Title: Chinese investment in the Sierra Leone telecommunications sector: international financial institutions, neoliberalism, and organizational fields

Keywords: international financial institutions, Sierra Leone, China, neoliberalism, organizational fields, telecommunications, case study

Abstract

The article investigates the relationship between the Sierra Leonean government and international financial institutions in financial lending for the development of the country's telecommunications infrastructure. We address two interrelated topics: 1) Efforts by African countries to free themselves from Western-dominated programmes of neoliberal reform exercised through lending agreements 2) An evolving economic relationship between African countries and China, particularly with respect to an emerging form of unequal exchange, and a false sense of empowerment in negotiation by African countries. Using the organizational field as a conceptual framework in the context of neoliberalism, we examine the power dynamics between foreign capital and Sierra Leone to understand how these relationships are affected and transformed by the availability of China as an alternative source of investment. We find evidence to support the coexistence and interdependency of multiple organizational fields that are affected by field-level changes yielding social, political and economic consequences for all the actors.

Word Count: 8240

Introduction

Sierra Leone is a post-conflict developing country in West Africa that has been persistently dependent upon Western aid for its development and survival. The country has taken an industrial turn in transforming its information and communication technologies (ICT) infrastructure from satellite to fibre optic, requiring finance and expertise. It is within the funding of critical ICT infrastructure that we see broader repercussions for African states and their relationship with Western-dominated international financial institutions (IFIs). IFIs are global organizations that provide financing to national governments, often with conditionalities that the recipient country adopt extensive neoliberal market reforms.

One such IFI, the World Bank, has maintained a long-standing investment relationship with Sierra Leone, with 127 projects dating back to the 1960s[1]. In 2010, both Sierra Leone and its neighbor,

[1]http://www.worldbank.org/en/country/sierraleone/projects/all?qterm=&lang_exact=English&os=120

Liberia, participated in a World Bank regional digital infrastructure development project, the West Africa Regional Communication Infrastructure Programme (WARCIP), to connect fibre optic cabling from Europe to the west coast of Africa. WARCIP was created based on the following priorities: to improve broadband connectivity, create an 'enabling environment' for connectivity, and facilitate project implementation. The USD $300 million project drew extensively on Western expertise, including a French consultancy firm commissioned by the Bank to write a new telecommunications act for Sierra Leone. In January 2011, the Bank allocated a $56.6 million dollar loan including USD $31 million for Sierra Leone and the remaining funds ($25m) for Liberia (The World Bank, 2010). In September 2014, the Bank suspended funding to Sierra Leone because the government defied the conditionalities of the agreement. The Bank's priorities were overarching guiding principles in line with neoliberal beliefs (Ghayur and Ghesquiere, 2001; Hernandez, 2017) and served to transmit particular sets of norms to recipient countries. Conditionalities are quantifiable measures or the strategy through which the IFI priorities are achieved, serving as an indirect means of persuasion to control behaviour. They act as a screening device that measures the willingness of a debtor country to align itself with IFI neoliberal policies, in an attempt to ensure repayment according to the loan agreement (Kapur, 2001).

Simultaneously, China had been increasing its economic interests in Africa, particularly through foreign direct investment (Donou-Adonsou and Lim, 2018). China had also developed an infrastructure-for-loans programme that inadvertently created an avenue for African nations to circumvent the more stringent requirements of traditional IFI lenders (i.e., transparency and social responsibility) (Alves, 2013). Hence, Chinese investment created opportunities for African nations to escape the conditionalities imposed by IFIs. Ordinarily, the Bank's suspending funds would have signaled trouble for the country's development aspirations; however, the government sought help from this alternative source.

This study analyzes the inherent power dynamics of IFI-funded, large-scale ICT infrastructure projects, which are occurring across Africa, and explores the very contested processes of power that underpin the digital transformation and create a global reconfiguration of power, state autonomy, and resistance. In the context of neoliberalism, we explore how Western lending activities are defined by structural and historical factors and the processes that structurally trap African countries. We elaborate on the nature of power relations between IFIs and their global governance mechanism, the Sierra Leonean government and its need to develop its digital communications infrastructure, and the emergence of Chinese foreign capital in transforming this relationship. We argue that this "new" choice for African countries has directly introduced China (through its investment activity) into the "organizational field" of international lending. The organizational field is a community of organizations engaged in a common meaning system and whose members interact with each other more than with actors not in the field (Scott, 2014). This concept affords an understanding of the changes in the lending landscape because it engages with power structures and has an emphasis on the consumers (i.e. the Sierra Leone government). These fields are said to be durable, supraorganizational arrangements (Ansari and Phillips, 2010) that exercise forms of social control that enable and constrain new organizational forms (Rao et al., 2000). With this theoretical lens, we seek to understand why African nations are attracted to Chinese investment as an alternative to Western lending and how Chinese investment catalyzes changes in the power relationship between Africa and the West.

Years before the Sierra Leone's ICT Ministry defied the Bank, Angola, Ethiopia, and Kenya also eschewed the directives of IFIs, while benefiting from Chinese lending (Lake and Christine, 2006). However, this present qualitative case illustrates the evolving and persistent nature of neoliberalism within organisational fields. The study is intrinsic in nature because it examines a relationship that has "unusual interest, in and of itself, and needs to be described and detailed" (Creswell, 2012, p. 98). In doing so, we contribute to approaches in organizational studies by integrating a discussion of the often trivialized or overwritten power political contestations of organizational fields within which the structural ambits of global power are steeped. The research team conducted a series in depth interviews (Hoddinott et al., 2012) with senior officers from the Ministry of Information and Communication Technology (ICT) in Sierra Leone over a period of nine months in 2014. This data was triangulated with secondary data derived from published speeches, official government statements, policy reports, newspaper archives, and audio-visual data.

IFI lending practices and Neoliberalism

David Harvey (2007, p. 2) defines neoliberalism as a "theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade." Bresser-Pereira (2009, p. 8) supports this argument by emphasizing that neoliberalism became an "assault on the social and democratic State." While neoliberals and other stakeholders claimed that they wanted to see the state become a regulator rather than a producer (Bresser-Pereira, 2009), what they really wanted was for the state to deregulate state-provided services. Mueller (2010, p. 97) traces the origins of the popularity of neoliberalism to show that US policymakers prioritized US economics interests and then used expert advisors to "sell the idea to Congress and the IMF." Babb and Kentikelenis (2018, p. 16) define neoliberal policy as "any measure intended to lessen the role of states and enhance the role of markets in at least one national economy." Hence, this repositioning of state power already runs counter to the political and economic systems of non-Western nations that are led by a "dogged belief in the state" and the distrust of the behaviour and motivations of the private sector (Moyo, 2012, p. 145). In the post-independence period of the 1970s, the notion of the regulatory state had fallen foul due to persistent social, economic and political failures in African countries (Owusu, 2003).

The historical context within which neoliberalism emerged is associated with a long-standing debate between IFIs and African countries over the appropriate development interventions to resolve their economic crises (Owusu, 2003). Owusu (2003) argues that although most African countries did well economically in the 1960s, by the 1970s many of these countries experienced economic stagnation and negative growth in several market sectors coinciding with the world oil crisis. This was mostly manifested in agriculture and manufacturing, prompting several international and pan-African agencies to propose different perspectives on the causes and solutions to the crisis. The IFIs blamed the market failure on domestic governance factors including failed policies, corruption, and mismanagement. They argued that the political and economic arrangements in Africa "created a disabling environment and slowed the rate of development" (Owusu, 2003, p. 1655).

On the other hand, the Organisation of African Unity and the Economic Commission of Africa (OAU and ECA, respectively) attributed the failures to external factors, including natural disasters (leading to famine) and debt loads of previous IFI lending. In 1981, a document entitled the New Partnership for Africa's Development (NEPAD) was produced through a collaboration of African leaders. This document, along with the G8 Africa Action Plan, heralded a movement toward market liberalization, the removal of barriers to trade, and economic integration on the continent, with G8 countries providing support through "enhanced partnerships" (Bayne, 2003, p. 118). Although the NEPAD opus had similar features to the successful Marshall Plan of 1940s Europe, African countries still lacked the institutional structures of post-War Europe. Notwithstanding, the embrace of this document by African leaders signified the continent's "abandoning the dependency approach and a de facto endorsement of neoliberalism" (Bayne, 2003, p. 118).

Neoliberal restructuring affected not only the state but also the models of global governance. During the 1980s, the World Bank purportedly modified the role of conditionalities to increase micromanagement of recipient countries (Kapur, 2001), constituting a shift from social liberalism to an instrument of the neoliberal agenda (Girdwood, 2007), thereby exerting new power through the historical contexts of government reforms. By the 1990s, neoliberalism had taken and compelled states to take on qualities of minimalism, giving way to market deregulation strategies. In addition to scaffolding loans with neoliberal conditionalities, IFIs employ other techniques. For example, they integrate the use of well-established professional expertise to influence policy reforms in developing economies (Babb and Kentikelenis, 2018; Kentikelenis et al., 2016). Furthermore, the IFIs use transnational socialization programs where hand-selected experts engage with government officials from donor-recipient countries on a regular basis to influence routines and practices in policy decision-making or create norms to trigger policy actions (Broome and Seabrooke, 2015). By focusing on the discourses of economic knowledge and expertise rather than on 'regulation', the Bank reinforced its authority in global governance using a top-down structure that enveloped recipient countries and created power asymmetries within lending arrangements (Barnett and Duvall, 2005). Hence, this configuration formed part of a global governance mechanism demanded by neoliberalism as the dominant ideological formation of contemporary globalization that was contingent upon a larger political and ideological atmosphere. We posit that the conditionalities of IFI loans produce power that structures the relationship between the IFI and the recipient country in specific ways. In exchange for financial support and expertise, states agree to economic reform and/or improving human rights and either reinvent themselves as minimalists or face the possibility of IFI withdrawal of financial support (Babb and Kentikelenis, 2018). Despite calls for reform among IFIs, Kentikelenis et al (2016) find that little change has occurred in the deployment of conditionalities. In fact, from 1985-2014, many West African countries had the highest overall conditionality burdens (Kentikelenis et al., 2016).

As argued above, conditionalities are rooted in a neoliberal style of global governance that foregrounds market deregulation to catalyze private sector exports. However, these measures often yield ill effects on recipient countries (for example, Masaka, 2013). Mueller (2010) asserts that the problematic practice of measuring development in recipient countries by GDP growth ignores other measures of stagnation in these countries, such as income distribution and human welfare, which often exhibit little or no growth. We assert that IFI loans define how the recipient country sees itself and its own capacities within that lending arrangement. Mueller (2010, p. 95) argues that the conditionalities are not coercive per se, but "reinforce a particular control in the public sphere" with consent based on "intellectual and moral leadership" rather than on pure domination; thus reinforcing a particular geopolitical order. The resulting power structures allocate different capacities that produce inequalities for different actors (Barnett and Duvall, 2005). The resulting asymmetric privileges shape the country's interests and prevent it from identifying its own subjugation, which hinders the exercise of agency. Kashwan (2018) points out that these asymmetries act as a feedback mechanism that create 'long-lasting barriers' to real change within the recipient country and form part of the iterative political dynamics that shape global governance.

IFI Lending Practices and Forms of Organizational Fields

Rao et al (2000) assert that an organizational field is more than a collection of actors with diverging or converging interests; rather, it contains distinctive 'rules of the game' that distribute resources, which serve to differentiate actors along a continuum of power. For this study, we identify three sets of actors (the Bank, Chinese lending, and the Sierra Leone ICT Ministry) that interact within a *domain* of struggle and interdependence where there is a 'fluid admixture of organizations from all levels' (Warren, 1967, p. 400). The interactions structure the actions of all actors, creating changes within the fields and affecting a wider system of power relations. We view the field as an 'arena of power and conflict' whereby various actors compete for autonomy, and/or control over the reallocation of power resources (Machado-da-Silva et al., 2006). Power is a fluid process (Clegg, 1989) that can be differentiated not only according to the lending terms of both the World Bank and Chinese investors, but also through the actions of the recipient country. Power is produced by and through a new set of social relations that repositions all three actors across different fields in different ways, with membership defined through 'social interaction patterns' (Wooten and Hoffman, 2008, p. 131).

Rao et al (2000) identify three different organizational fields. The first form is coined as interstitial in that there are gaps between fields. Here, new opportunities are presented for a field change because of spillover effects of problems or issues from field to field. Second, fragmented fields develop when there is no clear center of power and conflicting goals emerge from among multiple agencies and overlapping or weak jurisdictions. Lastly, the hierarchical field is characterized by a strict order of dominance with a group actors on top and others "surviving on the bottom." (Rao et al., 2000, p. 260). We make the argument that elements of all three types of fields are at play in this study, we show that these fields need not be mutually exclusive and can and do co-exist, thereby constituting multiple organizational fields. Although Rao et al (2000) argue that less powerful actors in the field seldom change the power relationships established within the field, this case study presents evidence to the contrary. Furthermore, while Rao et al (2000) use three cases for each type of field, this current study argues not only for the interdependence of fields, with each representing a different arrangement of actors, but also that actors operate across multiple organizational fields.

We assert that Chinese investment in Sierra Leone's telecoms sector introduced China as a new member of the hierarchical field and catalyzed change from the outside (Hargrave and Van De Ven, 2006). Although Sierra Leone could be seen as merely an 'unorganized group' (Ansari and Phillips, 2010) or a 'poorly resourced' actor (Rao et al., 2000) within the hierarchical field, we argue that this country case represents a collective of African nations whose 'autonomous and uncoordinated' actions (Ansari and Phillips, 2010) of signing 'China-Africa' investment agreements constitute a cumulative and converging force that over time could challenge and/or alter the IFI neoliberal model operating within the hierarchical field. These investment agreements represent a collective endorsement that transforms a 'novel artifact into a social fact', thus creating a new organizational form and challenging the vested interests of the existing form(s) (Rao et al., 2000, p. 243).

Rao et al's (2000) depiction of a hierarchical field positions less dominant actors as "surviving on the bottom", representing a power relationship tantamount to what Lawrence (2008) terms as *discipline* that makes use of routinised practices and structural punishment. This type of discipline works best only when actors see themselves as belonging to the field. However, this current study illustrates that African governments, in fact, possess the power to create change from within the field and exert power or resistance to neoliberal conditionalities (i.e., required market reforms) through their negotiations and interactions *with Chinese authorities* (Keet, 2010), rather than with Western-led IFIs. The lack of effectiveness of IFI neoliberal policy has to some extent fragmented the organizational field for two reasons. First, there is the conflict of each actor's interests. Mueller (2010) points out that the interests being served within the IFI conditionalities are based on the economic priorities of more powerful countries rather than those of recipient countries. Furthermore, she (2010, p. 96) asserts that IFIs are more interested in "upholding the theory of neoliberalism" rather than producing actual evidence that this approach is effective. The resulting fragmentation is exacerbated by weak institutions and governance structures that characterize developing countries (Rao et al., 2000).

Chinese lending vs IFI Conditionalities

China is part of the group of "new" donors to African nations and was the second largest donor on the continent between 2000-2010 (Hernandez, 2017). China's involvement in Africa is not new, however, Carmody and Owusu (2007, p. 512) point out that Chinese investment has long had an appeal to African heads of state because, unlike the Western neoliberal models of nation-building that enable and constrain African governments, the Chinese model has sought to "enable and empower" them. The Chinese government designated eight African countries, including Sierra Leone, as tourist destinations for Chinese tourists (Carmody and Owusu, 2007), essentially rewarding 'friendly' African governments with increased tourism revenue. Chinese investment activity also extended into agriculture (Chen et al., 2014) and the extractive industries (Mol, 2011; Nolte, 2014). Hence, Chinese engagement reflected an innovative way to take advantage of the inadvertent opportunities created by the neoliberal philosophy previously established by IFIs; thereby catalyzing the process of change at the field level (Ansari and Phillips, 2010). Put simply, China's forms of investment in other industries generated new field practices that seemed to 'work' irrespective of the weak institutions or governance models in Africa; allowing them to personalize loans without complying with neoliberal conditionalities. Naidu and Mbazima (2008) further claim that China gives Africa leverage against Western nations by ignoring political instability and a lack of democracy across the continent.

Mohan (2013) argues that the Chinese model respects sovereignty, formally acknowledging and promoting its existence, rather than upholding neoliberal conditionalities that marginalize the state. Keet (2010) claims these governments have not requested this change, illustrating the power that they actually do have to affect change at least with regards to the terms and conditions of Chinese investment. Chinese involvement in African economies constitutes a fragmented organizational field where less powerful actors *can catalyze* change. China had already positioned itself as a fringe player in the hierarchical field, embedding itself within the political economies of these nations. This embedding process was reinforced through China's strategy of remaining on a development project for a longer time than does the World Bank before turning it over to local control. One participant stated that this strategy was intended to "*ensure that the project is running properly*" (interviewee comments). However, Yuan and Janxin (2009) assert that China used its economic relationships in the energy and telecommunications sectors in Africa to exert influence over political elites in Africa, creating further investment opportunities. Such engagement could reflect either weak governance structures across the continent or China's attempt to regularize new practices. Hernandez (2017, p. 531) shows that the IFI's response to this new member's involvement could go one of two ways: either to increase the number of conditionalities to offset the potential "macroeconomic effects" caused by the availability of alternative lending or reduce the burden of the conditionalities to remain competitive.

Hierarchical and Fragmented Field: Coexistence and Interdependencies

Prior to China's investment in Africa's infrastructure projects, the organizational field was hierarchical in nature with Western-led institutions constituting the core features of the field. Like the IFIs, China developed its own socialization programme (Broome and Seabrooke, 2015) that inculcated norms and routine practices through special engagement and training sessions at donor locations. Once back in Africa, these officials serve as "sympathetic interlocutors" for Chinese investment. In December 2010, the then ICT minister of Sierra Leone, Ibrahim Kargbo, travelled to China to attend the *Ministerial Workshop on Information Highway Construction for Developing Countries.* In his opening statement, he praised the long relationship that China and Africa maintained and implored the Chinese hosts to help with ICT infrastructure development in his country and for the 13 other African countries represented at the conference:

> Mr. Chairman, many of us in Africa need scientific help, and in many cases many African countries which have undertaken massive telecommunications projects also require the necessary funding and the scientific

> training of their citizens to actualize the dreams of these Governments and this is where we believe that the Chinese Government can continue to provide the necessary help to modernize the telecommunications landscape in Africa – Speech transcripts ("Sierra Leone," 2010; http://www.thepatrioticvanguard.com/beijing-sierra-leone-information-minister-appointed-spokesman)[2]

His words petition for Chinese empathy for African economies, which appeared to be stalling due to a lack of financing and capacity. His imploration is not off base: China had already been funding ICT infrastructure projects throughout Africa with its most notable loans occurring in Ethiopia for USD $1.9 billion in 2006 and USD $1.6 billion in 2011 (Gagliardone and Geall, 2014). Yuan and Janxin (2009) argue that China holds telecommunications investment as one of its four strategic pillars, because it presents an opportunity for China to challenge the West. China lent Sierra Leone USD $12 million and installed one of its telecommunication companies already operating in Africa to complete the installation of the fibre optic cable (Ogundeji, 2012). This activity constitutes a fragmented field existing in parallel to the hierarchical field maintained by the Bank with the same actors. Our participant expresses their views on Chinese funding as follows:

> The Chinese are just better for us than the World Bank. Chinese conditions are usually more acceptable, they are more considerate for the African people. The West are most times very exploitative. The Chinese are more understanding. Even when they give loans and grants the interest rates are always very low and the terms and conditions are always very soft...So that is why you find the Chinese all over Africa... They seem to understand our things better and they do not have the colonialist mentality of the West. (Interview transcripts)

Here, the respondent expresses a preference for lending from the Chinese over the IFIs, creating a change of practice. Within a hierarchical field, such activity constitutes a "conflict movement" (Rao et al., 2000), which would produce new organizational forms that put pressure on the IFIs. The respondent uses positive words to describe the Chinese lending model (considerate, understanding, and soft) and negative words to describe lending practices of the West. Describing China's terms and conditions of loans as 'soft' denotes China's tolerance of existing norms and practices in 'Africa'. Cheru (2016) argues that African countries have responded positively to these new arrangements and have exercised agency in creating partnerships. This relationship is an interdependent one in that China can also access new markets in Africa for its largest telecoms companies, Huawei and ZTE. However, it also obliges China to deepen its involvement in Africa to ensure the viability of these investments (Pairault, 2014). Hernandez (2017) argues that the new donor's approach using few or no conditionalities is not as risky as it seems for the lending country

[2] Statement by Hon. Alhaji Ibrahim Ben Kargbo, Minister of Information and Communication of Sierra Leone, at the opening session of the ministerial workshop on Information Highway construction for developing countries held at the Academy for International Business Officials, 8th December, 2010. (AIBO), Ministry of Commerce, Beijing, People's Republic of China.

because they rely on other ways to reinforce repayment, such as the requirement of using Chinese labor and companies to deliver the installation or the practice of using natural resources as a loan guarantee.

It would seem, then that both Sierra Leone and China would stand to benefit from Chinese investment because these practices create opportunities for African countries to exert autonomy and shape their own vision outside of the grips of Western neoliberal discourse and policy. Such ambitions are typified in the response below, where the government official emphasizes the importance of ICT as a development strategy for improving its economic structure:

> Of course, Internet governance and other projects that we have will be faster and done efficiently if we have a 'depository' of professional ICT people. In Africa, not just in Sierra Leone or West Africa, ICT is a new cause, a new strategy. It is not more than 15 years [old]. To fast track the process, we need to have our own homegrown technicians and programmers, etc. (Interview transcripts)

The reflections in the quote suggest that IFI practices promote dependency on Western expertise but have not resulted in the development of local capacity and home grown talent to deliver digital transformation. In theory, China's investment in Africa is meant to help enable the continent to develop itself (and reduce poverty); however, the supposed bilateral nature of the relationship can be questioned. Notice how our respondent inadvertently indicates that Chinese involvement does not necessarily lead to 'homegrown technicians and programmers' any more than the Western model:

> [China] bring in their material, they bring in labor, they bring in their consultants, experts, engineers etc. They bring in their people. The policy is to also create jobs for the Chinese people, Chinese companies, etc. For them to get contracts, to get jobs. It is all government supported but to benefit China. (Interview transcripts)

China's use of its own resources serves to further agglomerate power within the fragmented field without the 'reform-oriented' lending practices of Western IFIs. Cheru (2016) identified the displacement of local workers and of skills-development opportunities as a tension between China and African countries. Furthermore, this arrangement undermines countries' long-term ambitions of building local capacity. We argue that Chinese investments occurred within an existing fragmented organizational field built in conjunction with African nation-states, which had consequences for the hierarchical field. We will now analyze some of these consequences of this discussion within the context of Sierra Leone and the WARCIP loan.

Hierarchical and Interstitial Field: The World Bank vs. the ICT Ministry

(INSERT MAP of fibre optic cables) The World Bank's WARCIP loan programme was responsible for providing internet connectivity from Europe to the African coast using a submarine fibre optic cable (herein, ACE). This Bank loan came with so-called 'priorities', broad statements of the organisation's objectives that are underpinned by specific conditionalities that act as strategies to achieve the priorities. The ACE cable was the 'central line' that ran from France down to the west coast of Africa. It eventually connected 23 West African nations, with each individual country responsible for connecting itself to the cable. Sierra Leone and Liberia used WARCIP loan funds to connect their countries with the cable and to deploy fibre optics throughout their countries. Each participating country would have its own sets of institutions and practices that were culturally and politically bound. These countries also participated in the hierarchical organizational field with the Bank at the core providing support, guidance and exercising power through neoliberal conditionalities. Such practices constitute regulative, normative and cultural cognitive systems that provide 'elastic fibers' for the Bank to guide behaviour and stifle resistance from recipient countries within the field (Scott, 2014, p. 59). This relationship allowed the Bank to establish rules for conformity. In this case, the Bank's main priority was to liberalize the broadband market in Sierra Leone. To achieve this, the Bank directed the government to create a public-private partnership (PPP) with nine private sector Internet service providers (ISPs).

The PPP arrangement was intended to create greater inclusion of the private sector serving to reduce the cost of Internet access for end users. These companies would share the market and collaborate with the main state-owned company providing internet service, SALCAB (Sierra Leone Cable Limited). The Bank insisted that the government divest 51% of its holdings to the nine private companies to create and maintain a new liberalized market. On January 20, 2011, the Bank distributed the loan to both Sierra Leone and Liberia and kept meticulous records (Implementation Supervision Reports, ISR) regarding the countries' progress and conformity to its conditionalities. From early on, the ISR indicated that Sierra Leone was not progressing at the same rate as its neighbor, Liberia.

> Projects have been declared effective in both countries, payments to ACE are on track, and preparatory work on the landing sites has commenced. However, PPP Framework and other Legal Advisory work have delayed in Sierra Leone (*Implementation Status & Results Africa West Africa Regional Communications Infrastructure Program*, 2011).

Until now, the Bank's inspections and monitoring devices reflected a generally positive assessment for both countries in that the countries were acting in conformity, even though they were not progressing at the same rate. Babb and Kentikelenis (2018) argue that IFIs use the threat of delayed loan disbursement or suspension of funds to deter any deviation from the conditionalities. However, due to the country's weak governance structures, the state was not able to reinforce the conditions with respect to private sector ISP co-payments; an incongruence that the Bank had not anticipated. As Ogundeji's 2014 report shows, the original agreement quickly disintegrated:

> The managing director of SALCAB has sent out demands for payment to each operator of $31,000 USD per month for each STM-1. Under the signed agreements, each operator owns 5xSTM-1 and with a planned upgrade next year which will increase it to nearly 10xSTM-1… clearly, the operators have no way of absorbing these exorbitant increases and the only result is that the Internet would be more expensive for the people of Sierra Leone--(Ogundeji, 2014).

Although Sierra Leone was a less powerful actor within the organisational field, it seemed the country was still able to exercise agency that could have triggered a field-level change, particularly as they tried to resolve the conflict within the PPP. Furthermore, leadership of the ICT Ministry changed with the appointment of Mr. Alpha Kanu in 2012, who immediately reversed the power-sharing agreement of the PPP and reclaimed complete government control over SALCAB operations. Kanu felt that SALCAB should be a state-run profit-making entity. He justified his actions by claiming that the agreement was null and void because it was signed by the Minister of ICT, rather than the Minister of Finance.[3] Kanu also redefined the fee structure for ISPs because the operators (who were also the shareholders) were not paying the operating fees ("Sierra Leone: 3 ISPs fail to meet ACE consortium payments to SALCAB," n.d.)*. This relieved the government's burden of payment to ACE, which had been nearly entirely borne by the government. In August 2012, the government secured a USD $15 million loan from the Chinese government in order to complete the inland ACE fibre optic cable connection.[4] These actions could have been the result of a new institutional environment brought on by Chinese support, lending support to Wooten and Hoffman's (2008) argument that institutional environments shape, mediate, and channel choices along various pathways. The government then created a post for the director-general of SALCAB and appointed a close family member of the President to manage it. These actions were in direct opposition to the Bank's neoliberal agenda, which the Bank saw as a clear breach of contract and responded accordingly:

> Progress towards achieving the PDO is rated Moderately Unsatisfactory. Given the very high disbursement rate of about 91.81%, the recent developments in Sierra Leone are rather unfortunate, as until then, the agreement between Government and nine private operators to jointly own and manage the cable was *unprecedented and very laudable*. Significant evidence exists to suggest that Government has since decided to reverse policy decisions on liberalization of the international gateway and divestiture of SALCAB. These decisions are likely to have a negative impact on the Development Objective of the project (Implementation Supervision Report 5, February 2014)[5]

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[3] http://news.sl/drwebsite/publish/article_200524521.shtml; accessed on January 6, 2015.
[4] http://admin.china.aiddata.org/projects/30254; accessed on January 31, 2015.
[5] Ampah, Mavis A.. 2014. *Africa - West Africa Regional Communications Infrastructure Program: P116273 -*

The Implementation Supervision Report 5 describing the shared ownership of SALCAB as "unprecedented and very laudable" illustrates how institutional control can act as a contested power within a hierarchical field. The Bank's conditionalities was an attempt to reinforce the power of the Bank within the field. Because public-private partnerships were unfamiliar to the Ministry, the World Bank could exercise institutional control by helping to manage this process in a particular way. Hence, the ICT Minister's actions could have been a form of resistance to perceived institutional control.

The relationship between the private sector and the government may not have been well understood by the Bank because, despite the Ministry's justifying its response, the Bank suspended the project's funding in September 2014[6]. However, the suspension occurred after having already disbursed US$29.16 million of the US$31 million, more likely serving as a symbolic measure rather than a punitive one. From an organizational field perspective, this offers significant insights. We can extend the argument of Wooten and Hoffman (2008) who claim that issues like these come to define a field and create linkages that were not previously visible. In this case, the internal disagreements between Sierra Leone and the ISPs came to define a new interstitial field, where there is a 'gap between multiple industries' leading to problems that can then spill over to other fields (Rao et al., 2000, p. 250), which became identifiable only after the World Bank conditionalities were put into place. Ansari and Phillip (2010, p. 1589) describe sets of alternative practices that develop over time "almost behind the back" of dominant actors within the hierarchical field that over time create field change. The Bank was more concerned with upholding the socially constructed priorities of market liberalization, which were held up as panacea for the "problem of the state" (Mitchell, 2002), and consequently, ignored the governance realities in Sierra Leone. Essentially, the Bank showed little interest in the activities occurring within the fragmented and interstitial fields, resulting in a missed opportunity to take corrective action before disbursing 94% of the loan.

Notice from the following excerpt how the Deputy Minister, Theo Nicol, discussed the power-sharing agreement:

> Deputy Information Minister Theo Nicol has released a statement that the initial agreement was suspended as the ICT minister determined a need to change SALCAB to a profit-making entity. Nicol said that telecoms service providers were getting the service almost for free while the government was paying a huge sum to

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Implementation Status Results Report : Sequence 05. Washington, DC: World Bank. http://documents.worldbank.org/curated/en/2014/02/19095413/africa-west-africa-regional-communications-infrastructure-program-p116273-implementation-status-results-report-sequence-05.

[6] *http://globaltimes-sl.com/world-bank-suspends-warcip-project/*

> the ACE consortium. The executive revealed that the plan is close to getting cabinet approval. (TeleGeography: Authoritative Telecom Data, 2014).

The Bank priorities were intended to direct future behaviour of this recipient country. As expected then, the Bank would have been at odds with the state's decision to renege on its original agreement. The government's actions could be seen as an organized attempt to change the prevailing institutional order; which surely would have been met with resistance from the powerful interest groups at the core of the hierarchical field. In this context, the Bank's regulatory power was not sufficiently effective in thwarting the state's actions. The ministerial respondent expressed a different opinion about the nature of the programme:

> For the World Bank, the power-sharing agreement was laudable. But for us, it felt like at some point the partnership was between the World Bank and the ISPs and *against* the government. Because if you are giving us a loan, the loan is supposed to be in our interest not in the interest of the private sector alone...we should control that loan because we are going to repay it. It is not a gift, it is not a donation. Even in other parts of Africa I am sure that other governments would kick against this model. And we found money to buy our generators and run the company and now we are making money from that. Which the ISPs would have been making… [Interview transcripts]

This illustrates an exercise of static power (Clegg, 2010) that, in part, was due to increased Chinese lending. Hence, the country's uncoordinated actions served to help reclaim the power that it lost within the interstitial field *and reposition itself within the hierarchical field*. Hence, the co-existence of these fields can act in contention with each other as problems and issues within one field overlap onto other fields. Mitchell (2002) argues that lending programmes of IFIs can reframe the state's role from a position of power to a "problem of management." Our respondent expressed frustration over the World Bank's neoliberalist belief that the government should have a minimalist role within the PPP arrangement. The ministerial respondent claimed that the government "found" its own money to cover the outstanding costs. It is clear that the continuous support of China had empowered the Ministry to defy the IFI conditionalities, acting as a powerful external actor who to some extent has discredited the Bank and is enforcing a "new institutional design" in the process (Beckert, 2010, p. 153). The IFI policies ignored the characteristics of Sierra Leone's interstitial field that developed between the government and its internal field actors by *equalizing the power between* the government and the ISPs, a condition that would rarely happen in the West. The state is not 'simply another organizational actor' (Scott, 2014); rather, it has the power to legally coerce other actors in the field. The mandate to deregulate the Internet service provision market originated from the hierarchical field and catalyzed an imbalance within the interstitial field, which created further opportunities for the Chinese operating within the fragmented field. Furthermore, the quote below shows that the Ministry and the ISPs shared a decent, working relationship outside of a neoliberal framework prior to the reconstruction of power brought on by the shared-ownership scheme:

> The ISP and the ministry's relationship was good until we decided that it was not profitable to the government, it was only profitable to them… [Interview transcripts]

In December 2013, the government reversed its original stance and decided to create a plan to pursue the shared-market agreement with the private sector. In March 2014, the Sierra Leonean government extended the public-private partnership contract by six months so that parliament could debate on a new (IFI required) Telecommunications Act being developed by a French consultancy firm. However, the World Bank Country Manager, Francis Ato Brown, gave the government 21 days to address market liberalization concerns with the threat of suspension on March 4, 2014 ("World Bank to Suspend Sierra Leone," 2014). Ironically, the Bank's aforementioned suspension of funding in September 2014 interrupted the Bank's final payment of around USD $200,000 to the French firm, which resulted in their withholding delivery of the final Act.

Conclusion

This case study examined the inherent power dynamics of an IFI-funded ICT infrastructure project in Sierra Leone to show how organisational fields enable and constrain neoliberal practices of IFI lending. Conditionalities were employed through loan agreements that imposed a market capitalist logic, subjecting the country to particular technologies of power and control, within which institutional uniformities were enforced. We argued that the hierarchical, fragmented, and interstitial fields coexist, are interdependent, and are affected by field-level changes, yielding social, political and economic consequences for these actors across all fields.

Our goal has been to develop a critical argument about the emergence of these fields within an IFI-lending context, tapping into the political processes that played different roles in the development and evolution of each field. We found that using an organisational field approach to analyze this case uncovered under-researched areas of IFI lending practices at the field level that warrant greater academic and policy consideration. In the hierarchical field, the Bank exerted dominant power. By the 1990s, this field had become constituted by and through neoliberal practice, with recipient governments being compelled to become minimalists in governing. Hence, the Bank used the hierarchical field to facilitate the implementation of a neoliberalist agenda by implementing directives that exercised macroeconomic control through market liberalization and transnational socialization programs, thereby maintaining the extant global governance structure.

The fragmented field presented opportunities for resistance to neoliberalism for both Sierra Leone and China. The financial backing that China provided to African states within its fragmented field facilitated changes at the field level and gave African countries a sense of leverage with respect to their positionality within the hierarchical field. Within its fragmented field, China demonstrated perhaps a better understanding of the dynamics of Sierra Leone's internal governance struggles than the Bank; and hence, directed their investments toward microeconomic control by insisting on the use of Chinese raw materials and labor, both skilled and unskilled, in infrastructure projects.

By contrast the Sierra Leone ICT Ministry was the main player within the interstitial field, populated by local private sector and other state actors. The loss of the Ministry's power within the interstitial field through the PPP arrangement may have attracted them to the Chinese investment model and helped them to circumvent neoliberalist conditionalities generated from the hierarchical field. Furthermore, the Bank would have viewed the ICT Ministry's interstitial field as having higher risk because of the weak governance structures, preferring the more stringent approach of the hierarchical field. Assuming that the Bank previously understood the precarity of the state's governance structure within its interstitial field, it did not prevent the Bank from intervening in the local market for internet service provision.

Sierra Leone traded in the more rigid 'reform-oriented' control exercised by the IFIs for a more laissez-faire lending approach from China. China's prior activities with African nations constituted it as a dominant player in a fragmented field, which may have caused it to perceive its own model as superior to existing IFI frameworks. But in the end, who really benefits? Although Chinese lending does not explicitly impose constrictive 'priorities' or conditions, in most cases, the state-owned Chinese companies made regular practice of using their own physical and human resources in the country, exerting economic control. Furthermore, we argue that to some extent African states are complicit in a new form of subjectivity by continually partaking in the fragmented field of Chinese investment. Sierra Leone and other African nations are, in many ways, merely exchanging one form of subjectivity for another by borrowing from China. The fragmented organizational field developed between China and Sierra Leone (and other African nations) provided a platform from which Sierra Leone could challenge Western demands for political, social, and economic reforms. To some extent, Chinese involvement in Africa has had two effects. First, it gives the false impression that economic development is occurring *for local businesses*. Second, the state can claim that it is providing economic development through localized market activities that serve to preserve state autonomy. Despite the so-called flexibility of Chinese loans, China is merely creating a façade of autonomy and self-determination for Sierra Leone. As this source of field-level change takes root, African countries may continue to turn away from the neoliberal conditionalities of IFI funding arrangements or at least exert influence on the construction of this relationship.

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