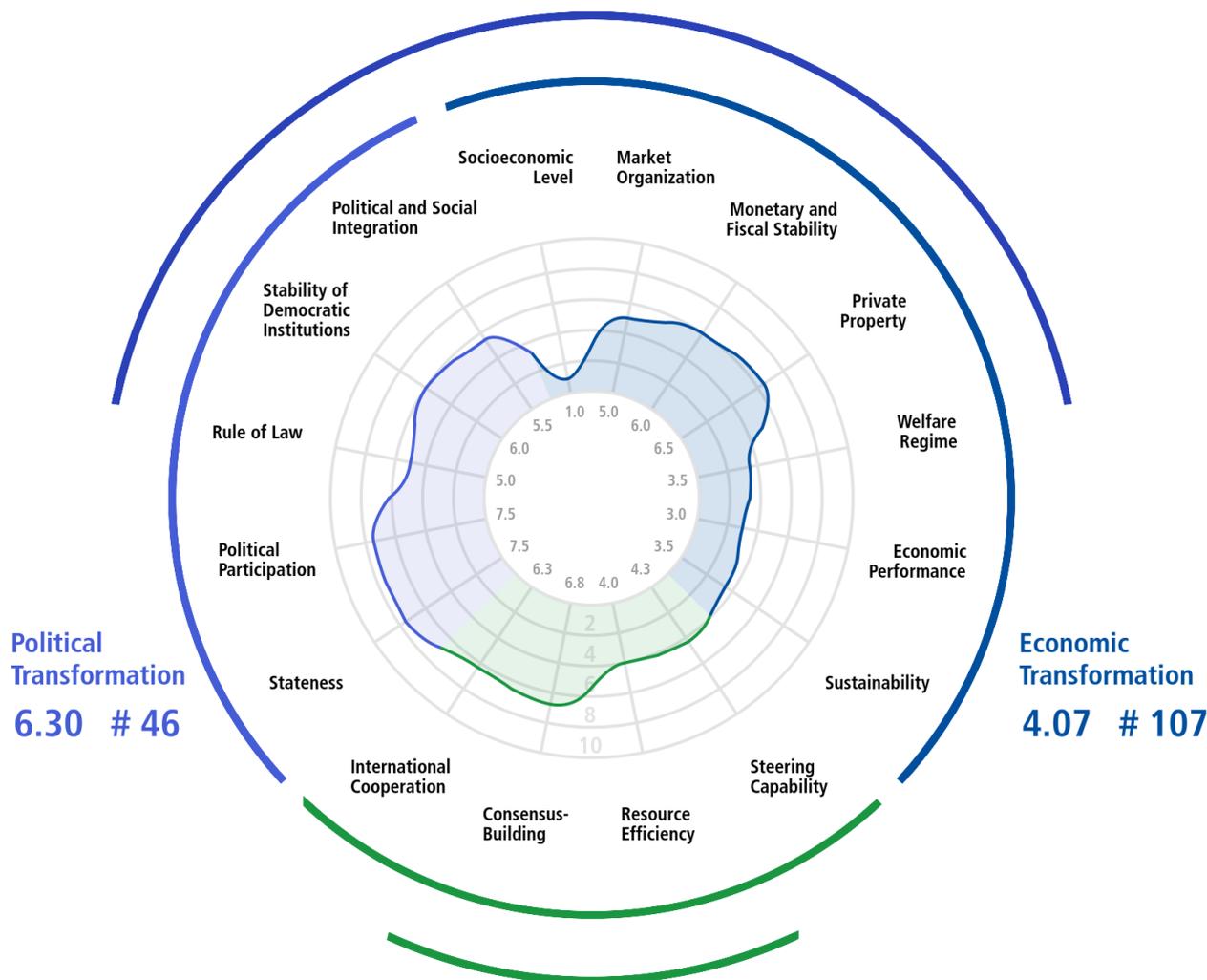


Liberia

Status Index

5.19 # 64

on 1-10 scale out of 137



Governance Index

5.02 # 54

on 1-10 scale out of 137

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2026. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	5.6	HDI	0.510	GDP p.c., PPP \$	1885
Pop. growth ¹	% p.a.	2.2	HDI rank of 193	177	Gini Index	35.3
Life expectancy	years	62.2	UN Education Index	0.496	Poverty ³	% 60.6
Urban population	%	54.1	Gender inequality ²	0.646	Aid per capita \$	102.4

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

The observation period was marked by a change of government in January 2024, neatly dividing the period into two phases.

The former government of President George Weah had attracted significant grassroots support, and was expected to deliver more broadly based development. The former footballer, who had himself grown up in a Monrovia slum, was identified with the marginalized masses. Yet a lack of political vision and experience, compounded by unfavorable international market conditions and the COVID-19 pandemic, meant that expectations were disappointed. Economic growth was negative for most of his tenure, while corruption expanded and public service quality declined. Weah maintained support among almost half the population, while his reputation among donors declined. His electoral opponent, Joseph Boakai of the Unity Party (UP), a former vice president (2006 – 2018), won with a narrow margin of 50.64%.

Boakai promised to improve public service quality and economic growth. His government's ARREST Agenda for Inclusive Development (AAID), developed throughout 2024 in consultation with civil society and donors, is broad and serves primarily as a document to engage international partners. ARREST stands for "agriculture, roads, rule of law, education, sanitation and tourism."

Boakai's primary focus in 2024 was on stabilizing the country's macroeconomic fundamentals and restoring donor confidence. Increasing foreign exchange reserves, which had been depleted and overstated by the outgoing government, reducing the inflation rate of over 10%, and clearing dues and loan arrears with international institutions and banks were key priorities. The government's flagship project, however, was the establishment of the War and Economic Crimes Court by decree in May 2024. Some 21 years after the last civil war ended, the country still has not managed to confront its violent past, and the widespread sense that justice is being denied persists. As the wartime leaders – if still alive – have lost power and influence, the move is now politically less sensitive. Nonetheless, the establishment of the court immediately became mired in politicking and wrangling for positions, delaying the schedule for implementation.

History and Characteristics of Transformation

The creation of Liberia was a direct result of the system of slavery in the United States. As free persons of color became a discernible segment of the population in the U.S., a private organization acquired land on the West African coast and organized the emigration of these free persons of color to their purported homeland, beginning in 1820. In addition to the free persons of color, people who had been enslaved but were intercepted by the British and U.S. navies joined the settler society. These individuals were initially referred to as “Congos” but, over time, the two groups merged and the term came to encompass both.

In 1847, Liberia declared independence. At that time, the area comprised numerous small, traditional political entities. The creation of the Liberian state set the settlers against local peoples. The Americo-Liberian “repatriates” envisioned their state-building project as a “civilizing mission” built around Christianity, modern education and a conservative Western dress code. The central state remained dominated by the settler class, which marginalized and often exploited the so-called country population. The division between the two populations became highly politicized in the 1970s. Among people of indigenous origin, there is still a widespread sense of historical exclusion and subjugation by a “foreign” minority.

A military coup in 1980 brought to power the first indigenous leader, Samuel K. Doe, and shattered the established power structure. A conflict over political power within the military leadership developed into an ethnic conflict between Doe’s Krahn group and its Mandingo allies and the Gios and Manos from Nimba County.

Charles Taylor, a member of Doe’s cabinet linked to the latter faction, fled amid allegations of corruption and later mobilized dissidents into the National Patriotic Front of Liberia (NPFL) rebel group.

An attack on Christmas Eve in 1989 marked the beginning of a devastating civil war that saw the emergence of numerous factions and gained a particular reputation for cruelty. The end of the first war culminated in the election of Charles Taylor as president in 1997. By 1999, the Taylor government faced another rebellion by forces linked to his longtime opponents and supported by neighboring countries as well as, tacitly, by the United States. By mid-2003, the defeat of Taylor’s forces was imminent, and the president fled into exile in Nigeria, paving the way for a civilian transitional government to take over for two years. Taylor was eventually sentenced to 50 years in jail by the Sierra Leonean war crimes court in 2013.

The main contenders in the 2005 election were the famous footballer George Weah and Ellen Johnson Sirleaf, an international professional with experience in private banking and at the World Bank and the United Nations. Johnson Sirleaf won the 2005 election and the subsequent one in 2011. Her government was stabilized by the United Nations Mission in Liberia (UNMIL), which included up to 15,000 military personnel. Under Johnson Sirleaf, Liberia regained democratic stability.

Relatively high prices for Liberia's main export goods – iron ore and rubber – during the first eight years of Johnson Sirleaf's rule, along with significant international support, enabled Liberia to stabilize and strengthen its public service, albeit from very low levels and without meeting popular aspirations.

Johnson Sirleaf was associated with old elite circles, and many Liberians perceived her administration as reviving historical patterns of self-enrichment. The Ebola epidemic (2014 – 2015) triggered an economic collapse that took the country years to recover even modestly from.

Having served two terms, Johnson Sirleaf was constitutionally barred from running in the 2017 presidential elections, and her vice president, Joseph Boakai, ran on behalf of her Unity Party (UP). The elections were won by the UP's longtime challenger, George Weah. With an ethnic background in eastern Liberia but born and raised in a Monrovia slum, George Weah represented the marginalized masses. His government, however, failed to meet expectations for broader development. Elite corruption remained visible and highly prevalent, while the provision of government services suffered. Structural deficits, exacerbated by the COVID-19 pandemic, led to negative GDP growth for much of his tenure. He narrowly lost the 2023 presidential election to his main contender, again Boakai, who received 50.64% of the vote. The result reflects a divided society.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

In principle, the state maintains a monopoly on the use of force, and no organized group effectively challenges its assertion of territorial control. However, public security institutions demonstrate only a weak level of control over society.

Public security agencies still lack the capability to apprehend, detain and prosecute criminals. In some urban areas, gangs hold power or community groups provide security. Private security firms, neighborhood watch groups and vigilante organizations often step in to fill the gap left by government forces.

In numerous regions around the country, the state's presence is limited. Rural traditional communities maintain a significant degree of autonomy from state oversight, and remote nontraditional settlements, particularly irregular mining camps, often depend on non-state methods of conflict resolution.

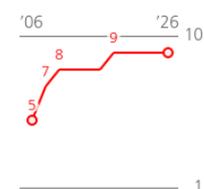
The nation-state is widely recognized as legitimate. However, there is debate over who is considered a legitimate citizen of Liberia.

According to the constitution, citizenship is reserved for individuals “of negro descent,” which excludes the substantial Lebanese and Indian-origin business communities. The complexity of citizenship is compounded by the absence of an efficient birth registry, fueling debates over the nationality of individuals with ethnic ties that extend across borders. Land ownership is restricted to Liberian nationals. An effort to modify the constitution and broaden these provisions failed in 2020. Nevertheless, in 2022, the legislature amended the 1973 Aliens and Nationality Law, officially recognizing dual citizenship and granting women equal rights to pass Liberian citizenship on to their children. This step was particularly significant for the substantial diaspora in the United States, which wields considerable influence in Liberia.

Question
Score

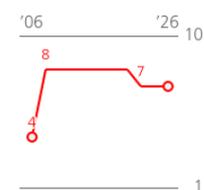
Monopoly on the
use of force

9



State identity

7



Liberian national identity is weakened by the prevalence of competing ethnic identities. The Liberian state officially recognizes 16 “tribes of Liberia.” There is some ambiguity surrounding the settlers of U.S. and African origin, who are seen by some as founders of the nation and by others as exploitative foreign colonialists. A significant divide persists between the descendants of settlers and “indigenous” groups, and political conflicts are often interpreted through the lens of the Americo-Liberian vs. Indigenous division.

The status of the Muslim Mandingo ethnic group, traced to Guinea, remains contested by many Liberians. Similarly, the Fanti fishermen, who are originally from Ghana but have been integral to coastal communities in Liberia for generations and are partially assimilated, are widely seen as foreigners.

Liberia is constitutionally a secular state, and religious doctrines rarely influence politics. However, Americo-Liberian settlers historically viewed the Christianization of Indigenous “pagans” as part of their “civilizing mission,” symbolically associating Liberian nationalism with Christianity. This has resulted in the dominance of Christian values in society, which has fostered a sense of marginalization among members of other faith groups. According to the 2022 census, 84.9% of Liberians identify as Christians. There is a diverse array of denominations, many with Pentecostal backgrounds. Traditional local religions also strongly influence religious thought and practice. Islam is practiced by about 12% of Liberians.

The state maintains a strongly centralized structure, with public administration historically focused in the capital, Monrovia. As part of a gradual decentralization process, the state has invested in strengthening its local administrative framework. Local offices of key state institutions have been established in the counties but are often nonfunctional due to a lack of funding. The Revenue Sharing Law of 2022, intended to grant local institutions some rights to local revenues, is not yet operational. The Local Government Act of 2018 was planned for implementation within 10 years. President Joseph Boakai promised to accelerate the process and introduced an act to establish a ministry of local government in 2024. This was passed by the House of Representatives but, at the time of writing, remained under debate in the Senate.

State efforts to maintain law and order are greatly constrained, and local mechanisms play a significant role in upholding security. Although juridical services are theoretically available in both urban and rural areas, they are expensive and hampered by corruption. Tax collectors travel throughout the country, including remote regions, but oversight is notoriously weak.

Public schools exist even in remote areas, but their functionality is not guaranteed. Access to health care in rural regions is severely limited, and the quality of health services is generally poor nationwide. While Liberia’s physical infrastructure has improved in recent years, deficiencies remain, particularly in rural areas. State-run

No interference of religious dogmas



1

Basic administration



1

overland bus services operate primarily on the main route between Monrovia and Ganta. Although private mobile phone networks have expanded, their coverage is limited beyond main thoroughfares and provincial centers. Officially, about 32% of the population has access to electricity. However, power cuts are frequent and may last for days, and widely fluctuating voltage causes economically significant costs by damaging equipment. About 23% of the population has access to basic sanitation and 76% to basic water services (all data: World Development Indicators 2024).

2 | Political Participation

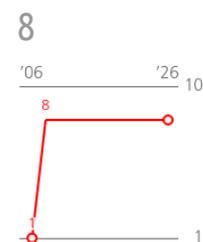
Elections have generally been regarded as free and fair by international observers since 2005, despite recurring allegations of election rigging within the country.

Presidential and legislative elections for the House of Representatives and half of the Senate were held in October 2023. For the first time, the electoral register was based on biometric voter identification. The repeated establishment of electoral registers for each election has been both costly in terms of resources and a contentious process. While some criticisms of the criteria to identify voters remained, the process was widely hailed as introducing greater transparency overall. About 2.5 million voters were registered and roughly 27,000 ineligible entries removed. The election campaign saw some violence between supporters of the government and the opposition, but this did not derail the process. In the most severe instance, four people were killed in remote Lofa County.

The run-off presidential election in November was won by a narrow margin by opposition leader and former Vice President Joseph Nyuma Boakai of the Unity Party (UP), receiving 50.64% of the vote. Former President George Weah quickly accepted the result, which several members of his party saw as an affront. However, this did not escalate into open conflict, and the second democratic transfer of power in as many elections earned the country a reputation for respecting democratic norms at a time when several others in the region have experienced backsliding.

Elections for the legislature are determined by local constituency considerations and are not strongly influenced by party loyalty. The Congress for Democratic Change (CDC) won 24 of 73 seats in the House of Representatives, while the now-governing UP won only 10. By the end of 2024, the UP had built an unstable majority bloc of roughly 50 members by winning over independent and smaller party candidates. Of the 15 Senate seats up for election, the CDC won four and the UP two, with independents forming the largest group. Among the CDC senators are two senior former government officials who have been sanctioned by the United States for corruption.

Free and fair elections



There are no institutionalized veto powers as such, partly due to the fragmented character of Liberia’s political landscape. The primary impediment to effective democratic governance is corruption at all levels of the administration. Corrupt interests dominate the political process and siphon off public resources for private use, tailor legislative initiatives to the needs of private interests, or enable actors to circumvent laws – thereby depriving democracy of its essence.

Furthermore, secretive elite organizations are widely considered to have a strong influence on politics, although they became less effective as the elite lost cohesion during Liberia’s period of upheaval.

External actors also play a major role in shaping government priorities through conditional development assistance and aid.

Article 17 of the constitution guarantees that all persons have the right to assemble “in an orderly and peaceable manner.” The constitution also guarantees the right of association. These liberties have been broadly upheld, despite sporadic disturbances. For instance, while various civil society groups organized several protests throughout 2023, including in front of the capitol building, unidentified individuals disrupted an anti-corruption rally led by prominent human rights activist and opposition politician Tiawan Gongloe in July, throwing rocks at participants.

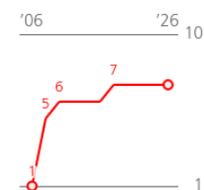
Various groups also regularly voiced discontent in 2024. Police used tear gas and batons to disperse a protest rally in support of the embattled speaker of the house in December 2024.

There is a variety of state and private media that express a range of views, and the constitution protects freedom of expression. Generally, citizens and the media are able to express critical opinions. However, some political elites have attempted to intimidate journalists. Activists critical of the government regularly report being intimidated by anonymous calls or uninvited visitors. The bribery of media staffers is widespread, and journalists’ integrity is often in doubt.

A comprehensive Freedom of Information Act was signed into law in 2010. The Freedom of Information Commission, however, has struggled to remain operational amid delayed funding. Challenges run deeper, as public institutions often lack the capacity to manage and provide information as required by the act.

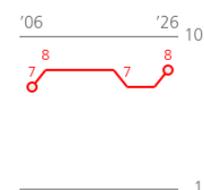
Effective power to govern

7



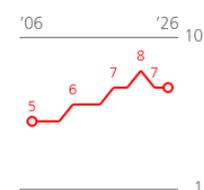
Association / assembly rights

8



Freedom of expression

7



3 | Rule of Law

In the period following the civil war, the three branches of government have established a significant degree of autonomy. The legislature and judiciary have repeatedly acted against the interests of the executive branch. Yet overall, the executive remains dominant. Corrupt practices strongly influence both legislative and judicial decisions, to some extent rendering these institutions dysfunctional. The capacity of the Supreme Court to act as an arbiter in power disputes is severely limited. Partly as a result, the reorganization of power following the elections led to the burning of parts of the capitol building housing the legislature in December 2024, rendering it inoperable.

Joseph Boakai's government tried to gain control of the position of speaker of the house, the third-most important national office. Embattled Speaker J. Fonati Koffa, then a member of the Liberty Party and a veteran member of Liberia's elite, had once been appointed special investigator by Johnson Sirleaf in the most delicate corruption cases of her tenure, and is well-connected within the judiciary. Under George Weah, he switched his party allegiance to the CDC.

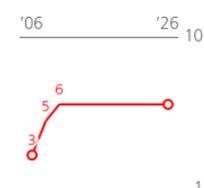
The new government tried in January and November 2024 to elevate UP lawmaker Richard Koon to the speaker's position. While the first vote was clearly lost, the November vote was marred by controversy over the proceedings. In the interim, the government had formed a strong majority bloc in the House. A verdict pronounced by the Supreme Court in early December was ambiguously worded and allowed both contestants to claim that the ruling favored them. President Boakai then recognized Koon as speaker and called on Koffa to resign. However, Koffa refused, and a tense public protest was held at the capitol grounds. Two nights later, the joint chambers of the building were set ablaze. Koffa and his supporters were identified as prime suspects by the police but, as of the time of writing, the investigation remained inconclusive.

Beyond high politics, Liberia has two legal systems: a statutory system and a state-sponsored customary system. In the latter, judicial and executive powers are vested in the same authorities.

The statutory judiciary is formally independent and institutionally differentiated, but faces severe functional deficits. Judges reportedly have been subject to undue influence from the private sector and government officials. Corruption among judges and juries active in circuit court trials is a major obstacle to fair and transparent processes. Judicial sitting days are limited, and the absence of judiciary personnel often leads to trial delays. Suspects of nonbailable crimes often remain in prison for years without trial, as the year-long limit for pretrial detention is routinely ignored.

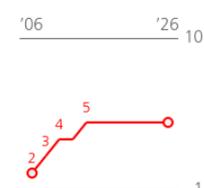
Separation of powers

6



Independent judiciary

5



The cost of accessing the judicial system is high, especially for the rural population. Expenses incurred by police and others, for instance for the transportation of accused offenders, often fall on plaintiffs. Few lawyers reside outside Monrovia, and securing legal representation is prohibitively expensive for most Liberians, particularly outside the capital. The population has weak trust in the judiciary, as it is perceived as serving the rich. Intra-elite networks shield their members from judicial sanctions. Additionally, judicial processes are biased along ethnic lines.

In recent years, there have been increasing efforts to strengthen executive control over the judiciary, for instance through the replacement of a Supreme Court judge. In 2020, the ECOWAS Court of Justice ruled that this action was illegal. In mid-2022, the United States sanctioned the solicitor general and others under the Global Magnitsky Act for corrupt dealings with criminal interests. Although considered to be close to the president, the solicitor general was subsequently suspended.

Corruption is deeply entrenched in the operations of the state, undermining even its integrity institutions. There are hardly any legal or political consequences for corrupt actions. Abuse of office may be publicly exposed by the media, but even this is unlikely to affect the standing of officials among their supporters. When corruption is addressed, the actions tend to appear to be politically motivated.

In mid-2022, the United States used the Magnitsky Act to target National Port Authority Managing Director Bill Twehway, Minister of State Nathaniel McGill and the solicitor general. Both executive officials held positions within the president’s inner circle, and the latter was widely seen as the most influential political figure in the government. Following their resignations, both successfully ran for Senate seats in 2023.

In December 2023, the U.S. again sanctioned three officials for corruption: Finance Minister Samuel Tweah, as well as senators Albert Chie and Emmanuel Nuquay. Chie was formerly the Senate president pro tempore, and Nuquay is a former UP vice presidential candidate. In June 2024, the judiciary indicted Tweah and several of his collaborators. The ongoing trial is hailed as a milestone, but does not reflect a systemic effort to reduce corruption.

Civil rights have been strengthened over time, and the de jure situation is generally satisfactory. An independent National Commission on Human Rights (INCHR) has been created and has shown itself ready to criticize state action. However, it has become less vocal as resources have become scarcer. In October 2022, the commission’s accreditation lapsed, and the Global Alliance for National Human Rights Institutions postponed the reaccreditation process by 12 months to allow the commission to address its shortcomings. In October 2023, the INCHR was reaccredited.

Prosecution of office abuse



Civil rights



The major challenges in this area stem from the dysfunctional nature of the judicial system. It is often futile to seek redress against the actions of the state or its officials. Influence peddling and corruption regularly determine judicial outcomes. Police routinely extort motorists on roads and make arbitrary arrests or arrests with insufficient evidence.

Violence against women and domestic violence were widespread during the review period. The prevalence of clitoridectomy remained high, though it is decreasing, but the state has not addressed the issue.

The costs of accessing justice are prohibitively high for most citizens. In addition, anti-Muslim sentiments in the largely Christian nation affect equal opportunity. S intercourse remains illegal, and prison conditions are known to be harsh.

4 | Stability of Democratic Institutions

The performance of democratic institutions has been undermined by corrupt interests' capture of political power. The executive dominates the political sphere but is driven by narrow, short-term concerns.

The legislature exercises its oversight functions poorly. Legislators' interests in private gain routinely take precedence over national or political party considerations.

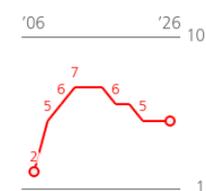
Public service officials often have a limited understanding of the democratically enacted laws that should govern their actions. These actions are frequently influenced by the officials' financial interests.

A lack of expertise poses another obstacle to rational policy formulation. The legislature is effective because the president must secure significant elite support to pass decisions. The weak judiciary cannot compensate for deficits in the other branches.

Liberia has been formally democratic since its independence in 1847. This history, combined with a political culture oriented toward the United States, means that democratic institutions are, in principle, fully endorsed by the political class. However, in large parts of the country, the political culture is hierarchical and features significant authoritarian elements. Among these elements is the widely held belief that the real centers of power are obscure and that the formal democratic institutions have limited relevance. Consequently, circumvention or manipulation of democratic norms and institutions may appear normal. Elite attitudes often favor unilateral decision-making over compromise and consensus-seeking. As a result, many people say they would prefer an authoritarian leader who could put the country back in order.

Performance of democratic institutions

5



Commitment to democratic institutions

7



5 | Political and Social Integration

The political party system is barely institutionalized, and parties are strongly personalized. Still, there is a trend toward dominance of the political landscape by the Unity Party (UP) and the Congress for Democratic Change (CDC). In general, parties hold primaries, but internal democracy is weak and party leaders often determine the outcomes. The party system, comprising 25 registered groups, is highly fragmented. Although Liberian political culture is often confrontational, polarization levels remain low, and alliances can form among all political actors if it serves their interests. This reflects the patrimonial character of the Liberian polity, where politics centers on access to the spoils of power.

Three political parties – the UP, the CDC and the National Patriotic Party (NPP) – contested the 2005 elections and have remained relevant since. The UP, then led by Ellen Johnson Sirleaf, won the 2005 elections and governed until January 2018. The UP made a notable comeback under octogenarian former Vice President Joseph Nyuma Boakai. However, six years in opposition without its prominent standard-bearer had significantly diminished the UP’s standing.

CDC and NPP, which formed the Coalition for Democratic Change for the 2017 elections, have operated autonomously again since losing power.

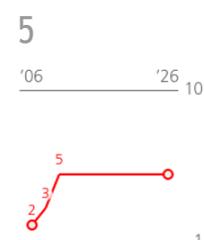
The CDC remains heavily centered around George Weah, and is likely to lose ground given that its leader’s interest in continuing his political career appears weak.

The NPP, established by former President Charles Taylor and now led by his ex-wife, continues to exist as a formal structure connecting elites from his network.

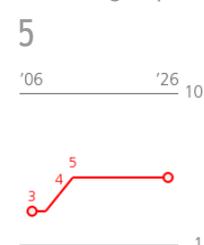
Most parties are personal projects of their leaders and do not represent recognizable societal interests. The Movement for Democracy and Reconstruction (MDR) was created as an election vehicle for former warlord Prince Yormie Johnson, who died in 2024. His protégé and current MDR leader, the youthful businessman Jeremiah Koung, is now Boakai’s vice president. Johnson managed to wield political influence by securing most votes from his native Nimba County, the most populous after the capital.

Among the major formalized interest groups are the Chambers of Commerce, the World Lebanese Cultural Union – which effectively represents the most important business interests – the Liberian Business Association and various trade unions. Civil society groups representing women’s interests also hold relevant mobilization powers. Church leaders act as important intermediaries between the state and citizens. While the larger civil society groups have some influence on politics, this influence has been uneven in the past. Less well-financed interests face significant difficulties in making their voices heard.

Party system



Interest groups



In Monrovia daily life, neighborhood associations form a significant link between society and the state. The organizational strength and legitimacy of these associations vary greatly, but they are often weak and follow patrimonial dynamics. Employers' and workers' organizations frequently exert successful influence on politics and administrative actions. These efforts often disrupt activities, as seen during protests at the University of Liberia or in the Catholic education system in 2024.

Six Afrobarometer surveys conducted between 2008 and 2022 have revealed strong approval of democracy. Approval levels were initially very high after the civil war, but declined due to dissatisfaction with leaders and a desire for strong leadership during the Ebola crisis. Support for democracy has slightly diminished, with the most recent survey showing 74% of respondents valuing democracy over any other type of regime, down from about 80%. An Afrobarometer study published in 2023 indicated the public overall by far considers democracy the best form of government, and people value the opportunity to hold leaders accountable more than government efficiency.

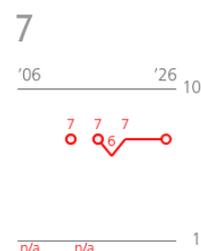
Levels of dissatisfaction with how democracy actually works in the country remain persistently high, with about 54% of respondents expressing this sentiment in the most recent survey (2022).

Complaints focused on conditions of impunity for corruption among the elite, the country's dire economic situation, a lack of concern among elites for ordinary Liberians and a general absence of order.

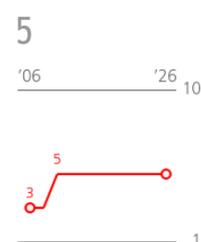
That said, public understanding of democracy is often very limited. There has been little to no civics education in schools for the past 30 years. Given the limited capacity of government and a serious lack of qualified teachers, education reform efforts have done little to change the situation.

Trust is in short supply in Liberia. Historically, the region has been characterized by small political entities and insecurity. At the village level, interdependence and traditional socialization mechanisms create strong bonds, resulting in mutual support. However, even rural communities have been destabilized by both in-migration and out-migration. Trust often does not extend beyond group boundaries. Many of Liberia's fairy tales warn against trusting outsiders. The civil war further undermined trust. Trust is largely limited to private settings such as kinship and religious groups, including church congregations, and is rare in the public sphere. While Liberians readily organize themselves into voluntary associations, the lack of trust often hinders effective functioning and these groups are frequently short-lived.

Approval of democracy



Social capital



II. Economic Transformation

6 | Level of Socioeconomic Development

Liberia consistently ranks as one of the poorest countries in the world. It was ranked at 177th place out of 193 countries in the 2022 Human Development Index (HDI). As of 2016 (there is no more recent data), 60.6% of the population was living on less than \$3.65 a day, at 2017 international prices adjusted for purchasing power parity. Although its overall HDI score has improved slightly due to increased average life expectancy and improved educational access, it remained below average. Approximately 85% of the workforce is active in the informal sector, which includes subsistence agriculture.

In 2019, Liberia's Gini coefficient was 43.2, highlighting slight improvements in equality compared to the previous period.

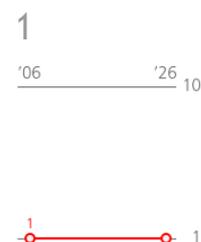
Liberia's legislators are among Africa's best paid, and there are stark income contrasts between the small privileged class and the masses. This reflects the destructive impact of the civil wars and a natural resource-based enclave economy in which foreign investors repatriate profits instead of reinvesting them. Over the past 20 years, however, elites have accumulated wealth and a small middle class has emerged, resulting in increased inequality.

Liberia is one of the most urbanized countries in the region, with about half the population living in urban areas and roughly one-third residing in the capital city. This pattern is partly a legacy of the civil wars, during which cities provided a comparatively safe haven as well as essential services that attracted internal refugees. In addition, the lack of opportunities in the rural economy has contributed to ongoing, unchecked urbanization. Various sociopolitical factors, such as land control by elders, inadequate road infrastructure and government neglect of smallholder agriculture, have made agriculture an unattractive option. As Boakai's administration has made agriculture the cornerstone for achieving Liberia's development goals, stronger interest in agriculture is emerging in the country. The industrial sector – apart from mining – is negligible and provides very few opportunities in the urban economy.

Access to education is a significant challenge. In rural areas, schools are frequently barely functional. The difficulties facing poor rural youths who wish to climb the social ladder are immense, and opportunities for slum dwellers in the cities are often not much better.

Question
Score

Socioeconomic
barriers



Historically, the primary social division separated the settler society from the indigenous population, with significant segments of the latter structurally excluded. Today, the overwhelming majority of state employees and political elites have indigenous backgrounds, reducing the significance of the traditional barrier. Currently, contemporary lines of exclusion mostly center on an urban-rural divide, isolating the extremely poor from more established social classes.

Gender inequality has historically been pronounced, as is particularly evident in the divergent literacy rates. However, girls' school attendance rate has increased significantly in the past 15 years. The few formal sector jobs are disproportionately held by men, while low-income market trade is a female-dominated sector.

Economic indicators		2021	2022	2023	2024
GDP	\$ M	3513.0	4001.0	4390.0	4750.0
GDP growth	%	5.0	4.8	4.7	4.8
Inflation (CPI)	%	7.8	7.6	10.1	8.2
Unemployment	%	3.8	3.0	2.9	2.9
Foreign direct investment	% of GDP	15.2	24.0	17.0	15.7
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	-101.7	64.8	-	-
Public debt	% of GDP	53.3	54.3	57.8	57.2
External debt	\$ M	1848.6	1904.0	2078.1	-
Total debt service	\$ M	60.3	80.4	124.1	-
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	-	-	-	-
Public education spending	% of GDP	2.4	2.3	2.3	-
Public health spending	% of GDP	1.1	1.3	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	2.0	2.5	2.3	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Liberia's constitution restricts citizenship to individuals "of negro descent" and permits land ownership only by nationals. Business activities in 16 specified categories are reserved exclusively for Liberian nationals. In 2022, the 1973 Aliens and Nationality Law was amended to allow individuals of Liberian descent to hold dual citizenship, aiming to attract investment from the diaspora. An additional 12 sectors impose minimum investment requirements for foreign-owned businesses.

Cross-border trade and contract enforcement present significant challenges for private businesses and free competition. Corruption also unpredictably raises costs and grants privileges to well-connected individuals.

The government selectively intervenes in pricing. The state sets prices for public transport, rice, cement and fuel. Generally, major foreign investors have investment contracts with the government that specify project-specific financial obligations. Therefore, not all businesses operate under the same conditions. There are no restrictions on the repatriation of profits.

Most of Liberia's workforce – a share of about 89.6% in 2017 – is economically active in the informal sector. This is one of the highest such rates globally.

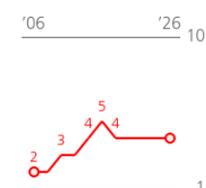
In 2016, Liberia acceded to the World Trade Organization (WTO) and adopted both a competition law and an intellectual property law. The Ministry of Commerce and Industry implements the competition law, while an autonomous agency is responsible for intellectual property. However, there is no independent competition authority in the country, and Liberia is not a member of the International Competition Network. Liberia is a member of the World Intellectual Property Organization (WIPO) and the African Regional Intellectual Property Organization (ARIPO).

Competition law regulates the operation of Liberia's free market system. The Liberian competition law prohibits all anti-competitive behavior, unfair trade practices, and other similar conduct or activities that have a direct, substantial and reasonably foreseeable effect on the Liberian economy or marketplace.

The small market reinforces a tendency toward oligopolies. Import trade and services are dominated by a Lebanese and Indian business elite. The general functional deficits of the judicial system also affect the enforcement of competition law, and the competition law is not systematically implemented.

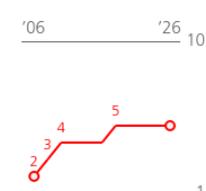
Market organization

4



Competition policy

5



Liberia maintains a relatively open formal trade regime. No quotas or safeguard measures are imposed. All exports require permits, and bureaucratic bottlenecks, compounded by corruption, create significant obstacles for exporters.

Liberia joined the World Trade Organization in 2016, giving the country access to other member states' markets through most favored nation status. In 2023, the simple average most favored nation tariff rate for Liberia was 12.0%, according to the World Trade Organization (WTO).

The European Union is one of Liberia's largest international trading partners, along with the United States and Côte d'Ivoire (UN Comtrade, 2022). The EU has initiated a regional Economic Partnership Agreement (EPA) with the Economic Community of West African States (ECOWAS), which Liberia has not yet signed. More than 10 years after the conclusion of negotiations, the EPA is not expected to come into effect in the near future, as Nigeria has objected and has withheld its signature.

Liberia joined the common external tariff (CET) ECOWAS scheme in December 2017. The common external tariff reduces costs for regional imports and increases prices for imports from other main trading partners, but as yet it is only partly in effect. Member countries are expected to have fully transitioned to the CET by 2028. This will result in an increase in average most favored nation customs tariffs for Liberia to 12.1%. ECOWAS, and more specifically Côte d'Ivoire, became the most important origin of imports for Liberia in 2022 (UN Comtrade) as road connectivity slowly improved over the past decade.

Liberia has signed the African Continental Free Trade Area (AfCFTA) agreement but has not yet ratified it.

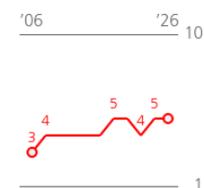
Liberia's central bank modernized guidelines on accounting and financial reporting for banks in July 2016, and it has introduced more limited changes since. In 2018, it adopted the International Financial Reporting Standards 9 and IFRS 15 standards on disclosure.

According to the central bank's latest report from 2023, the banking sector showed mixed developments.

The non-performing loans ratio has fluctuated at high levels in recent years, standing at 17.8% in the third quarter of 2024, up slightly from the previous year (Central Bank of Liberia). These exceptionally high levels represent the greatest current risk to the banking system, followed by the impacts of external crises, in particular the Russia-Ukraine war and low commodity prices. In its latest study published in September 2022, the World Bank assessed the country's banking sector as resilient due to prudent regulatory provisions and effective supervision.

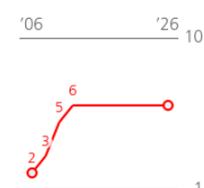
Liberalization of foreign trade

5



Banking system

6



The capital adequacy ratio remained high at 27.6% by September 2024 – the regulatory minimum is 10% – instilling confidence in the sector’s resilience (Central Bank of Liberia).

With about 10 banks and several microfinance institutions operating in the country, the number of banks is significant, although their size remains relatively small. There is no stock exchange, and options for portfolio investments are minimal. Because of the risky market, banks primarily offer short-term, high-interest loans, which limits financing opportunities.

8 | Monetary and fiscal stability

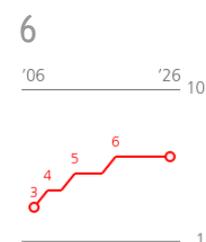
The government has maintained the use of both the U.S. dollar and the Liberian dollar (LRD) as legal tender. In 2023, the U.S. dollar accounted for 75% of the money in circulation. In September 2019, the central bank shifted from a strategy of buying and selling U.S. dollars to stabilize the Liberian dollar to one of adjusting the interest rate in order to conserve foreign reserves. However, the exchange rate fluctuated widely – by about 30% – during the observation period.

After surging to about 20% following the U.N. Mission withdrawal in 2018 and the onset of the COVID-19 pandemic, the inflation rate declined steadily in more recent years and was estimated at 10% in 2024. To achieve this, the central bank raised its lending rate aggressively to 20% in 2023, but gradually reduced it to 17% by the end of 2024. Rising international energy and rice prices had exerted significant inflationary pressures.

The central bank is formally independent, but fiscal and monetary policy goals were previously coordinated with the government. Amendments to the Central Bank Act in October 2020 gave the entity a mandate to ensure financial stability and strengthened its legal basis for independence. The entity also gained greater autonomy enabling it to enhance the quality and quantity of banknotes, reducing the risk of future local currency shortages.

A major initiative during the reporting period was the comprehensive replacement of pre-2021 bank notes and coins through mid-2024. This effort was primarily intended to clarify the amount of LRD in circulation amid attempts to de-dollarize the economy.

Monetary stability



The 2024 fiscal year budget of \$739 million represented a reduction in government spending compared to the previous year, reflecting both international and national economic upheaval. However, a chronic budget shortfall persisted, with gaps bridged largely via international multilateral credits. Lending from the central bank – levels of which had concerned international analysts in previous reporting periods – no longer supported the budget. With a public debt amounting to roughly 54% of GDP, Liberia is estimated by the World Bank to be at moderate risk of international debt distress. The budget shortfall decreased slightly over the past year as expenditures were consolidated and tax revenue increased.

Liberia defaulted on repaying World Bank loans and was blocked from accessing non-disbursed funds in November 2023, but the government cleared the arrears within a few months. The Boakai government initially declared its intention to fund the budget without resorting to international loans, but proved unable to maintain this stance, and requested a new extended credit facility (ECF) in October 2024.

The current account balance is strongly negative, widening slightly to an estimated 19.5% of GDP, largely due to high energy prices and the import of capital goods to expand the Arcelor Mittal iron ore mine. Nonetheless, foreign exchange reserves have been slowly replenished and moved from slightly over two months to beyond the three-months-of-imports threshold by late 2024. The Weah government had overstated the amount of reserves by almost 100%, leaving a shortfall to the Boakai administration.

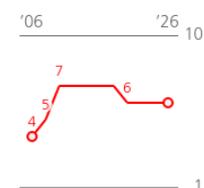
9 | Private Property

Property rights are formally defined in Liberian law, but shortcomings in the judicial system create significant uncertainty. Liberia's Land Rights Law of 2018 marked an important step in strengthening property rights for women and rural communities. However, customary inheritance rules often conflict with these laws, and a dysfunctional judiciary makes it difficult to clarify property rights.

While the government has enacted laws on land ownership and titling processes, land acquisition still entails significant risks. Land disputes are endemic in the country, and competing claims to ownership are common in desirable areas. Foreign nationals are prohibited from acquiring land and must use lease agreements. The government may not expropriate property without compensation, but untitled land remains in the public domain, and historical irregularities in the issuance of land titles may render property documents invalid.

Fiscal stability

6



Property rights

6



Private enterprises play an important role in official policies. However, many Liberians see foreign-owned companies as exploitative and as benefiting at the expense of Liberian society. Most enterprises have struggled to make profits in recent years, and many have incurred losses or left the country. The patrimonial nature of Liberia's state has made it more focused on extracting revenues from private businesses than on supporting them.

The regulatory environment has improved overall in recent years, but remains overly bureaucratic and inconsistently implemented. Liberia has 18 state-owned enterprises, eight of which are commercial. The commercial state-owned enterprises primarily manage essential infrastructure. Several state-owned enterprises are noncommercial or regulatory, such as the forestry agency and the social security institution. State-owned enterprises continue to be a key component of the government's economic policy, and there has been no movement toward privatization.

10 | Welfare Regime

The National Social Security Corporation (NASSCORP), established in 1975, formally provides a basic social safety net for employees in the formal sector, including pension and workplace injury arrangements.

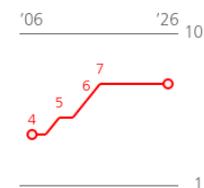
Total contributions are 10% of salary. Employers pay 2% of gross salary under the work-related injury scheme. An 8% contribution to the pension fund is shared between employers and employees. The agency has a long-standing reputation for corruption. Claiming benefits is often a challenging process. Payouts are small and effectively lower than the level of contributions.

Concession companies are typically required to provide basic medical and educational services to employees and their families. In practice, however, these services are often inadequate.

Health care and related aspects such as sanitation and access to safe drinking water are prioritized in the budget; however, the quality of service delivery remains very poor. Outside the capital, distances to even the most basic health care institutions are often great, and the range of available services and medications is limited to basic needs. Liberia is in the early stages of establishing a universal health coverage scheme. This Liberia Health Equity Fund is intended to be funded 65% by the government and 35% by donors. At the time of writing, neither group had identified sufficient sources of revenue, and a major budget shortfall was looming. Traditionally, about half of Liberia's health funding relies on foreign donors and a major part (\$50 to \$70 million) was provided by USAID. The suspension of USAID programs has left major efforts such as HIV prevention and treatment services without funding.

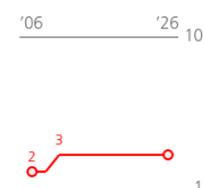
Private enterprise

7



Social safety nets

3



When young mothers are abandoned by their partners, support is rare. The Ministry of Gender, Children and Social Protection has made a particular effort to enforce the payment of alimony and has become significantly more effective, at least in Monrovia.

The majority of the population is forced to rely on private channels such as patronage and support from relatives in cases of hardship. Under conditions of extreme poverty, mechanisms of mutual support are often ineffective.

The distribution of opportunities is highly skewed along several lines, with socioeconomic background as the chief determinant. The historic cleavage between “Congos” and “Indigenous” has lost much of its relevance but remains politically instrumental, and still features prominently in public discourse.

Those in higher social strata have significantly better access to education and, because of the importance of social connections, to formal sector employment. Opportunities are further concentrated in the capital. Proximity to the capital affects the distribution of opportunities among ethnic groups, with poorly connected eastern counties – apart from the historically powerful Maryland – being the most disadvantaged.

Gender inequality remains severe. Approximately 63% of men and 34% of women were literate in 2020. However, school enrollment rates for girls have markedly improved in recent years. The most recent data indicates gender parity at both the primary and secondary levels. At the tertiary level, just over half as many women as men enroll. In 2023, women made up about 48% of the labor force.

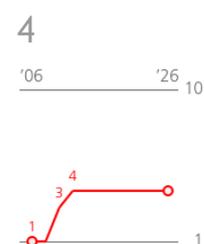
Women are under-represented in leadership positions and the formal sector, and only 11% of lawmakers are female. Yet there is a significant number of high-profile female leaders in civil society, business and politics, including Liberia’s two Nobel Peace laureates, the former vice president and the recent presidents of the main civil society umbrella organization.

11 | Economic Performance

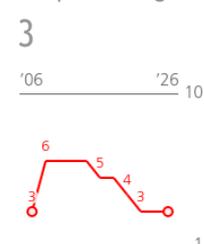
Liberia is one of the seven poorest countries in the world. GDP per capita was \$1,819 in 2023, according to World Bank data. GDP growth is heavily dependent on international commodity prices, as these largely determine investment and export earnings. Growth was negative for six of the past 10 years, a trend exacerbated by the Ebola and COVID-19 crises. In 2023, the World Bank reported Liberia’s GDP growth per capita at 2.5%. The Economist Intelligence Unit estimated overall GDP growth during the reporting period at 4.7% to 5.0%, which implied slightly positive per capita growth rates.

The official unemployment rate declined slightly to 2.9% during the review period, yet low incomes and overall underemployment constitute greater welfare challenges. In an Afrobarometer survey published in 2023, 48% of respondents said they did not have a cash-paying job but were looking for one.

Equal opportunity



Output strength



Due to favorable international conditions and an increase in production, exports volumes rose during the reporting period, particularly in the areas of iron ore and gold.

After years of political wrangling, a new Mineral Development Agreement signed with Arcelor Mittal in 2021 began to be implemented. The agreement promises to triple Liberia's iron ore production and keep the concession active for another 25 years.

12 | Sustainability

Liberia faces significant challenges in basic areas of environmental protection. Waste and sewage disposal, control of hazardous chemicals and coastal erosion prevention measures are wholly inadequate.

There are no tax instruments or other policies aimed at reducing carbon dioxide emissions. However, donor-funded projects aimed at increasing electricity production focus on hydroelectric power and decentralized solar power solutions.

Liberia's first environmental protection law was enacted in 2002. At the same time, the Environmental Protection Agency (EPA) was established to enforce it.

Concession companies must conduct environmental impact assessments as part of their applications, and the EPA is consulted during all concession agreements. However, the EPA faces challenges due to low levels of awareness and corruption in government circles. For example, despite a 2020 law aimed at controlling hazardous chemicals, pesticides and glyphosate are still widely used in unsafe ways, and mercury continues to be supplied to artisanal gold mining camps. The environmental damage caused by both regular and irregular mining is significant.

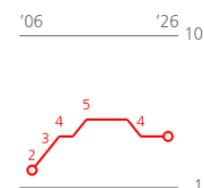
Liberia has West Africa's largest contiguous forest cover, which is of major global importance for biodiversity and carbon absorption. The 2006 Forestry Reform Law commits to setting aside 30% of Liberia's forest as protected areas. The number of formally protected areas has increased since then.

Encroachment on protected areas; insufficient monitoring of logging in concessions; and deforestation in nonprotected areas through the expansion of cocoa plantations, agriculture and mining present significant threats to Liberia's ecosystem. During the period under review, international concerns about illegal logging persisted. The movement of Ivorian cocoa farmers – many of whom are of Burkinabé origin – into Liberia is increasing, and large forest areas have been converted into cocoa plantations with hardly any political oversight. Illegal and legal fishing by foreign trawlers in Liberian waters also depletes marine resources.

While traditional societies have historically interacted with the ecosystem and likely increased fertility and biodiversity, their systems depend on extended fallow periods and may not be compatible with population growth and more intensive land use.

Environmental
policy

4



Liberia has made some progress in providing education since the end of the civil war, albeit at extremely low levels. The U.N. Education Index gave Liberia a score of 0.47 in 2022, indicating modest long-term improvement but stagnation over the past three years. The literacy rate of 48.3% (latest data from 2017) is low by regional standards.

Noteworthy policy steps include the Education Reform Act of 2011. The act provides for free and compulsory education in public schools from the primary to the junior secondary level, and raises the compulsory education age to 15, eliminating the gap between compulsory education and the minimum age of employment. In 2018, the Weah government declared public tertiary education below the master's level to be free of charge. However, public spending on education remains well below the average for developing countries, at 2.3% of GDP (2022).

Historically, private missionary schools have made up most of Liberia's school system. The quality of public schools – and many private schools – is very low, attendance is not enforced, costs associated with education are beyond the means of many Liberians and a sizable share of minors are not in school. Many teachers lack adequate qualifications, and secondary school students often cannot effectively read or do simple math. Girls' participation in education has expanded significantly, yet inequality is still noticeable at the tertiary level. The University of Liberia and private universities struggle with low literacy rates and limited numerical skills among students – and often even among staff. Consequently, they have limited capacity to provide quality training. Severe funding constraints also hamper the higher education sector. Almost no research is conducted, and the government has no R&D funding policy.

Education policy /
R&D

3

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Governance

I. Level of Difficulty

The structural constraints on Liberia's political leadership are significant. More than two-thirds of the Liberian population live in extreme poverty, and the illiteracy rate among young adults is high. The performance of the educational system has deteriorated due to the several political crises since the mid-1980s, resulting in an entire generation being significantly less educated than the previous one.

Furthermore, many members of Liberia's skilled workforce fled during the civil war, leaving the state's administrative infrastructure and economy without sufficiently qualified and experienced personnel. The country's political elite is fragmented, and a culture of corruption frequently subordinates politics to private interests. Ensuring elite cooperation on government projects and securing implementation by civil servants is notoriously difficult. With a population of about 5.5 million and little purchasing power, the economy is small.

A high population growth rate of 2.4% (2019) diverts resources toward consumption rather than investment while putting significant pressure on the labor market. Due to the country's poorly developed infrastructure, smallholder farmers face numerous obstacles in accessing markets. The economy is dominated by three export commodities – gold, iron ore and rubber – with overall production weak and prospects for expansion dim.

The dominant ferralsol and acrisol soils limit agricultural potential, and the ecosystem is fragile with high risks of erosion and ecological degradation.

Voluntary associations are a fundamental aspect of urban public life, particularly in Monrovia. Many of these associations focus on professional and business interests and actively engage in politics. Media institutions play a critical role by reporting on government policies, often exposing evidence of corruption. However, there is minimal follow-up on these allegations, leaving the public uninformed about the outcomes.

Neighborhood associations play a vital role in communal life, but their organizational strength varies. Although Liberians frequently form voluntary associations, these tend to have short lifespans. Trust is lacking in society, hindering the effective functioning of civil society organizations. The sector is also susceptible to government co-optation of its staff and corruption. Further, the impoverished population is difficult to mobilize for political issues that do not have an immediate impact.

Structural
constraints

10



1

Civil society
traditions

7



1

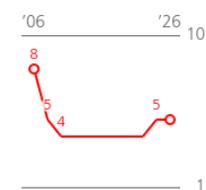
While the Liberian civil wars officially ended in 2003, peace remains fragile. Structural inequality, the lack of educational, lawful and formal economic opportunities for all, conflicts over property – especially land – and polarization along ethnic and religious lines have contributed to violence and crime.

Against the backdrop of a weakened economy and the 2023 presidential elections, polarization had been increasing. Yet George Weah’s swift acceptance of defeat and cordial handover of power did much to mitigate an escalation of tensions. In 2024, one of the most prominent former rebel faction leaders, Senator Prince Y. Johnson, died. He was by far the most important politician in the populous Nimba County and built his status by protecting his native region. With him, one of the last leaders symbolizing and emphasizing wartime divisions has left the political stage.

Liberian society is divided into small political factions that must form coalitions to gain relevance. Political affiliations are fluid, with minimal ideological divisions and policy differences. Although the political elite is fragmented and political rhetoric is often confrontational, coalitions can form among nearly all political actors since politics primarily revolves around access to spoils. Nevertheless, these coalitions are fragile and may dissolve rapidly. Conflicts are largely contained within the political system and are channeled through elections.

Conflict intensity

5



II. Governance Performance

14 | Steering Capability

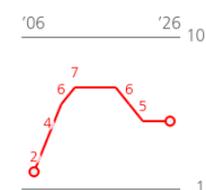
There is very limited capacity to establish and consistently pursue priorities. In its later days, the Weah government emphasized restoring monetary stability and reducing inflation as international pressures mounted.

The Boakai government has focused on reversing the economic downturn in Liberia through its ARREST Agenda, which prioritizes agriculture, roads, the rule of law, education, sanitation and tourism. In its first year, the government largely emphasized the restoration of macroeconomic stability. Boakai also announced a drive to promote integrity in the administration, and several audits have been commissioned. The main presidential project is the establishment of war crimes and anti-corruption courts, yet there is little consensus regarding the appropriate process for the tribunal among Liberians. Long-term goals are often overshadowed by short-term necessities, political bargaining and the pursuit of political office.

Question
Score

Prioritization

5



Road construction has been progressing, though slowly, and remains reliant on international funding. The restoration of public electricity production after the war served as a crucial symbol of a functioning government. In recent years, however, the electricity supply has become increasingly unreliable. The health and education sectors remain in poor condition despite domestic prioritization and substantial international support.

The patrimonial culture also suggests that the state is often viewed as an institution for the private accumulation and distribution of benefits by its officials, rather than as a provider of public order and services. Corruption is widespread and significantly undermines the government's effectiveness in carrying out its own policies.

While the Boakai government took office just a year ago, it does not appear to be immune to long-term trends. Progress in its flagship programs, from the War Crimes Court to the Health Equity Fund, has been slow.

Policy-learning abilities are very limited, and there are few signs of increasing capacity, as rational policy formulation clashes with the dominant patrimonial orientation in Liberia's political culture. Well-established narratives regarding Liberia's challenges and potential, rather than any critical reassessment, inform much of the policy process. Institutions with the power to critically review government actions have received little attention or have been actively weakened in recent years. This includes the Liberia Anti-Corruption Commission, the General Auditing Commission and the Liberia Extractive Industries Initiative. The government think tank on policy, the Governance Commission, is often sidelined and plays little role in informing policy formulation processes. Research by public and private entities is rarely used to inform decision-making.

15 | Resource Efficiency

Liberia's historical experience has made the absence of public service delivery the norm, fostering a deeply embedded culture of corruption among officials. Combined with a lack of qualified civil service staff and leadership, the state has not exercised rationality in mobilizing and efficiently using revenues.

Liberia spends a relatively high share of its revenues on current expenditures – 60% to 70% – compared to other countries in the region. Wages accounted for half of government expenditures in 2021, but this figure has declined over the past two years following the introduction of a harmonized wage system.

With a monthly compensation of about \$15,000 for senators, Liberian legislators are among Africa's highest paid. Nonetheless, decision-making processes often involve corruption, and the legislature carries out its oversight functions poorly. Additionally, changes in government mean that personnel in approximately 4,000 positions appointed by the president are also replaced, resulting in further replacements down the line.

Implementation

4

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1

Policy learning

4

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1

Efficient use of assets

4

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1

Accumulated experience therefore gradually diminishes at regular intervals. Overall public debt levels remain manageable, but persistently high fiscal deficits and steadily rising levels of debt are causes for concern. Budget implementation consistently falls short, and auditing processes remain weak.

Policy coordination is weak, as ministries and agencies tend to operate in isolation and rely heavily on the leadership of their senior official.

Regular cabinet meetings and coordination by the Ministry of State are intended to streamline government action, but this process is successful to only a limited extent. Special initiatives often rely on task forces staffed by relevant entities to address challenges, but these efforts are, by definition, ad hoc endeavors.

Liberia has several formal integrity mechanisms, including the General Auditing Commission, the budgetary oversight powers of the legislature, the National Public Procurement and Concessions Commission, the Liberia Extractive Industries and Transparency Initiative, the Liberia Anti-Corruption Commission, a code of conduct for the civil service, and a freedom of information law.

Overall, these institutions are weak, corruption levels remain high and legal consequences for corrupt practices are rare. The prevailing view of the post-civil war order is that of a neo-patrimonial state in which corruption is deeply ingrained.

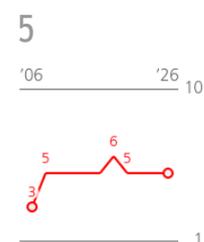
During the reporting period, a review of resource contracts and numerous audits of government institutions were conducted. However, as of the time of writing, these efforts had not yet led to specific responses. The government has faced significant obstruction in this area, and has struggled to enforce asset declaration requirements for officials. As noted above, the judiciary has launched a prosecution of the former finance minister and his collaborators. It appears unlikely that these isolated initiatives will alter established patterns of corruption in Liberia. In its effort to control the House speaker position, the government has put forward another influential figure who has also been sanctioned by the United States.

16 | Consensus-Building

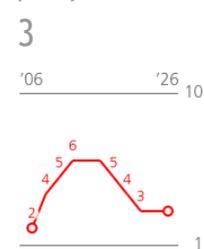
Liberia was established as a democratic country upon gaining independence in 1847. While democracy is generally recognized as the norm, the local interpretation of the term is shaped by distinct Liberian characteristics. A noticeable authoritarian undertone exists within Liberian political culture.

Liberia maintains strong ties with the United States, and capitalist principles are accorded widespread support. However, the embrace of capitalism and a market economy goes along with significant state interference in economic freedoms. Protectionist measures, state ownership of enterprises, and price regulation for essential goods and services receive broad backing.

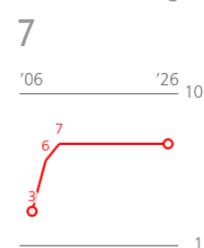
Policy coordination



Anti-corruption policy

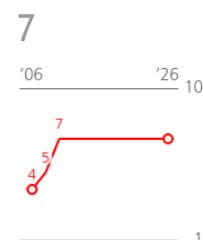


Consensus on goals



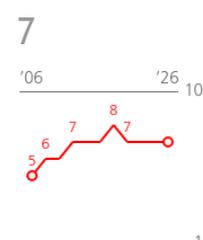
There are no strong political actors who openly challenge the democratic system, nor are there organized veto players. However, the commitment of political elites to democracy is not beyond doubt. Special and private elite interests have strong influence within the political sphere. Endemic corruption undermines democratic decision-making processes and the implementation of democratically decided laws. While the current government enjoys a good reputation stemming from the democratic change of leadership, Liberia’s historical orientation toward the United States will likely empower nondemocratic forces in the country.

Anti-democratic actors



The historical experience of being ruled by descendants of settlers constitutes a historical trauma for large segments of the population. Political conflicts are still widely interpreted through the “Congo-Indigenous” divide. The Johnson Sirleaf government was often seen as being dominated by “Congos,” partly due to the association of elite culture with settler society. However, her administration strategically distributed positions across a broad spectrum of society.

Cleavage / conflict management

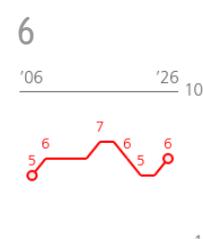


President Joseph Boakai essentially represents the same constituency, but is universally recognized as indigenous, which is likely to mitigate the perceived Congo-indigenous divide. At the same time, his government is seen as disproportionately employing officials from his native territory, Lofa County.

Against the backdrop of the economic and political crisis in recent years, potential tensions have been managed well. The War and Economic Crimes Court is likely to revive antagonism if elites are charged.

The current development policy document, the ARREST Agenda, was developed in extensive consultations with civil society, local communities and donors.

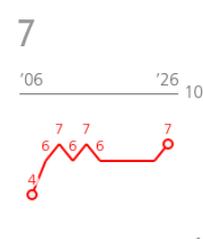
Public consultation



Civil society and stakeholders may be consulted, but there is no guarantee that this will take place. Consultation often takes place in a nontransparent and poorly managed manner. The current government has extensive connections to Monrovia’s civil society and maintains numerous channels of communication. Depending on who is in power and who is in favor, interest groups may have opportunities to participate in informal policy discussions.

Some 22 years after the end of the civil war, attempts at national reconciliation have hardly been satisfactory. The country’s examination of its violent past has mainly focused on the civil wars, and has been facilitated by the national Truth and Reconciliation Commission (2005 – 2009). However, this commission’s work was marred by controversy and, although it resulted in some disclosure of truth, its effectiveness in promoting reconciliation has been questionable. Individual perpetrators, most notably former President Charles Taylor, have been tried and sentenced by international and foreign courts.

Reconciliation



Under President Johnson Sirleaf, the Liberian government outlined its approach to reconciliation in the Strategic Roadmap for National Healing, Peacebuilding and Reconciliation (2013 – 2030). However, there has been little progress in

implementing this road map. Johnson Sirleaf and George Weah addressed societal divisions mainly through broad elite-level coalition building and by delegitimizing inflammatory rhetoric. A number of influential individuals were affiliated with warring factions. Significant elite resistance persists against any process that might incriminate people of influence. Additionally, ethnic and regional factions and constituencies are often reluctant to see their leaders accused of wrongdoing. More than half of Liberia’s current population was born after the war. Although the risk to stability posed by war crimes proceedings has lessened, the civil war period is partly forgotten yet lives on in traumas, stories and half-truths.

In May 2024, President Joseph Boakai decreed the establishment of a War and Economic Crimes Court to try perpetrators. This retributive justice initiative is unprecedented and could mark a turning point. The establishment of the court’s office sparked a competition for positions that forced Boakai to rescind his nomination for executive director, a prominent lawyer who had defended war crime suspects in trials abroad. ECOWAS and the U.N. Human Rights Office were initially invited to participate in the recruitment activities, but withdrew to allow for full Liberian ownership of the process. The Ministry of Justice, along with the Independent Human Rights Commission of Liberia, the Liberia National Bar Association, human rights civil society organizations and the director of cabinet, is now charged with vetting and proposing candidates. In December 2024, Jallah Allen Barbu was appointed as head of the Office for the War and Economic Crimes Court.

17 | International Cooperation

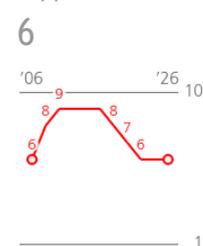
The current political leadership uses international assistance to advance its own development agenda. Government capacity is low and donor assistance is often not utilized efficiently. In the aftermath of the civil war, and especially until the U.N. Mission in Liberia withdrew in 2018, levels of international assistance were high and tended to overstretch local implementation capacity. Since then, funding has increasingly become scarce.

Relations with the International Monetary Fund (IMF) and the World Bank remain strong, and strict conditions have helped address chronic budget shortfalls.

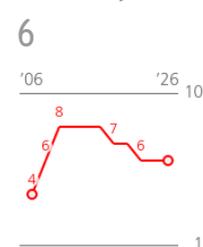
In recent years, progress in the fields of electricity generation and distribution, road infrastructure, health and education has been sluggish.

The Johnson Sirleaf administration maintained a strong political and economic position with international partners despite substantial shortcomings throughout its tenure, although concerns about uncontrolled corruption grew over the course of the period. The reputation of the Weah administration declined over time. The release of protest notes by the national U.N. office and a coalition of ambassadors regarding the utilization of donor funds reflects a diminishing level of trustworthiness in the eyes of donors. In 2022, the Global Fund launched an investigation and identified systemic fraud and misappropriation by the Liberian Ministry of Health (MoH). Consequently,

Effective use of support



Credibility



the World Food Programme, PLAN International and Catholic Relief Services took over the management of funds and medical supplies, while the MoH took on the task of coordinating efforts among them. In 2022, senior government officials were sanctioned by the United States under the Magnitsky Act.

President Joseph Boakai enjoys a good reputation, but faces the difficult task of rebuilding confidence with donors. Deeply ingrained rent-seeking habits and corruption will continue to pose obstacles. Yet the exemplary democratic handover following the 2023 elections creates incentives to continue supporting the country. Overall, Liberia remains steadfast in its Western orientation and is likely to remain a key U.S. ally on the continent.

Generally, Liberia maintains cordial regional and international relations. Liberia is a member of several regional organizations, including the African Union (AU), the Economic Community of West African States (ECOWAS) and the Mano River Union (MRU).

Relations with neighboring states considerably improved after the civil war, as changes in leadership in Liberia and other countries brought more cooperative policies and a fresh start. Liberia ratified the common external tariff of ECOWAS in December 2017, but has not fully implemented it due to probable adverse effects on local prices and production. Liberia maintains strong relations with ECOWAS, which supports its bid for a non-permanent U.N. Security Council seat.

Liberia has at times used the Mano River Union to build relationships with its neighboring countries in areas such as infrastructure, trade and extractive industries. Côte d'Ivoire has become a major source of imports, reflecting the progress of economic integration.

Liberian troops supported the U.N. peacekeeping mission in Mali, which ended in late 2023 after the military government there demanded its withdrawal. Liberia also supports the U.N. missions in South Sudan and Abyei with small contingents.

Regional
cooperation

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Strategic Outlook

The challenges for Liberia are situated on two levels: First, the state administration needs to be reoriented toward providing public goods and services rather than privileges for its officials. Second, Liberia will need to make greater use of its domestic land resources.

Much of the state's civil service does not provide public order or services that enable citizens to conduct their activities effectively. However, officials expend significant energy creating obstacles that can be removed for a fee. Although there are about 70,000 public officials, the effectiveness of the civil service is low, and no services or goods commensurate with the costs incurred are provided. One reason is that a large portion of the budget is spent on salaries, leaving limited capacity for maintaining office functions or public investment. Moreover, civil servants tend to focus on opportunities to generate extra income while neglecting duties that do not offer such opportunities, which is a significant aspect of the problem. Rationalizing public administration and strengthening discipline will be necessary conditions for implementing any political initiative. A core issue for Liberia's future will be to reorient the attitudes of the civil service from rent-seeking to facilitating economic activity and providing social services. Given existing budgetary constraints as well as the need to support operating expenditures, a smaller but more effective civil service focused on priorities is needed. Lack of oversight and discipline poses a greater challenge than low public sector wages. In various surveys, Liberians broadly define their priorities as security, justice, health and education. Accordingly, Liberia will need to boost income opportunities in the productive economy. Given the current structure of opportunities, the greatest short-term potential lies in agricultural production for the domestic market. Importing basic necessities significantly reduces Liberia's foreign exchange resources and increases its exposure to international market volatility while local prices remain high. Export and processing infrastructure for perishable goods is almost nonexistent, limiting the short-term export potential for many agricultural products other than rubber.

While discourse both within Liberia and the international community often highlights the economic potential of the country's soils and subsoils, it is important to put these claims in perspective. Liberia is home to West Africa's largest contiguous forest cover, containing about 40% of the region's remaining rain forest. This points to significant untapped agricultural potential as well as the risk of large-scale ecological destruction. The country's nutrient-poor and frequently acidic soils are refertilized by seasonal harmattan winds, which provide only a thin, nutrient-rich upper layer. This makes the soils vulnerable to overexploitation, and limits the variety of annual or cash crops that can be sustainably grown. Despite these limitations, it may be rational for Liberia to log its forests and turn them into cocoa, coffee and rubber plantations. Soil erosion is now driving Ivorian smallholding farmers into Liberia. However, Côte d'Ivoire became West Africa's most developed economy by exploiting an unsustainable opportunity. The tension between international climate protection goals and local economic opportunities requires cooperation that makes conserving ecologically valuable areas financially rewarding for both the country and its

people. Liberia should more actively seek international climate protection funding, though it will also need to pursue complementary strategies for agricultural and other land-based development. The concept of “multiple use reserves,” which permit some economic activity in protected areas, offers one possible approach.

While the country is in a geologically promising area, little exploration has been done, and little is known about its viable mineral potential. Currently, mostly iron ore is extracted, and the notoriously volatile prices for the metal, as well as an abundance of international producers, render it an unreliable foundation for development. Gold mining is done mostly in an artisanal fashion and is highly destructive, polluting rivers and soils with mercury that will last for generations. Much such activity poses a threat rather than serving as a foundation for long-term development. While mining revenue can be expected to continue generating a significant part of Liberia’s foreign exchange needs in the future, the industry’s potential is limited, and putting it at the center of a development strategy is misguided. In terms of jobs, income and macroeconomic stability, there is more potential in the land.

This may include strengthening tourism. The country has identified heritage tourism as a potential growth sector targeting African American customers. It also features eco-tourism attractions. Yet the tourism market is highly competitive, Liberia is weakly positioned, and the country will need to provide infrastructure to make it attractive. This will require long-term cooperation with tourism industry investors and sustained reputation building. The current administrative apparatus, which focuses on generating short-term gains for its officials, is ill-equipped for the challenge. As with all other economic opportunities for Liberia, the main challenge remains building a state that creates opportunities rather than preying on its own population.