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## **WAGES AND COMPENSATION: THE WEAK PILLARS IN MAKING SIERRA LEONE ACCOUNTABLE AND EFFECTIVE**

Just six months after the 2018 elections, recent public outcry over Members of Parliament (MPs) push for a 300 percent pay raise is beginning to sow public distrust in the new parliament. Following the MP's call, a number of professional bodies including teachers, doctors and the Sierra Leone Labour Congress have demanded pay raises as well and threatened industrial action. These calls for pay rises across a number of industries and groups indicate the need for an open conversation around public sector pay and compensation, which for many appears to be at an all-time low. The Clerk of Parliament has on the 5<sup>th</sup> November opened a hearing on wages and compensation of public-sector workers. While the implications on the economy and political capital are well known, it is important to examine why this debate was triggered by parliamentarians.

MP turnover is historically high in Sierra Leone. For a number of reasons, 82 percent of MPs elected in 2012 were not re-elected to parliament in 2018. Some of the reasons for this may not be unconnected to the restrictions imposed on dual-citizenship holders. However, IGR demonstrates in this paper that, the high rate of MP turnover may largely be attributed to anxieties and pressures associated with the nature of politics that is largely based on a flawed patrimonial logic; a reward-based system that is informal and highly consumptive.

### **MP'S EMOLUMENT AND PARLIAMENTARY PERFORMANCE**

Some experts<sup>2</sup> believe that the nature of MP remuneration and the cost of acquiring and maintaining their offices have direct implications for MPs' effectiveness in scrutinizing plans and budgets of the executive as well as attracting more competent people into politics. However, high rates of corruption in countries such as Kenya and Uganda where MPs are among the highest paid legislators in the world shows that remuneration alone cannot make MPs effective lawmakers or ensure that government ministries and agencies are accountable and effective.

Nevertheless, remuneration can be important and pay conditions can affect public service performance. Where remuneration is not commensurate with skills or performance, this can have implications on the caliber of candidates, levels of corruption, accountability and ultimately

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<sup>1</sup> We are an independent multi-disciplinary public policy research, advocacy and institutional development think tank. A 'good governance' ethos underpins our work. We assist client organizations and communities in their efforts to improve their public services performance. Through operational research and targeted support to agencies, we 'bridge the gap between knowledge and policy.' Our long-term vision for Sierra Leone is to have capable institutions implementing policies that promote social cohesion, democratic governance, economic competitiveness and inclusive communities. Our team's vast knowledge of Sierra Leone and West Africa, and experience within government's MDAs, donors and civil society, ensures our audients access to quality data, timely analysis and excellent results.

<sup>2</sup> Westminster Foundation for Democracy (WFD) – Cost of Politics 2016.

effective governance. In Sierra Leone, it is very common for the lifestyle of public servants to go above and beyond their official pay grade.

We illustrate in this brief, using a MP's compensation scheme and argue that appropriate wages and compensation can potentially be key pillars to ensure accountability and good governance in Sierra Leone. Successive governments have been worried about pay raises due to concerns that any increase will strain an already high wage bill as salaries of government workers form 30 percent of the national budget. At the same time, Sierra Leoneans are concerned about weak accountability and poor performance of public servants. Many believe that those in public service have access to unexplained income and live well above their official emolument. The rate of an 82 percent MP turnover rate demonstrates that citizens are also concerned about the quality of representation in parliament. In light of the concerns around remuneration as revealed by the various requests for salary increases, the time is right to have an open and frank conversation about ways of establishing appropriate living wages for MPs and public-sector workers commensurate with the important work that they do that are in line with what the country can afford. Also, there has never been a national conversation on how to properly remunerate public sector workers and how to weed out poor performers in the system that over inflate the wage bill.

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To help facilitate this conversation, this brief draws on data collected in 2016 looking at the cost of politics in Sierra Leone: that is an MP's official compensation, which is then compared with the unofficial financial burdens MPs are regularly presented with in their legislative, oversight and representative roles.

## CURRENT OFFICIAL EMOLUMENT OF MPs

This section compares the current compensation scheme of MPs with the proposed pay raise. On compiling the funding sources, it can be seen that an average MP earns approximately \$60,000 per annum; or about \$300,000 for a five-year term in Parliament excluding end of service benefits and pension.

<b>Comparative analysis of official emoluments of MPs</b>		
Item	Current Annual (SLL)	Proposed Annual (SLL)
Salary (Gross)	254,215,385	683,076,923
Vehicle allowance	-	22,100,000
Medical	-	42,500,000
Annual Const. Development/facilitations Fund	68,000,000	72,000,000
Annual Rent	102,000,000	170,000,000
Personal staff	-	120,000,000
Fuel	-	20,160,000
Annual Sitting fees	5,100,000	19,200,000
Wardrobe	-	8,500,000
Recess	-	113,846,154
Oversight allowance	23,800,000	-
<i>Allowance for membership of regional parliamentary bodies</i>	NA	NA
<i>Annual wage bill per MP</i>	453,115,385	1,271.383,077

## THE FINANCIAL BURDEN ON MPs

The mindset of the average Sierra Leonean is still rooted in the patrimonial politics of the one-party era of the 70s and 80s when MPs were given exorbitant allowances, as well as food and development assistance to distribute direct material benefits to their constituents. The state was left unchecked and unaccountable as MPs were engrafted into an authoritarian machinery (e.g. banning student unions; excessive use of force by the police) employed by President Stevens to control society. This era witnessed a huge dependence on MPs for public goods like scholarships, as well as public service recruitment (for instance into the army and police and civil service). The Stevens' regime also transformed MPs into local patrons who distributed handouts, school fees, as well as funeral payments to pay things like hospital bills. The growth in this patrimonial infrastructure, as in many cases, went in tandem with the informalization and deterioration of the formal state.

Since the return to multiparty democracy in 1996, MP salary and allowance do not match public expectations of the services they are expected to provide. In the absence of strong welfare systems for citizens, the burden of service largely lies with community leaders. IGR estimates that an MP can spend as much as \$400,000, if not more, on campaigns and constituency demands during one's five-year term. With the push towards greater accountability and anti-corruption, this might partially help explain why parliamentarians have been so concerned about their salaries and entitlements. Interviews with 30 MPs in 2016 highlight some of the costs and constituency demands associated with being an MP:

1. **Pre-Candidate Posturing:** Before becoming a MP - nurturing a constituency or developing a base: this includes providing development assistance and direct cash donations for funerals, weddings, the sick, naming ceremony etc. We note that the more an individual invests in nurturing, the bigger the base and more demanding it appears to become.
2. **Canvassing for Party Symbol:** Campaigning for a party symbol in primaries at the zonal level: some candidates, especially SLPP members, stated that they can spend upwards of \$15,000 on mobilizing zonal level delegates and on lobbying at the national level for party symbols. At this stage, some MP investments might include a new vehicle to promote movement around their constituency and chasing national executive members.
3. **General Election Campaign:** figures for this expenditure line vary largely by district. IGR established in 2016 that campaign costs in swing constituencies such as Kono could be as much as \$25,000, and in Freetown as high as \$40,000, which can be higher than in the party's strongholds. In the 2018 election, IGR estimated that the ruling party spending increased in opposition strongholds – some MPs interviewed indicated that they spent as much as \$20,000 on their campaigns, even in strongholds. One opposition MP candidate reported spending about \$25,000 on a bye-election in Kailahun. These expenses can be difficult for parties with smaller memberships and MPs who then receive less support from friends, family member and diaspora support groups.

4. **Election Day Expenditure:** Polling day expenses and protecting your ballots can be enormous. These expenses include refreshments for up to 1,000 staff and supporters, payment of polling staff, transportation of voters, security of ballot and in some cases, financing thuggery. Polling day expenses vary per constituency and are reported higher in conflict-prone districts and highly-competitive seats.
5. **Cost of maintaining power:** Support from family members, friends and the diaspora immediately disappears when one is elected MP. A MP uses resources of the state at their disposal to meet constituency demands so that they can maintain power. Expenses in this category relate to meeting the huge requests by constituents. Thirty MPs interviewed in 2016 stated that, on average, demands from constituents can be as high as \$400-\$500 a week. Opposition MPs (SLPP at the time) complained about the unrealistic expectations of their constituents is even higher, as they did not have party allies (executive) that could help in the distribution of the public largesse to their respective constituents.
6. **Political party costs:** Political parties can also be a burden on MPs through demands for monthly subscription fees (\$30-\$70); candidature fees (\$150) and regular requests to contribute to events like bye-elections, party celebrations and party mobilization efforts. Generally, the MPs interviewed are of the view that parties do not adequately support members to be effective while in office. Rather, MPs become a conduit for cash transfer to a party and its membership.

On a different but equally important note, the costs above can be higher for candidates for mayoral and district councils who have greater geographic space to cover, and a higher number of voters and constituents to reach. At the same time mayors, as well as other local level politicians are compensated significantly less than their parliamentary counterparts, earning less than \$500 dollars a month. High-level public workers like police and teachers receive similar low remuneration.

## IMPLICATIONS FOR HIGH COST OF POLITICS

The high cost of politics can affect the performance of MPs and renders politics a zero-sum game. The substantial costs incurred when seeking political office makes it difficult for those without access to sources of income to compete, especially for young people, women and the disabled. This not only impacts on the quality of MPs, (especially following the elimination of Diasporans with dual citizenship and the limitations placed on public servants to resign their positions a year ahead of elections). The 2015 register of debtors of Sierra Leone's two indigenous banks exposed a long list of MPs with overdraft loans. Additionally, the system fails to reward lawmakers who refuse to succumb to the pressure to distribute goods/gifts directly to their constituents: such lawmakers are routinely not re-awarded symbols, which partially explains the huge turnover in every election cycle. Lawmaking

MPs interviewed in 2016 stated that honest politicians who rely solely on their official salaries are generally poor, and many accrue substantial bank loans to build and sustain constituency support.

and oversight become secondary and a tangential priority in light of the heavy social expectations and demands levied on MPs.

Again, Sierra Leone's political culture has over time made it difficult for MPs to wean themselves from unsustainable personalized demands from voters, as MPs interviewed believe that turning down requests is political suicide. Moreover, the high costs associated with holding and keeping political office has meant that politicians need access to steady sources of revenue outside of what they legitimately earn. This has resulted in cases of members of the political class compromising their watchdog role and holding government to account. Rumors abound of MPs taking money in exchange for confirming political candidates or giving away their votes on decisions with social ramifications in exchange for cash. Major legislations in the last decade including mining and loan agreements have been enacted under suspicious circumstances.

Moreover, when important positions such as that of the Mayor of Freetown, Inspector General of Police and Permanent Secretaries receive less than \$500 a month, or councilors receive less than \$100 a month, the argument can be made that decentralization and public-sector performance are not taken seriously. Such low levels of remuneration will not only make it difficult to attract high caliber candidates, but also increases the likelihood that candidates without high morals will "self-pay," or engage in graft.

The low levels of public sector pay, however, masks the huge disparities between traditional public servants and expatriate recruited public servants. The latter category became a fad to attract young professionals with new skills through specialized agencies and Project Implementation Units (PIUs) largely funded by donors. As these projects ran out their timeframes after several extensions, government was forced to take over the tax burden. Some of these professionals earn as much as 10 times higher than the average wages of their counterparts of even other public servants with higher strategic responsibilities like medical doctors or the head of the army and police. It is believed that recruitment of these contract offers between 2002 - 2017 contributed to about 60% of the wage expansion and was a major factor responsible for the bloated wage bill.

## CONCLUSION

While the recent calls for a pay raise may have come from the need to respond to the real pressures that MPs receive from constituents, it also illustrates their concerns for political survival. Prohibitive and ridiculous as many of the requests may appear to be, it does provide a useful framework for discussing the current remuneration and patronage system and the implications for an effective parliament. Parliament and civil servants could do better if a system is created to enhance their performance. Concerns over the performance of MPs have been stated in earlier sections. From frustration over the approval of presidential appointees with questionable character; to rumors of bribery for passage of legislation; to weak MDA oversight as reflected by the lack of commitment to enact the recommendations of the auditor general; or obvious conflicts of interest that exist when contracts are awarded by MDA's to a business interest of an MP that is meant to oversee the particular government department; citizen frustration with elected officials remains at an all-time high. Almost all citizens interviewed for this brief expressed the view that becoming a MP is driven more by

the desire for status and the means of making money unofficially than it is about the desire to legislate or scrutinize the executive.

The public outcry expressed over the MP pay raise shows the level of mistrust for elected officials. Citizen frustration with their MPs will not go away by merely expressing public anger and discontent; neither have public-sector reforms that give up on constitutionally mandated bodies and instead delegate core functions of the state to well-paid parallel institutions such as PIUs and Commissions helped. Instead, there is a need for serious reflection on how this energy and frustration can be channeled into making parliament truly serve voters.

## RECOMMENDATIONS

1. Parliament to lead the process of pay and compensation reform for the entire public sector that is in line with what the country can afford. Such reform should also include steps to right-size the public service which have been ongoing, but stalled over the pay and grading reform.
2. The Parliamentary Service Commission and Ministry of Finance should jointly work together to consider an adequate pay reform package for MPs and local level governance structures. Such reforms could include performance based incentives and bonuses for MP committees that are able to raise public revenue based on highlighting and stopping current leakages. The Inter-Parliamentary Union (IPU) and Commonwealth Parliamentary Association (CPA) have useful performance indicators that the parliamentary leadership can draw upon to develop concrete performance benchmarks for MPs and Committees.
3. Civil society, the media and parliament need to carry out robust public education and outreach activities on the proper roles and expectations of citizens and MPs to reduce overburdensome citizen expectations on what MPs should be expected to do. Such education should also be part of civic education in schools.
4. MPs collectively need to have the courage to stop pandering to constituency demands that are outside of their remit as a first step to changing this toxic culture. Parliamentary strengthening agencies could help MPs achieve this through a quick and practical hands-on training and open constituency offices with committees that can help them to better manage constituency expectations and demands.
5. Post-election reforms should include clear steps on making politics not only inclusive, but also more affordable for all Sierra Leoneans.