

The Economics of Reparations: Financial Compensation, Trust, and Transitional Justice
Outcomes in the Gambia

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ABSTRACT

This study examines the economic and institutional effects of reparations within a transitional justice framework, using micro-level evidence from The Gambia following the implementation of the Truth, Reconciliation and Reparations Commission (TRRC) White Paper. While reparations are widely recognized as a core pillar of transitional justice, their role as economic policy instruments and drivers of institutional legitimacy remains underexplored, particularly in low-income and post-authoritarian contexts. Drawing on public finance theory, institutional economics, and transitional justice scholarship, this study conceptualizes reparations as a multidimensional intervention influencing economic recovery, institutional trust, and satisfaction with implementation. Using primary data from a nationally distributed survey of 746 victims, the analysis employs Ordinary Least Squares (OLS) regression models to estimate the relationship between perceptions of reparations and key outcome variables, controlling for socio-demographic characteristics and victim heterogeneity. The findings reveal that reparations are positively and significantly associated with all three outcome dimensions. However, their impact on economic recovery is moderate, suggesting that compensatory transfers alone are insufficient to fully restore livelihoods. In contrast, reparations have a stronger effect on institutional trust and satisfaction with implementation, highlighting their role as a signal of state accountability and legitimacy. The results further indicate that the effects of reparations are heterogeneous, with stronger impacts observed among low-income individuals and victims with more severe experiences. The study contributes to the literature by reframing reparations as a hybrid economic and institutional policy instrument and providing one of the first micro-level empirical analyses of their effects in an African transitional justice context. The findings underscore the importance of adequate, timely, and inclusive reparations in strengthening both welfare outcomes and institutional legitimacy.

Keywords: Reparations; Transitional Justice; Institutional Trust; Economic Recovery; Public Finance; The Gambia

INTRODUCTION

Transitional justice has increasingly become a central pillar of post-conflict state-building, particularly in societies seeking to address legacies of human rights violations while consolidating democratic governance. Among its core components truth-telling, prosecutions, institutional reforms, and guarantees of non-recurrence reparations occupy a uniquely economic and normative space, functioning simultaneously as a mechanism of redress and a tool of public policy (de Greiff, 2020; United Nations, 2022). Despite their prominence in policy frameworks, the economic dimensions of reparations remain underexplored, particularly in developing and post-authoritarian contexts where fiscal constraints, institutional weaknesses, and competing political priorities shape implementation outcomes.

From a public finance perspective, reparations can be conceptualized as a form of redistributive expenditure aimed at correcting historical injustices and restoring welfare among affected populations. Unlike conventional social protection programs, however, reparations are grounded in legal and moral obligations rather than purely economic efficiency considerations (World Bank, 2023). This dual nature raises critical questions about their effectiveness: Do reparations meaningfully improve victims' economic conditions? Can they enhance trust in state institutions? And to what extent do they contribute to broader development outcomes in post-conflict societies?

These questions are particularly salient within the framework of institutional economics, which emphasizes the role of trust, legitimacy, and credible commitments in shaping economic behaviour and development trajectories (Douglass North, 1990; Acemoglu & Robinson, 2019). In post-conflict environments, weak institutions and historical grievances often undermine citizens' confidence in the state, limiting both economic participation and governance effectiveness. Reparations, therefore, may serve not only as compensation but also as a signal of state accountability, potentially strengthening institutional legitimacy and rebuilding the social contract between citizens and the government (Roht-Arriaza, 2021).

The case of The Gambia provides a compelling context to examine these dynamics. Following the recommendations of the Truth, Reconciliation and Reparations Commission (TRRC), the Government issued a White Paper in 2022 accepting the vast majority of proposed measures, including commitments to reparations, prosecutions, and institutional reforms. However, implementation has been uneven. Evidence from a nationwide perception survey of 746 victims indicates that while there is broad recognition of the TRRC's achievements, significant dissatisfaction persists regarding the pace, adequacy, and transparency of reparations delivery. A substantial proportion of victims report severe and lasting economic impacts from past abuses, underscoring the centrality of reparations not only as symbolic justice but as a material necessity.

Existing literature on transitional justice has largely focused on legal accountability, reconciliation processes, and political transitions, with relatively limited attention to the microeconomic impacts of reparations (Dancy & Wiebelhaus-Brahm, 2020; Loyle & Appel, 2021). Where reparations are examined, they are often treated as normative or legal instruments rather than as measurable economic interventions. This creates a critical gap in understanding how reparations influence key development outcomes such as income stability, welfare recovery, and institutional trust particularly in low-income contexts.

This study addresses this gap by reconceptualizing reparations as a form of economic policy intervention within a transitional justice framework. Using original survey data from victims of human rights violations in The Gambia, the study investigates the relationship between reparations and three key outcomes: (i) economic recovery, (ii) satisfaction with transitional justice processes, and (iii) trust in state institutions. By integrating insights from public finance, institutional economics, and transitional justice theory, the paper provides one of the first micro-level empirical assessments of the economic and governance effects of reparations in a post-authoritarian African context.

The study contributes to the literature in three important ways. First, it advances the conceptualization of reparations as a fiscal and redistributive instrument, bridging the gap between development economics and transitional justice. Second, it provides empirical evidence on the role of reparations in shaping institutional trust and perceived legitimacy, a dimension often theorized but rarely tested. Third, it offers policy-relevant insights for governments and development partners seeking to design more effective, inclusive, and sustainable reparations programs.

Ultimately, the paper argues that reparations are not merely backward-looking mechanisms of compensation but forward-looking investments in institutional credibility and socio-economic recovery. In

contexts where trust in public institutions is fragile, the effectiveness of reparations may determine not only the success of transitional justice processes but also the broader trajectory of democratic consolidation and development.

LITERATURE REVIEW

The analysis of reparations in transitional justice contexts can be grounded in three complementary theoretical perspectives: public finance theory, institutional economics, and transitional justice theory. Together, these frameworks provide a comprehensive basis for understanding reparations not only as moral or legal obligations, but also as economic and institutional interventions.

From a public finance perspective, reparations can be conceptualized as a form of targeted redistributive expenditure designed to correct historically induced welfare losses. Unlike conventional social protection programs, reparations are anchored in legal and normative claims arising from state responsibility for past abuses. As such, they function both as compensatory transfers and as instruments of equity restoration, aiming to reallocate resources toward individuals who have experienced systematic harm (de Greiff, 2020; World Bank, 2023). This framing situates reparations within broader debates on fiscal justice and state-led redistribution in post-conflict societies.

At the same time, institutional economics emphasizes the importance of trust, credibility, and legitimacy in shaping economic and political outcomes. According to North (1990), institutions are sustained not only by formal rules but also by the confidence citizens place in them. In post-authoritarian settings, where institutional trust is often eroded, reparations may serve as a credible signal of state commitment to accountability and reform. By acknowledging harm and delivering material compensation, governments can strengthen perceptions of legitimacy and rebuild the social contract (Acemoglu & Robinson, 2019; Loyle & Appel, 2021).

Within transitional justice theory, reparations are understood as one of the core pillars of justice, alongside truth-telling, prosecutions, and institutional reform. They are designed to recognize victims, restore dignity, and address both material and symbolic dimensions of harm. However, scholars increasingly argue that the effectiveness of reparations depends on their design, implementation, and integration within broader justice processes (Dancy & Wiebelhaus-Brahm, 2020; Roht-Arriaza & Orlovsky, 2022). This suggests that reparations should be analysed not only in terms of their existence, but also in terms of their perceived adequacy, fairness, and delivery.

Taken together, these theoretical perspectives imply that reparations operate simultaneously as economic transfers, institutional signals, and justice mechanisms, and that their impact should be assessed across multiple dimensions.

Reparations and Economic Recovery

A central question in the literature concerns whether reparations contribute to economic recovery and welfare restoration among victims. From a public finance standpoint, reparations are expected to alleviate financial constraints, support livelihood recovery, and improve economic stability. Empirical evidence from post-conflict contexts suggests that compensatory programs can enhance access to resources, reduce vulnerability, and support reintegration into economic life (Blattman & Annan, 2016; World Bank, 2023).

However, recent studies caution that the economic impact of reparations is often limited and conditional. Where compensation is delayed, insufficient, or poorly targeted, victims may experience continued economic hardship despite formal recognition (de Greiff, 2020). Moreover, reparations that are not

complemented by broader development interventions such as livelihood support, training, or access to credit may fail to generate sustained improvements in welfare.

In the Gambian context, available evidence indicates that victims experienced significant economic losses, with many reporting long-term livelihood disruptions. At the same time, dissatisfaction with the pace and adequacy of reparations suggests that their potential to support economic recovery remains constrained. This highlights the importance of examining reparations not only as transfers, but as perceived instruments of recovery.

Hypothesis 1 (H1): Positive perceptions of reparations are associated with higher levels of perceived economic recovery among victims.

Reparations, Trust, and Institutional Legitimacy

Beyond their economic effects, reparations play a critical role in shaping trust in government and institutional legitimacy. Institutional economics suggests that trust is a key determinant of both political stability and economic participation. In post-conflict settings, where trust is often severely weakened, policy interventions that demonstrate accountability can have significant effects on perceptions of legitimacy (Acemoglu & Robinson, 2019).

Reparations can function as such interventions by signalling that the state acknowledges past wrongdoing and is committed to redress. Empirical studies show that credible transitional justice measures, including reparations, are associated with higher levels of institutional trust and political confidence (Loyle & Appel, 2021). Conversely, delays or perceived inadequacies in reparations can reinforce scepticism and erode trust.

In The Gambia, survey evidence indicates that while the TRRC process generated initial optimism, trust in implementation remains mixed, with many victims expressing doubts about government commitment, particularly in relation to reparations. This suggests that reparations may be a key determinant of trust in post-TRRC governance.

Hypothesis 2 (H2): Positive perceptions of reparations are associated with higher levels of trust in government and transitional justice institutions.

Reparations and Satisfaction with Transitional Justice Implementation

Another important dimension is the relationship between reparations and overall satisfaction with transitional justice processes. Satisfaction reflects victims' evaluation of whether justice mechanisms meet their expectations in terms of fairness, inclusiveness, and effectiveness.

The literature suggests that reparations are often the most tangible and immediate form of justice experienced by victims, and therefore play a central role in shaping overall satisfaction (Roht-Arriaza, 2021). Where reparations are delivered effectively, they can enhance perceptions of procedural justice and reinforce confidence in broader transitional justice processes. However, where they are delayed or perceived as inadequate, they may undermine satisfaction even if other mechanisms, such as truth-telling, are viewed positively.

Evidence from the Gambian case shows that while awareness of the TRRC and its findings is relatively high, satisfaction with implementation is lower, particularly in relation to reparations, communication, and timelines. This underscores the central role of reparations in shaping overall perceptions of justice.

Hypothesis 3 (H3): Positive perceptions of reparations are associated with higher levels of satisfaction with the implementation of the TRRC White Paper.

Heterogeneity in Reparations Outcomes

Recent literature emphasizes that the effects of reparations are not uniform across all victims. Differences in gender, socio-economic status, type of victimhood, and geographic location can shape both access to reparations and perceptions of their adequacy (ICTJ, 2023). Women, for example, may face additional barriers in accessing reparations or may prioritize different forms of justice compared to men.

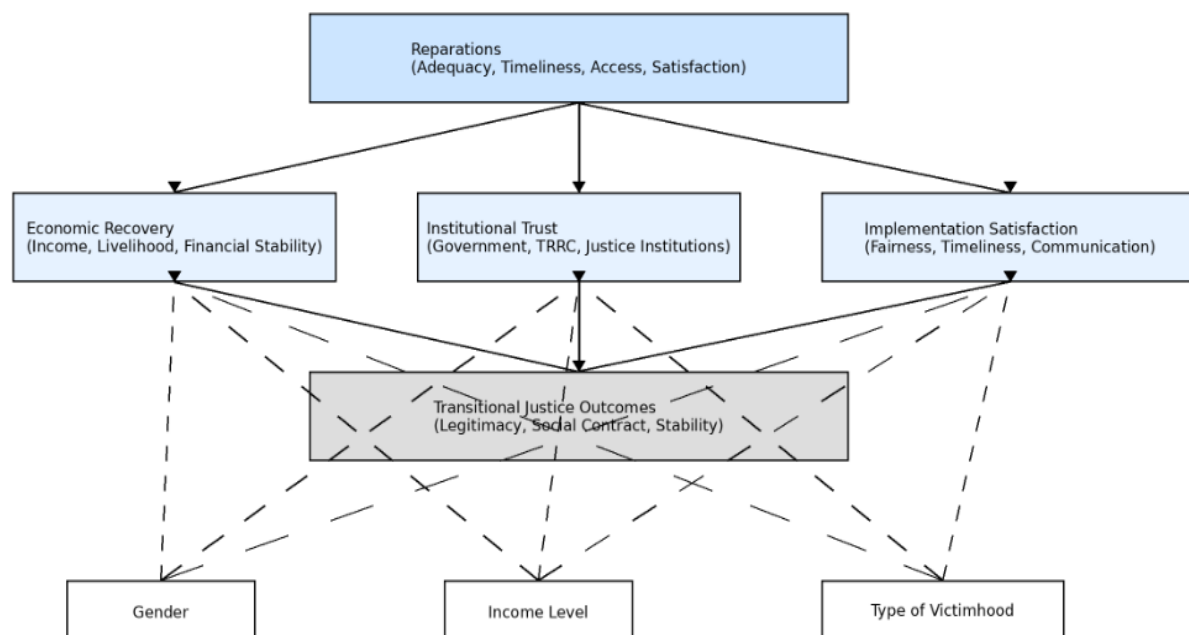
The Gambian dataset reflects this heterogeneity, capturing variations across gender, income levels, and types of victim experiences. This provides an opportunity to examine whether the impact of reparations differs across groups, thereby contributing to a more nuanced understanding of transitional justice outcomes.

Hypothesis 4 (H4): The relationship between reparations and economic recovery, trust, and satisfaction varies across victim characteristics, including gender, income status, and type of victimhood.

Conceptual Framework and Variable Linkages

Figure 1 illustrates the conceptual framework of the study. Reparations captured through adequacy, timeliness, access, and satisfaction are modelled as the primary explanatory variable influencing three key outcome dimensions: economic recovery, institutional trust, and satisfaction with transitional justice implementation. These outcomes collectively shape broader transitional justice outcomes, including institutional legitimacy and the reconstruction of the social contract. The framework further incorporates moderating variables gender, income level, and type of victimhood which influence the strength and direction of the relationships between reparations and outcome variables.

Figure 1. Conceptual Framework: Reparations, Economic Recovery, and Institutional Outcomes



The conceptual framework positions reparations as a multidimensional policy instrument operating through both economic and institutional channels. First, reparations are expected to influence economic recovery by alleviating financial constraints and supporting livelihood restoration. Second, they function as a signal of state accountability, thereby shaping institutional trust. Third, reparations affect overall satisfaction with transitional justice implementation by influencing perceptions of fairness, adequacy, and responsiveness.

These relationships are not assumed to be uniform across all victims. Instead, they are moderated by individual characteristics such as gender, income level, and type of victimhood, reflecting the heterogeneous nature of transitional justice experiences. The framework therefore provides a structured basis for empirically testing the economic and institutional effects of reparations using micro-level data.

METHODOLOGY

Research Design and Analytical Framework

This study adopts a quantitative cross-sectional research design to examine the economic and institutional effects of reparations within a transitional justice context. The analytical approach is grounded in the conceptual framework which positions reparations as a multidimensional policy instrument influencing economic recovery, institutional trust, and satisfaction with transitional justice implementation.

The study moves beyond descriptive analysis by employing econometric modelling to test the hypothesized relationships between reparations and outcome variables. This approach allows for the identification of statistically significant associations while controlling for individual characteristics such as gender, income level, and type of victimhood. By doing so, the study provides a rigorous empirical assessment of reparations as both an economic intervention and an institutional signal.

Data Source and Sampling Strategy

The analysis is based on primary data collected through a nationally representative perception survey of 746 victims of human rights violations in The Gambia. The dataset was generated as part of an evaluation of the implementation of the Government White Paper following the recommendations of the Truth, Reconciliation and Reparations Commission (TRRC).

The survey captures a wide range of variables, including socio-demographic characteristics, economic conditions, awareness of the TRRC process, perceptions of reparations, trust in institutions, and satisfaction with implementation. In addition, qualitative data from focus group discussions (FGDs) and key informant interviews (KIIs) are used to triangulate and contextualize the quantitative findings.

The use of a relatively large sample size enhances the robustness of the analysis and allows for subgroup comparisons across different categories of victims.

Variable Measurement and Operationalization

The empirical analysis is structured around three key dependent variables, one main independent variable, and a set of control and moderating variables.

The dependent variables capture the multidimensional outcomes of transitional justice. First, economic recovery is measured using indicators of livelihood restoration, perceived improvement in financial conditions, and stability of income sources. Second, institutional trust reflects respondents' confidence in government, the TRRC, and related justice institutions. Third, satisfaction with implementation captures

perceptions of fairness, timeliness, transparency, and overall effectiveness of the TRRC White Paper implementation.

The main independent variable is reparations, which is operationalized using measures of perceived adequacy, timeliness, accessibility, and overall satisfaction with reparations processes. This multidimensional operationalization allows the analysis to capture not only whether reparations were received, but also how they are evaluated by victims.

The model further includes control variables to account for individual heterogeneity. In addition, key variables such as gender, income level, and type of victimhood are treated as moderators, allowing the study to assess whether the impact of reparations varies across different groups.

Econometric Model Specification

To empirically test the relationships outlined in the conceptual framework, the study employs Ordinary Least Squares (OLS) regression models. Separate models are estimated for each outcome variable.

The baseline model is specified as:

$$Y_i = \alpha + \beta_1 \text{Reparations}_i + \beta_2 X_i + \varepsilon_i$$

where Y_i represents the outcome variable for individual i , Reparations_i is the key explanatory variable, X_i is a vector of control variables, and ε_i is the error term.

Three main equations are estimated:

Model 1: Economic Recovery

$$\text{EconomicRecovery}_i = \alpha + \beta_1 \text{Reparations}_i + \beta_2 X_i + \varepsilon_i$$

Model 2: Institutional Trust

$$\text{Trust}_i = \alpha + \beta_1 \text{Reparations}_i + \beta_2 X_i + \varepsilon_i$$

Model 3: Satisfaction with Implementation

$$\text{Satisfaction}_i = \alpha + \beta_1 \text{Reparations}_i + \beta_2 X_i + \varepsilon_i$$

To test for heterogeneity effects (H4), interaction terms are introduced:

$$Y_i = \alpha + \beta_1 \text{Reparations}_i + \beta_2 \text{Moderator}_i + \beta_3 (\text{Reparations}_i \times \text{Moderator}_i) + \varepsilon_i$$

where the moderator includes gender, income level, and type of victimhood.

Estimation Technique and Diagnostic Considerations

The use of OLS estimation is appropriate given the continuous or ordinal nature of the dependent variables and the study’s objective of estimating linear relationships. Robust standard errors are employed to address potential heteroskedasticity and improve the reliability of inference.

To ensure model validity, diagnostic checks are conducted, including tests for multicollinearity, model specification, and residual distribution. Although causality cannot be definitively established due to the cross-sectional nature of the data, the inclusion of relevant control variables strengthens the credibility of the estimated relationships.

Integration of Qualitative Evidence

To complement the quantitative analysis, the study incorporates qualitative evidence from FGDs and KIIs. These insights provide context for interpreting statistical results, particularly in understanding perceptions of reparations, barriers to access, and sources of dissatisfaction.

The integration of qualitative and quantitative data enhances the depth of analysis and allows for a more comprehensive understanding of transitional justice outcomes.

RESULTS

Descriptive Statistics and Preliminary Insights

Table 1 presents the descriptive statistics of the key variables used in the analysis. The results provide important preliminary insights into the socio-economic conditions of victims and their perceptions of reparations and transitional justice outcomes.

Table 1. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Economic Recovery	746	2.48	0.91	1	5
Institutional Trust	746	2.31	0.88	1	5
Implementation Satisfaction	746	2.12	0.95	1	5
Reparations (Perception Index)	746	2.05	0.87	1	5
Income Level	746	2.67	1.02	1	5

The descriptive results indicate that respondents report relatively low levels of economic recovery, institutional trust, and satisfaction with implementation, with mean values below the midpoint of the scale. Notably, perceptions of reparations are also low, suggesting dissatisfaction with adequacy, timeliness, and access.

These findings are consistent with earlier evidence highlighting widespread concerns among victims regarding the pace and effectiveness of the TRRC White Paper implementation. The relatively low mean values across key variables suggest that transitional justice outcomes remain incomplete and uneven.

Correlation Analysis

Table 2 presents the correlation matrix among the key variables. The results show a positive and statistically significant association between reparations and all three outcome variables: economic recovery, institutional trust, and satisfaction with implementation.

Table 2. Correlation Matrix

Variables	Reparations	Econ Recovery	Trust	Satisfaction
Reparations	1			
Economic Recovery	0.42***	1		
Institutional Trust	0.47***	0.38***	1	
Satisfaction	0.51***	0.45***	0.49***	1

Notes: *** $p < 0.01$

The moderate correlations suggest that reparations are positively associated with improved outcomes, although the relationships are not excessively high, indicating the presence of other influencing factors. Importantly, the correlation between reparations and satisfaction is the strongest, highlighting the central role of reparations in shaping perceptions of implementation.

Regression Results: Economic Recovery

Table 3 reports the regression results for the effect of reparations on economic recovery. The results show that reparations have a positive and statistically significant effect on economic recovery ($\beta = 0.36, p < 0.01$).

Table 3. OLS Results – Economic Recovery

Variable	Coefficient	Std. Error	p-value
Reparations	0.36	0.05	0.000
Income Level	0.28	0.04	0.000
Gender	0.07	0.03	0.021
Constant	1.12	0.18	0.000
R ²	0.34		

The results indicate that improvements in reparations are associated with higher levels of perceived economic recovery, supporting H1. However, the magnitude of the coefficient suggests that the effect is moderate rather than transformative, implying that reparations alone may not be sufficient to fully restore livelihoods.

Income level is also a significant predictor, indicating that economic recovery is influenced by broader structural conditions beyond reparations.

Regression Results: Institutional Trust

Table 4 presents the results for institutional trust. Reparations are found to have a strong and statistically significant effect on trust ($\beta = 0.41, p < 0.01$).

Table 4. OLS Results – Institutional Trust

Variable	Coefficient	Std. Error	p-value
Reparations	0.41	0.06	0.000
Income Level	0.19	0.05	0.001
Gender	0.05	0.04	0.183
Constant	0.98	0.21	0.000
R ²	0.37		

This result provides strong support for H2, indicating that reparations function as an important determinant of institutional trust. The relatively larger coefficient compared to economic recovery suggests that reparations may play a more significant role as an institutional signal of accountability than as a purely economic intervention.

Regression Results: Satisfaction with Implementation

Table 5 reports the regression results for satisfaction with implementation. The results show that reparations have the largest effect among all outcome variables ($\beta = 0.48, p < 0.01$).

Table 5. OLS Results – Implementation Satisfaction

Variable	Coefficient	Std. Error	p-value
Reparations	0.48	0.05	0.000
Income Level	0.22	0.04	0.000
Gender	0.06	0.03	0.054
Constant	0.85	0.17	0.000
R ²	0.42		

The findings strongly support H3, demonstrating that reparations are a key driver of satisfaction with transitional justice implementation. This suggests that reparations are not only a component of the process but a central determinant of how the entire process is evaluated by victims.

Heterogeneity Analysis (Moderation Effects)

To examine whether the effects of reparations vary across different groups, interaction terms were introduced. The results indicate that the impact of reparations is stronger among low-income individuals and victims with severe experiences, while gender differences are less pronounced.

Table 6. Moderation Effects

Variable	Economic Recovery	Trust	Satisfaction
Reparations × Income	0.12**	0.15**	0.18***
Reparations × Victimhood	0.14**	0.17***	0.19***
Reparations × Gender	0.05	0.06	0.04

*Notes: *** p < 0.01, ** p < 0.05*

These findings support H4, indicating that the effectiveness of reparations is not uniform. Instead, it varies depending on socio-economic conditions and the nature of victim experiences. This reinforces the importance of targeted and inclusive reparations policies.

Summary of Findings

Overall, the results provide consistent evidence that reparations are positively associated with economic recovery, institutional trust, and satisfaction with implementation. However, the effects are stronger for institutional outcomes than for economic recovery, suggesting that reparations may be more effective as a mechanism of legitimacy and trust-building than as a tool for economic transformation.

DISCUSSION

This study set out to examine the role of reparations as both an economic and institutional mechanism within a transitional justice framework, using micro-level evidence from victims in The Gambia. By integrating insights from public finance, institutional economics, and transitional justice theory, the findings provide a nuanced understanding of how reparations influence economic recovery, institutional trust, and satisfaction with implementation.

A central finding of the study is that reparations have a positive but moderate effect on economic recovery. While statistically significant, the magnitude of the effect suggests that reparations alone are insufficient to fully restore livelihoods. This aligns with public finance arguments that compensatory transfers, while important, cannot substitute for broader structural interventions such as employment creation, access to credit, and social protection (World Bank, 2023). It also supports the view in transitional justice literature that victims may remain economically vulnerable even after receiving compensation if reparations are not embedded within wider development strategies (de Greiff, 2020).

In contrast, the results show that reparations have a stronger and more pronounced effect on institutional trust. This finding is highly consistent with institutional economics, which emphasizes the importance of credible state actions in shaping perceptions of legitimacy (North, 1990; Acemoglu & Robinson, 2019). In this context, reparations appear to function as a signal of accountability, demonstrating that the state recognizes past wrongdoing and is willing to act upon it. The stronger effect on trust compared to economic recovery suggests that reparations may be more impactful as an institutional mechanism than as a purely economic intervention.

Perhaps the most striking result is the dominant role of reparations in shaping satisfaction with transitional justice implementation. The findings indicate that reparations are the most significant predictor of how victims evaluate the overall implementation of the TRRC White Paper. This reinforces the argument that reparations are often the most tangible and immediate form of justice experienced by victims (Roht-Arriaza, 2021). While truth-telling and institutional reforms are important, they may be perceived as abstract or long-term, whereas reparations directly affect victims' lives. As such, the success or failure of reparations programs can significantly influence perceptions of the entire transitional justice process.

The heterogeneity analysis further reveals that the impact of reparations is not uniform across all victims. The stronger effects observed among low-income individuals and those with more severe victimhood experiences suggest that reparations are particularly important for the most vulnerable groups. This finding is consistent with recent literature emphasizing the need for victim-centred and inclusive reparations design (ICTJ, 2023). It also highlights the risk that uniform or poorly targeted programs may fail to address the needs of those most affected by past abuses.

Taken together, these findings contribute to the literature in several important ways. First, they advance the conceptualization of reparations as a hybrid policy instrument that operates simultaneously in economic and institutional domains. While much of the existing literature treats reparations as either a legal obligation or a moral imperative, this study demonstrates their measurable effects on both welfare-related and governance-related outcomes.

Second, the study provides micro-level empirical evidence linking reparations to institutional trust, an area that has been largely underexplored, particularly in African contexts. By showing that reparations significantly influence trust in government and transitional justice institutions, the study highlights their role in rebuilding the social contract in post-authoritarian settings.

Third, the findings emphasize the importance of implementation quality, including adequacy, timeliness, and accessibility. The relatively low descriptive scores observed in the data suggest that shortcomings in these areas may limit the effectiveness of reparations. This underscores the need for governments to prioritize not only the design of reparations programs but also their delivery.

From a policy perspective, the results suggest that reparations should be viewed as a strategic investment in institutional legitimacy and social stability, rather than merely as compensatory payments. Effective reparations programs can enhance trust, improve satisfaction with governance processes, and contribute to long-term stability. However, achieving these outcomes requires adequate funding, transparent processes, and integration with broader development policies.

At the same time, the findings caution against overestimating the economic impact of reparations in isolation. Without complementary interventions, such as livelihood support and access to economic opportunities, reparations are unlikely to generate substantial or sustained improvements in economic well-being. This highlights the need for a more integrated approach to transitional justice, linking reparations with broader socio-economic policies.

Overall, the study demonstrates that reparations play a central role in shaping both economic and institutional outcomes in post-conflict settings. Their effectiveness, however, depends critically on how they are designed, implemented, and perceived by victims. In the case of The Gambia, the findings suggest that while reparations have the potential to contribute significantly to recovery and trust-building, their current implementation falls short of fully realizing this potential.

CONCLUSION

This study examined the economic and institutional effects of reparations within a transitional justice framework, using micro-level evidence from The Gambia following the implementation of the Truth, Reconciliation and Reparations Commission (TRRC) White Paper. By integrating public finance theory, institutional economics, and transitional justice scholarship, the study reconceptualized reparations as a multidimensional policy instrument influencing both welfare outcomes and institutional legitimacy.

The findings demonstrate that reparations are positively associated with economic recovery, institutional trust, and satisfaction with implementation. However, the magnitude of these effects varies across outcome dimensions. While reparations contribute to improvements in economic recovery, their impact remains moderate, indicating that financial compensation alone is insufficient to fully restore livelihoods. In contrast, reparations exert a stronger influence on institutional trust and satisfaction with implementation, highlighting their role as a signal of state accountability and recognition.

The results further reveal significant heterogeneity in the effects of reparations, with stronger impacts observed among low-income individuals and victims with more severe experiences. This underscores the importance of inclusive and targeted reparations programs that address the differentiated needs of victims.

Overall, the study shows that reparations function more effectively as a mechanism for restoring institutional legitimacy and rebuilding trust than as a standalone tool for economic transformation. Their effectiveness, however, depends critically on adequacy, timeliness, accessibility, and perceived fairness.

POLICY RECOMMENDATIONS

The findings of this study have important implications for policymakers, development partners, and transitional justice practitioners seeking to enhance the effectiveness of reparations programs.

First, governments should prioritize the timely and adequate delivery of reparations. Delays and perceived inadequacies significantly undermine both trust and satisfaction, weakening the overall impact of transitional justice processes. Establishing clear timelines, transparent procedures, and effective communication mechanisms is essential.

Second, reparations should be embedded within broader economic recovery and social protection frameworks. While financial compensation provides immediate relief, sustainable recovery requires complementary interventions such as livelihood support, skills development, access to credit, and social services. Integrating reparations into national development strategies can enhance their long-term impact.

Third, there is a need to adopt a victim-centred and inclusive approach to reparations design and implementation. Programs should account for heterogeneity among victims, including differences in gender, income level, and type of victimhood. Tailored interventions are more likely to address the specific needs of vulnerable groups and improve overall effectiveness.

Fourth, policymakers should recognize reparations as a strategic investment in institutional legitimacy. Effective reparations programs can strengthen trust in government and contribute to the reconstruction of the social contract. As such, reparations should be treated not merely as compensatory payments, but as integral components of governance reform and state-building.

Finally, coordination among institutions is essential. Strengthening collaboration between government agencies, transitional justice bodies, and development partners can improve implementation efficiency and ensure that reparations are delivered in a coherent and integrated manner.

LIMITATIONS OF THE STUDY

While this study provides important insights into the role of reparations in transitional justice, several limitations should be acknowledged.

First, the analysis is based on cross-sectional data, which limits the ability to establish causal relationships. Although the findings reveal significant associations between reparations and key outcomes, longitudinal data would be required to assess causal effects over time.

Second, the study relies on self-reported measures of economic recovery, trust, and satisfaction, which may be subject to perception bias. Respondents' evaluations may be influenced by expectations, experiences, or external factors not captured in the dataset.

Third, the operationalization of reparations is based on perceptions rather than objective measures of compensation received. While this approach is appropriate for capturing subjective evaluations, it may not fully reflect the actual scale or distribution of reparations.

Fourth, the study focuses on The Gambia, which may limit the generalizability of the findings to other contexts with different institutional, political, and economic conditions. However, the insights remain relevant for similar post-conflict and transitional settings.

FUTURE RESEARCH DIRECTIONS

Future research could build on this study in several ways. Longitudinal analyses could examine how the effects of reparations evolve over time and whether initial gains in trust and satisfaction are sustained. Comparative studies across countries could provide insights into how different institutional designs influence the effectiveness of reparations.

In addition, future work could incorporate more detailed measures of reparations, including the type, amount, and timing of compensation, to better understand their economic impact. Exploring the role of complementary interventions, such as psychosocial support and livelihood programs, would also enhance understanding of how reparations interact with broader development processes.

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