

The background is an abstract painting with various colors including red, orange, yellow, green, blue, and teal. A large, irregular red brushstroke shape is overlaid in the center, containing the text. The overall style is expressive and modern.

ActionAid Liberia National Policy Brief

Who Cares for the Future:

Financing Gender Responsive Public Services in Liberia

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WHO CARES FOR THE FUTURE:

FINANCING GENDER
RESPONSIVE PUBLIC
SERVICES IN LIBERIA

ActionAid Liberia

SUMMARY

The Covid-19 crisis has revealed the extent to which public services have been under-funded for a generation across Africa, with women in the poorest communities often having to take the strain and fill the gaps through unpaid care and domestic work. This crisis is however an opportunity for some fundamental changes, with governments looking for structural solutions and new ways forward, in short to build back better. Liberia is spending half as much on debt servicing as it spends on both health and education combined. This must be suspended in the short term (through to end 2021) to allow for a comprehensive response to Covid-19. Debt repayments should never be allowed to compromise the spending on public services needed to deliver on the SDGs. To rebuild public finances Liberia needs to rapidly and fairly expand its domestic tax revenue (from its very low base on 11.4% of GDP), aiming to increase by at least 5% in 5 years, which would allow a doubling of spending on most public services. Action is also needed to push back on IMF policy advice that has pressurised the government in recent years to cut public sector wage bills, undermining the capacity to employ more teachers, doctors, nurses, care workers and other essential frontline staff. By taking a combination of actions on tax, debt and austerity the government of Liberia could transform the quality of all public services and start shaping a sustainable economy that cares for both people and the planet.

This summary briefing for Liberia draws on data and analysis from the global report *Who Cares for the Future: Finance Gender-responsive Public Services* which was published in April 2020 to coincide with the virtual IMF / World Bank Spring Meetings

INTRODUCTION

Liberia remains at a critical juncture to consolidate peace and improve development. In 2018, the country celebrated 15 years of uninterrupted peace. In 2017, the country faced significant transitions, the withdrawal of the UN Peace Keeping Mission (UNMIL) and 2017 Presidential Elections. These two events represented major turning points in the country's post-war recovery and reconstruction. The withdrawal of UNMIL meant a symbolic transition for Liberia's progress as a post-war but the closure of the mission posts across the country contributed to skyrocketing inflation. The 2017 Elections provided the country's first democratic transition of power, ushering in the new government of the opposition coalition led by President George M. Weah.

Expectations have been high for new government to deliver as 41% of the population in Liberia lives below the international poverty level (\$1.90 per day) and quality and access to public services such as healthcare and education remain low. The combination of the 2014 Ebola crisis and a steep drop in international prices for Liberia's chief exports (i.e. rubber, iron ore, etc.) disrupted Liberia's economy. The Government rolled out its national development agenda in 2018, *Pro-Poor Agenda for Prosperity and Development (PAPD)*, which outlined four pillars - namely Power to the People, Economy and Jobs, Sustaining the Peace, and Governance and Transparency. The PAPD seeks to "build a stable, resilient, and inclusive nation embracing triple heritage and anchored on to identity as Africans; and lift an additional one million Liberians out of absolute poverty over the next six years (and reduce absolute poverty by 23% across 5 of the 6 regions)". However, a slow economic growth projected for Liberia continues to challenge new leadership's performance against expectations including prioritization of investment in sectors.

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Unfortunately, around the world and particularly in Liberia, different public services have been chronically underfunded for decades, leaving countries unable to deliver on people's rights, way off target for achieving the SDGs and now unable to respond as effectively as they could to COVID-19.

LIBERIA



4.9 Million



Life expectancy : 63.7



49.5% Population are Women



Human Development Index: 176 / 189



Poverty Level: 40.9% (less than \$1.90 a day)



Urban Population : 51.7%



Children out of School : 63%



77,218 Girls out of Primary School



54% of Labor force are women



9 out of 73 Representatives;
1 out of 30 Senators are women

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PREVAILING GENDER INEQUALITY

Much of this burden falls on women, especially young women, who are part of the country's huge youth bulge. Liberia's population is reportedly 4.8 million—with an even gender distribution (50.4 % male and 49.5 % female); and more than 60% of the population are below 35 years. The lives of many women and girls are particularly vulnerable due to not only endemic poverty but exploitation and violence linked to patriarchal gender norms and entrenched cultural and religious beliefs that promote the unequal status of women and girls in Liberia. Harmful practices such as early child marriage, female genital mutilation (FGM), trial by ordeal (cruel torture and punishments for women and children deemed witches) continue in Liberia especially in rural communities. Liberia's maternal mortality rate remains among the world's worst (725 deaths/100,000 live births) , reflecting a high-unmet need for family planning services.

Access to education for girls is more difficult than for boys due to the prevalence of violence against girls in schools and teenage pregnancies (one of the highest in West Africa). Rape and other forms of sexual violence is prevalent in homes, schools and communities and access to justice low (an average of only 2-4% of the perpetrators successfully prosecuted). Consequently, Liberia currently ranks 176 out of 189 on the Gender Inequality Index (GII) (value of 0.651) which measures gender inequalities across health (i.e. reproductive), socio-political factors (education political participation, etc.); and economic status.

WOMEN AND THE ECONOMY

Forest and mining concessions and agribusiness are significant features of Liberia's economy with rubber, iron ore, timber and gold exported primarily through concession agreements with multinational corporations and private companies. However, more Liberians are active in the agriculture and informal sector (68%) than formal sector and this is heavily tilted towards women (74%).

Informal sector is reportedly higher for women than men linked to gender related factors such as women bearing higher responsibility at an earlier age for their family and or lower education and skills for formal sector than their male peers. Even when women are formally education, they are more likely to work in informal sector than their men (41% university-educated women vs. 24% university-educated men). many small to medium enterprises (SMEs) such beauty salons, clothing stores, and entertainment centres have been closed for months.

Very few of these SMEs have pivoted to using technology to continue their businesses. These SMEs are now at risk of collapse. Women also bear higher burden of unpaid care and domestic work, challenging their access to education, professional/career development, political participation and economic opportunities. On average women spend four hours and 25 minutes daily doing unpaid care and domestic work, in comparison to men's average of just one hour and 23 minutes. Globally this is changing by less than a minute per year. If properly valued this work would constitute at least 9% of global GDP or US\$11 trillion.



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WOMEN'S LABOR

Women make up 54% of the labour force in Liberia (CWIQ 2007); however, Liberian women are disproportionately clustered in the least productive sectors, with 90% employed in the informal sector or in agriculture, compared to 75% of working men. Women produce roughly 60% of agricultural products, carry out 80% of trading activities in rural areas, and play a vital role in linking rural and urban markets through their informal networks.



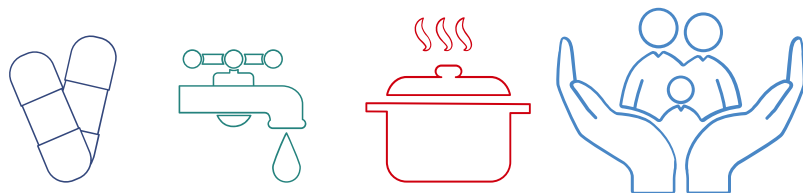
AGRICULTURE

The agricultural sector is composed of three parts: large commercial plantations, which are private and mostly foreign-owned, growing rubber and palm oil for export, and state-owned plantations producing mostly cocoa and coffee; medium commercial farms growing export crops and livestock for the domestic market; and, small household farms growing largely food crops but also some cash crops. Small household and subsistence make up the majority of all farming, and 41% of all households in Liberia depend on food crop production for their livelihoods. Despite this, Liberia is currently a net importer of food, as most crops are for subsistence.

WOMEN'S CARE BURDEN

Women also bear higher burden of unpaid care and domestic work, challenging their access to education, professional/career development, political participation and economic opportunities

Women's care work is estimated to value at least 11 trillion , i.e. % Global GDP



As with COVID-19 and lockdown measures to contain virus, the burden of care has significantly increased for women in both formal and informal sectors. A policy brief by UN Women, *The Impact of COVID-19 on Women*, reported that unpaid care work had increased across the globe with many children out-of-school and increased care needs of older persons and sick family members. This also includes healthcare workers, majority of women are women. Although the extended closure of schools' will affect education generally, young women and girls are experiencing increased gendered tasks at home (i.e. caring for family members and house chores) preventing them from having adequate time to study. Moreover, COVID-19's impact on health sector has affected access to health, including reproductive health services and related sexual and gender-based violence services. This is anticipated to lead to lapses in access to pre-and or antenatal maternal health services and or unwanted pregnancies. Many small to medium enterprises (SMEs) such beauty salons, clothing stores, and entertainment centres have also been closed for months. Very few of these SMEs have pivoted to using technology to continue their businesses and are at risk of collapse.

GBARPOLU CASE STUDY

As part of a study commissioned by ActionAid Liberia in Gbarpolu County through the Coalition on Transparency and Accountability on Education (COTAE). The study was carried out as part of ‘Assessing Gender Responsiveness and Sensitivity of Public Education in Liberia’. The study included four focused group discussions conducted in Gbarpolu County, targeting 53 women and girls of mixed ages, ranging from 16 to 45 years.



The discussions, which took place the first week of December 2019, covered Bopolu, the Capital City of Gbarpolu and two other towns, Farwhenta and Guyanta respectively. Additionally, local stakeholders were engaged, including administrators of the Bopolu Central Elementary and High Schools as well as the Resident District Education Officer of the County, Mr. Charles Kaba.

GBARPOLU CASE STUDY ON EDUCATION

More broadly, there was consensus about the poor state of education in the county as well as limited dedicated services and programs to cater to the specific needs of girls, boys and other marginalized groups served by the education sector. Women and girls engaged are largely poor, lacking financial and other resources and opportunities to fund their education. The study revealed that educational services in the county are not adequate, are of poor quality and not gender sensitive and responsive. Also, there are limited efforts by the Government to satisfactorily address the plight of girls in education, especially narrowing the gender gap by ensuring that more girls attend, stay in and complete schooling. Sexual harassment in school, teenage pregnancy, poverty, female genital mutilation, lack of financial resources, unhygienic conditions of schools and disproportionate domestic work were cited as key impediments to girls' education at the local level, similar reasons highlighted by national level stakeholders.

Objective three of the national policy on girls' education emphasizes the need "to stimulate collective and concerted efforts, at all levels, to eliminate gender disparities in education, training and management levels." Also, section 8 of the Girls' Education Policy commits the Ministry of Education to spending at least 5% of its budget on girls' education, as a way of narrowing the gender gap in the sector. However, full implementation of the policy on girls' education and other national laws remains a major challenge. Thus, there is need to for dedicated national and local level efforts to address these hurdles, which will greatly help to ensure availability of increased access to educational opportunities for females and other marginalized and impoverished groups in society. At the moment, challenges faced by young women and girls are enormous. Of critical importance is the issues of Traditional / Bush School (Sande and Poro Societies) which initiate boys and girls, mostly reported against their will. Young women and girls engaged lamented prevalence of the practice, which they said affects students' learning, especially girls who are already challenged by early marriage, teenage pregnancy and other cultural barriers to their learning. The lack of state-sponsored and sustainable gender responsive and sensitive programs compounds the situation. According to the Resident Education Officer for Gbarpolu County, the Government does not provide direct financial support to schools, apart from instructional materials centrally procured and transported to the county, which are grossly inadequate and do not arrive on time.

Other issues affecting education in Gbarpolu County are teachers not being paid on time by the government contributing to high absenteeism among teachers; high poverty and access to income for girls and their families to sustain their education, and poor latrine facilities on campuses which mostly affect girls. These points were re-enforced by the Principal of the Bopolu Central High School who decried limited financial and logistical support to the school as well as the absence of dedicated state-sponsored initiatives to empower and motivate more girls to enroll and stay in school. Among other things, there's an urgent need for financial assistance, food supply, distribution of basic supplies and construction of vocational schools to address impediments to girls' learning in the county. These actions go a long way in helping to ensure that more girls enroll, stay and complete school, especially those from poor and low-income families and households struggling to fund their education.

The case of 22-year-old Eve Dahn, a self-supported female student at the Bopolu Central High School epitomizes challenges faced by women and girls and the courage desire to learn in the midst of these insurmountable challenges. Eve attends the Bopolu Central High School, one of two public high schools in the county. Unlike five of her siblings who are currently out of school, she's courageously continuing her education at High School level, in spite of hailing from an impoverished background, with both parents residing in their hometown in Malakoleh town in Bokomu District. Eve lives miles away from her parents, who provide little or no support towards her education, at the moment. Despite her poverty-stricken condition, she aspires to be a nurse, but such dream can only come true if the required financial support is available to continue her education, after high school/senior secondary level. In fact, Eva says she is struggling at the moment to complete high school, as she spends more time finding basic necessities (food, clothing, toiletries, etc.) for upkeep, thereby consuming much of her study time. She is determined to withstand this and complete high school, but only hopes that the required opportunities (financial and logistical support, scholarships, etc.) will be available to enable her acquire higher education, especially pursuing her career in nursing, which she felt is vital to improve her living condition, help her parents and siblings, as well as contribute towards better health services in her community.

GENDER RESPONSIVE PUBLIC SERVICES

The provision of gender responsive public services is key both to delivering on human rights and the SDGs, and to transforming women's lives.

- When women spend several hours a day caring for children, provision of free public schools, school feeding and early childcare can be transformative.
- When women are expected to care for their children, the sick and elderly at home, access to quality health services can reduce the burden.
- When women spend hours collecting water, access to clean water close to home can transform lives.
- When women have access to social protection programs (including cash transfers), they can be able to mitigate income loss and have resources to alleviate the costs to take care of their families.



Childcare



Water and Sanitation



Education



Transportation



Health care including reproductive health services

BEYOND BUDGET SHARES

Limited public funding of public services is making access and delivery difficult and impeding the socio-economic and political progress for women in Liberia. Those fighting for more funding for public services often face the challenge of government's prioritization and a silo approach that pits the greater share of the budget invested in one service to mean less in the other. For example, advocates seeking at least 20% of education versus those seeking 15% for health too often see public services set against each other national budget for because it is assumed that where one public service gains, it is at the expense of others.

Much attention has been on reduction of wasteful spending as an immediate step towards increasing funding. This includes incentives such as fuel and communication cards, high vehicle and travel costs, and funds earmarked as "special projects", "grants" and "subsidies" which may temporary relief to the national budget , freeing up existing funds for reallocation to these sectors. It is time, however, to re-focus attention, encouraging different public services to work together to increase the total budget by addressing the strategic financing issues which affect all of them Our evidence and analysis show that action on debt, austerity and tax could deliver system change for all public services in Liberia. Of course, this depends on ensuring that the extra resources are allocated and spent both transparently and effectively, with a strong focus on increasing equity and with clear oversight both from local communities and the national parliament.

ActionAid estimates that countries like Liberia could expand their tax to GDP ratios by 5% over 5 years, i.e. by 2025. This would increase by almost half the present revenue, enabling the government of Liberia to double its present spending on education, health and other key services.

ACTION ON DEBT

There is a growing debt crisis squeezing public spending in low income countries such as Liberia, and it is only getting worse. ActionAid's Who Care's research shows that countries which spend more than 12% of their budgets on debt servicing are invariably forced to cut their spending on public services. Liberia is just under this threshold (at 9.1%) but its debt servicing amount to more than half of the total budget for health and education.

In the context of COVID-19, suspension of debt payments is now on the global agenda – but it is too little as it does not cover all debt and for too short a time (just to the end of 2020 when it will be needed at least to the end of 2021). The Government of Liberia should work with other countries in the region (Mano River Union and or ECOWAS) and on the continent to make a pan-African call for more sustained debt cancellation. This needs to go hand in hand with a commitment to reform debt contracting processes so that all future loans are agreed following a transparent and accountable process. This is the moment for the Government of Liberia to insist on its right to spend the revenue it raises on providing a comprehensive and sustained response to Covid-19 and invest to meet the SDGs, rather than paying old debts.

ACTION ON TAX JUSTICE

Liberia urgently needs to take bold action on progressive tax reform. Liberia has a tax to GDP ratio of just 11.4%. This is significantly below the average even for low income countries (the average for which is 17% tax to GDP ratios on average, compared to 34% in OECD countries and over 40% in Scandinavia). In line with most developing countries, taxes in Liberia are largely regressive, targeting the poor more than the rich. AA's research shows that countries like Liberia can expand their tax bases both rapidly and fairly through taking action on ending tax incentives, raising corporate taxes on the biggest companies, improving taxation of the extractive industries, supporting fairer property taxes and targeting luxury consumption. Whilst the International Monetary Fund (IMF) recognises the urgently need to expand this, the present IMF advice is focused mostly on goods and services taxes or customs and excise, without factoring in the need for fair, progressive taxes. Action is also urgently needed to prevent aggressive tax avoidance and evasion by multinational companies and ultra-rich individuals. Strengthening the national revenue authority is crucial – and equally Liberia needs to promote regional cooperation and add its voice to calls for global action on tax havens and the setting of fairer global tax rules.

ACTION ON AUSTERITY AND PUBLIC SECTOR WAGES

Our new research in all low-income and many middle-income countries shows that the IMF holds down public spending by imposing unnecessarily low inflation targets (in 80% of countries) and by freezing or cutting of public sector wage bills (in 78% of countries) – so most governments cannot employ more teachers, doctors, nurses or care workers.

In the case of Liberia, inflation is running at just over 20% and the IMF is putting significant pressure to reduce this – and yet most independent research suggests that a healthy developing economy can thrive with inflation rates up to 20%. IMF advice in the area of inflation is an extreme, even fundamentalist position that restricts the capacity of the country to spend more on priority services.

Perhaps most worrying though is the IMF's advice in respect of Liberia's spending on public services and on wage bills. The government is under pressure to cut the public sector wage bill. Over half of the present wage bill goes to pay teachers, doctors and nurses so any cut blocks new recruitment in these essential services. Over half of Liberia's children are not in school and there is a desperate shortage of teachers. The health system equally needs urgent new investment.

It is time for the Government of Liberia to unequivocally reject the ideology of austerity as promoted by the IMF, and to invest urgently in public sector workers, especially doctors, nurses, teachers and care workers.

CONCLUSION

**DEBT
PAYMENT
RELIEF**

**TAX
REFORM**

**INCREASED
PUBLIC
FINANCING**

The Government of Liberia, like most governments across Africa, have been subject to the loan conditions or coercive policy advice of the IMF for too long. This has limited the potential to explore alternative economic models. Our research shows that the government could achieve change in investment in public services over the next five years. Action on suspending debt servicing alone could release urgently needed revenue for the COVID-19 response. Action on tax could lead to a doubling of revenue for most essential public services. This is the scale of ambition needed to achieve the SDGs, but to pursue such ambitious change means moving away from the IMF's sphere of influence. It means working with other countries across Africa to promote alternative economic models.

The COVID-19 crisis can and must be the turning point – the moment when Liberia and Africa as whole pursue more expansionary economic policies that can truly deliver the financing to achieve all development goals. All new resources generated must be allocated and spent with a new commitment to transparency and accountability, so they reach the most excluded groups and truly transform the country. There are ten years to the SDG deadline of 2030. It is not too late to build a sustainable economy that truly cares for women and people experiencing poverty in Liberia.

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