. The colonial Freetown rulers provided European companies a monopoly on the exploitation of diamonds, and chiefs were barred from generating earnings. The dissatisfaction this setup produced, resulted in the chiefs being compensated with becoming awarded numerous legal titles and powers over health and education issues, and importantly, also land and settlement regulations. However, the colonial rulers had no intention of including chiefs or Sierra Leoneans in general in the management or earnings from mineral exploitation (ibid.: 46-47). The economic opportunities from being included in the diamond trade however eventually caused the chiefs to permit “strangers” to settle in the rich diamond areas of Kono, providing them with the opportunity to begin illicit diamond exploitation. These “strangers” provided an alternative source of income for the chiefs as they were wealthier Freetown citizens, or Lebanese settlers who had begun immigrating a few decades earlier. The Lebanese and their fellow “strangers” were “increasingly squeezed out of legitimate trade by colonial policies”, but found new opportunities in an allegiance with the chiefs in Kono (ibid.: 49-51). The colonial ruler’s attempts to prevent the chiefs from making these illicit deals did not have the desired effect. Instead, Reno argues; the chiefs played a key position in the control of the hinterland and

their allegiance was a premise for the colonial rulers to govern all of Sierra Leone, and as they became “uninvited economic intermediaries in the diamond industry” (ibid.: 53-54), this enabled the chiefs to function in a dual statist capacity with legal accommodation to award land and manage settlement, all the while providing land to illicit diamond exploiters, reproducing parallel shadow and non-shadow functions (ibid.: 56, 62).

By the mid-50s, the colonial rulers sought new mechanisms to combat the illicit mining, by inviting and allowing illicit miners to mine legally outside the state-run SLST lease (Sierra Leone Selection Trust), and thus providing the opportunity for the illicit miners to invest their illegal earnings in new mining projects. The chiefs in Kono were given the right to approve licenses and collect surface rent and were thus placed in a more formally accepted role as intermediaries (ibid.: 62-63).

Whereas Reno seems to maintain a division between the shadow and the non-shadow, I would argue that this is an example of political practice existing in a dialogue with both the formal and informal structures of economy and political power. This is yet again exemplified in the response to the challenge of discontent from the general population, and particularly in Kono: that the economic benefits from mining were not experienced by the citizens (ibid.: 47, 51, 53, 60-62, 65). The mining industry had become an extremely important sector providing 65 percent of state revenues in 1951 (ibid.: 60), and Freetown colonial rulers were now compelled “to provide politically visible development projects” for which they could take credit to assuage the local grievances. Once again the chiefs were placed in a position of “local agents for policy implementation”, as they were given the role to implement the development projects (ibid.: 65).

Eventually, the long-lasting special accommodations for the chiefs generated a reaction. After independence in 1961, with Sierra Leone Peoples Party (SLPP) in power, the All Peoples Congress (APC) revolted and promoted a more egalitarian ideology “with no special powers for chiefs” (ibid.: 71-72, 78). However, the APC, led by Siaka Stevens (who would eventually assume the presidency in 1968 after a coup and counter-coup during 1967), needed to base their political and economic power on some form of organisation. The Lebanese “strangers” who were now mining both legally and illegally, could provide this organisation in the shape of economic resources and the social organisation of illicit miners: “The special position that wealthy strangers occupied in Kono’s diamond industry became

the cornerstone of the APC's political organizing strategy" (ibid.: 72). Reno thus analyses the Stevens rule to be constituted on the basis of the informal diamond networks, and here through the Shadow State is re-constituted on the "social foundation of colonial rule" (ibid.: 78), but with a new key actor to manage the revenue generating industry: the Lebanese in close alliance with President Stevens. Further, Stevens also withdrew the right to grant mining licenses from the chiefs (ibid.: 81). The Lebanese license holders who controlled a work force and a large sum of money were, despite this, not threatening as a political elite as they were non-citizens and not eligible to vote nor run for political positions (ibid.: 74).

Stevens however did not succeed in controlling all the revenues streams away from his (Sierra Leonean) political rivals and his extend of power was challenged by local Kono chieftancy disputes (ibid.: 79-88). In the late 1960s, Stevens attempted a partial nationalisation of the diamond exploitation into NMDC (National Mining Development Company) with the European owned SLTS retaining 49 percent of NMDC. But the result was an immense drop in official production, while illicit diamond production grew (ibid.: 84-85, 95). It was thus necessary to also control the illicit mining leading to positive discrimination towards the Lebanese that was practised when the Ministry of Mines were issuing licenses. Stevens had to maintain control of both the formal and informal mining production in order to secure revenue and access to financial resources (see also Gberie 2002: 2). Reno proclaims revenue and financing as a continuous main weakness for governments in Sierra Leone, also relevant for Stevens' predecessor of SLPP and for the British colonial rulers (Reno 1995: 89, 101, 103). A crucial element that did however come partly as a result of the nationalised mining company, and partly through Stevens' ability to install some chiefs in Kono, was the strengthening of the chief's power (keeping in mind that countering chief's power was a main political objective in the formation of the APC). Chiefs became managers in NMDC and suddenly enjoyed the funds from mining; meaning that they now had an incentive to control both formal and informal mining, the latter also strengthening chief's relationship with the Lebanese once again (ibid.: 95). Stevens' network seemed complete and he enjoyed friendship with both a high amount of chiefs who secured political stability and the Lebanese moneymen who secured financial resources.

## Dual logics of governance

Several other authors propose a similar analysis of the elites having ransacked the economic resources. Fanthorpe writes: “Successive political elites plundered the nation’s assets, including its mineral riches, at the expense of the national good” (Fanthorpe 2005: 29). Bøås is a proponent for the view of the state as governed by a dual logic; a coinciding patrimonial and bureaucratic logic where the norms of both systems are accepted (Bøås 2001: 700). The acceptance of both system norms I find crucial to also include and keep in mind while applying Reno’s Shadow State. Bøås is in concurrence with the Shadow State but the Shadow State can be critically assessed as being formulated on the basis of a norm of governance based on Western notions of sound governments and governance (ibid. 698). Much alike James Ferguson whose contention is the general lack of awareness towards the functions of African governments and governance. Political thinkers seem to have excluded the African continent as a case arguing that Africa is an “inconvenience” for political thinking and even globalization theorists (Ferguson 2006: 25-27).

Returning to Sierra Leone, the conflict of two norm systems can be exemplified in Bøås’s analysis of the consequences of the IMF and World Bank policies during the years of mineral economy decline in the 1980s. The two financial institutions and creditors increased their pressure on President Stevens as they were not satisfied with his “approach to structural adjustment” (Bøås 2001: 708). Some levels of bureaucracy was cut away as a result of the pressure, “but the hidden state was left untouched”, Bøås argues (ibid.); the hidden state being comparable to the Shadow State. It led to an increase of the informal diamond production stimulating the “patrimonial logic because it depends on quiet deals, *ad hoc* license arrangements and political protection from the ‘big men’”, also resulting in increased smuggling across the borders (ibid.). Reno’s similar analysis is that: “Ironically, creditor demands caused Stevens to intensify his dependence on Lebanese dealers in order to attract creditor support while at the same time weathering their demands”(Reno 1995: 129, 140-141, 152-153). The irony here is that the IMF and World Bank forced the Government to counter the bureaucracy which they viewed as a failure in an attempt to manage the economy. But a more persistent cause for inability to bureaucratically manage the economy existed in the illegal, parallel state economy of alluvial diamond mining (Bøås 2001: 708). This was controlled by the Lebanese alongside an alternative Lebanese banking system functioning in

the outskirts of banking “industry norms”; but well functioning in providing credits and money transfer opportunities for diamond dealers and exporters (Reno 1995: 132). Estimates are that in the mid 1980s, 70 percent of export were channelled out non-formally, consequently robbing the state economy for earnings on these resources (ibid.: 151).

## **Intensification of international interference**

When Momoh took over the presidency from Stevens in 1985 he did manage to conduct economic reforms that generated IMF support which attracted foreign investments to replace the Lebanese monopoly and counter the informal economy (Reno 1995: 154-156). Broadening the perspective for a short period, Campbell provides an analysis that links the existing rich mineral resource base widespread over Africa to former infamous global governance policies; the structural adjustment programmes (SAP) and economic reforms that was imposed during the 1980s and 1990s by the IMF and the World Bank. These methods did not bring prosperity and wealth nor constituted a sound and revenue generating mineral extraction sector (Campbell 2009: 1-2). Ferguson expands on the economic consequences and proclaims:

*“Instead of economic recovery, the structural-adjustment era has seen the lowest rates of economic growth ever recorded in Africa (actually negative, in many cases), along with increasing inequality and marginalization”* (Ferguson 2006: 11).

Reno concurs with Campbell on the specific case of Sierra Leone where the IMF in the preceding years before the civil war put pressure on then President Momoh to agree to their terms of more foreign mining investments to replace many smaller mainly Lebanese miners. But where Momoh could promote such reforms to attack his political rivals and “unruly Lebanese businessmen”, the IMF explained this as an economic reform with the reasoning that if the state was unable to reform, “the most efficient solution was to replace the defective state with reliable subcontractors” (Reno 1995: 156, 166). Reno’s analysis is thus that, although Momoh and IMF agreed on the methods, their understanding of the situation differed. Momoh acted on a basis of internal political struggle to counter an ongoing informal economy that was present in his inherited Shadow State, whereas the IMF acted based on their conviction to universally implement economic reforms (ibid.: 156; Campbell 2009: 2).

The actual consequences were however that Momoh's political rivals retaliated and staged a coup which however failed. Also, Momoh's ties with his new major political ally and investor in the diamond industry, Israeli LIAT, were cut when the head of the firm was arrested for forgery in the USA. These events caused an immediate drop in exports and thus foreign credit. Local businessmen had to return to the informal market for credit to continue business, and as Sierra Leone could not pay arrears to the IMF, the informal market was again the driving factor of the economy. Eventually both the IMF and the World Bank blocked their distribution of loans (Reno 1995: 160). The mechanisms to control revenues from mining activities had not functioned as intended.

Summing up, the Shadow State and the dual logic of governance has thus been integrated with the mining sector since diamonds were first discovered. The country has been exemplary in making special arrangements of legal and illegal nature to generate money for political patrimonial networks, through the allegiance with certain moneymen. The issue of license awarding seems to have been particularly ruled by ad hoc solutions with short term political motives. Towards the end of the thesis, we can compare these conditions with current affairs of mining management.

## **Civil war consequences**

The civil war (1991-2002) cannot be left unnoticed as mining of particular diamonds became a conflicted subject during the war. However, I will not dwell long with this, but find it relevant to mention for the scope of this thesis that the civil war has brought on discussion of maintaining security and stability.

David Keen (2005) provides an in-depth account of the complicated affairs of the civil war which causes can be debated into eternity. Noteworthy however, in relation to mining activities, are that the areas where diamonds can be found were highly affected and constantly disputed over throughout the war: Rebels took control, Government troops sought to regain control, and South African mercenaries hired by the Government bartered the control of the diamond areas in return for their military services (Keen 2005: 116, 141-151). One direct consequence that can be attributed partly to the civil war in Sierra Leone is the

initiation of the Kimberley Process Certification Scheme that certifies that diamonds are not produced in a conflict zone as was often the case during the civil war in Sierra Leone (Kimberley Process web site 2011; Gberie 2002: 9).

However, for this thesis, the main consequence of the war is the high focus on stability and security this caused, and which caused numerous both NGOs and donor agencies to intervene with various programmes to demobilize and demilitarise, the so-called DDR programmes (Disarmament, Demobilisation & Reintegration) (Coulter 2005: 2-6; Keen 2005: 203). When discussing with donor agency representatives in Freetown, several mentioned the “stability and security” reasons for also intervening in the mining sector management in the tail of violent clashes in front of a mining company in 2007. But the stability and security deserves to be mentioned as a possible result of the civil war and the development interventions this generated.

Having thus provided some relevant historical trajectories of the mining sector, we turn to the more recent events and actors based on my observations and interviews in Freetown among ministry officials, government institutions, donor agencies, and attempts to speak to mining companies.

## **Chapter 4: Current Actors and Processes**

I previously suggested the imagery of seeing the mining management in Sierra Leone as a stage on which certain actors are playing out interests and influences. For this thesis, the focus is on the donor agencies and some of the government institutions. For a more exhausted list of actors, I refer to the annexed overview. The actors are generally understood as organisation and institution entities, and should not be understood as individuals. A committee to review mineral rights is thus an actor as well as UNDP, and an external consultancy agency. Firstly, I will briefly outline some basic information concerning the mining sector.

### **Mining sector credentials**

The most important natural resources finds that have been registered in Sierra Leone are diamonds, gold, rutile, bauxite, and iron ore (Ministry of Mineral Resources website 2011). The two companies, London Mining Plc. and African Minerals Ltd. who signed agreements with the Government of Sierra Leone in 2010 are both mining iron ore. Further, off shore oil has been found and rumours say that African Minerals Ltd. has plans of drilling for the oil.

The Mines and Minerals Act of 2009 (MMA 2009) defines a division between the various types of mining licenses you can obtain, mentioning artisanal, small-scale and large-scale mining. The two contracts discussed in this thesis are both large-scale iron ore mining licenses. The differences between the three types are mainly defined by the geographical coverage, ownership composition, and importantly, where large scale is highly capital intensive and requires technical experts (meaning expatriates), the artisanal mining is done by unskilled diggers looking for diamonds and gold (Government of Sierra Leone 2010: 63-95).

The MMA 2009 does not mention the tax regime for the mining companies as this is specified in the Income Tax Act 2000, but the MMA is the law that provides the figures for royalties and financial contributions to local communities. Disturbingly however, with a serious printing mistake writing “one percent of one percent of the gross revenue amount” as a contribution to “community development agreement” (ibid.: 107). It was confirmed to me already in 2010 by the Director of Mines (Ministry of Mineral Resources) that it should be 1

percent, and not 0,01 percent which is the consequence of the printing mistake (Government of Sierra Leone 2010: 107; Meeting with Director of Mines, May 2010). However, the community and local development elements of mining I have deliberately left out of my analysis to give room for a focus on the macroeconomic and policy process elements.

I will in the following attempt to provide a simplified overview of the various actors taking part in the play called managing the mining sector, based upon my interviews and documents that exist among these actors.

## **Actors, projects and relationships**

### ***Initial government response***

The new Mines and Minerals Act 2009 was predated by a number of processes where there were opportunities for being heard, at least for those who were asked. President Kabbah (SLPP)<sup>9</sup> had in 2004 commissioned a Law Reform Commission to review old legislation. President Koroma (APC) commissioned in 2008 a Presidential Task Force for the Review of the Mineral Rights whose job was to gather so-called stakeholder interests, which would include mining companies, mine workers, affected communities and civil society groups (some with international linkages and support), and also to review the old agreements.

### ***International intervention***

DfID provided funding around 2007 for an external consulting firm, Adam Smith International, to actually do the writing of the MMA 2009. This work included the cooperation with particularly two ministries, Ministry of Mines and Minerals (then also Ministry of Political Affairs), and the Ministry of Finance. The work of the Law Reform Commission and the Presidential Task Force, I would assume<sup>10</sup>, was also included in the formulation of the MMA 2009. Before new legislation is sent to the Parliament for ratification, it is sent back and forth between the Law officers of the Parliament, and the ministry in charge, here the Ministry of Mineral Resources.

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<sup>9</sup> SLPP (Sierra Leone Peoples Party) and APC (All Peoples Congress) are the two main parties.

<sup>10</sup> Adam Smith International has not yet replied on this question to me. The representative I spoke to in Freetown was new in the office and did not know the details of these years.

The World Bank has historically been a major player in the management of the mining sector as previously highlighted. The more recent work is comprised mainly of funding directly to the Ministry of Mineral Resources in a capacity building and technical assistance project, initially on 4 million US dollars (MTAP<sup>11</sup>) but which they increased to 8, as well as DfID added another 4 million US dollars (EITAP) (World Bank 2009; World Bank 2011). The project appraisals provide basic information of the background and motivation for the World Bank to work in this area, and does mention the lessons learned from the previously mentioned EIR report (World Bank 2009: 12). The appraisals also categorise the donor agencies' involvement in the mining sector into different thematic areas which the list of actors annexed will show. The main objective of this project is to increase the capacity of the Ministry of Mineral Resources through regulatory frameworks and by adaptation of good governance and transparency principles (*ibid.*).

Parallel to this support, Adam Smith International (ASI) is still around in the Ministry of Mineral Resources where they are currently working on the guidelines for a National Minerals Agency. This agency is planned to alleviate the actual day to day management of the mining activities from the ministry, such as issuing licenses, monitoring the mines, and eventually maybe also geological survey. ASI already wrote the bill that would establish this agency when they also wrote the Mines and Minerals Act up until 2009, but it was never enacted, which most people I asked adhered to the lack of capacity of the ministry to take on this restructure of the entire ministry. Thus ASI is back, mainly operating for DfID money. (Various interviews in Freetown, May 2011).

UNDP, as another major organisation, have funded the process to review the contracts as part of a regional project they are implementing to address the challenges of foreign investments and the awarding of contracts all over West Africa. Their work consisted of bringing in high profiled lawyers to read the contracts and make suggestions to the Government (Interview in Freetown, May 2011; UNDP 2008b: 1, 7). The lawyers worked together with a special unit of President Koroma's Task Force for the Review of Mineral Rights, dubbed the Negotiating Team. This team consists of about 8 government officials, all members of the Task Force, but

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<sup>11</sup> MTAP and EITAP is essentially the same project with a few changes not so important for this thesis. MTAP stands for Mining Technical Assistance Project, and EITAP for Extractive Industries Technical Assistance Project (World Bank 2009 and 2011)

excluding the people external to government institutions. This Negotiating Team currently constitutes a key nexus for the renegotiation of contracts and hence for improved economic conditions for the Government, as well as a responsibility towards bringing the old contracts up to date with the actual legislation that should have guided the formulation and negotiation of contracts, at least the two in 2010. I will return to their role and responsibility towards my final analysis. Noteworthy, concerning the lawyers that were brought in, it was stressed by several people that these lawyers were only paid for their expenses and not a salary. When I was told this, perhaps inspired by my old and more critical NGO position, I could not help to think that Sierra Leone's economic future rests upon the good will and random charity of a few do-good lawyers.

Sierra Leone and its Government have endorsed the EITI process, and a consultant firm did in 2010 issue the so-called Reconciliation Report which is supposed to lead the country on its way to become EITI compliant (Verdi Consulting 2009). To be compliant represent the idea of a global standard that the country lives up to when it comes to the governance and transparency of the mining sector, and can be understood as receiving an international approval of being transparent in this endeavour (cf. EITI Web site). The EITI has its own board in Sierra Leone chaired by the chief of staff to the president's office (MMR representative in Freetown, May 2011).

Another project to raise the transparency awareness is the presence of another, non-profit, international consultancy firm in the ministry and local government institutions whose work is to ensure that various geological data, such as maps of the mineral deposits and the concessions already issued, are stored and accessible. This information will be combined with information about payments and eventually, it will be possible to see what, which area generated of money for the country (Revenue Development Foundation web site 2011). This idea was brought into action by the UNDP in 2009 but several funders have joined later on (ibid.; interviews in Freetown, May 2011). I put forward that the interest in supporting this concept is more a question of seeing another possibility of pursuing transparency as opposed to keeping up the hopes that the ministry and their Mining Cadastre Office<sup>12</sup> eventually will

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<sup>12</sup> The Mining Cadastre Office is the one publicly available department of the Ministry of Mineral Resources, prescribed in the Mines and Minerals Act. Their job includes e.g. handling license applications and maintaining a register of licenses and concessions (Government of Sierra Leone 2010: 29-31).

provide similar information. Strikingly, in most of the interviews in the Ministry of Mineral Resources, I was referred to speak to this project “if you want information”, as well as a few times when I was referred to speak to Adam Smith International who in their view apparently had a better overview of the different processes and events than people of the ministry.

### ***Civil society influence***

Ongoing, also during the war, various civil society organisations and Sierra Leonean academics have been writing reports and updates about the mining affairs raising the awareness of some of the issues, such as the failings to levy revenues (NACE 2009; Association of Journalists on Mining and Extractives 2010; Partnership Africa Canada 2005), and the relationship between controlling the diamond mining and the civil war (Gberie 2002). Definitely, the continuous awareness has had some influence on the large donor agencies’ motivation to engage and intervene. All donor agencies, and quite a few government officials, mentioned the debates that civil society had raised concerning problems of the management of the mining sector as a contributing factor to why they intervened. But it was not only the research-like work of issuing reports and sending out press releases that influenced the donor agencies. An incident in 2007 with a clash between local citizens and a major mining company resulted in the police shooting two demonstrators dead (cf. e.g. article in local newspaper Awoko 2007). In particular on two agencies, this incident had left a mark. As one representative I spoke to explained; the media debate in 2010 after the signing of contract with London Mining Plc. could potentially lead to violent clashes like those in 2007. Coupled with the agencies’ high focus on “security and stability”, the civil society dissatisfaction had caused, in particular DfID, to re-engage themselves in the mining sector. In fact, they had left in 2009 when their funding of Adam Smith International’s writing of the MMA 2009 was over, but saw good reasons in 2010 to once again engage to ensure continued stability, as well as the potentials of mining being an economic driver.

The civil society critique that followed the signing of the contracts with London Mining Plc. and African Minerals Ltd. can thus be said to have some influence still, although there were no immediate responses from the Government, at which the main critique was directed. Instead, the interests of the civil society to renegotiate and refute the low corporate tax rates among other issues, passed indirectly through the donor agencies and became central points for the intervention of e.g. UNDP and their regional project for contract awarding and the

bringing in of high skilled lawyers to discuss with a government negotiating team. This coupled with the fear that it could lead to violence as was the case in 2007.

Several government officials as well as others were often referring to these violent incidents as instigated by some civil society organisations, which also explains the expressions of disinterest from the Government to face and listen to these organisations. A few times in my moving around the Ministry of Mineral Resources, the general bulk of civil society organisations were referred to as “activists” and “agitators”, and it was understood that this was a negative ascription. On the other hand, more representatives than I assumed from the Government expressed their clear agreement with the civil society critique that was published concerning the two contracts (MMR interviews and other government officials, May 2011).

### ***Ad hoc solutions***

This first overview of processes that have been set in motion by various actors and interrelationships has meant to provide an insight into parts of the complexity on the stage of mining management. What I find crucial to highlight, are, similarly to the years of the Shadow State, how ad hoc solutions to mining management are the product of these various actors’ interventions. When President Koroma was elected in 2007, a key component was to begin a process of reviewing mineral rights, which was also the project for his predecessor from the opposing party. The Koroma Task Force later sees a spring-off when UNDP provides assistance for a Negotiating Team. Further, the projects embarked upon by external firms should ideally be the work of the ministry themselves; but I was witnessing a trend to leave the responsibility to the consultant rather than observing the ministry taking on new capabilities.

### ***Changing trends***

I have attempted to demonstrate some elements of the motivation for donor agencies to become involved in the mining sector and seek to have some influence on the Government of Sierra Leone. Some of these motivations can be rooted in a general global discussions of the resource curse which inhibits a view to governance and transparency and economic benefits for the country in which we find the mineral resources. I am arguing as well that the more concrete policy agendas of the EITI and EIR, and arguably also the FfD, have been

references for their involvement. Campbell argues that the results of globally implemented policy and governance interventions of the IMF and World Bank in the mineral extraction sector were reduced institutional capacity and “driving down norms and standards in areas of critical importance for social and economic development” (Campbell 2009: 1). She thus places mineral extraction in a development discussion, and in particular the World Bank’s policy response is much in line with including a broader view of development rather than simply seeking investments in the sector. Their specific response has been the Extractive Industries Review (EIR). As previously mentioned, the EIR document introduces new perspectives to understand more wholly the sectors of a developing country society, the mining sector exists within. Thus, the EIR promotes considerations to governance, human rights, poverty, environment, transparency, and institutional procedural change when shaping mining policy and legislation, as well as agreements (Campbell 2009: 6-9). I argue that this is an important element in order to contextualise the World Bank’s specific intervention in Sierra Leone with the Ministry of Mineral Resources and the funding they have provided in reshaping the mining sector management in the country. As such, it evidences a trend to include a more comprehensive development perspective when discussing mining industry rather than solely from an economic and governance point of view.

Further, the World Bank then seems to have departed from old ideals of neoliberalism and privatisation agendas and instead promoted and released funds to the Ministry of Mineral Resources rather than cutting budgets for the bureaucracy, as was the policies of the SAPs of the 1980s. Rather, the World Bank have endorsed a more comprehensive approach where mining issues are defined to be interconnected with a number of the conventional development issues, such as human rights, environment protection and local community development. This is evidenced in the EIR, the appraisal document for the project with the MMR, and also by the existence of a small research unit in Sierra Leone with a focus on the communities and environment (WB Interview in Freetown, May 2011; World Bank 2011).

### ***Government ownership or donor driven?***

I have presented a few examples of the Government’s own initiatives, such as committees and commissions to review legislation and agreements, as well as there exists a Core Mineral Policy that has guided the process of changes in the mining sector management until now. The German bilateral donor agency, GIZ, have however proposed that they could update this

policy but are yet waiting for the response from the Government. There is one important dimension of the government policies still to bring forth. The main strategy which guides most developments in Sierra Leone is defined and summarised in the Poverty Reduction Strategy Paper, *An Agenda for Change (PRSP II)*. The latest version was formulated to cover 2008-2012, and discusses mining with the premise of “[e]nhancing the contribution of mining to economic and social development” (Government of Sierra Leone 2008: 137). The PRSP documents are by nature documents to which the donor agencies need to refer, as this represents the overall development strategy of the Sierra Leonean Government (Craig & Porter 2003: 53-54).

The PRSP is arguably a donor driven policy as it is a general condition the World Bank and IMF demand a PRSP from all recipient countries. Craig and Porter argue that “[p]overty reduction strategy papers represents...a primary policy device of international development institutions”, which are initiated by the IMF and World Bank to “describe a country’s ‘macroeconomic, structural and social policies...to promote broad based growth and reduce poverty, as well as associated external financing needs and major sources of financing’” (ibid.: 53; World Bank in Craig & Porter 2003: 53). PRSPs are hence documents that exist in all countries in which the IMF and World Bank are involved. The authors raise the concern that many PRSPs are remarkably similar in their formulations (ibid.: 54). Correspondingly, two similar focuses also stand out from the World Bank’s project appraisals and Sierra Leone’s PRSP II. One is the equal attention to revenue generation from the mining sector which has a “tremendous potential to transform the economic structure of the country (World Bank 2011: 2, cf. Government of the Republic of Sierra Leone 2008: 137-138). The second point of agreement is on the focus on the capacity problems of the government institutions, referred to as “regulatory gaps” (World Bank 2009: i) or if you prefer, the “challenges” in the “regulatory framework” embodied in the Ministry of Mineral Resources (Government of the Republic of Sierra Leone 2008: 139). Considering that issues of revenue generation and weak capacity as two central policy agendas of the World Bank and UNDP, were formulated before the PRSP II, further coupled with the outbursts from both ministry officials and donor agency representatives, it points towards the same direction as Craig and Porter; that the PRSP is primarily a donor driven process. As said by one donor representative, quoted in the introduction, donors have been forcing policies in this sector; another donor representative raised concerns about how the government representatives are using donor terminology, and

a ministry official said to me “the donors felt that we needed to turn to a new page [after the war], and that is what we started to do” (MMR interview in Freetown, May 2011).

If the mining management, can be interpreted as a scene with several actors on stage, and others back stage, what are we then observing? Who is doing what with whom? The web of interrelations is more complicated than can be reiterated here, but my motive has been to present a stage of interrelations where interests and policy directions are combined in an attempt to lead to better economic achievements for Sierra Leone through improving governance and transparency. But who is directing the play?

It is to some extent the World Bank who are the major players providing the largest sum of money. It can also be seen to be the experts from Adam Smith International who have the final word when writing laws. However, the Minister of Mineral Resources is signatory to the mining contracts, and he is said to have made the actual negotiations. But also the President seems quite influential in setting commission and committees in motion. More than a scene of transparent checks and balances, it is rather a stage of inflected actors who are at times working in contradiction to each other, or in contradiction with the motive of transparency and building technical capacity as promoted above with the influx of external consultants.

If the stage is viewed in the perspective of Tsing’s friction we remain focused on the encounters and what they produce rather than what is the goal of one policy or the power of one institution or person. We can look towards the processes and practices rather than the ideals of the policies. Before we venture into this further analysis, I will return to the aspect warned about in the introduction; whether Sierra Leone is actually benefitting anything from mining?

### **A narrative of potentials?**

The agreements that were signed had problems living up to the tax regime that the laws of Sierra Leone prescribe. I set off to also find out if there was in fact any substantial revenue source from mining activities, as the revenue generation was defined among the different actors as a main element for their intervention. Oddly, on this note, none of the donor

agencies or government issued documents had any clear mentioning of the current revenue sources. Only the EITI Reconciliation Report, but their figures were from 2006 and 2007 and did only mention the actual revenue without relating these to the general economy of the country.

Strikingly, in a large number of documents it was the pre-war financial importance of the mining sector that was referred to, presenting these years as the heydays of revenue intake. For instance in the Government's Core Mineral Policy (Ministry of Mineral Resources 2003) it is written: "The importance of the minerals sector to the economy of Sierra Leone is illustrated by the fact that during the 1960's and 1970's it provided the country with over 70% of foreign exchange earnings, 20% of gross domestic product and 15% of fiscal revenue" (2003: 1). The report from a presidential Task Force writes: "Just before the civil war, mining generated an estimated 20% of the country's GDP, and about 20% of fiscal revenues" (Task Force for the Review of Mineral Rights 2009: 8). The World Bank's technical assistance project document seems to agree with the first report with regards to years and percentages (World Bank 2011: 2). All are they documents of crucial importance in the relationship between donors and Government. Interestingly, they are not completely in accordance with each other whether the 60s and 70s were the years worth mentioning as opposed to the years immediately before the war (late 80s<sup>13</sup>); but each are they providing the basis for a narrative of the once benefitting sector, of an era to which we must return. The documents highlight the potentials of the sector to return to these pre-war conditions.

However, what we learn from Reno is that those years were also the heydays of a thriving informal economy with dubious actors in the management being able to channel out earnings from mining activities without contributing substantially to the state treasury. However, I argue that it is not because the authors of the documents are necessarily unaware of these conditions, as can also be seen in their usage of resource curse arguments for intervention, but can be interpreted as the constructing of a *narrative of the potentials*. The mining sector has potentials to be driving the economy and create 'development' in Sierra Leone.

The failure of the contracts to follow the Income Tax Act's provision of corporate taxation on profit, calls into question the degree to which mining activities are actually contributing to the

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<sup>1313</sup> Gberie presents figures that diamond exports had dropped ten-fold in 1988 since 1980 (Gberie 2002: 12).

economy and state treasury. This failure of the contracts was attested and agreed upon by all donor agencies and most people in the Ministry of Mineral Resources. It is also evidenced in the policy responses where the UNDP brought in pro-bono lawyers to assist in renegotiation; the World Bank second project appraisal (EITAP) writes: “the recent mining agreements entered into by the Government of Sierra Leone (GoSL) amplified the need for in-depth technical assistance to build capacity for planning and negotiations of mining agreements” (World Bank 2011: 1). I have also exemplified with how DfID re-entered with funding in the mining sector management, as a response to the failure of the contracts and the risks of this leading to violent clashes.

A centre of attention has been the tax regime that the contracts specify, and indeed, this has the potential of becoming the largest source of revenue. Currently however, it is far from being the largest source. This is due to the companies’ lack of either profit or lack of reporting of profit, or due to the tax holidays<sup>14</sup> already given in previous law regimes. The PRSP II mentions, in a section about improving the domestic revenue mobilisation, in line with the UN track of Financing for Development and policy propositions of the OECD and African Development Bank as mentioned earlier, that “discretionary tax breaks” particularly in the mining sector will be reviewed (Government of the Republic of Sierra Leone 2008: 114). This work is currently grounded in the Negotiating Team comprised of different government officials from President Koroma’s special Task Force for the Review of Mineral Rights.

Taxing the companies is thus expected to become a more central focus in the future to ensure that it is taking place. Currently, there are other sources that are larger contributors such as the royalties paid off of the specific minerals accounting for more than half of the actual intake in 2007 (Verdi Consulting 2010: 20). There are also methods in place for which some revenue can be channelled back into local communities via land surface rent, a percentage of royalty payments, community development funds and local employment as prescribed in the Mines and Minerals Act 2009. These are constantly debated and followed up upon in newspapers and by some civil society organisations (Association of Journalists on Mining and Extractives 2010; NMJD & IBIS 2010). Also among the donor agencies, there are

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<sup>14</sup> Tax holidays are exemptions from paying taxes agreed upon between the two signing parties.

different organisations<sup>15</sup> formulating policies and interventions to follow up, monitor and facilitate the usage of this money as a substitute to the efforts of the Government (World Bank 2009: 5-6).

However, as much as the future might bring more revenue via these instruments set in motion, I found it strange that no one seemed interested in providing current figures, or at least interested in publishing them. But as I moved around the offices and different actors, I could further observe that no one seemed to know the exact figures. Rather, any random figure would be suggested leaving the image that also in this regard, the sector was shadowed by ambiguity and lack of information.

I had earlier attempted to establish the revenue figures during the 2010 outcry from civil society in relation to one of the mining agreements that had been signed. I was asking people involved in these debates exactly how much money the country was actually generating from mining activities. The different bids varied from 0.3 percent of GDP to 15 percent of GDP. The 15 percent of GDP was repeated to me in May 2011 by one representative of the major donor agencies. Does that make it right? Not at all. He was quite off as I can show below. However not as outrageously overestimating as a former Vice-President to Sierra Leone expressed in an interview on a diamond conference in Israel in 2008, where he exclaimed that “diamonds serves as thirty percent of GDP” (VP Sam-Sumana on Youtube 2008). But why this confusion or deliberate production of overestimated revenue figures? Especially since mining revenues comprise a central motive for a large part of the projects and processes in the mining sector management.

### ***Economic figures***

The various bodies that provide some information about the economic benefits seem to deliver numbers on three central ways to understand the economic contribution.

- 1) The contribution to GDP, measured in percentage
- 2) Actual (fiscal) revenue to state treasury and local communities, measured in US dollars or Sierra Leonean Leones

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<sup>15</sup> These are e.g. USAID, JICA and DfID

3) Percentage of mining exports in relation to total export which generates important foreign capital, or foreign exchange, as previously referred to (Task Force for the Review of Mineral Rights 2009: 4-5, 13; World Bank 2009: 1; Government of the Republic of Sierra Leone 2008: 137-140).

Currently, the mining activities in Sierra Leone are not a very large economic contributor to the country in any of the three categories, except for maybe export, but there seems to be a bit of discrepancy to how much this is. The President's Task Force promotes a figure of 5.8 percent of export value in 2006 while the PRSP II writes that it is 80 percent! (Task Force for the Review of Mineral Rights 2009: 13; Government of the Republic of Sierra Leone 2008: 137). The GDP figures seem to be disputed as well, as highlighted above.

What could be established is this: The EITI Reconciliation Report from 2010 that gathers all the amounts including various duties, royalties, license fees, surface rent, taxes from employees, and corporate tax; and compares the figures stated by the Government and by the mining companies. The figures amount to just below 10 million US dollars for 2007 (Verdi Consulting 2010: 7,20,22-25,43). The total revenue in-take has not been expected by Statistics Sierra Leone to increase until 2011 when African Minerals Ltd. and London Mining Plc. are projected to actually start production (Statistics Sierra Leone 2010: 2-3). Rather, there was a slight decrease from 2007 to 2008 based on actual figures from the National Revenue Authority (NRA) due to some suspension of mining activities for two of the large-scale mining companies, but in fact a small increase from 2008 until now (National Revenue Authority 2011b: 1).

The National Revenue Authority had collated an updated overview where the collections of taxes, royalties and license fees and all the different sources for money to be levied to the state, was stated. It amounts to 1.4 percent of GDP in 2010 from mineral extraction. Considering the estimates from Statistics Sierra Leone and NRA's own actual numbers from the preceding years, indicate that this has not been much higher for the past years, and not since the civil war ended in 2002 (Keen 2005: 267; Statistics Sierra Leone 2010 2010d: 1, 5, 8). Thus, the results of my figure quest was: 10 million US dollars in 2007 that has not increased yet. 1.4 percent contribution to GDP in 2010. Figures for export and foreign exchange seemed too unreliable to conclude anything.

### ***Understanding the narrative of the potential***

It is not crucial whether the narrative of the potential is intended or not, but realising it is there and hence understand the context of the emergence of such a narrative. Indeed, as Tsing points out from her context of studying mining investors in Indonesia, “profit must be imagined before it can be extracted; the possibility of economic performance must be conjured like a spirit to draw an audience of potential investors” (Tsing 2000: 118). The potential of the mining sector in Sierra Leone must also be conjured to attract interesting parties. If the mining sector is presented as a failed and failing sector, it is showing bad leadership; an evidence of resembling conditions as the Stevens years and his play on formal and informal economy for his own benefit. If the money is not there, it must be somewhere else. The potentials narrative is also shaping the atmosphere that there is something worth fighting for and keeping the hopes high. Whereas the “economy of appearance” and staging of profits in Tsing’s context is necessary to attract investors from the stock market (ibid.); the staging of the potential economic boom in Sierra Leone from the mining sector aides to smooth, and place hope among, the audience of critical citizens, voters, and confrontational NGOs and civil society organisations. The narrative of the potentials sustains the belief that the mining sector is an important sector, which however the current economic figures dispute substantially.

On the other hand, the potential may become reality. The largest company, African Minerals Ltd., is only in the first phase and their own proclaimed estimates is to pay 1.52 billion US Dollars in the following four years when production really begins (African Minerals Ltd. 2011: i). African Minerals Ltd. proclaims that these payments represent a 24 percent increase to the GDP in 2013 (African Minerals Ltd. 2011: 11). Whether this is a performance of the potentials as well, we must wait and see. However, if also the Negotiating Team succeeds in updating all former mining license agreements (contracts) in relation to the new law regime, this would naturally also lead to increased revenue as it can be expected that tax exemptions will be cancelled and corporate taxation brought up to 30 percent (cf. the PRSP II and the Income Tax Act 2000). As my interview with a person close to these renegotiations evidenced, we can however not refute all concerns concerning the skilfulness of this group to be able to counter the powerful mining companies. Especially the possibility that the companies will be channelling their profits out of the country before declaring profits seemed to be only the preoccupation of few of the Negotiating Team (Interview in Freetown, May

2011) despite its global prevalence. A wide array of think tanks, NGOs and academics are bringing us to the attention to capital flight and illicit transfers within the multinational companies' business setup with offices in places with favourable tax regimes (Vestergaard & Højland 2009; Task Force on Financial Integrity & Economic Development 2009; Action Aid 2010). When I raised this issue to the interviewee, it was commented that in the Negotiating Team, the general attitude was that such a practice of the mining company investors in Sierra Leone was not feared. However, one report that seeks to document the illicit financial flows where tax evasion by companies being the largest component (65 percent), declares that the illicit flows superseded the amount of aid by a ratio of 3.19 in the years 2000-2008 for West and Central Africa ( Global Financial Integrity 2010: 1, 12). For Sierra Leone, the actual amount is estimated to be 53.8 million US dollars in 2008 (ibid.: 36). These estimates are only presented here to indicate that illicitly transferring money out of Sierra Leone is likely to be taking place, and within the realm of the curse, the potential risk perhaps deserves as much attention as the potential economic benefits.

Ferguson narrates how the financial investment in Africa, and in particular the mining sector, “[c]apital is *globe-hopping*, not *globe-covering*” (2006: 37-38), meaning that the investments do not diffuse into the wider society in which they extract minerals; rather it remains a “rich-rich affair” (Obstfeld & Taylor in Ferguson 2006: 34-35), pointing to the fact that already rich investors are able to channel earnings to already rich countries. Akabzaa points out that in Ghana, the much referred to benefit from foreign exchange was in fact not as benefitting as promoted. Of the 37 percent of the total gross foreign exchange that was proclaimed in 2000, 27 percent was retained the companies' foreign accounts which he accredits as a normal procedure. Thus he points out that you cannot draw the conclusion that the value of exports is the same as the value of foreign exchange earnings or the real contribution (Akabzaa 2009: 48), underlining that the narrative of the potential economic benefits might require extra scrutinising.

## Chapter 5: Still a Shadow State? Frictions and scale making in the mining sector in Sierra Leone

Let us recount that two mining contracts were signed after a process where the mining legislation and regulations had been scrutinized by a number of government bodies with the involvement of several donor agencies. Despite all of these global policies and government efforts to increase capacity, transparency and improve governance, how was it still possible that the contracts did not follow the Mines and Minerals Act 2009 and the Income Tax Act 2000 as most people attested, and agreed was in fact the case? Through my strategy of methods I was working towards entering the back stage in an attempt to find out what did in fact happen when the contracts were signed.

In an interview with a civil servant in a government institution, we had come to discuss the Government's position towards the companies, and he was referring how the World Bank had blamed the weak capacity in the Government for the bad contracts, and the chance bid itself to ask him if he agreed that weak capacity was indeed the problem, to which he replied: "Yeah, it was one, a question of weak capacity. Two, it was just plain corruption", which he did not want to elaborate. In a talk with a man from another sector than mining, he had decided to tell me "how things work here in Africa". The matter concerned the state's awarding of a contract for an essential infrastructural task which had been awarded to a multinational company<sup>16</sup>. He wanted to tell me about this incident because it was dirty and corrupt and to him represented itself as a case of how contracts are awarded in a country like Sierra Leone. Whereas this could not tell me much about what happened with the mining contracts, it was telling me that shadow dealings were still reigning in some sectors and involved the state; although it seemed rare that people would attest to that the president had part in these murky affairs<sup>17</sup>. Reno defines "an archetypical Shadow State as one that is constructed behind the facade of laws and government institutions" (2000: 434). But where his ascription rests upon the manipulation by state leaders "to enhance their power" (ibid.),

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<sup>16</sup> The case cannot be described in detail in order to protect the individual, by his own request.

<sup>17</sup> President Koroma is on the contrary by many rather interpreted to be seeking to increase the revenue and change the bad story of mining (Open Society et al 2002: 46; Government of the Republic of Sierra Leone 2008: 137; Interviews in Freetown, May 2011).

we should perhaps look as much towards lower levels of the state to find dealings in the shadow<sup>18</sup>, yet accepting Reno's view of Shadow States "reflect situations in which corruption is integral to political control" (ibid.: 458).

The history of the Shadow State in Sierra Leone provides as much a background to the long story of management that has been characterised more by illicit arrangements rather than clear and transparent processes where agreements with investors and mining companies had a clear goal of generating income to the country. But at the same time, this background is part of shaping an environment where such dealings are no longer accepted, and where the large influx of international actors are bringing in international policies of good governance and transparency into the sector, thus threatening the Shadow State. This defines the front stage of managing the mining sector, but it provides no explanation what happened in the shadows on the back stage and how the contracts could be signed.

The analytical lens of 'friction' can apprehend this dynamic of policies and countering practices. The initial attempt of the donor agencies (in alliance with the Government) to change the procedures of, and disempower, the Shadow State was countered by the awarding of the two contracts in 2010, disappointing and provoking a larger group of actors. However, the initially understood hegemonic negotiation relationship between the Government of Sierra Leone and powerful mining companies is again countered by the follow-up of processes in the donor agency-government relationship. Processes that are entrenched in the same policies of governance and transparency, and which is exemplified in the large move towards reversing the advantageous conditions of the contracts the companies enjoy, embodied in the Negotiating Team supported by in particular UNDP's pro bono lawyers. The frictional dynamics constitute a productive political space where encounters of policies and practices both make and unmake hegemonic relations. The bureaucratic state may be weak in a responsibility towards providing its citizens with an economic opportunity by breaking its own law and cater for less financial return to the state treasury; but it is strong enough to know when to shut the door for powerful donor agencies to interfere with mining company negotiations. Yet again, the Government is in a tight spot with regards to what can be accepted by these donors and was thus necessitated to reengage in negotiations. Now, it

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<sup>18</sup> While Reno's Shadow State is capitalised, the shadow levels of the state bureaucracy is perhaps best expressed in small s's

would be an academic blow to proclaim that corruption took place when the first round of negotiations took place, as it cannot be evidenced, but it would be naive to not consider that this is actually the case. Such practice seems to be widespread in this sector (Open Society et al. 2009: vii-xii; Partnership Africa Canada 2005: 1).

What is left is the image of a process that seems difficult to control or maintain guided in one direction. The donor agencies cannot be the main controlling agent no matter how much they might want to; they are required to relate to the Government's wishes, e.g. the PRSP II. The Government however, does not seem to be unilateral in the management. One process pulls in one direction while another pulls contrary. The managing of the mining sector is thus directed more by who is able to find the right actor to liaise with to enhance the influence of your interest. Also exemplified in the fact that some mining companies who intent in near future to apply for large-scale mining agreements are contacting the Negotiating Team directly, although this is an ad hoc grouping and is not part of any formal procedure for application (Interview with government official, May 2011). This may be labelled weak capacity, but the question is whether the policies seeking to counter this label can grasp the complex stage where managing of the mining sector takes place?

Grasping Tsing's scale making, the global policies of governance and transparency, also embodied in the narrative of the resource curse, becomes props in the cooperation and negotiation among government institutions and international donor agencies, as well as mining companies who we must also remember are part of e.g. the EITI. This project (doctrine) of governance and development is a scale making project that comes into being in different levels; in global and local settings. My intend has been to show how these policies can be tracked and studied through the different actors on the stage of managing the mining sector, introducing these policies and narratives as props to influence the various plots such as e.g. increasing revenue, enhancing development benefit, and building capacity.

## **Dislocations and confusions**

The stage of managing the mining sector can at times be a confusing arena where it is difficult to state whether any one has read the script, if such one exists. I have throughout

hinted the confusions, exemplified in how key documents are not available, how the political nature of the sector limits donors in free discussions of this sector, how economic figures often are contradictory, and how I was always sent to the expatriate consultants when I mentioned 'information'. I had in 2010 also been told how only some members of an advisory board established by specifications in the Mines and Minerals Act were not sent the initial London Mining Plc. contract as they were supposed to (Government of Sierra Leone 2010: 14-15). Maybe because this advisory board includes civil society representatives who were likely to be critical and disclose the contracts. In my conversation with a person close to the renegotiations in the Negotiating Team, a similar story was told; only certain members were invited for the negotiations with African Minerals Ltd when their contract was negotiated during 2010. Besides that such practices hint that there are different interests to protect, it also provides the basis for information to produce itself when it is not available. The confidentiality and secretive arrangements the Government had with both the companies, but also the donor agencies, left room for speculations among many of my interviewees, also reflected in the lack of knowledge of to what extent the mining sector is currently benefitting the state economy. The amount of processes and policies does not seem to facilitate an easier understanding and overview of what is going on. When I realised the existence of the Negotiating Team and understood their key role, I began asking my interviewees about their knowledge of this. In their responses, the membership base differed from 7 to 16 and included both civil society and mining companies along with the Government<sup>19</sup> (Interviews with government officials and donor agencies, May 2011). Moving around the Ministry of Mineral Resources, it was also clear that there was some confusion on what is taking place. I was trying to establish the influence of the important Adam Smith International who are contracted to write the Bill for the National Minerals Agency and some guidelines, and who were also the main author of the Mines and Minerals Act. They were by some seen as the main actor in this whole affair, claimed to have even brought the idea of a new Mines and Minerals Act on the table (MMR interviews, May 2011), meaning that the particular ministry senior officials were unaware of the process that was initiated by President Kabbah in 2004 with the Law Reform Commission which predates the arrival of ASI.

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<sup>19</sup> To the best of my knowledge, they are only 8 people and only people from the Ministry of Mineral Resources, the Ministry of Finance and Economic Development, the National Revenue Authority, and the Strategy and Policy Unit of the President's office.

It became clear that if I wanted to create an overview of the events, processes and actors, I had to put that together myself. Whenever I sought out someone to establish an element, I was told a new version. As well, this was coupled with the dilemma that most people I interviewed had not been in their position for very long. In the Ministry of Mineral Resources, the entire top level had changed, including ministers, after the ratification of the Mines and Minerals Act (ibid.). Among the donor agencies, these representatives were also quite new and unaware of any such details that concerned the actual events during the Mines and Minerals Act ratification and the events that followed the signing of the first contract with London Mining Plc. Thus leaving the image that the resource curse narrative provided enough stories told to continue the interventions. When information is not there, it tends to produce itself still.

Latour argued that the inhibit uncertainty and dislocation of an action is essential for the understanding of the actors' relationship on stage (front and back). Where information is unavailable, the script is inaccessible, and the course of events and actions become dislocated as a result. When mining companies make use of an ad hoc team to prepare for a license application and this team has been established in the (scale making) project of improving on governance, transparency and revenue intake, then the intentions of the project have become dislocated in the process, i.e. in the play as it evolved on stage.

Similarly, when donor agencies and the Government are continuously publishing figures that seek to tell a story of a once benefitting sector to which Sierra Leone can return, it can be interpreted as a dislocation. It is used to explain interventions, but it is a skewed explanation as it evidently leaves out the history of shadowy affairs; and arguably leaves the impression that things are moving in the direction of more money for the state which I argue can be disputed. The transparency and governance project that draws the many actors onto the stage, invited or not, are perhaps on one hand laying the foundations for a more transparent management; but at the same time, it has the side-effect of a parallel process of creating a stage of confusion and self-produced information, thus challenging the transparency ideals.

The Shadow State may not be as complete as during Stevens and Momoh, but the relationship between policy and practice evidences that there are shadow affairs. If transparency and capacity building were the means of exorcising the curse, it is not a completed project.

Shadow dealings still seem to be prevalent in the mining sector in Sierra Leone, reinforced also by the prevalence of projects of transparency and capacity building, and the confusion and ad hoc conditions these projects create.

## Conclusion

This thesis aimed at responding to how global development agendas are inflicting on mining management in Sierra Leone. And to seek towards interpretations of the interests, processes and practices in the relationship between the institutions involved in shaping the governmental setup for managing mining activities.

Campbell identifies in *Mining in Africa* (2009) “a particular governance agenda” which needs to be analysed in relation to the development reforms that are “recommended to mineral-rich countries in Africa” (2009: 18). Similarly, I have identified the scale making project of particular development agendas on the stage of managing the mining sector in Sierra Leone. Agendas that call for improved governance, enhanced transparency, institutional strengthening, and increased earnings.

I have suggested points of productive friction where these global development agendas of governance and transparency meets locally appropriated practices, and in which we can identify and seek to understand the reproductions. In my analysis, these reproductions are best understood as exemplifying a heaving stage of actors with influential interests and polices hoped to fit the context in Sierra Leone. Back stage practices however operate counter-hegemonic to these global policies and it is necessary to question the reach and local appropriation of the global scale making project of governance and transparency.

In a historic country-specific perspective, the dual processes in the management of the mining sector is no stranger, and we are compelled to question if the Shadow State is still a relevant ascription. In my account of recent events: the signing of contracts, the ad hoc solutions to persistent government failures, the limited flow of information, lack of overview from key people involved, all point to the persistence of shadow affairs despite the policy processes hitherto have threatened the Shadow State. I am thus pointing to that the global policies must be brought into being locally if we are to evaluate on the effect and implications. Thus, the mining sector comprises a secretive and confidential arena in which the contained transparency of the involved actors’ policies is not reflected in the practice of the sector. Rather, the management of the mining sector is a confusing stage where information

produces itself, and ad hoc solutions reign, and with no clear direction, both in terms of leadership and path.

As the global development agenda has turned to a strong focus on the economic benefits for the country in question, I have sought to provide a historical context to exactly the challenges for Sierra Leone to generate money from mining activities. I am arguing that the mining sector has since its initial years been discussed from a perspective of contribution to the formal state economy, but has just as long also comprised a shadowy affair feeding an informal economy and a political patrimonial network. In recent years, global development agendas may have influenced sufficiently in order to counter the worst siphoning of money into informal channels. However, by providing current figures for government mining revenues, I am pointing to the fact that actual revenue is lacking, clashing with the popular belief of the importance of this sector. I have sought to identify that part of this belief can be rooted in the representation of the mining sector as a potential economic driver.

A motivation for this thesis has been to provide what Ferguson refers to as “more situated understandings of emerging global patterns” (2006: 49) in a similar project as that which Weszkalnys promotes, namely an “anthropological engagement with development, which...refuses to be reduced to the role of an ‘aide’ filling in the gaps in development knowledge with details about social life” (2010: 88). In accordance, Ferguson continues to argue that the “well-meaning anthropological urge to treat modernity as a cultural formation whose different versions may be understood as both coeval and of equal value” (ibid.: 34) has not substantially grasped “the harder discussion about the economic *inequalities* and disillusionments that threaten to make any such equality a merely ideal or sentimental one” (ibid.: 35).

The resemblance with many other cases of governance of the mining sector in African contexts (Campbell 2009; Mazalto 2009; Akabzaa 2009; Belem 2009) underlines the necessity and relevance to rescale these learnings from policy processes in developing countries regarding mining activities. These authors similarly point to the failings of policies and abilities to generate revenues (Akabzaa 2009: 61; Belem 2009: 142; Mazalto 2009: 227-230). In accordance with Ferguson’s concentration on economic inequality, we are inclined to respond to whether mining activities are in fact benefitting to the development of a country like Sierra Leone. We are compelled to question whether the technical solutions included in

the current policy schemes for mining management are depoliticising more deeper-lying causes for the continuous ill-practices of capital flight and corruption. These elements are difficult to find in the documents that seek to describe interventions in the management of the mining sector in Sierra Leone. Arguably, these elements are necessary if the interventions in the mining sector are hoped to provide for revenue earnings to the country in which the mineral extraction takes place.

## List of Abbreviations

AFDB	African Development Bank
AML	African Minerals Ltd.
ASI	Adam Smith International
APC	All Peoples Congress
CGG	Campaign for Good Governance
CJM	Campaign for Just Mining
DDR	Disarmament, Demobilisation & Reintegration
DFID (UK Aid)	Department for International Development
EIR	Extractives Industries Review
EITAP	Extractive Industry Technical Assistance Project
EITI	Extractives Industry Transparency Initiative
EC	European Commission
EU	European Union
FfD	Financing for Development
FIAS	Foreign Investment Advisory Services
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für International Zusammenarbeit
GOSL	Government of Sierra Leone
IDA	International Development Association
IBRD	International Bank for Reconstruction and Development
IFI	International Financial Institutions
IFC	International Finance Corporation
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
MIGA	Multilateral Investment Guarantee Agency
MMA	Mines and Minerals Act
MMR	Ministry of Mineral Resources
MTAP	Mining Technical Assistance Project
NACE	National Advocacy Coalition on Extractives
NMDC	National Mining Development Company
NGO	Non Governmental Organisation
NMJD	Network Movement for Justice and Development
NRA	National Revenue Authority
OECD	Organisation for Economic Cooperation and Development
PRSP	Poverty Reduction Strategy Paper
SAP	Structural Adjustment Programme
SLTS	Sierra Leone Selection Trust
SLPP	Sierra Leone Peoples Party
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WB	World Bank

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# Annex 1: List of Actors and Interviews

## Ministry of Mineral Resources

### Heads of offices

- Minister
- Deputy Minister
- Director of Mines
- Director of Geological Survey
- Permanent Secretary
- Deputy Secretary (WB and EITI focal point)
- Senior Mines Monitor

### Offices and projects

- Gold and Diamond Office
- Mines Monitors
- Mining Cadastre Office
- Extractive Industries Technical Assistance Project (EITAP former MTAP), WB funded
- National Minerals Agency (under establishment)
  - ◆ Transformational Committee

## Government institutions, committees and groups

- President / State House
  - ◆ Strategy and Policy Unit
- Presidential Task Force for the Review of Mineral Rights
  - ◆ Negotiating Team
- Minerals Advisory Board
- EITI Steering Committee
- Ministry of Finance and Economic Development
  - ◆ National Revenue Authority
- Law Reform Commission
- Cabinet (ministers)
- Parliament
  - ◆ Mines and Minerals Oversight Committee
  - ◆ Law Officer's Department
- Sierra Leone Investment and Export Promotion Agency
  - ◆ Investor Attraction Meeting in London 2009
- Consolidated Revenue Fund

## Donor Agencies and external consultants

### Directly funding and operational

- World Bank (contracts, regulations, technical assistance, revenue management)
- DfID / UK Aid (funding Adam Smith Int'l, contracts, regulations, sustainable economic development)
- UNDP (Contract awarding)
- GIZ (Core Mineral Policy Review)
- EITI<sup>20</sup> (transparency)
- USAID (oil and artisanal miners)
- EU/EC (sustainable economic development)
- JICA (artisanal miners)
- IMF (tax collection and revenue management)
- FIAS (tax collection)

### Consultants

- Adam Smith International
  - ◆ Mines and Minerals Act 2009, National Minerals Agency Act

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<sup>20</sup> Notes: EITI can be placed in different places due to its cooperation between companies, government and civil society

- **Revenue Development Foundation**
  - ◆ **Cadastral system**
- **Revenue Watch Institute (RWI)**
- **Pro bono lawyers (UNDP / RWI funded)**

## **Legislation**

- **Mines and Minerals Act 2009**
- **Income Tax Act 2000**
- **Bill for National Minerals Agency**
- **Customs and Tariffs Act**
- **Precious Minerals Trading Act**
- **Diamond Cutting and Polishing Act**
- **Mines and Minerals Act/Decree 1994/96**

### **Regulations**

- **A Guide to the Mines and Minerals Act 2009**
- **Managing Mineral Mining Licenses under the Mines and Mineral Act 2009**
- **Incomplete list, while some are still under development**

## **Policies**

### **National**

- **Core Mineral Policy 2003**
- **Poverty Reduction Strategy Plan (Agenda for Change)**
- **Details of Policy Measures relating to Small-Scale and Artisanal Mining and Marketing of Precious Minerals, 2005**

### **International policies and projects**

- **WB Country Assistance Strategy**
- **DfID Country Strategy**
- **UNDP Regional Project for Contract Negotiation**
- **WB West Africa Minerals Sector Strategic Assessment**
- **Kimberley Process Certification Scheme**
- **EITI Validation scheme**

### **Influencing policies and documents**

- **Financing for Development (UN)**
- **Extractives Industry Review (WB Group)**

## **Companies**

- **African Minerals Ltd.**
- **London Mining Plc.**
- **Koidu Holdings Ltd.**
- **Sierra Rutile Ltd.**
- **Cape Lambert**
- **Cluff Gold**
- **Sierra Minerals**
- **Incomplete list**

## **Civil Society Actors**

### **National**

- **NACE**
- **AJME**
- **CJM**
- **NMJD**

### **International**

- **Christian Aid**
- **IBIS**
- **Global Witness**
- **Tax Justice Network**
- **Publish What You Pay**

- **Transparency International**
- **Incomplete list**

### **Interviews conducted with**

- Director of Mines
- Director of Geological Survey
- Permanent Secretary
- Deputy Secretary
- Senior Mines Monitor
- Law Reform Commission representative
- Member of Negotiating Team
- National Revenue Authority representative
- World Bank representative
- DfID representative
- UNDP representative
- Adam Smith International representative
- AJME representative

Attempted interviews with African Minerals Ltd. And London Mining Plc.

Further email correspondence with donor agency and consultancy representatives

#### Sources:

(Interviews in Freetown, May 2011; World Bank 2011; World Bank 2009; Sierra Leone Investment and Export Promotion Agency web site; Association of Journalists on Mining and Extractives; Government of the Republic of Sierra Leone 2008; Task Force for the Review of Mineral Rights 2009; Government of Sierra Leone 2005; Ministry of Mineral Resources 2011)