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Liberia: Economy Deeply Hit by Aid Cuts as Jobs Are Lost and Local Businesses See Huge Drop in Income



By Contributing Writer — August 19, 2025 — **ECONOMY**

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By Anthony Stephens and Allison Hunter with New Narratives

Summary:

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- Liberia's economy is badly hit by aid cuts
- At least 600 well paid aid jobs disappear
- Economists say many more driver, security, housekeeper jobs will have gone
- Many small businesses see big cuts in income

Caroline Armah is exactly the sort of person the development world has tried to champion. The 33-year-old entrepreneur is building a business solving one of the most fundamental problems Liberia faces: affordable, childhood nutrition.

Armah's business Calaw Foods sells a nutritional supplement made of finely ground rice, sesame seeds and sardines based on the old Liberian staple Benny Mix. It provides affordable nutrition for children who would not receive it otherwise. In 2024 she received the boost every entrepreneur dreams of – a \$US50,000 grant from a United States Agency for International Development partner.



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Then, in March this year, newly elected US president Donald Trump shuttered the \$80 billion agency, ending Armah's grant along with thousands of others across the world. Armah spent \$3500 of her own money that will almost certainly never be repaid.

"They betrayed the children of Liberia," says Caroline Armah, founder of Calaw Foods, maker of an affordable nutrition supplement for children. "It wasn't a personal



betrayal — it was a betrayal to the children and parents who thought one day this product would reach their community.”

Trump’s decision to slash aid has dealt a huge blow to Liberia directly. Augustine Ngafuan, Liberia’s Finance Minister, told a [meeting](#) with donors that the cost of cancelled projects could be as high as \$US300 million, equal to a third of Liberia’s \$800 million yearly budget.

It has also hurt indirectly in lost jobs. U.S.A.I.D. itself employed 30 Americans and 70 Liberians. All those jobs are gone. But the cuts also ended another 490 jobs at implementing partners according to data provided by the Liberia International NGOs Forum.

Economists say, in a country lacking formal employment opportunities, those lost jobs have a huge knock effect. Those organizations and staff held workshops, employed drivers, security staff and housekeepers, frequented restaurants, guesthouses, pharmacies, markets, workshop venues, and clinics across the country.



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“The impact is going to be huge,” says Lester Tenny, an economist and acting vice president at the University of Liberia. “Job loss will occur particularly in the private sector, thousands of families will be affected thus creating a social problem for national government.”





Caroline Armah, founder, Calaw Foods says she spent \$3500 of her own money before her grant was cancelled. Photo. Allison Hunter/New Narratives

The loss of aid has hit even the smallest businesses. For nearly a decade, Julie Sundaygar, 29, of the Bong Mines Bridge community on the outskirts of Monrovia, has sold bananas and shelled peanuts to workers who poured out from the Ministry of Finance's Mechlin Street entrance. Sundaygar recalls almost doubling her sales when USAID-funded projects filled the ministry with USAID workers.

"I could sell \$LD15,000 (about \$US75) first," says Sundaygar who brings her fruit here from a twice weekly hour-long journey to Omega Market. Now her prices have halved. "Nobody here now gets their fruit."





Julie Sundaygar sells bananas and peanuts to passersby and local business workers from her Mechlin Street stand.

Photo: Allison Hunter/New Narratives

Richard Garway, 58, has been selling newspapers and books from his outdoor stand on Broad and Michelin Streets for 40 years. Last year customers bought 40 to 50 papers a day. Now he sells about 20. "Business has gone down in a bad way," Garway says. "Things are not all right."

Garway operates on slim margins. On a typical day, he now earns about \$LD400 from sales, but after paying transportation, he is left with less than \$US1 to support him, his wife and two sons. His oldest son, just 13, has trained in air conditioning repair, but has been unable to get work.





Richard Garway sells a variety of items to cover shortfalls from newspaper sales in downtown Monrovia, Liberia.

Photo: Allison Hunter for New Narratives.

More established organizations are also reeling from the cuts. Innovation Campus, known as iCampus, Liberia's leading hubs for entrepreneurship and technology has received most of its funds from the US aid agency since it launched in 2016. The campus, based in a bustling Carey Street neighborhood in downtown Monrovia, was mid-way through a \$900,000 three-year project supporting agriculture entrepreneurs. It spent close to \$US100,000 that will likely never be returned.

“That’s a huge hit. Because of this termination, we had to re-look at everything,” says Luther Jeke, CEO. ICampus also derived income from numerous aid support organizations that hire space in its compound. “In the last three months, with these terminations, we’ve had at least roughly 25 percent drop in the traffic as it relates to hall rental and space rental.”





Luther Jeke, CEO of ICAMPUS, in his office on Carey Street, Monrovia. Photo: Allison Hunter/New Narratives

Liberia's hospitality sector was rebounding from the Covid pandemic in 2024 helping the country's services sector grow by more than 4 percent, [according to the World Bank](#) but it too has been hit hard. The Maryland Guest House served many clients funded by US projects at its two guest houses near the US embassy in Mamba Point, and in Sinkor. The guest house was booked out up to a year in advance.

“When USAID was here, there had been so many programs where people had to leave from the other part of the country to come here and then book the guest house,” says Lincoln Dalieh, 32, the manager. With the cuts they have let go of six of their 21 staff. “We have reduced staff, from the restaurant, from the housekeeping department, even from the security department as well.” Just keeping the place running has become a problem. “Almost every week, we have to spend like \$500 for water.”



In response to the aid cuts, the Liberian government has instituted a range of measures, including cuts to salaries and benefits of cabinet members, operational costs, and travels among others. But Tenny has joined a chorus of experts who say the cuts are a wake up call that the government must get serious about looking after its own people and growing the economy.

He urges the government to go after the biggest source of revenue: international resources companies led by Arcelor Mittal which bring in almost 20 percent of the government's annual revenue according to the [2022](#) LEITI report.

He says the existing agreements are “one-sided and cheat the national government in its efforts to raise more revenue” and must be revised.

Caroline Armah of Calaw Foods, says she will not let Donald Trump destroy her dreams. She hopes Liberian investors will embrace the opportunity that her company offers.

“We are trying to find our own space, expand our product line,” she says. “We are writing, trying to see if we can get people to invest, to get grants, or loans...wherever we can get funding from.”

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Contributing Writer



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