

Assessing the Social and Economic Impact of Logistics Management on the Liberian Economy (The National Transit Authority 2015-2018)

Jeremiah Momo Gbellay

MBA General, Texila American University, Liberia

Abstract

Under the able leadership of Her Excellency Madam Sirleaf, the government envisioned that to address the many unemployment in Liberia, it was prudent to decentralize governance and all government services appertaining transportation from the transport ministry to the national transit authority (NTA) to alleviate huge unemployment deficiency with employment. Therefore, affordable public transportation for Liberians was identified as one of the areas for strategic intervention. Significantly, the remodeling of the Monrovia Transit Authority (MTA) into the National Transit Authority (NTA) tries to pursue decentralization to provide affordable, convenient, and reliable mass transit services to citizens throughout the breadth of the country for all citizenries. After over a decade of post-conflict growth and relative peace and stability since the end of the 1989-2003 conflict, Liberia's transport infrastructure and logistics sector have the potential for enormous growth and development. Over the past period, there has been an increasing emphasis on supply chain and logistics management as a medium for firms to achieve competitive advantage in markets (Collins, 2003. P. 8). A large number of examples in the 1990s show how countries have made significant investments to streamline the supply chain to improve customer satisfaction and increase the internal productivity of their economy. In conclusion, this paper fully explores both the framework for and an analysis of such reflections of the civil unrest conflicts in Liberia and assessing the social and economic impact of logistics management of the Liberian economy.

Keywords: Social, Economic, Impact, Logistic management, The Liberian economy.

Introduction

Under the able leadership of Her Excellency Madam Sirleaf, the government passed an act of legislation to establish the National Transit Authority (NTA) to alleviate the many challenges faced in the transport sector of the country's economy. Over the past decade of instability in Liberia, there has been increasing emphasis on supply chain and logistics management in government as a vehicle through which developing nations took advantage of the enormous growth and development of the sector.

Today, Liberia is rebuilding its economy after the civil war ended in 2003, after more than fourteen years of violence in Liberia. Although

previously rated as a mere concomitant or sub-discipline in operations and marketing management (Kent and Flint. 1997) [1]. The government of Liberia established the National Transit Authority (NTA) in Monrovia through legislative enactment on September 11, 2008, and approval into Law by Her Excellency President Ellen Johnson-Sirleaf on March 24, 2009.[2] In October 2011, with a generous donation by the Government of India of 25 Ashok Leyland Falcon buses, the Government of Liberia officially launched its mass transit services for the people of Liberia. This donation was soon followed by the government's purchase of additional 8 new buses to further augment NTA's capacity to extend access to

mass transit services for our people. The government is confident that this policy would facilitate the safe movement of people, goods within the border, and its surrounding at an affordable cost. With this, the expansion and enhance our national development plan- to reduce poverty, create more jobs and stimulate domestic trade and commerce. Developing countries now constitute 48% of world trade, up from 33% in 2000, and the number of people living in extreme poverty has been cut in half since 1990 to just under one billion people. Trade has helped increase the number and quality of jobs in developing countries, stimulated economic growth, and driven productivity increases [3]. This research describes the problem, rationale, general and specific objectives, literature review, research questions, and method overview, explaining the research design approaches and design rationale, population, and ethical considerations. The final part of this research contains a summary and conclusion section comprising the main issues discussed. The case has to do with assessing the social and economic impact of logistics management on the Liberian economy by the government.

Research Questions

1. What impact does logistics management has on the Liberian economy?
2. What were the economic outcomes of logistics management precisely the National Transit Authority from 2015 -2018?
3. What are the factors that lead to the impact of logistics management on the economy?
4. Does logistics management significantly affect the post-war recovery of Liberia transport?
5. How does logistics management affect the National Transit Authority?

Literature Review and Method

The review of related literature concepts of logistics, focusing on logistics management's social and economic impact on the Liberian

economy (the National Transit Authority 2015-2018) as a case study. Citizens alleviating poverty after the civil wars in Liberia was a vibrant and robust approach through which the NTA was created through the legislatures for the common good of its citizenry.

Transportation

Through a total road system of 10,600km of the road, 657 km are paved. The road network is a holdup for economic development in Liberia. Due to climatic conditions, it is only possible to work on roads for an average of 6 months per year, with a mile of paved highway costing approximately one million USD, even though these challenges over 425 kilometers of roads are in the process of being completed. The Government of Liberia (GOL) and its development partners have committed about US\$323 million to transform Liberia's roads and reduce transport costs. Japan focuses on reducing traffic congestion and securing safe transportation in Somalia Drive, which links to Monrovia's Freeport. With the completion of a paved highway running from Monrovia through Ganta to the Guinean border, Liberia's main horticulture areas (Lofa, Bong and Nimba) have been linked up to the ports of Monrovia (Freeport) and Bassa. Travel time between Ganta and Monrovia has thereby been reduced to three hours [4].

Logistics Sector

Since the civil war, the logistics sector has grown steadily, with many companies coming into the country. These companies bump into specific limitations caused by underdeveloped infrastructure and complicated customs procedures. The infrastructure growth has been led by two main actors: the Government of Liberia and through national mining, forestry and agricultural concessions [5]. However, the landscape has changed with the government aiming to develop the port and unlock Liberia's potential to become a vital trade partner. Liberia's infrastructure has gradually been

growing since the end of the civil war, and its development is closely intertwined with economic development. Two main actors have led the infrastructure growth. On the micro scales, the logistics industry is a key industry in increasing the competitive power of corporations. Furthermore, the logistics industry has an important mission in revitalizing and improvement of the competitiveness of other industries [6].

The Liberian Economy

The economy of Liberia is hugely underdeveloped, mainly due to the First Civil War from 1989 to 1996; Liberia itself is one of the world's poorest and least developed countries in the world. The war also caused a brain drain in the infrastructure and human resource sector and capital loss [7]. The civil war involved overthrowing the Americo- Liberian minority that ruled the country, The distribution of wealth is uneven, with the coastal districts receiving a more significant share of economic benefits than the hinterland, after which the administrative centers are the subsequent beneficiaries. Transportation is one of the leading sectors of the economy of Liberia. About half the land area is suitable for cultivation, though a small percentage is cultivated. Foreigners often operate commercial farms.

Traditional farms, which comprise the most significant number, are usually produced by slash-and-burn methods. In addition, President Charles Taylor's support for rebels fighting in Sierra Leone negatively impacted the climate for foreign investment. Although there are no official statistics, it is estimated that 85% of the population was unemployed in 2003 and that GDP grew at a negative rate of 31.3% during this year [8].

Public Procurement and Concessions Commission (PPCC)

The Public Procurement Concession Act (PPCA) [9] was under the past government to establish the Public Procurement and

Concessions Commission (PPCC), which gives institutional structures for public procurement and Concessions, and the stipulation methodology and procedures for its existence. The mandates Commission/PPCC to regulate all forms of public procurement and concessions to maximize economy and efficiency, focusing on obtaining the best value for public expenditures and promoting the economic development of Liberia. The object of PPCC is to ensure that all financial and efficient use of public funds in which public procurement and ensure that public procurement and concessions are conducted in a fair, transparent, and non-discriminatory manner:

1. Developing of rules, instructions, regulations, and related documentation on public procurement and concessions procedures.
2. Review procurement and concessions documents and inspecting records that are necessary for preventing corruption of any in any given public institution.
3. Maintaining and publishing the list of suppliers, contractors, consultants, and prospective bidders who have been debarred from public procurement and communicate the list to procurement entities regularly and,
4. Conduct an independent review of complaints and appeals related to the procurement and concessions process and make decisions thereon.

Methodology of Study

This research gives a brief explanation of the research designed that has been employed, the research design used is a general plan of how the researcher goes about answering the research questions. (Creswell, 2003[10]. This study also adopted a descriptive research design. According to Shona McCombes (2019) [11], the descriptive research design is appropriate for identifying characteristics, trends, frequencies, and categories. According to Mouton (2001, p. 55) [12], "a research design is a plan or blueprint of how you intend to conduct the research". In

the same way that the research problem, aim and objectives of the research guide the research in a particular direction, an appropriate, well-planned research design will also guide the research process. The study aimed to collect data on the impact of logistics management on the Liberian economy. It was also to capture quantitative data to provide in-depth information about the economic and social effects of logistic management on the economy of Liberia.

Data of Collection

Data collection is the process of gathering and measuring information on targeted variables in an established systematic fashion, which then enables one to answer relevant questions and evaluate the outcomes (Demarrias, 2004) [13]. Data was collected from selected samples using a quantitative survey, a questionnaire containing structured questions; the researcher adopted open-ended questions for this study to get information that lessens information bias and makes it easy for the data analysis. Ensuring the validity and reliability of the research, the local supervisor reviewed and validated the information gathered for the study. The study employed a structured interview guide to all the objectives and selected respondents and interviews. The researcher pretested the instruments before they were used in the field.

Data Analysis

The researcher analyzed data using a quantitative approach. A questionnaire containing structured questions and open-ended questions were used in this study to get factual information about the economy of Liberia. [14] Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, and is used in different business, science, and social science domains.

The Result of the Research

This research presents the quantitative data analysis and its relation to previous studies of scholars and the literature reviews. The study provides a more precise and more in-depth

understanding of the research. After analyzing the questionnaires and interviews conducted, the analysis in (Table 1), the researcher selected forty (40) of the questionnaires from each department of the Transit Authority to know the percentage of each option to factual see the impact of logistics management on the economy of Liberia. The antigraft institutions such as Public Procurement Concessions and Commission (PPCC), NTA management, Ministry of Finance Development and Planning (MFDP), Ministry of Transport (MOT), and Internal Audit Agency (IAA) are the watchdogs for proper implementation. The outcomes of this assignment will provide a guide in the development and deployment of an eProcurement System and other revisions that would play major roles in the attainment of the overall objectives of the PPCA [15].

Discussion

In the previous sections, some outcomes were presented. Firstly, one of the most important outcomes of the study was the positive impact of logistics management on the transport sector of the Liberian economy at the National Transit Authority (NTA). Thirty persons who constituted 75% of the sample size said logistics management impacted the NTA to a greater extent. Therefore, if the continuous use of proper logistics management in government institutions, this process will continue to yield results. The infrastructure, such as road pavement and adequate maintenance of all buses of NTA, will expand to other counties.

Limitation

This review was limited due to time and getting adequate information from employees of the entity in fear that it would expose itself to the public pressure but notwithstanding, the dismaying of employees. There were also few gaps in the data, which may have impacted the results. The quality of economic data for Liberia is inferior, owing to several problems: political instability, civil wars, and poor statistical and

reporting techniques. Additionally, this study is based on secondary annual series data whose significant disadvantages are the credibility and degree of reliability.

Conclusion

The study's primary purpose is to answer the research questions: What impact does logistics management had on the Liberia economy? What were the economic outcomes of logistics management precisely the National Transit Authority from 2015 -2018? What are the factors that lead to the impact of logistics management on the economy of Liberia? Does logistics management significantly affect the post-war recovery of Liberia transport? In the previous section, the theoretical framework was in detail compared with the study results. Since the survey outcomes did utterly fit with the literature review, the research questions were answered explicitly. On the other hand, the theoretical framework presented in this research suggests that the Government of Liberia can construct more pave roads and implement the proper use of logistics management. The transport sector through the National Transit Authority is fully implemented, and the country's logistics management has a significant impact.

Recommendation

The researcher has realized the aim of this research. There exists a significant impact of logistics management on the Liberian economy, especially the National Transit Authority. These antidraft institutions, such as the Public Procurement and Concessions Commission (PPCC), the Ministry of Finance Development and Planning (MFDP), the Ministry of Public Works, and the Internal Audit Agency (IAA), are critical institutions for the proper management of the government's spending, constructing quality roads and regulations. The research work has contributed extensively to the literature for the impact of logistics management on the Liberian economy, using NTA as a case.

Additionally, if these antidraft institutions can continue to institute and implement government policies coupled with the management of NTA, handling the entity's affairs will prove the vision of Her excellency madam Sirleaf about alleviating poverty from Liberia through the low-price cost of transportation in Monrovia and its environs. Although the analytical framework proved appropriate within the research environment, the transport buses are carefully managed and maintained as often as possible.

Table 1. What Impact does Logistics Management had on the Liberian Economy?

| Options | Frequency | Percentage (%) |
|------------------|-----------|----------------|
| To Great Extent | 30 | 75 |
| To an Extent | 7 | 17.5 |
| To little Extent | 2 | 5 |
| To no extent | 1 | 2.5 |
| Total | 40 | 100% |

Source: Survey Questionnaire

Table 2. What were the Economic Outcomes of Logistics on the NTA?

| Options | Frequency | Percentage (%) |
|-------------------------|-----------|----------------|
| Creating Employment | 29 | 72.5 |
| Building Road | 7 | 17.5 |
| Lack of National Income | 5 | 12.5 |
| Lack of Attention | 2 | 5 |
| Total | 40 | 100% |

Source: Questionnaire Survey

Table 3. What are the Factors that Lead to the Impact of Logistics Management on the Economy?

| Options | Frequency | Percentage (%) |
|--------------------------------|-----------|----------------|
| Effective logistics Management | 33 | 82.5 |
| Poor logistics management | 5 | 12.5 |
| Lack of Trust | 2 | 5 |
| None | 0 | 0 |
| Total | 40 | 100% |

Source: Questionnaire Survey

Table 4. Does Logistics Management Significantly Affect the Post-war Recovery of Liberia Transport?

| Options | Frequency | Percentage (%) |
|------------------|-----------|----------------|
| To Great Extent | 28 | 70 |
| To an Extent | 8 | 20 |
| To little Extent | 3 | 7.5 |
| To no extent | 1 | 2.5 |
| Total | 40 | 100% |

Source: Questionnaire Survey

Conflict of Interest Statement

The paper Title: Assessing logistics management's social and economic impact on the Liberian economy (National Transit Authority 2015-2018). The author, whose name is mentioned immediately below certified, has **NO** affiliation with or involvement in any institution with non-financial interest such as personal or professional relationship, or cooperation in the subject matter.

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