



Contribution of Informal Businesses to Private Sector Development:

A Case Study of the Central Region of Liberia

By

Alfred K Tarway-Twalla¹ & Geegbae A Geegbae

Liberia Agency for Community Empowerment

Monrovia, Liberia

ICBE-RF Research Report No. 18/12

Investment Climate and Business Environment Research Fund
(ICBE-RF)

www.trustafrica.org/icbe

Dakar, April 2012

¹ Contact: aktwalla@msn.com

Overview

As a consequence of the civil war, the socio-economic situation of Liberians is deplorable while formal sector economic activities are far below the pre-war status. The role of the IBs in the private sector seemed to be prominent because of the lack of large-scale investment due to the high security risk created by the war. The 2007 Informal Business Sector Research (IBSR 2007) is aimed at determining the extent and relevance of the contribution of IBs to both the private sector and national socio-economic development.

The objective of the study is to assess the overall performance of IBs in order to determine their contribution to private sector-based economic interventions that are aimed at national socio-economic development in Liberia, using the CRL as a case study. The specific objectives are: a) to determine the contribution of IBs to the basic social and economic needs of the population; and b) to increase financial or micro-finance loans support to IBs through sensitization of Government of Liberia (GOL) and development partners. The research was mainly based on primary data, using structured and semi-structured questionnaires to interview IBs and other target population in the CRL. The two counties and the 19 urban and large-rural localities were purposively selected. Other methods of interviews included focus group discussions (FGDs) and key informant interview (KII). A Statistical Package for Social Sciences (SPSS) was used to process the research data collected from structured questionnaire, while information from KIIs and FGDs were processed manually.

The majority of IBs owners were established due to the hardship created by the war; and because they are the only means of income. It was further revealed that most of the IBs have limited access to microcredit loans to establish and sustain their businesses. Although it is at the discretion of the Government of Liberia to determine registration and tax payment, 98% of IBs were willing to officially register and pay taxes only if they have access to loan to expand and sustain their businesses, which was reaffirmed by major stakeholders (GOL, 2000). Thirty-six (36) percent of IBs owners kept daily sales records while 29% had some apprenticeship training. It was revealed that most of the IBs (62%) were established during and after the war period. The research revealed that there is a strong correlation between the war and the establishment of IBs. In addition, the mean amount start-up capital was US\$60.25 while mean profit level was

US\$30.97. The seed-money for investment and the profit level are very low, implying that most of the IBs in the CRL are subsistence.

The study shows that IBs owners have high loan repayment rates. The research also indicates that most IBs owners (75%) saved money from their businesses while the mean amount of money saved per month was US\$34.84. It was revealed that most IBs owners saved money in susu clubs² (which is not quite sustainable) due to limited knowledge and access to banking facilities in the CRL. The research found that grassroots business owners provided more adequate health, education, food and housing for their households than heads of households engaged in other subsistence activities such as farming. The research found that grassroots businesses ensured access to goods and services in remote towns and villages.

² A Susu club is an indigenous saving scheme where individuals collect money over a specified period of time and give to each member of the group in a circular form. Larger susu clubs give loans to non-members of the susu but with the recommendation of a genuine and due / commission paying member of the clubs. See section on main sources of funding for IBs for more details of susu.

Abbreviations/Acronyms

ACS	American Colonization Society
BCRT	Bong County Research Team
CBL	Central Bank of Liberia
CPA	Comprehensive Peace Accord
CRL	Central region of Liberia
CUC	Cuttington University College
FRTUL	Federation of Road Transport Union of Liberia
FGDs	Focus group discussions
FRTUL	Federation of Road Transport Union of Liberia
GDP	Gross domestic product
GOL	Government of Liberia
IBs	Informal businesses
IBSR 2007	The 2007 Informal Business Sector Research
ICBT	International Cross Border Trade
KII	Key informant interview
LBs	Liberian businesses
LBDI	Liberia Bank for Development and Investment
LDF	Lofa Defense Force
LDHS	Liberia Demographic and Health Surveys
LGACLs	Local Government Authority and Community Leaders
LPC	Liberia Peace Council
LMA	Liberia Marketing Association
MFA	Ministry of Foreign Affairs
MCI	Ministry of Commerce & Industry
MDGs	Millennium Development Goals (MDGs)
MCRT	Margibi County Research Team
MGD	Ministry of Gender and Development
MIA	Ministry of Internal Affairs
MOA	Ministry of Agriculture

MOL	Ministry of Labor
MOP	Margin of preference
MPEA	Ministry of Planning and Economic Affairs
NAWOUL	National Wheel Borrow Union of Liberia
NGOs	Non-government organizations
NPFL	National Patriotic Front of Liberia
PPCA	Public Procurement and Concessions Act
PPCC	Public Procurement and Concessions Commission
PHDC	Population Health & Development Center
PRS	Poverty reduction strategy
PSD	Private sector development
SMAM	Singulate mean age at marriage
SPSS	Statistical Package for Social Sciences
ULIMO-K & J	United Liberation Movement of Liberia (rival factions K & J)
UL	University of Liberia
UN	United Nations
UNDCF	United Nations Capital Development Fund
WATSAN	Water and sanitation

Table of Contents

Overview	ii
Abbreviations/Acronyms	iv
Table of Contents	vi
List of Tables	viii
List of Figures	ix
1. Introduction background and purpose.....	10
2. Methodology and data source	14
2.1 Data Processing and analysis	16
2.2 Methods of Results Dissemination	16
2.3 Research Limitations	17
2.4 Validation of Survey Data.....	19
2.5 Organization of Report.....	19
3. Social and demographic status of informal business owners.....	20
3.1 Age-Sex Analysis.....	20
3.2 Marital Status	20
3.3 Status in Household	21
3.4 Economic Dependency level of IBs owners	22
3.5 Educational Characteristics of IBs owners	23
4. Factors influencing contribution of informal businesses to post-conflict private sector development (PSD)	23
4.1 Entrepreneurship of necessity	23
4.2 Low Start-up Capital.....	24
4.3 Business Establishment Period	24
4.4 Non-taxable status of grassroots businesses	27

4.5	Self-Ownership of Grassroots businesses	27
4.6	High loans repayment rate	28
4.7	Lack of Apprenticeship Training and Daily Sale Records.....	30
4.8	Satisfaction with Businesses	30
4.9	Low Gainful Employment Status.....	30
4.10	Business Money Saving Status	31
4.11	Seed Money and Profit Level.....	32
4.12	Violence Associated with IBs	33
5.	Results.....	33
5.1	Contribution to Private Sector Development (PSD) and Basic Social Services	33
5.2	Contribution of IBs to Health Services	34
5.3	Contribution of IBs to Educational Services.....	36
5.4	Contribution of IBs to Food Security.....	38
5.5	Contribution of IBs to Job Creation.....	39
5.6	Contribution of IBs to Housing.....	40
5.7	Contribution to Community and County Development	42
5.8	Contribution to Transportation and Communication	45
5.9	Other contributions of IBs to the Welfare of Population	46
5.10	Local level Perception of IBs Contribution to Development.....	48
5.11	Summary of Focus Group Discussions	49
5.12	Summary of Key Informant Interviews	52
6.	Discussion, Policy Implications, Conclusion and Recommndations	54
6.1	Discussion and Policy Implications	54
6.2	Conclusion and Recommendations.....	57
	References.....	60

List of Tables

Table 1: Data Collection by Type and Region.....	15
Table 2: Distribution of IBs owners by Period of Business Establishment, Liberia IBSR 2007	26
Table 3: Petty Businesses Loaned by LBDI from 1999-2006 by Loan repayments Status, LBDI- Liberia 2008	29
Table 4: Respondents by Money Saving Status, Liberia IBSR 2007.....	31
Table 5: Percentage of IBs owners by Monthly Profit Saved From Business, Liberia IBSR 2007	31
Table 6: Respondents by number of dependents/ children supported in school per year, Liberia IBSR 2007	37
Table 7: Respondents by amount paid for educational support of dependents/children per year, Liberia IBSR 2007.....	37
Table 8: Respondents by number of dependents/children they provide food security for, Liberia IBSR 2007	38
Table 9: Respondents by amount paid per day for the food security of dependents/children, Liberia IBSR 2007	39
Table 10: Respondents by How Much Rent They Pay Per Month, Liberia IBSR 2007	42
Table 11: Respondents by amount of money contributed to Community development in the past 12 Months, Liberia IBSR 2007	44
Table 12: Contribution of Respondents by Type of County Projects, Liberia IBSR 2007	44
Table 13: Respondents by Amount of Money Paid to County Development in the Past 24 Months, Liberia IBSR 2007.....	45
Table 14: Percentage of Local Authorities by Adequacy of the Contribution of IBs, Liberia IBSR 2007.	48

List of Figures

Figure 1: Map of Liberia.....	15
Figure 2: Percentage of IBs owners by status in households, Liberia IBSR 2007.....	22
Figure 3: Percentage Distribution by Dependency Status, Liberia IBSR 2007	23
Figure 4: Establishment of IBs before during and after the war, Liberia IBSR 2007.....	24
Figure 5: Business Loans to Various Sectors of the economy from 1998-2005, CBL- Liberia 2008	25
Figure 6: Percentage of Loans to Petty businesses in LBDI, 1998-2007, LBDI- Liberia 2008.....	26
Figure 7: Percentage of Registered IBs, 1987-2007, MCI, Liberia 2008	27
Figure 8: Percentage of IBs Owners by Loan Repayment Rate, IBSR 2007.....	28
Figure 9: Gainful employment status of IBs owners, Liberia IBSR 2007	30
Figure 10: Percentage of IBs by Places of Saving Money, Liberia IBSR 2007	32
Figure 11: Respondents by Type of Health Services They and Household Visit During Illness, Liberia IBSR 2007.....	34
Figure 12: Percentage of Respondents According to Type of Community Project IBs Contribute to, Liberia IBSR 2007	43
Figure 13: Percentage of Respondents by other means of support to household, Liberia IBSR 2007	47

1. Introduction background and purpose

At independence in 1847, Liberia became the first internationally recognized independent country in Africa. But after many years of poor governance, political and economic exclusion, and ‘growth without development’ (Clower, 1966), political militancy grew to a peak. These conditions eventually led to the 1980 military coup and the ensuing 14-year civil war. Prior to the war, the average per capita income was US\$750 and the annual GDP growth rate was 5.7% (GOL, 1975). The estimated per capita GDP in 2007 was US\$500. As a consequence of the civil war, the current socio-economic situation of Liberians is deplorable to the extent that formal sector businesses and employment levels are far below their pre-war levels. With these economic difficulties, grassroots businesses are actively participating in economic activities to provide basic incomes for people and their families. Therefore the increased growth of grassroots business has implications for post-conflict private sector development.

While the role of grassroots business in social and economic development has become prominent after the war, the extent to which they are contributing to improvements in the country has not been adequately researched. In this context, the main objective of this study is to profile the extent to which grassroots businesses are contributing to social and economic development in post-conflict Liberia. The specific objectives are to determine: 1) the main sources of funding, profit level, money saving strategies, and loan re-payment ability for grassroots businesses; 2) the ownership status and motivations for individuals engaging in grassroots business activity; 3) the managerial skills of, and the registration level of, grassroots businesses; and 4), to determine how grassroots business owners meet health, education, food security, and housing needs of their households and extended families.

Prior to the 14-year civil war, the economy of Liberia was basically formal sector investment oriented. But the war paralyzed most of the formal sector industries (iron ore, timber, rubber and agricultural projects) and created insecurity that is delaying the resuscitation of these large industries. The CRL was one of the areas with high level investment opportunities, including some of the biggest iron ore, rubber and agriculture industries in Liberia³.The near collapse of

³ Bong Mining Company, BCADP, Logging Companies, Firestone and other large rubber actively existed in the CRL before the war.

the formal sector gave incentives for entry into informal business activities in Liberia (GOL/UNDP, 2006), which has implications for increasing private sector economic activities. Hence, the research seeks to investigate and profile the contribution of IBs to private sector economic interventions in Liberia. The major problems which the research endeavours to address is to profile the contribution of IBs and highlight the lack of sustainable sources of funds, with most of them (IBs) established with own money, thereby maintaining these businesses at subsistence levels. The research is to identify sustainable traditional organizational framework such as cooperative and susu clubs strategy to sustain IBs. There is also a lack of database that could be used to determine the contribution of IBs to private sector investment and overall national development.

There is no adequate literature on the contribution of IBs to private sector development in Liberia because there has been no detailed research such as the IBSR 2007, which collected data, created a data base and provided research findings. Available researches on IBs in Liberia have focused on access to microfinance, as opposed to measuring their contribution to private sector development (PSD) and the social economic lives of the population, which is the focal point of the IBSR 2007. Hence, it is difficult to obtain available literature that will provide information /experiences on the contribution of IBs to PSD and the social and economic situation of IBs in Liberia. In light of the above, some information has been gathered on the status of the privates sector, where the situation of the formal and informal sectors was highlighted following the end of the 14-year war in 2003.

It is accepted in free market economies that private sector is the major driver of economic growth and development. With the level of high unemployment, high poverty, and limited access to both physical and financial capital, Liberian entrepreneurs and informal business owners (if assisted by commercial banks), will be the key to creating jobs and wealth in Liberia and subsequently lead to the creation of a vibrant independent business class (Nyankor, 2008).

According to Nyankor, the informal sector, which constitutes the largest productive sector in Liberia, has not fully realized its potential contribution to the nation's economic development process because of: the lack of consumer confidence in the banking system; the lack of marketing and innovation from banks in expanding their customer base beyond Monrovia and

the formal sector; and the predominance of informal activities. Other reasons for minimal contribution of the informal sector to PSD are: the presence of a small formal private sector that is dominated by small proprietors who are more likely the beneficiaries of the available financial resources from commercial banks; the lack of formal financial knowledge, which make many businesses to neither maintain good records of their business activities, nor have bank accounts; and the mindset of indigenous Liberians that banking is for educated people and those who live Monrovia (Nyankor, 2008), etc. As a result of the above mentioned hindrances, many informal sector Liberian entrepreneurs and small businesses or IBs, have very limited access to financial capital.

Moreover, small businesses which are largely not diversified in their activities do not have the financial or physical asset to use as collateral. Hence, they are unable to actively participate in the banking system or even secure loans from commercial banks that would enable them to start, or expand their businesses (Nyankor, 2008). This assertion confirms the fact that IBs owners do not have the means of improving their businesses above the subsistence level until they can be granted access to loans/ grants.

Following the 14-year war, Liberia requires the needed infrastructure and regulatory framework to foster post conflict private sector development (PSD), which is a tool for conducive investment climate. But due to lack of opportunities to rejuvenate the once flourishing economy, Liberia is suffering from disproportionately low levels of private sector investment infrastructure, with only small-scale service providers or IBs likely to emerge (Nyemah, 2007). In addition, most Liberian entrepreneurs are pre-dominantly trapped in the low-productivity sector or IBs, with little or no access to financing opportunities, including the ability to compete with the formal sector, or gravitate towards the formal sector (Nyemah, 2007).

Economic activities have immensely increased since the signing of the August 2003 comprehensive peace accord or CPA, and the sudden end of Liberia's civil war. However, the boom in economic activities has been largely limited to the informal sector as formal private investors are not fully engaged (UNCDF, 2005). Accordingly, UNDP and World Bank joint needs assessment put the under-employment or unemployment rate in the formal sector at 85%, while 76.2% of the population is living below the US\$1 per day poverty line. Furthermore, the

UNCDF studies indicate that the informal sector accounts for at least one-third of the labor force and 37% of the urban labor force (UNCDF, 2005).

The microfinance sector in post-conflict Liberia is currently at a very nascent stage, thereby making it difficult for most businesses, particularly IBs, to access financial assistance for the growth and development of the private sector. In other words, the financial sector is very exclusive, and serves the wealthy; large enterprises; and people with guaranteed salaries. This situation puts IBs in a more subsistence condition, with supply of financial services to micro and small businesses less than US\$8,200 in 2004 (Tucker, 2004). The policy of providing loans to exclusive businesses, in 2004, constrained microfinance industry from developing and expanding (Tucker, 2004). In emphasizing the importance of enhancing post-conflict socio-economic reconstruction through private sector investment, the 2003 Millennium Development Goals (MDGs) report for Liberia points at the lack of capital investment and its poor environment for PSD as a way of reducing extreme poverty (GOL/UNDP, 2003).

The review of literature outside Liberia shows that some African Governments are creating an enabling environment for the growth and development of the informal business sector. The Rwandan government made some reforms in the business environment which target the informal sector. The reform is aimed at encouraging those companies to formally register their business (Rwanda, 2010). The Rwandan government intends to support the formalization of informal businesses by reducing registration fees and providing incentive. The reform measures have implications for increasing revenue from tax income and decreasing reliance on donor funds. In Liberia, the efforts aimed at improving the informal sector is fragmented in few institutions (i.e., the ministry of gender, national investment commission, etc.). Hence, there is no nationally approved policy by the government of Liberia through cabinet decision like in Rwanda.

Hernando De Soto in his book 'The Mystery of Capital' asked 'Why Capitalism Triumphs in the West and Fails Everywhere Else' (Soto, 2000)? His idea is that informality is a major obstacle for the development of capitalism. In his postulation De Soto blames the theory of informality as a major cause of most countries of the world not having been developed like the west. He believes that developing countries would have developed if unused physical assets (dead capital) were utilized. Relating De Soto's theory to the Liberian scenario, it is realized that down playing the

role of the informal business sector has negative implications on post-war private sector growth in the country. Therefore, the informal business sector should be brought into the mainstream of the economy if sustainable development is to take place void of the vicious circle of loan driven development.

2. Methodology and data source

This research is based on quantitative data gathered from questionnaires and qualitative data gathered from key informant interviews and focus groups. The Central Region of Liberia (CRL), comprising the counties of Bong and Margibi (See map, Figure 1), was selected as the sampling frame and geographic focus of the research because it was the most representative region of the country that could be studied given limited resources and logistical constraints (i.e. access to motorways to facilitate data collection).

A total of 1,823 questionnaires were administered in two rounds of data collection: one in July 2007 (resulting in 1,004 completed questionnaires) and a second in August 2008 (resulting in 819 completed questionnaires). The target population interviewed in the research included grassroots businesses that are not registered; do not pay taxes; and are in most cases not well organized. In other words, with set target for each selected locality (cities, towns and villages) persons involved in informal businesses were selected at the various market places using simple random sampling method. Hence, the total sample size of 1823 was allocated among the two counties using the probability proportional size (PPS) of the 2007 projected population projection of Liberia (LISGIS, 2007). These convenience sampling methods were used to select the 1,823 grassroots business owners operating in the markets and towns of the two counties in the Central Region. In the process, efforts were taken to ensure that the respondents were proportionally allocated between the two counties (based on 2007 population data) and were not systematically biased in terms of gender or sector of business activity.

Key informant interviews (KII) and focus groups were conducted to gather qualitative data that could provide greater context and explanations for the quantitative findings. Forty-eight key informant interviews were conducted with local government and community leaders drawn from each of the two counties and Liberia's capital city, Monrovia (for the breakdown, see Table 1). Each local government or community leader was selected based on their knowledge of grassroots

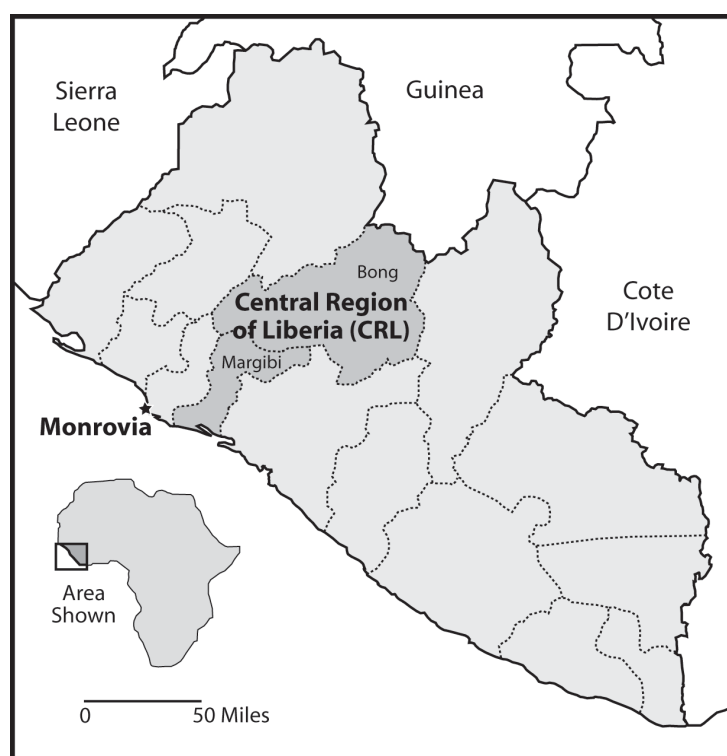
business in Liberia. In addition, 22 focus group discussions were conducted in Bong and Margibi counties (in their capital cities of Gbarnga and Kakata respectively) which included youth groups, civil society groups and local community leaders (Table 1).

Table 1: Data Collection by Type and Region⁴

County/ Questionnaire	Bong County	Margibi County	Monrovia (capital city)	Total
Individual questionnaires (July 2007)	659	345		1,004
Individual questionnaires (August 2008)	499	320		819
Key informant interviews (July 2007)	25	10	13	48
Focus groups (July 2007)	7	15		22
Total	1190	590	13	1893

The key informant interview (KII) included 6 government ministries and the Central Bank of Liberia (CBL); 6 civil society organizations and two commercial banks (Liberia Bank for Development and Investment or LBDI, and ECO-Bank-Liberia). The KII consisted of structured question, with half of the questions pre-coded while the rest were open ended (Fig1).

Figure 1: Map of Liberia



⁴ The distribution of the IBs owners and LGACLs among the two counties (Bong and Margibi) was based on probability proportional to population size (PPS).

The CRL, including 19 urban and large-rural localities were selected because of accessibility to motor road net-work. This option automatically reduced the cost of field work for data collection. In other words, the 19 selected urban and large-rural localities were easily accessible during the rainy season than most parts of Liberia, apart from Montserrado. Hence, the purposive selection of the CRL ensured the smooth achievement of project objectives, and other terms and conditions of the research (Table 1). In addition, secondary data was collected from the Central Bank of Liberia (CBL); Ministry of Commerce and Industry (MCI); ECO-Bank Liberia, Liberia Bank for Development and Investment (LBDI) and the National Investment Commission (NIC) of Liberia.

2.1 Data Processing and analysis

The data from structured questionnaires (1823 persons) was programmed and processed using version 11 of the Statistical Package for Social Sciences (SPSS) while the data gathered from key informants and focus group discussions (FGDs) were processed manually. The analytical methods employed included rates, ratios and other descriptive statistics. Comparative analysis and correlation were used to determine the level of the activities of IBs before, during and after the civil war period. Simple Correlation Analysis (SPA) was also used to measure the relationship between variables. Other descriptive statistical methods used included frequency tables, measure of central tendency (e.g. mean), percentages and graphical presentations. These methods were used to determine the contribution of IBs to PSD, as well as the extent of the provision of basic social services for the population in the CRL.

2.2 Methods of Results Dissemination

The results of the research were disseminated in two types of workshops: an inception workshop in Monrovia and data users' workshops in 8 localities (i.e. in Margibi and Bong Counties). The dissemination workshops highlight factors that influenced IBs during and after the war; show the overall performance of IBs in the CRL; sensitize participants on the availability of a database that can be used to promote informal business activities and strengthen private sector economic growth. During the dissemination workshops, the requisite stakeholders from Universities, government agencies, the international community and other partners were invited. The results of the study were published on the website of Population Health and Development Center (PHDC).

The results of the study were disseminated through multi-media material (flyers, posters, radio broadcast, newspapers, town criers, etc.). The brochure of the research report was mailed to relevant government ministries and agencies, NGOs, civil society groups (including women business organizations and community-based groups), and other key players in the business sector. In other words, dissemination and post dissemination workshops and meetings (with relevant stakeholders) were used to present the research results to the GOL, NGOs and other partners who have interest in developing the IBs as a means of stimulating private sector investment.

2.3 Research Limitations

Convenience sample

For the selection of urban and large rural localities for data collection, a true random sampling procedure would have chosen unaccessible or long distance localities that could have expanded the scope of work of data collection team. Also the interview of grassroots businesses in selected enumeration areas would have been delayed by capturing petty business owners that would not be available on the enumeration day, and could require callbacks. This could have inevitably delayed data collection by increasing the time required to complete the survey. But with the convenient/ purposive sampling techniques, the data collection team interviewed only those business owners that were available on the day of data collection. In effect, the sample size selected and interviewed using convenient sampling method had no negative impact on the results of the study since the major idea of avoiding a true sampling technique was to save time and ensure smooth and fast data collection.

Geographic focus on the Central Region of Liberia (CRL)

There are no systematic differences between the CRL and other regions of Liberia. However, prior to the war there were high levels of former sector investment (e.g. rubber plantation companies, iron ore mining company, agricultural development projects, etc), in the CRL than most parts of Liberia. As a consequence of the high level of former sector employment, there was a minimum informal business regime in the CRL prior to the war. Therefore, it is rationally

assumed in this study that the rapid growth in the informal business sector (particularly grassroots businesses) is macrocosmic of the petty businesses situation in other regions of Liberia.

Regional Differentials of War Impact

The war did not affect the CRL differently in terms of its impact on the social and economic needs of the population. Although the headquarters of the main rebel group was in the CRL, the situation had a limited impact on the wellbeing of its (CRL's) population as well as in other regions of the country. In other words, the destruction of all basic social services and human lives during the 14-year of civil war indiscriminately affected all of the five development regions of Liberia (including the CRL).

Sample Size Impact

A limitation of this research is that it focused on the CRL, with concentration in the accessible parts of the region only. Also, the planned sample size (1871) was increased by 1.2%. In addition, total sample size (1823 IBs owners, 35 LGACLs, 13 KIs and 22 FGDs) is small as compared to the population of the IBs in the CRL. However, the sample size has no negative impact on the results because it satisfied the purpose of the study. The data collected from the CRL is reliable and interprets the economic state of IBs in all parts of Liberia. Hence, the key findings of the research are macrocosmic of the contribution of IBs to basic social services in the entire country.

Time delay between two rounds of data collection

There were no events that occurred between July 2007 and August 2008 that could have impacted on the data that was collected during the first and second surveys respectively. For example, there were no conflicts to stimulate the migration of the population that was interviewed in the two survey periods. There were also no major events that could have affected the population of IBs in the urban and large rural localities in the CRL that were interviewed in the two surveys. Hence, there were no major events between the two sets of survey data that could have systematically impacted the results of the study.

2.4 Validation of Survey Data

Because the sample was purposive, the study can only be considered exploratory. One cannot, strictly speaking, generalize the findings on to the universe of businesses or types of players under study. This is the limitation on the use of the observed results. However, the following validation of the research was made:

- That the study was conducted in line with the basic principle of survey – sampling design, questionnaire construction, development of a tabulation plan, data processing, analysis of data, and presentation of findings. The area selected for the study provided a suitable environment for the field work.
- That the sample size of 1,893 reflects a true representation of the informal business population in the Central Region of Liberia (CRL). The responses given represent the views of a cross-section of informal business owners in the area.
- That although structured interview was expected to cover 1823 IBs owners, but instead it successfully covered 1816 or 99.6% of the IBs owners, with an insignificant 0.2% representing next-to-IBs owners. The high percent coverage of owners of shows that most of the information provided in the research are valid and reliable since they (IBs owners) know more about the IBs than any other person in the CRL.
- That the questionnaires were edited both manually and electronically. The report vividly described the finding of the survey.

Hence, given the above considerations the research conducted presented valid findings that ensure the achievement of research objectives by measuring the contribution of IBs to PSD and the social economic needs of the population in the CRL.

2.5 Organization of Report

The report of this research comprises 5 chapters as follows: the first chapter is the overview and background and purpose of the study. It further focuses on the history of Liberia; presents the objectives of the study; summarizes the problem statement of the research; and reviews literature. Chapter two highlights methodology of the study. It also outlines the limitations and validation of research data. Chapter three reviews the social and demographic status of IBs

owners while chapter four looks at factors influencing the contribution of IBs to private sector development. Chapter five contains the findings of the research while Chapter six makes conclusions, and presents policy implications and recommendations of the study.

3. Social and demographic status of informal business owners

3.1 Age-Sex Analysis

The mean age of IBs owners in the CRL was 34 years. This suggests that the average person in informal business activity was a young adult. Accordingly, Liberia's population is generally youthful (GOL, 2008 Census). The population is very young, with less than 49% in the labor force while less than 3% is in the retirement age bracket (UNFPA/GOL, 2007). More than half of the IBs owners were females. The age at which people enter into informal business sector is realistic and represents the age structure of Liberia at the national level. Female population dominates the activities of IBs for almost all ages of IBs owners.

The sex ratio at informal business activities was 58 males per 100 female in Margibi County. This further shows that females dominated the population at all levels of the informal market activities. It was also shown that there were more males in Margibi than in Bong. The sex ratio was 53 males to 100 females in the CRL. The high population of females could be due to fact that women bear full responsibility for caring for household population, particularly in post-war countries where there are more broken homes because of the death or unemployment of husbands or both. The sex ratio at birth in Liberia has always been high⁵. The sex ratio at informal market is very low because of the involvement of women in petty businesses as compared to men in Liberia.

3.2 Marital Status

The majority of the ever married population is located in Bong County, constituting 89.5% of separations; 75% of divorces; and 67.2% of widows of IBs owners population. Eighty-five (85%) of the IBs owners were ever married (i.e., married, living together, separated, divorced

⁵ The sex ratio at birth was 103 in 1962 census; 102 in 1974 census; 101 in 1984 census; 100 in the 1999/2000 LDHS. The ratio is expected to decline below 100 by 2006, although the 2006 LDHS did not emphasize sex ratio.

and widowed). Margibi County made up 39.3% of single population; 35.3% of IBs that were living together; and 33.7% of married persons.

The high level of marital activities in Bong County could be due to the sample size allocation emanating from the probability proportional size (PPS), which leaves Margibi County with 34.4% of the total sample size.

There were not much difference in current marriage rate among IBs owners in Bong and Margibi Counties, with 54% and 53% respectively. Current marriages among IBs owners in the CRL were 54% of the total ever married population. This was followed by living together⁶ which represents 20% (Bong) and 21% (Margibi), with divorced constituting less than 3% each in the CRL. The high rate of marriage among IBs owners further demonstrates that they (IBs owners) are responding to the basic needs of their families.

The singulate mean age at marriage (SMAM) for IBs owners in the CRL was 23 years. This means that owners of IBs remained single for 8 years after attaining the age 15 years before getting married. The SMAM of the IBs owners is slightly higher than that of the 1984 census, LDHS 1999/2000 but slightly lower than that of the 2008 census reports (LISGIS, 2008). The SMAM is the average number of years for remaining single after attaining the age the age of 15 before getting married (UN, 1983).

3.3 Status in Household

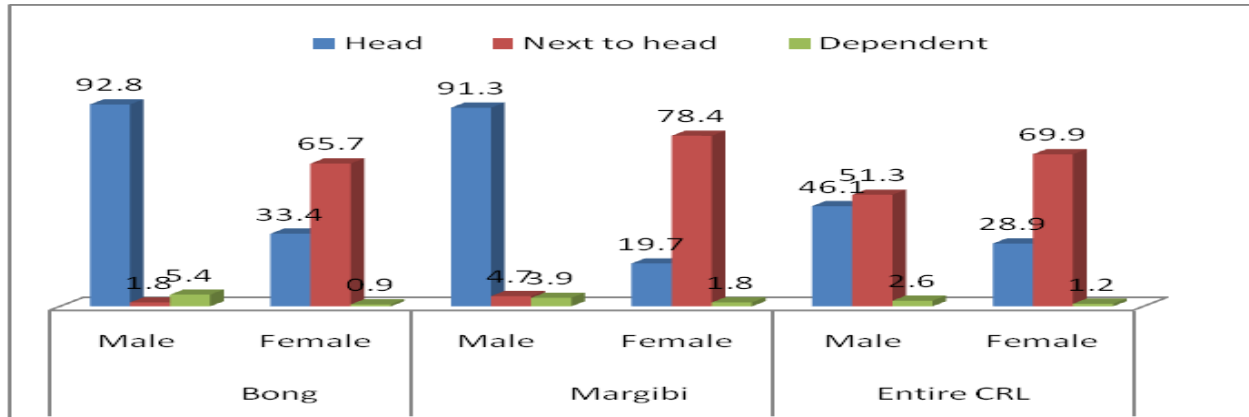
Further analysis indicated that 46.1% of the IBs owners were female heads of households. The high level of female headed households could also be due to the fact that most females are found in the informal employment sector in Liberia and most developing countries. There were more female headed households in Bong than in Margibi. This could imply that the 14-year conflict killed more husbands in Bong⁷ than in Margibi. At the county level, there was not much difference between Bong and Margibi male heads of households (Fig.1). The research shows that

⁶ Living together constitutes a major part of marital status in Liberia because two opposite sex staying together for several years without official record (western and tradition marriage). Hence, this is considered a major component of nuptiality in Liberia, beginning the 1999/2000 LDHS.

⁷ Bong County headquartered the main rebel group (National Patriotic Front of Liberia or NPFL) in the 14-year war.

only 2.6% of the 1004 IBs were not heads of households. This has positive implications for the contribution of IBs to the social and economic empowerment process of the population (Fig2).

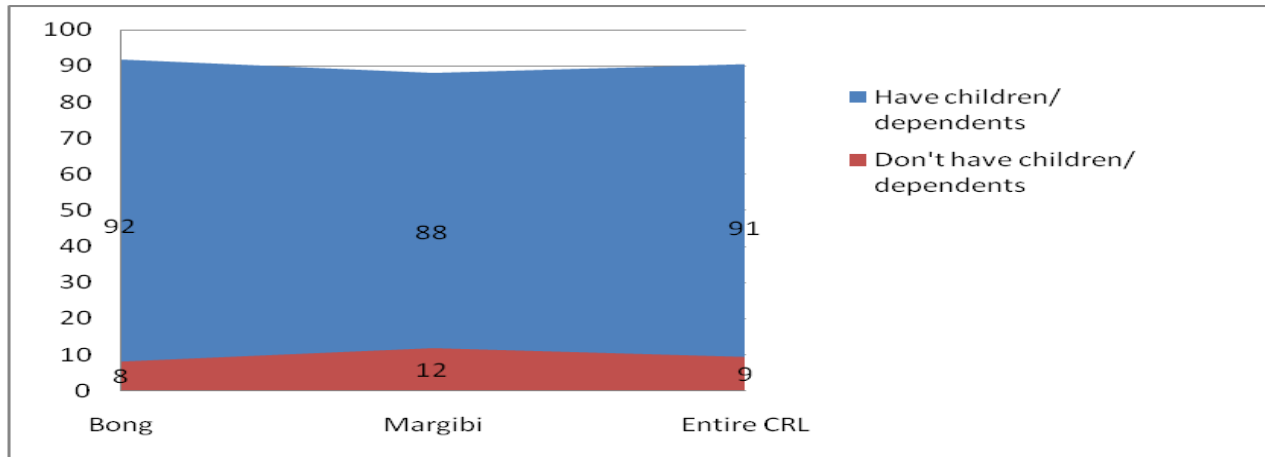
Figure 2: Percentage of IBs owners by status in households, Liberia IBSR 2007



3.4 Economic Dependency level of IBs owners

The research shows that 92% of IBs in Bong had children/ dependents as compared to 88% for Margibi. In the entire CRL, 91% of the IBs had children/dependents to care for. The state of dependency among the petty business owners (IBs owners) signifies the level of responsibility to their families. It further justifies the contribution of IBs to society through private sector activities. The overall economic dependency ratio of 91 dependents per 100 IBs in the CRL was high. The data also shows that 31% of the IBs had between 1-3 children/ dependents while 40% were caring for 4-6 children/ dependents in the CRL. At the county level, 42% and 37% of IBs in Margibi and Bong had between 4-6 children/ dependents respectively (Fig3).

Figure 3: Percentage Distribution by Dependency Status, Liberia IBSR 2007



3.5 Educational Characteristics of IBs owners

Thirty four (34) percent of the IBs owners had no education while 2% had university level of education. Twenty six (26) percent of the IBs owners were at the elementary level while 66% had some level of education. There was not much difference in educational level among counties. However, 20% of the IBs owners were at the senior high school level in Bong as that of Margibi was 27%.

4. Factors influencing contribution of informal businesses to post-conflict private sector development (PSD)

Although grassroots businesses are found to be important coping mechanisms in the short term and sustainable mechanisms for post-conflict economic rejuvenation in the medium-to-long term, this section examines factors that determines the contribution of grassroots businesses to privates development in Liberia. The factors are as follows:

4.1 Entrepreneurship of necessity

The major factor influencing the establishment of grassroots businesses is the means to survive. Eighty-three (83) percent of respondents engaged in grassroots business activity out of necessity in order to generate some income for survival. This entrepreneurship of necessity was also associated with hardship created by the war 14-year war (25%) and death of a spouse (9%). Some of the deplorable social and economic conditions created by the 14-year civil conflict were

reduced formal sector businesses/ employment levels far below the pre-war status; and increased economic recession.

4.2 Low Start-up Capital

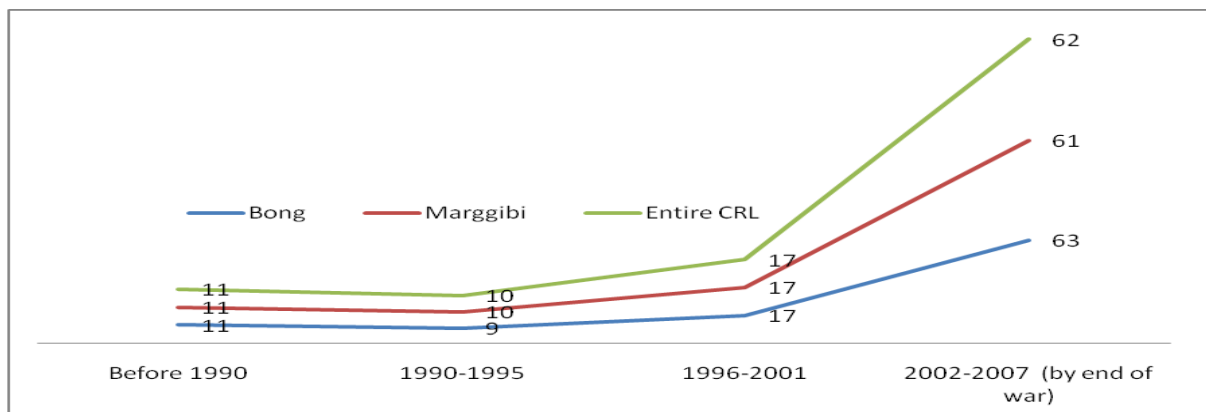
Thirty-seven (37) percent of grassroots business owners who established their businesses between 2004 and 2008 did so with US\$25 or less. Another 60% invested less than US\$50. The low seed money for grassroots businesses influenced their contribution to economy.

The lack of sustainable sources of funding is one key factor that negatively undercuts the growth of grassroots businesses beyond subsistence level. Sixty-eight (68) percent of respondents established their businesses with personal capital. Of the remaining 32% that took loans from various sources only 3% received or benefited from bank loans. The low level of bank loans to IBs could also be attributed to the high risk associated with lending money to small businesses without collateral or micro-finance loan programme to IBs (Nyankor, 2008).

4.3 Business Establishment Period

The 14-year civil war seriously impacted on the establishment of grassroots businesses in Liberia. Interviews and focus group discussions revealed that 62% of all petty businesses (before, during and after the 14-year conflict) were established between 2002 and 2007. The rate indicates that the adverse consequences of the civil conflict on the population influenced the rise in IBs; thereby suggesting a positive relationship between the war and the rapid growth of IBs in Liberia (Fig4).

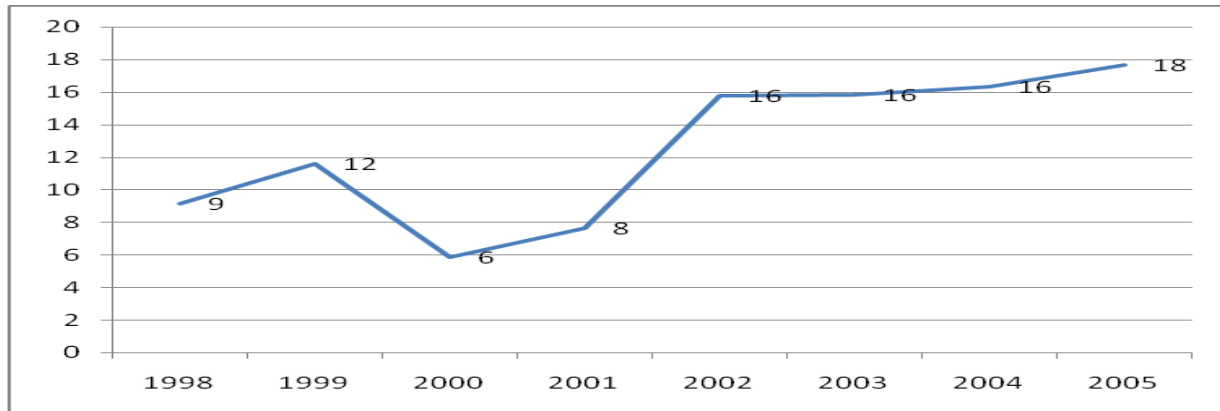
Figure 4: Establishment of IBs before during and after the war, Liberia IBSR 2007



Of the 86 National Investment Commission (GOL, 2008) loans received in 2002 and 2008, nearly 70% were provided in 2008 alone, which confirms that petty businesses have been increasing since the war. A Pearson Correlation Coefficient (r) value of 0.9496 further suggests a positive relationship between the 14-year war and the upwards trend of IBs. With a coefficient of determination (r^2) of 90.2%, it is clear that the observed relationship did not occur by chance.

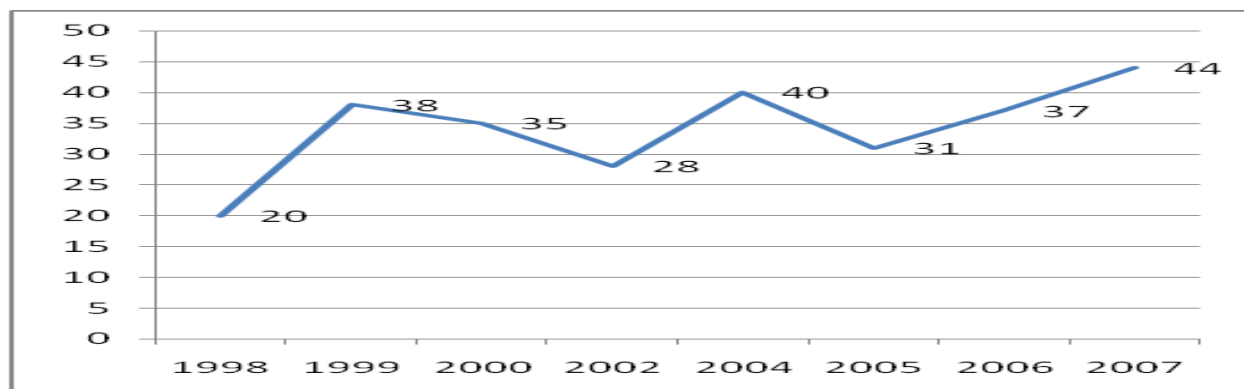
Furthermore, the 1998-2005 annual reports of the Central Bank of Liberia (CBL) revealed that private sector businesses have been increasing since the war (GOL, 2008). A Correlation Coefficient (r) of 0.4096 was obtained from the analysis of the CBL data (Fig5).

Figure 5: Business Loans to Various Sectors of the economy from 1998-2005, CBL- Liberia 2008



The loan data from commercial banks (for small, medium and large businesses) showed that loans to the various sectors of the economy have been also increasing since 1998, although there was a slump from 1999 to 2002, preferably because of uncertainty created by the 1999-2003 war. These loan data covered agriculture, mining and quarrying, manufacturing, construction, transport, storage and communication; trade, hotels and restaurants, and other sectors. Moreover, the trend of loans provided by the Liberia Bank for Development and Investment (LBDI) also demonstrated a positive correlation ($r=0.8346$) between loans and the time periods that they were given (Fig6).

Figure 6: Percentage of Loans to Petty businesses in LBDI, 1998-2007, LBDI- Liberia 2008



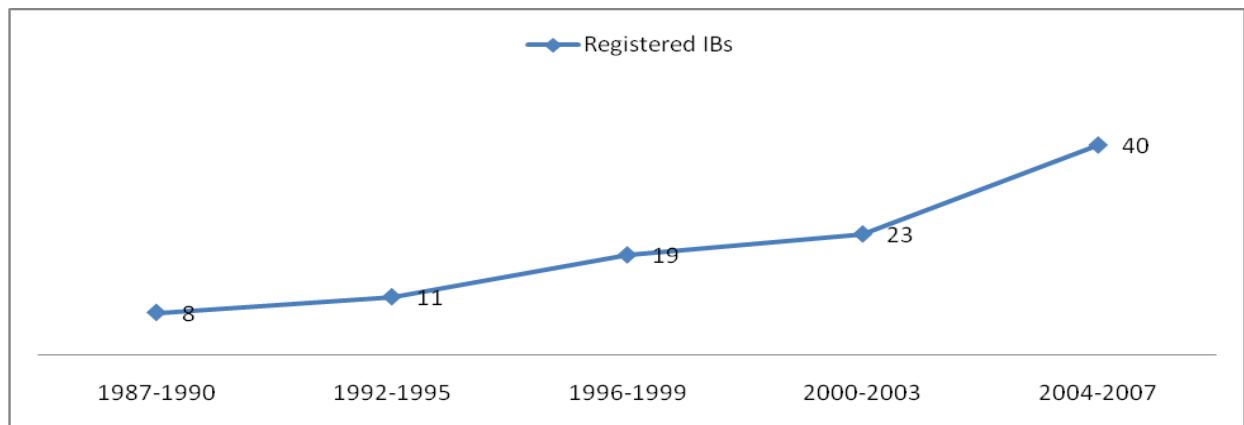
Furthermore, 11% of the IBs were established in the pre-war period (before 1990). This indicates that Liberians were less engaged in petty businesses before the war. As various peace accords provided breathing spaces, IBs rose to 17% between 1996 and 2001. The period 1990-2001 experienced the heaviest fighting, and was also marked by the multiplicity of warring factions (i.e. ULIMO-K, ULIMO-J, LPC, NPFL, LDF, etc). Hence, it accounted for the establishment of lesser IBs as compared to 2002- 2007 (Table 2).

Table 2: Distribution of IBs owners by Period of Business Establishment, Liberia IBSR 2007

Time	Bong		Margibi		Entire CRL	
	#	%	#	%	#	%
Before 1990	72	11	38	11	110	11
1990-1995	61	9	36	10	97	10
1996-2001	114	17	60	17	174	17
2002-2007	412	63	211	61	623	62
Total	659	100	345	100	1004	100

In addition, a twenty-year registration data of petty businesses from the Ministry of Commerce and Industry (GOL, 2007) revealed that there were more IBs in Liberia during and after the 14-year war than in the pre-war period of 1987-2007. The data suggest that 73% of the grassroots businesses were established 2000-2007. Hence, there has been an upward movement in IBs since 1990 (Fig.7).

Figure 7: Percentage of registered IBs, 1987-2007, MCI, Liberia 2008



According to the Liberia Revenue Code Act of 2000, all businesses in Liberia (irrespective of whether or not they are informal or formal) are supposed to register and pay income taxes (GOL, 2000). But as indicated earlier, the GOL is reluctant to enforce its registration and tax law on most of the very low income IBs because of their (IBs') subsistence nature.

4.4 Non-taxable status of grassroots businesses

Although the payment of taxes is a key element in the formalization of the informal sector of any economy, most IBs are not taxed by government perhaps for some flexibility due to capacity building and poverty reduction or post-war coping mechanism. The tax free incentive for most IBs is a major factor that influences the multiplicity of grassroots businesses.

4.5 Self-Ownership of Grassroots businesses

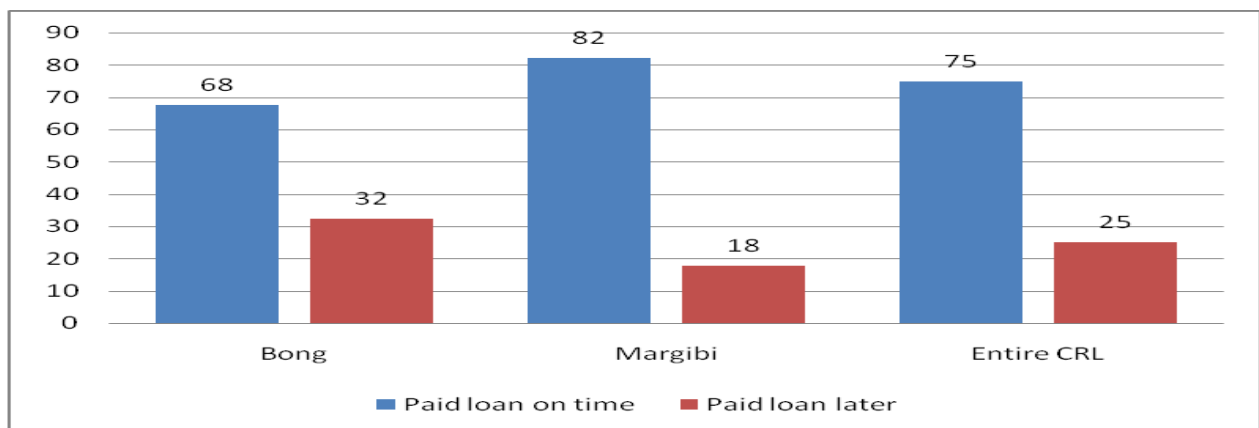
The study shows that 99.8% of persons in grassroots businesses owned and managed their businesses. Moreover, 99.8% of female and 99.5% of male respondents owned IBs in Bong County. In Margibi, both sexes were on par in terms of ownership of IBs. At the county level, all of the IBs are operating their own businesses in Margibi while 0.3% of the respondents were working for other IBs owners in Bong County. The high level of informal business ownership in the CRL points to the extent to which the population is developing capacity for private sector economic growth. This post-conflict business initiative also enhances the overall development paradigm (PRS) of the government by creating jobs for rural as well as urban population in the region. The

high level of informal business ownership after the war is a key factor influencing the population to develop capacity for private sector economic growth.

4.6 High loans repayment rate

Ninety-nine (99) percent of IBs owners expressed willingness to repay loans in order to ensure the smooth growth of their businesses. This commitment was demonstrated by the 4-year loan repayment rates in the region. The research shows that (from 2004 - 2008) 30% of the IBs received loans, with 75% repaying on time while the rest did so after the stipulated payment period. Although the average loan per person was small (US\$30.97), the loan repayment rate among IBs was high, and has the propensity of promoting a conducive investment environment (Fig8).

Figure 8: Percentage of IBs owners by loan repayment rate, IBSR 2007



Similarly, a two-year petty business loan data from the National Investment Commission or NIC (GOL, 2008) showed that 91% of the 86 persons loaned in 2002 and 2008 repaid. The NIC loan was part of the Liberian Government's post-war PRS to improve PSD. In 2002, Seventy-eight (78) percent of loan recipients repaid while the payment process of the remaining IBs was interrupted by the 2003 war. The overall two-year loan payment rate from the NIC was 91%, with 68% repaying on time. Although the payment of taxes is a mandatory policy of Government (GOL, 2000), many IBs do not pay taxes in Liberia. Hence, the high level of willingness to pay taxes, if given loans, demonstrates the urge of grassroots local entrepreneurs to receive loans to

expand their businesses. In the banking community, ECO-Bank of Liberia (ECO-Bank, 2007) also provided loans to 56 IBs in 2007, with 82% repaying on time.

Moreover, an 8-year petty business loan data (1999-2007) from the Liberia Bank for Development and Investment or LBDI (LBDI, 2008)⁸ showed that while 97.1% of the 273 loan recipients repaid, 89% repaid promptly without delays. Hence, the loan repayment default rate was 2.9% (Table 3).

Table 3: Petty businesses loaned by LBDI from 1999-2006 by loan repayments Status, LBDI- Liberia 2008

Year	Petty businesses Loaned ⁹		Businesses that Repaid		Businesses that Repaid on time		Businesses that did not re-pay	
	#	%	#	%	#	%	#	%
1	2	3	4	6	6	7	8	9
1998	44	100	42	95.5	40	90.9	2	4.5
1999	37	100	37	100.0	36	97.3	0	0.0
2000	31	100	31	100.0	28	90.3	0	0.0
2002	40	100	39	97.5	36	90.0	1	2.5
2004	28	100	26	92.9	24	85.7	2	7.1
2005	35	100	32	91.4	32	91.4	3	8.6
2006	38	100	38	100.0	29	76.3	0	0.0
2007	20	100	20	100.0	18	90.0	0	0.0
Total	273	100	265	97.1	243	89.0	8	2.9

The actual loan repayment rates secondary data (obtained from NIC, ECO-Bank) and the primary data from respondents confirmed the validity of grassroots business Owners' willingness to repay loans. This shows that IBs owners in the CRL have high loan repayment rate. The commitment to repay loans and the rates at which they are repaid could serve as influential factors for donor support to IBs. The high profit and loan repayment rates of IBs owners demonstrate their willingness to strengthen grassroots businesses, stimulate faster growth and enhance PSD in the CRL. These high rates are also clear manifestation that institutions providing loans to IBs in Liberia will not lose.

⁸ Note that there are no data for the periods 1991 and 2003 because of the intensity of the war as the LBDI had to suspend its loan scheme.

⁹ The sum of petty businesses that repaid and those who did not repaid equal to persons loaned (i.e. column 3 = Column 6 + Column 9)

4.7 Lack of Apprenticeship Training and Daily Sale Records

It was discovered that 64% of the IBs owners did not keep records of daily sales, which has negative implications for the growth of IBs in the CRL. Enhancing the record keeping ability of grassroots business owners is a relevant factor in ensuring a mid-level entrepreneurship in Liberia. Twenty-nine (29) percent of the IBs owners have had apprenticeship training in petty business management. Hence, there is a compelling skill training need to IBs.

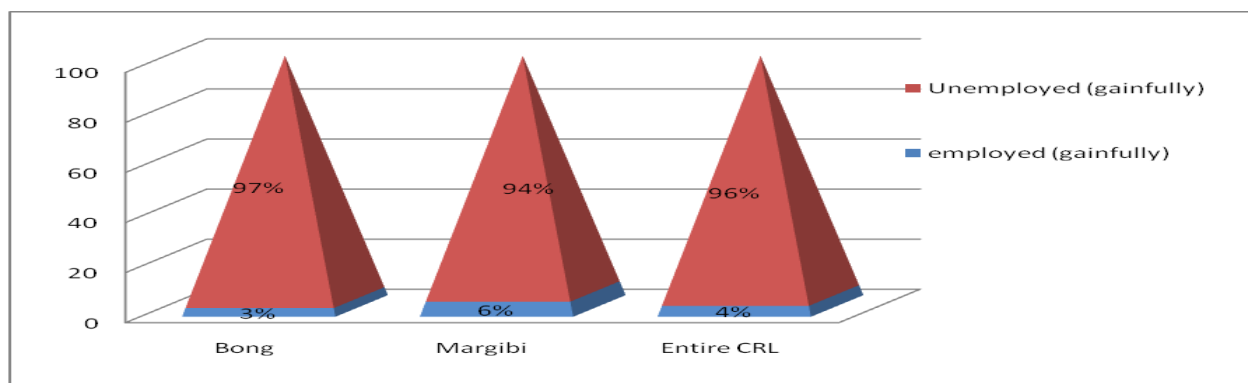
4.8 Satisfaction with Businesses

The majority of IBs owners were optimistic about informal business, which is a major factor that gives rise to the fast growth of IBs. The research shows that 84% of the overall respondents were satisfied with their businesses. The high level of satisfaction by IBs owners could be attributed to the high rate of informal sector unemployment of nearly 78% (GOL/UNDP, 2006). This high unemployment rate may have forced many persons into the IBs and other informal economic activities.

4.9 Low Gainful Employment Status

The research shows that of the 1004 IBs owners, only 4% were gainfully employed. The data also indicates there were more gainfully employed persons in Bong than in Margibi. In essence, although national formal sector unemployment is seventy-eight (78) percent (GOL/UNDP, 2006) that of IBs owners in the CRL is 96% (Fig7). Hence, the low level of gainful employment could be the influential factor that increased the activities of grassroots businesses in the CRL during and after the 14-year war (Fig9).

Figure 9: Gainful employment status of IBs owners, Liberia IBSR 2007



4.10 Business Money Saving Status

The majority (83%) of informal business owners saved money/profit from their businesses, which reveals that IBs were making enormous contribution to the growth of the business environment in the region (Table 4).

Table 4: Respondents by money saving status, Liberia IBSR 2007

County	Save money		Don't save money		Entire CRL	
	#	%	#	%	#	%
Bong	537	81	122	19	659	100
Margibi	299	87	46	13	345	100
Total	836	83	168	17	1004	100

The mean amount of money saved per month was US\$34.84. Fifty-three (53) percent saved not more than the equivalence of US\$25 while 29 % saved between US\$25 to US\$50 (Table 3.10). It was further observed that 19% and 13% of businesses in Bong and Margibi Counties respectively did not save money. The money saving rate shows that the businesses could develop faster if they were loaned with adequate start-up capital (Table 5).

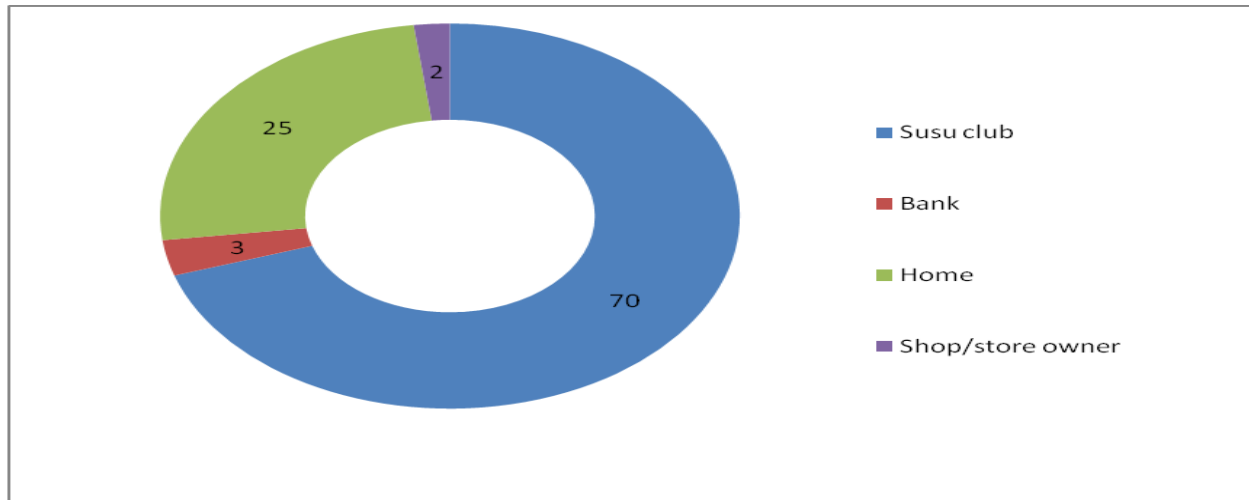
Table 5: Percentage of IBs owners by monthly profit saved from business, Liberia IBSR 2007

Amount (\$LD)	Bong		Margibi		Entire CRL	
	#	%	#	%	#	%
\$1500 and below	206	59	123	46	329	53
1501 – 3000	81	23	97	36	178	29
3001-4500	20	6	19	7	39	6
4501- 6000	22	6	11	4	33	5
6001-7500	4	1	4	1	8	1
7501-9000	16	5	9	3	25	4
9001-10500	0	0	2	1	2	0
\$10501 and above	2	1	2	1	4	1
Total	351	100	267	100	618	100

The money saving strategy of IBs was entirely traditional as 70% of businesses saved money in susu clubs. Also, 25% saved money at home. It was realized that Susu clubs were the most popular places of saving money because it served as sources of seed money for most informal businesses. The research shows that 5% of the IBs saved money in banks. The low percentage of saving money in bank could be due to the centralized nature of banking institutions in Liberia.

Until 2007 when few banks were established in some parts of Liberia, all persons dealing with banks had to travel to Monrovia to transact business. One of the reasons for the low rate of saving money in banks could be the losses sustained by the destruction of banks during the war, which discouraged many persons from saving money in banks (Fig10).

Figure 10: Percentage of IBs by places of saving money, Liberia IBSR 2007



4.11 Seed money and profit level

The study shows that 37% of IBs owners established their businesses with US\$25 while 22% did so with US\$25-\$50. The mean amount of seed money was US\$60.25. The data also shows that the average amount accrued to each business owner during business transaction was US\$115.08, which almost doubles the initial business investment money. The study also demonstrated a positive correlation ($r=0.8190$) between seed-money (start-up capital/funds) and profit level of grassroots businesses. However, although the rates of initial capital put into IBs are high, the absolute figures are low to sustain these businesses, and at the same time provide the basic needs of their households and extended families.

Therefore, the need to strengthen support to IBs cannot be over emphasized as the minimum seed-money yields minimum operational funds and profits syndrome will not ensure a sustained middle-level business environment. The high level of profits among grassroots businesses has positive implications for reforming IBs to serve as mechanisms that can be used to reduce poverty and increase PSD if enough investment capital is provided.

The profit making nature of grassroots business also influenced their establishment and multiplicity. Seventeen (17) percent of grassroots business owners engaged in businesses to pursue a profit making opportunity. Ninety (90) percent of the 1823 grassroots business owners made adequate profits. The research shows that the average profit of IBs was US\$30.97. Moreover, 59% of the IBs owners who made profit received not more than US\$25 (Table 3.12).

The research shows that in the CRL, there is a positive correlation between seed-money (start-up capital/ funds) and profit level of IBs, with a correlation coefficient value of 0.8190. This means that any increase in seed-money will lead to increase in profit level. With such a strong influence that start-up funds have on profit level, it is important to increase initial investment funds if IBs are to be sustained and make relevant contribution to both PSD and the social and economic status of the population. The high profit level of IBs could be used to influence investors in order to enhance the social economic situation of the population through the improvement of the informal sector.

4.12 Violence associated with IBs

The violent nature of IBs' activities impact on their progress. The problem of violence emanating from zoning laws, accidents and disorderly activities degenerate or fuel bigger conflict if sustainable peace-building and conflict resolution strategies are not designed.

5. Results

5.1 Contribution to Private Sector Development (PSD) and Basic Social Services

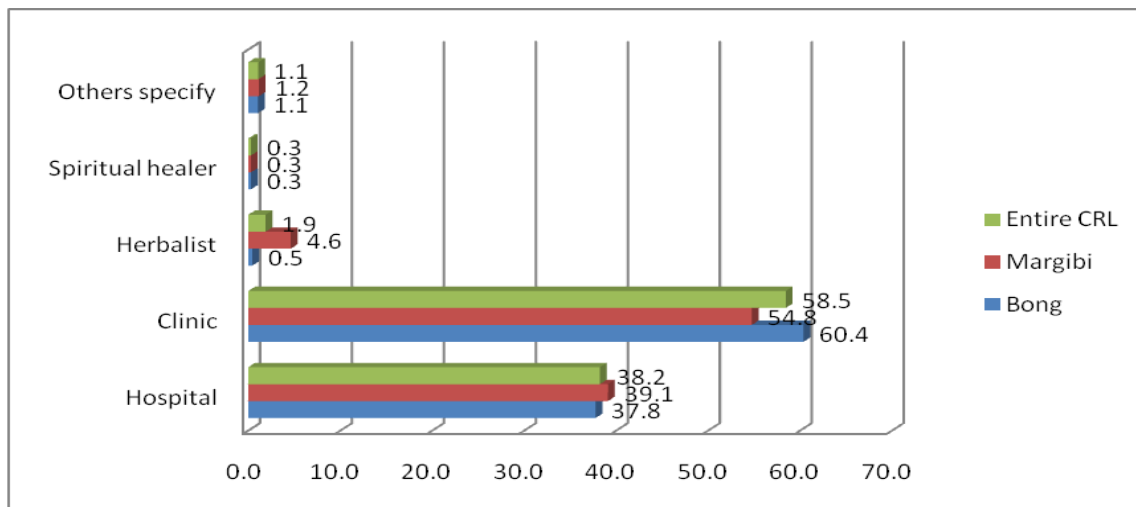
This section measured the achievement of the key objective of the study. In other words, it shows the contribution of IBs to PSD and basic social services of the population in the CRL. The section also measures the proportion of IBs owners' financial contribution (to basic social services) that comes from their businesses. The basic social services referred to social support to the relations of IBs owners in the areas of health, education, food security, job creation and housing¹⁰. By the nature of their activities, IBs provide services to the public in the areas of health, transportation, food, construction and communication.

¹⁰The information on basic social services was obtained by interviewing IBs owners themselves and not from available data on health, education, food security, job creation and housing, which is conventional. However, the author did not collect information on the actual amount spent on the basic social services provided, which is a drawback.

5.2 Contribution of IBs to health services

Ninety eight (98) percent of IBs owners and their household members attended modern health facilities during illness as follows: 60.4% visited clinics while 37.8% attended hospitals. It was realized that 0.5% visited herbalist for their health needs while 1.3% addressed their health needs through spiritualism, self-diagnosis and self-treatment. The types of health facilities attended by IBs owners were 98.2% modern as compared with ordinary households in the informal economic sector that mostly used traditional herbalist/ spiritualist or self-diagnosis and self-treatment methods to solve their health problems. Ninety-five (95) percent of households visited modern health facilities during illness in 2000 (UNFPA/GOL, 2000), which is slightly lower than that of IBs owners households¹¹. The percentage of households that attended modern health facilities in the 2008 census was also lower than that of IBs owners' household¹². The inability of an ordinary household to visit a modern health facility (i.e., clinic or hospital) in the CRL is mostly on grounds of no access (distance) to the facility and lack of funds. However, there are elements of cultural and traditional influence/beliefs that impact on the number of persons attending modern health facilities in the CRL. The high level of attendance (98.2%) to health facilities shows that most of the IBs owners are aware of the importance of modern medication (Fig11).

Figure 11: Respondents by type of health services they and household visit during illness, Liberia IBSR 2007



¹¹The 2008 Liberia Demographic and Health Survey (LDHS) report did not include information on health facilities attended by household members.

¹²Draft tabular report from the 2008 Population and Housing Census of Liberia.

The payment for health services is one of the major contributions of the informal business sectors not only to the social and economic development process of CRL but also to the growth and sustainability of private sector investment. Of the 1823 IBs owners interviewed in the two surveys, 96% had dependents and supported their health needs. The payment of the health needs of dependents by nearly all of the IBs owners is a difficult task for formal sector unemployed heads of households that are not engaged in any form of petty business in the CRL. The differential among respondents at the county level showed that IBs owners catered to the health needs of their household members more than their extended families. Moreover, IBs owners' paid for the health services of their dependents in Bong than in Margibi.

It was realized that 40% of business owners supported the health needs of 7-8 dependents/children in the entire CRL. In the entire CRL, IBs owners met the health needs of an average 8.3 dependents/children. In most urban and rural communities in Liberia, IBs sell retail medical drugs to the population as a means of providing health services. The research found that, although it is an unprofessional venture, most of the remote villages and towns depend on retail medicines and quack health personnel to survive.

The data also indicated that of the 801 persons that supported the health needs of their family members, 21% paid between \$501-\$600LD (i.e., US\$8.33 - US\$10) per visit while 14.6% and 14.3% paid between US\$10.02 to US\$11.67 and US\$5.02 to US\$6.67 respectively. Consequently, the mean amount of money paid per visit to health facility for the entire CRL was US\$10.10 (605.93LD). The mean amount of money paid per visit in Bong was higher than that of Margibi.

The research revealed that 94% of IBs owners' financial support to the health needs of their household and external family members came from IBs. The study shows that 92.6% and 95.5% of IBs owners from Bong and Margibi Counties sourced health related finances from IBs. The huge percent of health finances from income of IBs indicate the importance of investing in the informal sector of the economy to improve basic social economic needs of the population.

5.3 Contribution of IBs to educational services

The ability of a country or its region to contribute to the educational needs of its population is not only important in terms of increasing literacy but also helps to accelerate the process of socio-economic development at all levels of society (Macerinskiene and Vaiksnoraite, 2006). It found that IBs made significant contributions not only towards the education of their household members but also to their household and extended families. It was revealed that 66% of IBs owners had some level of education. However, funds from IBs assisted 30% of the IBs owners to obtain such educational levels. In other words, 36% of IBs owners did not depend on IBs for the attainment of their educational levels. The study shows that 21% of those who had some level of education were currently in school, with 61% drawing their financial support from IBs. In addition to supporting IBs owners and their dependents at the household level, IBs provided an enabling financial environment for the educational needs of extended family members.

It was revealed that 99% of the 1823 IBs owners interviewed in the two surveys had dependents. Also, 88% had dependents in school. At the county level IBs owners in Bong supported lesser dependents /children than in Margibi. This could be due to the fact that both the number of school going persons and the educational support increase in urban than rural areas. This extensive support for education has positive implications for the literacy rate of Liberia, and could influence the country's PRS process. On the contrary, the ordinary head of household who is unemployed in the formal sector finds it more difficult to support the educational needs of their dependents than IBs owners. This situation makes the contribution of IBs to the educational needs of their family members relevant.

From the RESEARCH, 52.3% of IBs owners supported 3-to- 4 dependents/children while 28.9% did so for 5-to-6 persons annually in the entire CRL. The mean number of persons whose educational needs were supported by IBs owners was 4.8. Although the percentage of dependents/ children supported in Bong was higher than in Margibi, the mean number of persons supported in Bong was less than that of Margibi (Table 6).

Table 6: Respondents by number of dependents/ children supported in school per year, Liberia IBSR 2007

County/ dependent	Bong		Margibi		Entire CRL	
	#	%	#	%	#	%
1 to2	2	0.4	8	2.7	10	1.3
3 to 4	277	60.0	121	40.5	398	52.3
5 to 6	137	29.7	83	27.8	220	28.9
7 to 8	40	8.7	72	24.1	112	14.7
9 and over	6	1.3	15	5.0	21	2.8
Entire CRL	462	100.0	299	100.0	761	100.0
Mean # of persons	4.5 persons		5.3 persons		4.8 persons	

The research shows that the amount of money paid for the educational support of children/dependents was high in Margibi than in Bong. This result further suggests that tuition and other fees increase as one goes towards urban areas. Similarly, the mean amount of educational support to dependents/ children was US\$85.81 in Margibi as compared with US\$64.68 in Bong County (Table 7).

Table 7: Respondents by amount paid for educational support of dependents/children per year, Liberia IBSR 2007

County/ Amount Paid	Bong		Margibi		Entire CRL	
	#	%	#	%	#	%
Less than \$1000LD	35	8	10	3	45	6
\$1000- 1999 LD	75	16	14	5	89	12
\$2000 -2999 LD	77	17	17	6	94	12
\$3000- 3999 LD	58	13	20	7	78	10
\$4000- 4999LD	55	12	53	18	108	14
\$5000 -5999LD	75	16	86	29	161	21
\$6000 -6999LD	45	10	53	18	98	13
\$7000 and above	42	9	46	15	88	12
Entire CRL	462	100	299	100	761	100
Mean amount Paid	US\$64.68		US\$85.81		US\$72.99	

It was further revealed that 94.1% of the 761 IBs owners who supported the education of their children/dependents obtained their funds from IBs. Similarly, 92.6% of the funds spent to support the education of IBs owners' families in Bong were obtained from their businesses while that of Margibi was 96.3%.

5.4 Contribution of IBs to Food Security

The ability of IBs owners to provide food for their households and extended family members determine the extent that IBs contribute to the social economic life of the population of the CRL. Of the 1823 persons interviewed in the two surveys, 94.5% met the food security needs of their households and extended family members from IBs. In addition, more IBs owners depended on IBs to feed their family members in Bong than in Margibi. The overall contributions of IBs' food security to household members in the CRL was more than that of extended family.

Of the 1823 persons interviewed only 1.04% did not have dependents/ children to feed. The average number of persons whose food security needs were met was higher in Bong than in Margibi. This does not imply that Bong is more urban than Margibi. It is simply due to the fact that Gbarnga was the headquarters of the main rebel group in Liberia during the 14-year, which influence a high level of migration in Bong than Margibi. Hence, this could responsible for more food security for dependents in Bong than Margibi. In the entire CRL the highest number of the IBs owners (40.2%) provided food security for 7-8 dependents / children while the mean number of food security dependents/ children was 6.9 persons (Table 8).

Table 8: Respondents by number of dependents/children they provide food security for, Liberia IBSR 2007

County/dependent	Bong		Margibi		Entire CRL	
	#	%	#	%	#	%
1 to2	4	0.9	1	0.3	5	0.7
3 to 4	34	7.3	18	6.0	52	6.8
5 to 6	140	29.9	112	37.2	252	32.8
7 to 8	189	40.4	120	39.9	309	40.2
9 and over	101	21.6	50	16.6	151	19.6
Entire CRL	468	100.0	301	100.0	769	100.0
Mean # of persons	7.0 persons		6.8 persons		6.9 persons	

The report indicates that 26.9% of IBs owners spent between US\$5-\$6 per day in Bong for the food security of their families while that of the Margibi was 23.9 %. Also in the entire CRL, 25.7 % of respondents' daily expenditure on food security was US\$5-\$6 (or LD\$300-\$399), followed by 14.6% for those who spent between LD\$180-\$239 (or US\$3-\$4). The mean amount of grassroots business owners' daily expenditure on food security in the entire CRL was US\$5.84. At the county level, the cost of food security per day in Margibi was US\$0.91 higher than that of

Bong. The high cost of food security in Margibi could be the fact that Margibi has more urban areas than Bong.

In Liberia, coastal counties have inadequate food productivity than those in the hinterland. Hence, the cost of food is more expensive in Margibi than Bong. This is so because Margibi is a coastal county whose farming land is dominated by sand and is not conducive for farming. Secondly, most of the remaining good farming soil in Margibi is occupied by Firestone Rubber Plantation Company. This further reduces the chances of fertile land for farming and increases the cost of food security in Margibi (Table 9).

Table 9: Respondents by amount paid per day for the food security of dependents/children, Liberia IBSR 2007

County/ Amount Paid	Bong		Margibi		Entire CRL	
	#	%	#	%	#	%
Less than \$60 LD	1	0.2	2	0.7	3	0.4
\$60 - 119 LD	10	2.1	6	2.0	16	2.1
\$120 - 179 LD	44	9.4	16	5.3	60	7.8
\$180- 239LD	85	18.2	27	9.0	112	14.6
\$240 - 299 LD	59	12.6	15	5.0	74	9.6
\$300 - 359 LD	126	26.9	72	23.9	198	25.7
\$360 -419 LD	18	3.8	35	11.6	53	6.9
\$420 - 479 LD	36	7.7	45	15.0	81	10.5
\$480 -539LD	49	10.5	43	14.3	92	12.0
\$540 -599 LD	38	8.1	31	10.3	69	9.0
\$600 -659 LD	2	0.4	9	3.0	11	1.4
Entire CRL	468	100.0	301	100.0	769	100.0
Mean amount paid	US\$5.49		US\$6.40		US\$5.84	

The study revealed that 94.5% of IBs owners' expenditure on food security came from IBs only. IBs owners that provided all of their food security support from IBs in Margibi were more than those in Bong. In addition to providing food for the households, IBs sell food stuff to the population in both rural and urban localities of the country.

5.5 Contribution of IBs to Job Creation

The research data shows that IBs serve as sources of employment for other job seekers because five (5) percent of the 1004 IBs owners created jobs for others. The data also indicates that at the county level, 3% of IBs in Bong and 8% in Margibi employed job seekers respectively (Fig14).

Of the 5% of IBs owners who employed people in their business entities, 4% employed seven persons and above; 78% employed 1-to-3 persons; and 18% employed between 4-to-6 persons in the CRL. Hence, IBs could play a significant role in resuscitating the private sector economy from recession if provided adequate support to increase their investment level and improve their businesses to mid-level firms.

The efforts of IBs in creating jobs for both IBs owners and other job seekers helps in meeting the goals of GOL's PRS. It also helps to promote private sector investment and provides the social and economic needs of the population. However, IBs could play a more significant role in contributing to basic social services and PSD if they were provided substantial loans. Such initiative could ensure capacity building of the informal business sector and assist in resuscitating Liberia's economy from its post-war recession.

5.6 Contribution of IBs to Housing

The contribution of IBs owners to housing needs of their households and extended family members is critical to the improvement of the social economic situation of the population in the CRL. The study revealed that 94% of the 1823 respondents sourced rent finances from IBs. At the county level, IBs owners in Margibi provided more housing (rent) support for their families than those in Bong.

The research found that a higher percentage of IBs lived in their own house. This further confirms that IBs are viable private sector economic activities that if supported can contribute to a substantial aspect of Liberia's post-conflict social and economic development programmes. Of the IBs owners from the research, 39% lived in their own houses. Thereby, confirming that IBs are contributing to housing needs of their households and extended family members. Accordingly, in Margibi 35% of IBs owners lived in their own houses while that of Bong was 42% (Fig 15).

Fifty-one (51) percent of the 396 IBs owners in the CRL who live in their own houses revealed that IBs contributed to the construction of their own houses. In Margibi and Bong Counties, 57% and 38% of IBs contributed to the construction of IBs owners' own houses respectively. The huge percentage of IBs owners who reported that IBs contributed to the construction of their own

houses shows that the informal business sector is making tremendous efforts in meeting the socio-economic needs of the population. Therefore, IBs requires serious attention if Liberia is to achieve the objectives of the PRS and rejuvenate PSD.

The research shows that 85% of the 608 IBs owners who did not live in their own houses rented. The differential at county level shows that 20% of Bong IBs did not live in owned houses nor rented while that of Margibi was 8% IBs owners. In essence, 92% of the respondents who did not live in their own houses were renting in Margibi.

From the two surveys, it was revealed that 59% of the 1823 IBs owners lived in rented houses. It was further indicated that 90% of those who lived in rented houses paid rent from IBs in the CRL. The usage of income from IBs to pay rent is another significant contribution to improve the social and economic conditions of the population in the CRL. In addition to meeting the rent obligations of their households, IBs owners also paid rent for extended family members, which is a manifestation of the viable contributions of IBs. It was further indicated that IBs owners paid rent for extended family members. The support to the housing needs of extended family members was provided by all of the IBs irrespective of whether they lived in own houses or not.

The research report shows that IBs owners who rented in Bong were more than those in Margibi, which means that there are more IBs owners house owners in Margibi than in Bong. The average monthly amount of rent paid in the entire CRL was US\$9.32. At the county level, the amount of monthly rent paid in Margibi was US\$1.73 more than that of Bong. The highest percentage (27) of rent paid per month in the CRL was found in the range of US\$6.67- \$9.98. In addition, 30 % of IBs owners in Margibi paid rent between US\$6.67 – \$9.96 per month as compared with 24 % for Bong County in the same range of rent payment (Table 10).

Table 10: Respondents by How Much Rent They Pay Per Month, Liberia IBSR 2007

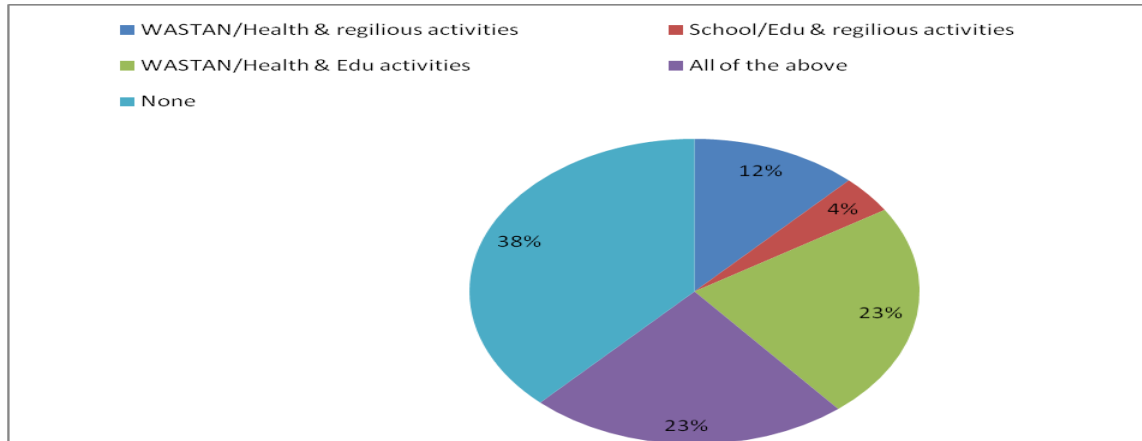
County/ Amount Paid	Bong		Margibi		Entire CRL	
	#	%	#	%	#	%
< \$200LD	47	13	14	6	61	11
\$200 - 399 LD	82	23	16	7	98	17
\$400 - 599LD	85	24	68	30	153	27
\$600-799LD	64	18	70	31	134	23
\$800 -999LD	73	21	56	25	129	22
Entire CRL	351	100	224	100	575	100
Mean amount paid	US\$8.65		US\$10.38		US\$9.32	

5.7 Contribution to Community and County Development

From the research data the IBs owners contributed to various community projects for social and economic development programmes. The contribution was mainly financial support to community and county development efforts. Focus group discussions, key informal interviews and quantitative data revealed that IBs responded regularly to the collection of funds from community or county authority for development purposes. This situation makes IBs borrowers in most villages and towns in the Central Region of Liberia (CRL). The study shows that in most cases, other heads of households such as farmers normally borrow money from IBs owners to meet their needs for community or county development taxation. It was realized that 23% of the IBs owners supported water and sanitation (WATSAN), health and educational programmes while another 23% supported all of the community development activities in the CRL.

Data from the research also indicated that 62% of the respondents supported community development programmes. The study further showed that owners of grassroots businesses provided financial and material (food) support to youth groups who participated in clean-up campaigns in towns and communities. This significant contribution to community development programme activities implied that IBs are making frantic efforts to kick-start post-conflict reconstruction process, and at the same time enhance private sector investment in a decentralized manner. This initiative of IBs is important for the overall development paradigm of Liberia's PRS (Fig11).

Figure 12: Percentage of respondents according to type of community project IBs contribute to, Liberia IBSR 2007



From the research, grassroots business owners in Margibi contributed to community development than those in Bong County, with 65% and 61% respectively. In the entire CRL 63% of the respondents contributed to community development. The research shows that IBs owners in the CRL spent an average of US\$7.77 on community development in the past 12 months. Further, petty business owners in Margibi spent US\$0.86 more than those in Bong County.

Similarly, while 34% of the respondents in Margibi spent between US\$6.67-\$9.96 on community development in Margibi County, the highest percentage (32) of Bong County IBs owners' expenditure was in the range of US\$3.33 - \$6.65. In the entire CRL, it was shown that 32% of the overall expenditure on community development in the past 12 months before the survey was between US\$6.67 - \$9.96. The majority (93) of the funds spent on community development were sourced from income of IBs. The IBs owners in Margibi spent on community development than those from Bong (Table 11).

Table 11: Respondents by amount of money contributed to community development in the past 12 Months, Liberia IBSR 2007

County/ Amount Paid	Bong		Margibi		Entire CRL	
	#	%	#	%	#	%
< \$200LD	42	14	28	14	70	14
\$200 - 399 LD	97	32	38	18	135	26
\$400 - 599LD	95	31	71	34	166	32
\$600-799LD	44	14	49	24	93	18
\$800 -999LD	27	9	21	10	48	9
Entire CRL	305	100	207	100	512	100
Mean amount paid	US\$7.42		US\$8.28		US\$7.77	

The research report shows that 20% of IBs owners made contribution to county development. Of those IBs owners that supported county development programmes 13% provided funds for WATSAN, health, educational and religious activities (Table 12).

Table 12: Contribution of respondents by type of county projects, Liberia IBSR 2007

County/Activity	Bong		Margibi		Entire CRL	
	#	%	#	%	#	%
WASTAN/Health & religious activities	26	4	33	10	59	6
School/Edu. & religious activities	9	1	6	2	15	1
WASTAN/Health & Education activities	59	9	16	5	75	8
All of the above	35	5	17	5	52	5
None	530	81	273	79	803	80
Entire CRL	659	100	345	100	1004	100

Data from the research shows that 41% of the 819 IBs owners contributed to county development in the past 24 months before the survey. This contribution of IBs owners to county development is lower as compared to 63% for community development. The average amount spent for county development was also lower than that of community development. This is so because the mean amount spent on county development was US\$5.63 while that of community development was US\$7.77. At the county level, the mean amount of money spent by IBs owners on county development in Bong was less than the contribution made in Margibi County. However, although the highest percent of money spent by IBs owners from the two counties was in the same range of US\$3.33- \$6.65, the rates were 35% and 33% for Bong and Margibi respectively. The mean amount of money spent by IBs owners per county was also US\$4.92 for Bong and US\$6.53 for Margibi (Table 13).

Table 13: Respondents by amount of money paid to county development in the past 24 months, Liberia IBSR 2007

County/ Amount Paid	Bong		Margibi		Entire CRL	
	#	%	#	%	#	%
< \$200LD	70	37	33	22	103	30
\$200 - 399 LD	66	35	50	33	116	34
\$400 - 599LD	42	22	42	28	84	25
\$600-799LD	9	5	15	10	24	7
\$800 -999LD	2	1	10	7	12	4
Entire CRL	189	100	150	100	339	100
Mean amount paid	US\$4.92		US\$6.53		US\$5.63	

It was realized that 90% of financial contribution made by IBs owners in the past 24 months before the second round of survey came from IBs. The amount contributed by grassroots business owners in Bong County was lower than those from Margibi County.

5.8 Contribution to Transportation and Communication

The research shows that transportation and communication are new activities emerged for IBs after the war. The study shows owners of IBs met the transportation needs of a most people in some rural localities where access to vehicles is limited. Although it has a high accident rate, the use of motor-bikes which is commonly known in Liberia as ‘PINPIN’ solves the transportation needs of many people in both urban and rural localities. The research revealed that 20% of IBs owners were involved in transportation activities. The type of transportation facilities included motorbike, bicycles and wheel barrows. Wheelbarrows were considered as the most important transportation facilities for the movement of goods.

The owners of IBs used income from their transport facilities to meet the basic needs of their household and extended family members. Both key informants and IBs confirmed transportation through motorbikes solves emergency problems in communities. Local authorities and other key informants mentioned that motorcyclist saves lives in the region and other parts of Liberia in many instances because it travelled in remote villages where there are no motor roads. The study revealed that the high rate of accidents among motorcyclist influence security harassment as government authority tries to prevent reckless driving. The gender differential of motorbike transportation use shows that there was no female motorcyclist in the CRL. The high rate of

accident associated with this type of informal business activity could be responsible for its male dominant nature.

The introduction of mobile phones opened another new opportunity for investment in the informal economy as many formally unemployed persons are engaged in communication service delivery. Prior to the 14-year war, there were no public phone services in Liberia but the introduction of mobile phones in the late 1990s opened an avenue for a fast grown communication industry. The study revealed that 23 percent of the IBs provided mobile phone services as a means of survival. The gender differential of mobile phone business owners shows that 30% were females. Mobile phone communication did not only reduce carrier messages but created jobs among many IBs owners. The research shows that owners of private mobile phone booths earned income that was used to meet the basic needs of their household and extended families.

5.9 Other contributions of IBs to the welfare of population

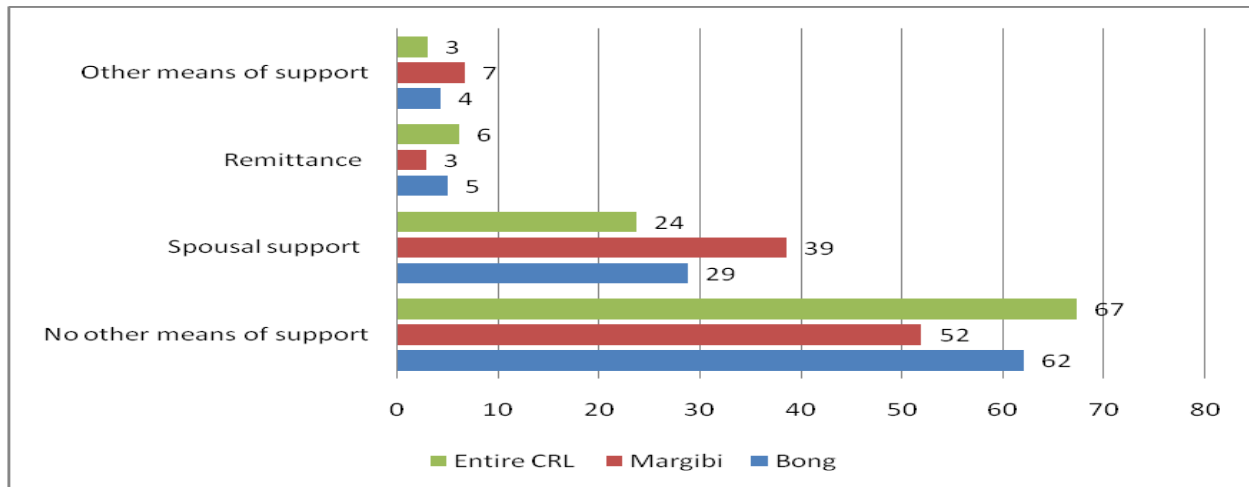
Other contributions made by owners of IBs are indicated as follows: *Contribution to Rent of Business Place / Spot:* The rental of business spot/place by IBs owners from IBs is not only a significant step in providing income for shop and land owners in the CRL but is also contributing to the growth of private sector businesses on one hand and national economic development on the other hand. The RESEARCH data shows that only 18% of IBs owners in the CRL do not pay rent for their business spots/place. At the county level, 92% of IBs owners pay rent for their business spots in Margibi as compared to 77% for Bong. This differential in rent payment suggests increment as one goes further away from the primate city of Liberia (Monrovia).

Level of IBs Support to Households: The research shows that 69% of the respondents in Bong County supported their entire households through IBs alone, while that of Margibi was 56%. In the CRL, 64% of the IBs owners supported their homes with IBs alone. The huge percentage of IBs owners that supported their households through IBs alone is an indication that informal sector business activities contribute not only to the socio-economic needs of the household members, but also to PSD in Liberia. In addition it was revealed that most of the IBs owners relied on IBs for the survival of their families. The RESEARCH revealed that 67% of 1004 respondents in the CRL have no other means of supporting their households besides the IBs. At

the county level 52% and 62% of the respondents depend solely on IBs for the survival of their extended and nuclear families in Margibi and Bong respectively.

The study found that IBs owners were considered by ordinary heads of households as wealthy persons because they provide basic goods and services that are beyond the reach of inaccessible towns and villages. They also loan money and goods to their community members for repayment. The data further indicated that 24% of the IBs owners in the CRL receive spousal support as an additional assistance for the up keep of their household. Remittances and other means of support for household contribute 6% and 3% respectively in the entire CRL (Fig12).

Figure 13: Percentage of Respondents by other means of support to household, Liberia IBSR 2007



Contribution of IBs to the Growth and Development of Communities: Ninty-seven (97) percent of local leaders believe IBs contribute to the growth and development of their communities. The local authorities indicated that the contribution of IBs was further justified by the provision of health, food security and shelter, education, job opportunities and other assistance to their family and extended family members.

Of the 34 local leaders who confirmed the contribution of IBs to the growth and development of communities, 77% classified their (IBs’) assistance to communities as very adequate (18%) and adequate (59%). The overall analysis indicates that IBs in Margibi made more adequate contribution to their communities as compared to Bong (see Table 14).

**Table 14: Percentage of Local Authorities by Adequacy of the Contribution of IBs, Liberia
IBSR 2007**

Adequacy level/County	Bong		Margibi		Entire CRL	
	no.	%	no.	%	no.	%
Very adequate contribution	2	8	4	40	6	18
Adequate contribution	15	63	5	50	20	59
Inadequate contribution	5	21	1	10	6	18
Very inadequate contribution	2	8	0	0	2	5
Entire CRL	24	100	10	100	34	100

5.10 Local level perception of IBs contribution to development

In addition to the 1823 IBs owners interviewed, 35 local government authority and community leaders expressed their views on the relevance and contribution of IBs to private sector development. Obtaining the perception of the local leaders on the contribution of IBs adds greater context to information from IBs owners since they (local authorities) interact directly with and have hands-on experience about the services of grassroots businesses. Hence, their views are important and provide an independent opinion of the contribution of IBs to PSD and basic social economic needs of the population in the CRL.

Perception of IBs' Contribution Before the War: The research revealed that 97 % of the 35 local authorities mentioned that the number of IBs in the town/cities were more than before the war. This is an indication that the number of IBs increased tremendously from 1990- 2007. The views of the local leaders confirmed the positive relations between the occurrence of the war and increase in IBs respectively as mentioned in earlier parts of the report. The low level of IBs before the war could be attributed to the high level of formal sector investment that emanated from the open door policy of the GOL in early-to-mid 1950s. During the period of economic boom up to 1989, the average income of a bread winner was enough to cater to the household and extended family. This high level of income may have impacted on the low level of IBs before the war.

Perception of IBs' Relevance in Communities: The local authorities and community leaders see IBs as important intervention in their communities. This is so because only 3% of the respondents had bad impression about IBs while 54% considered informal business activities as good economic intervention for the improvement of their communities. Also, informal

Businesses activities are considered very relevant in towns/communities in the CRL. Accordingly, 82 % of the respondents interviewed revealed that IBs made shopping easy in their communities while 1/3 each confirm that IBs reduce prices and contribute to the development projects.

5.11 Summary of focus group discussions

In compliance with the research methodology, two focus group discussions (FGDs) were conducted in the primate capitals of the two counties that constitute CRL: Gbarnga (Bong County) and Kakata (Margibi County). The FGDs took place in August 2007. The purpose of the FGDs was to add greater contexts to information obtained from IBs and local government and community leaders comprising 1823 respondents. The summary of these discussions were separately written and indicated as follow:

The Gbarnga FGD: On 30 August 2007, an FGD was conducted by the Bong County Research Team (BCRT) to obtain the views of local government officials, civil society groups and other key stakeholders in the informal business sector. The discussants in the Gbarnga FGD included the following personalities: the FGD was attended by 7 persons that were comprised of marketers, professional groups, local government authority and community leaders, and chiefs and elders in Bong County.

During the discussion, all of the respondents agreed that IBs were contributing to the growth and development of their various communities. They argued that informal business sector was “making tremendous contribution to national development, because of its domineering role in creating employment” for most households in the county. “Our communities easily obtain goods and services through IBs”, they indicated. They unanimously mentioned that the contribution of IBs was adequate. They further stressed that IBs were making many contributions to the survival of the population in their various communities, because the major means of obtaining goods and services during and after the war was through the IBs owners. They make “access to goods and services” easier for most of the rural parts in this county”, an accountant stressed. More than 85% of discussants could not quantify the level of contribution being made to national development by the informal sector, but asserted that as far as they are concerned the impact of the informal sector cannot be overstressed. This view also provided response to the question of

the adequacy of the contribution of IBs in their communities. However, one of the respondents disagreed and insisted that the so-called contribution is inadequate because there is no tangible result of such contribution.

On the question of whether IBs are contributing to the social economic needs of the population in the CRL, all of the 7 respondents agreed that IBs were contributing to the provision of basic services such as health, education, housing, job creation, and food security. According to the FGD participants, people in the informal sector are making contribution towards their respective community development “whenever they are requested to do so by local authorities” besides paying their legitimate fees to the marketing associations and other local and central government entities. The respondents confirmed that IBs owners use their businesses to send to their children to school; pay medical expenses for families and relatives; and build or rent homes (houses) for themselves. According to them, some of their colleagues with bigger businesses have been providing job opportunities for others. Additionally, those in the agricultural sector are instrumental in providing food for those in both rural and urban areas. Nearly all of the discussants mentioned that grassroots business owners were economically “better off” than ordinary farmer who is not engaged in IBs. “This is why those of us who are farming are gradually getting into business by selling some of our produce to make up with owners of informal businesses” one of the discussants stressed”.

Finally, about 90% of the respondents agreed that there are more people in the informal sector now than prior to the civil conflicts. In their view, if government can, (with the help of its international partners) provide micro-credit loan with less interest and reasonable pay condition, then their (IBs) capacity will be built. This easy access to loans situation will ultimately lead to the upward trend of their businesses and a corresponding growth and development of the national economy.

Kakata (Margibi) FGD: The day for the conduct of the FGD in Margibi, 25 August 2007, coincided with a County Development Meeting. Hence, the Margibi County Research Team (MCRT) had easy access to the officials of the county, who were targeted as discussants. Some of these discussants included but not limited to members of the Margibi County Legislative Caucus (members of Parliament, superintendents, City Mayors, chiefs and prominent

citizens/marketers). These diverse personalities comprised of 8 males and 7 females. The FGD was held at the E. J. Yancy Elementary School (a public school building). The findings of the FGD in Kakata City Margibi County are as follows:

The group unanimously indicated that informal businesses contribute to the growth and development of their various communities. The second question drew two opposite answers: four of every five discussants mentioned that IBs are making adequate contributions to society. Of the discussants that confirmed the adequacy of the contribution of IBs, 50% were county officials/chiefs while the rest were marketers. They further indicated that IBs were making very adequate contributions because they (IBs) sustain almost all of their families not only in Margibi alone, but also in other parts of the country. One-fifth of the discussants believed that IBs are not making adequate contribution because they (IBs) are at the subsistent level (i.e., hand-to-mouth sustenance).

Accordingly one of every five respondents indicated that IBs are faced with numerous domestic responsibilities that prevent them from growing above the subsistence level. Hence, they fail to meet the medium level business industry needs of Margibi, which is an indication that they (IBs) are “adequately making contribution” to improve themselves. In reality, the group (20% of the discussants) argued that until IBs can grow to develop the business industries in Margibi County (in addition to sustaining IBs owners and their families) they are not making very adequate contribution to society as expressed by 4 out of every 5 discussants.

All the discussants agreed that IBs are contributing to the health, education, housing, job creation and food security of most populations engaged in small scale businesses in Margibi County. They indicated that although there were some fixed-income earners in the county, their contribution was low, as compared to IBs, because of the scarcity of former sector businesses /employment in the region. Hence, they unanimously agreed that IBs were meeting the basic social and economic needs of IBs owners and their households and extended families. The discussants mentioned that there were more IBs in Margibi now than prior to the war. They attributed the lesser number of IBs prior to the 1990 civil war to the high level of former sector employment in the county before the war. They further explained that the multiplicity of IBs in

the county after the war was due to the situation created by the war, including high unemployment and lack of support for basic social services of the population.

The discussants hastily dismissed the idea of IBs paying taxes to government on grounds that these are small and lack the ability to grow affluently. They indicated that most of the IBs owners are poor people who are making ends meet, and that taxation without providing backup kind of support would drain down petty businesses and reduce the number of IBs. A marketer compared such situation of Government taxing IBs to “pushing back the head of a drowning man back under water”. Most of the IBs will disappear from the business environment if Government should tax them, the participant concluded, as the rest of the discussants agreed with him.

On the issue of whether farmers are wealthier than grassroots business owners, the discussants mentioned that grassroots business owners were economically well-off and had wealthier than ordinary farmers. “They lend us money to buy tools and we pay them after harvest”, one of the discussants who indicated that he is engaged in farming most of the time asserted. However, the discussants would only support the idea of IBs paying taxes if they (IBs) will be supported by government and its development partners through loans and other investment. The discussants believe that developing the capacity of IBs will enhance their contribution to basic social services and PSD in Liberia.

5.12 Summary of key informant interviews

The key informant interview (KII) conducted in early March 2008 covered a number of Government Institution and Civil Society Organizations. Other institutions visited for KII included the two main universities in Liberia (University of Liberia and the Cuttington University College). Institutions that never responded to the KII were the Liberian Business Association (LIBA), ECO-Bank Liberia Limited, and the Central Bank of Liberia (CBL).

In reality, 13 out of 16 targeted institutions responded to the IBSR 2007 KII. The institutions interviewed were categorized into three major parts: i) two (2) universities, namely Business College of the University of Liberia (UL), and the Graduate School of Business and Public Administration of the Cuttington University College(CUC); ii) five (5) civil society institutions: Liberia Chamber of Commerce (LCC), Liberia Marketing Association (LMA), National Wheel

Borrow Union of Liberia (NAWOUL), Liberia Bank for Development and Investment (LBDDI), and the Federation of Road Transport Union of Liberia (FRTUL). The six (6) Government ministries that participated in the KII were: the ministries of Labor (MOL), Planning and Economic Affairs (MPEA), Agriculture (MOA), Internal Affairs (MIA), Commerce & Industry (MCI), and Gender and Development (MGD).

On the question of whether IBs currently in Liberia are more than before the war, all of the 13 institutions that participated in the KII responded in affirmative. The response of the KII confirmed the views of the IBs owners and FGDs that the war and its implications triggered the increase in IBs in the CRL. The KII participants were almost equally divided over the issue of how they felt about the condition of IBs in Liberia. In essence, NAWOUL, MPEA, UL, MOA and FRTUL felt bad about the overall condition under which IBs operated in Liberia, while the rest of the seven (7) institutions felt good. The aspect of the response of KII is different from those of the IBs owners and FGDs. The five (5) KII institutions that feel bad about IBs viewed the question from the perspectives of the inhibiting conditions that affect the growth and development of IBs, while those who felt good considered the relevance of the activities of IBs in Liberia in the post-conflict reconstruction process.

In response to the question of whether IBs are contributing to PSD in Liberia, 11 out of 13 KII participating institutions indicated that IBs are making immense contributions to the PSD process in Liberia. The two institutions (MGD and NAWOUL) that disagreed argued that (although IBs are making some contributions) until efforts can be made to measure the impact of such contributions into the economy, it is difficult to conclude on the level and extent of such contributions to PSD. All of the 13 KII participating institutions agreed that IBs are contributing to the growth and development of Liberia through the provision of social economic needs of their communities (such as health, education, food security, employment, etc). On the adequacy of the contribution of IBs to PSD, 10 of the 13 institutions described the contribution of IBs as very adequate, while MPEA and NAWOUL considered the contribution as adequate. On the contrary, CUC feels that the contribution of IBs is inadequate. The overall perception of KII on the adequacy of the contributions of IBs to PSD is very good, and similar to that of IBs owners and FGDs.

Five (5) out of 13 (CUC, NAWOUL, LBDI, MIA and MGD) felt that IBs should not pay taxes in the absence of support from Government and its development partners, while the rest of the 8 suggested that IBs should pay taxes. From the FGDs and KII, it is clear that most of the IBs are not directly paying taxes to government but are being taxed by their local authority and various mother/mainstream organizations. For example, the LMA, FRTUL, NAWOUL charge and collect operational fees from individual members. Furthermore, 80% of the institutions who felt that IBs should not pay taxes argued so because of lack of adequate support from GOL and its partners, while CUC felt that the operating funds of IBs are too small for taxation. On the other hand, all of the 13 institutions felt that IBs should pay taxes if GOL and its development partners will provide support for the enhancement of IBs.

On the question of which strategies should be used to improve/enhance the activities of IBs, there were difference in opinions among the 13 key informant institutions. However, there was consensus in their views on the capacity building of IBs: provision of funds; improvement of skills; strengthening of the organizational structure (e.g establishment of cooperatives); and design of policies and programmes that will improve or enhance the status of IBs in the CRL and Liberia as a whole. In essence six out of 13 institutions (CUC, MOL, NAWOUL, MPEA, UL and MGD) predominantly recommended financial capacity building; MOA, LCC and FRTUL focused on skills training; and MIA, MCI¹³, and LMA believe that improvement of policies and programmes, including the formalization of business and implementation of the Liberianization¹⁴ policies.

6. Discussion, policy implications, conclusion and recommdations

6.1 Discussion and policy implications

Provision of training, technical skills and education: Donor support is needed to build the financial and human capacities of grassroots business owners. The human capacity building of grassroots businesses could be easily carried out through training in recognized institutions of

¹³ The MCI and LCC were part of a multi-institutional framework that established the margin of preference (MOP) for domestic and Liberian businesses under the chairmanship of the Public Procurement and Concessions Commission (PPCC), with many Government agencies and civil society groups participating.

¹⁴ The Liberianization policy sets aside some businesses for the exclusive operation of Liberian Businesses (LBs). It also gives Liberians the right to employment, before any non-Liberian but the policy has never been fully implemented since its enactment in the 1970s.

learning in Liberia. In addition financial capacity building could be done through commercial banks and other loan granting institutions to increase the contributions of IBs to basic social services and PSD.

Increased access to loans: In the view of the FGDs participants, the capacity of IBs to strengthen PSD and basic social services will improve if government and partners can provide micro-credit loans with less interest and reasonable payment conditions. More simplified and convenient access to loans will ultimately lead to upward growth trend of their businesses, and a corresponding resuscitation and development of the national economy.

The average loan received per PIB from May 2004 to May 2008 was US\$30.97. If Individuals IBs can sustain their families with the limited profits mentioned above, then the provision of loans will increase their investment level and improve the small-business climate in the CRL. Also, 85 % of loan beneficiaries received less than US\$50.

The loan repayment rate among IBs in the CRL from 2004-2008 was high, and has the propensity of promoting a conducive investment environment, with 75% of the IBs paying loans on time. Similarly, 91% of individuals loaned by the NIC in 2002 and 2008 repaid promptly. The timely repayment of such loan makes IBs reliable in promoting GOL's PRS programme. The timeliness of loan repayment rates from commercial banks (ECO-Bank and LBDI) is also high. The high loan payment rates show how IBs are reliable and trusted for business transactions. Hence, they are suitable for the resuscitation of PSD in the CRL.

The record keeping level of Individuals at IBs is low. Hence, administrative capacity must be improved. Almost all of the IBs saved money in Susu Clubs which indicates there were no banking institutions in the CRL. Although the GOL determined the formalization of all businesses in Liberia, it was found that nearly all of the IBs in the CRL were not registered. The ten-year (1987-2007) registration data from MCI confirmed that most of the IBs who registered did so after the war (2004-2007). Both the data on the registration and establishment of IBs from the MCI and CRL respectively revealed an upward trend, which is largely influenced by the impact of the war. Moreover, the loan data from the NIC, ECO-Bank, LBDI and the CBL

showed that IBs have been increasing since the war, thereby suggesting a positive relationship between the impact of the war and the growth of IBs, including other private sector businesses.

Contribution to Basic Social Services and PSD: It was revealed that 93% of IBs owners' financial contribution to community development came from IBs while 90% of the contribution to county development programmes from IBs. In addition, 94% of rent paid by IBs owners came from their IBs. Ninety-four (94) percent of monetary support towards the education of IBs owners' children/dependents was obtained from IBs. Further, it was realized that 98% of IBs owners' support to health services of their dependents came from IBs. On the average 94% of IBs owners' contribution to basic social services emanate from income of IBs. This has positive implications for the enhancement of IBs since they will hasten the improvement of post-conflict social services and PSD in Liberia.

Organization and formalization of Grassroots Businesses: There are no guidelines on the organization of IBs in Liberia. In other words, grassroots businesses are organized at the will and pleasure of their owners without any taxation or legal framework for the payment of any fees. The IBs that pay fees do so for their marketing associations. The government of Liberia is reluctant to enforce the formalization of IBs because they served as employment incentives that suppress the outbreak of potential conflict. Formal sector unemployment was 78% in 2006 (GOLUNDP, 2006), and could be higher by 2009 since there were systematic downsizing and long service retirement exercises that affected young people that are far below retirement age¹⁵. Hence, if government interferes with the tax-free regime of the organization operation of grassroots businesses, it could have rebellious consequences that could affect the new peace process in the country.

Current and past regimes in Liberia have not been very strong in enforcing income tax payment for IBs because it may turn out to breakdown these grassroot businesses whose average initial investment is normally below US40.00, and are mostly operated out of necessity/ survival purposes. It was estimated that 98% of the IBs were willing to formalize their businesses if they were given loans to establish bigger businesses. The economic impact of grassroot businesses

¹⁵ The International Labor Organization (ILO) recognized age of retirement, which is supported by Liberian Laws puts retirement age at 65 years and above

will be felt more significantly if they are provided loans/grants to engage in medium level businesses. This will contribute meaningfully to the expansion of Liberia's private sector and highlight the impact of IBs to PSD.

Awareness Creation: In profiling the contributions of IBs to basic social services, this research is concomittantly creating awareness on how to improve PSD among major stakeholders, including national Governements, NGOs, and other development partners that IBs are making significant contributions to meet the basic needs of Liberia's post-war population while at the same time trying to resuscitate private sector investment.

6.2 Conclusion and Recommendations

The results of this study revealed that the average grassroots business owner is a married young adult that sells industrial or agricultural products. With almost half of the heads of hoseholds females, women are carrying a significant responsibility for generating income from their business activities. The majority of respondents engaged in grassroots business activity out of necessity and a majority of the grassroots businesses were established with the owners own money. When loans were taken, the majory were from Susu clubs and family or friends, with the availability of credit from banks severely limited.

It was revealed that a majority (97%) of IBs earned profits from 2004-2008, with an average profit level of US\$30.97. Although the profit rate was high, the absolute value of average profit level was too low to ensure and accelerate the growth of IBs above the 2007 level. The contribution of Individuals at IBs to basic social services and the economic life of their families, including health, education, food security, job creation, housing and the provision of suitable business activities (in inaccessible towns and villages, and communities) made IBs relevant in the post-conflict resuscitation of PSD. Moreover, the contribution of IBs to the basic social and economic life of the population in the CRL is more than the contribution of an ordinary formal sector unemployed household, which makes IBs important in the post-conflict reconstruction process in the CRL. It was revealed that care for extended families was high in Bong than in Margibi County. This was so because external family relations decline as one goes towards urban centers.

In order to enhance the capacity of Grassroots Business Owners tailor-made training programme should be established to address the poor business management, records keeping, and literacy and numeracy problems. Sustainable programmes and policies should also be designed to influence government and donor support to change the low business start-up capital and loan inadequacy regime that inhibits progress among IBs in Liberia. Further, the managerial capacity of susu clubs should developed in order to strengthen the managerial skills of informal business owners. In addition, commercial banks should provide loans to susu clubs as a way of building the capacity of grassroots business owners. Also, commercial banks should be established in the capital cities of each of the 15 counties of Liberia. This will enhance the formalization and sustainability of the informal businesses, increase the provision of basic social services for the population, and contribute to government's poverty reduction strategy (PRS) and private sector development (PSD).

In order to limit dependence of donor support, susu clubs should be institutionalized and developed into loan groups to serve as intermediary between banks and IBs. This will ensure a consistent flow of loans from financial institutions. Moreover, IBs should be organized into cooperatives and engage in partnership with banking and other financial institutions. This kind of partnership will pool resources to sustain a financially independent or viable mid-level business class in Liberia. Establishing cooperatives and partnership could further strengthen the bargaining power of IBs with government and financial institutions; enhance their contribution to the livelihood of the population; and stimulate post-war private sector development. Developing and involving the informal business sector into the mainstream of economic activities expedite the processes of post-conflict private sector development. Liberia should take advantage of lessons learned from Rwanda where government created the enabling environment for the growth and development its informal business sector by reducing the registration fees and enforcing the registration of the informal businesses. Like it is paying off well in Rwanda, reducing registration fees and providing incentives for the informal business sector have implications for increasing revenue from tax income of IBs and decreasing the heavy reliance on government and donor funds and other financial institutions.

The job creation capacity of IBs serves as a pillar of security for potential violence from unemployed and disadvantage people, particularly youth that constitute the greater proportion of Liberia's population. Therefore, government should strengthen and use the existing organizational structures of the IBs in Liberia to settle disputes relating to zoning violations by IBs owners. The engagement and dialogue strategy will limit the level of violence, disorderliness and interruptions that characterizes the operations of IBs.

References

- Agupusi, P (2007), "Small Business Development and Poverty Alleviation in Alexandra, South Africa" - Paper prepared for the second meeting of the Society for the Study of Economic Inequality, East Anglia, Norwich, UK, ECINEQ Society, Berlin, (P.Agupusi@uea.ac.uk)
- Altenburg, T, and Drachenfels, CV (2008) Creating an enabling environment for private sector development in Sub-Saharan Africa, Universität zu Köln, Luxembourger Str. 32550939 Köln, Köln, den 27, available at URL: www.businessenvironment.org/dyn/be/docs/160/Altenburg
- Aryeetey, E, (1994), Informal Finance for Private Sector Development in Africa, ISSER, University of Ghana, Legon, Accra - Ghana)
- CBL (2008) Investment Data from Commercial Banks, Central Bank of Liberia (CBL), Carey Street, Monrovia, Liberia
- Clower, R W; Dalton, et al (1966), Growth Without Development, Evanston, Northwestern University Press
- ECO-Bank (2008) Investment Loans Records, ECO-Bank Liberia, Randall Street, Monrovia, Liberia
- Epstein, D (n.d), Economic Development & the Global Informal Economy.
- Fourie, A, (n.d) Sustainable Development: The Business Sector, National Business Initiative: Strategic Considerations for the Business Community to Shape a Sustainable Future. Available at: www.enviropaedia.com/topic/default.php?topic_id=260 - 18k
- GOL (1975), Economic Survey of Liberia, Ministry of Planning and Economic Affairs, Monrovia, Liberia
- GOL (2000), Liberia 2000 Revenue Code Act, Ministry of Foreign of Foreign Affairs (MFA) Monrovia, Liberia
- GOL, (1989), Annual Report of Ministry of Planning and Economic Affairs, Monrovia, Liberia
- GOL (1962), National Census Report, Ministry of Planning and Economic Affairs, Monrovia, Liberia
- GOL (1974), National Housing and Population Census Report, Ministry of Planning and Economic Affairs, Monrovia, Liberia
- GOL (1984), National Housing and Population Census Report, Ministry of Planning and Economic Affairs, Monrovia, Liberia
- GOL (2008), National Housing and Population Census Report, Ministry of Planning and Economic Affairs, Monrovia, Liberia
- GOL (2007), Business Registration Data, Ministry of Commerce and Industry, Monrovia, Liberia.
- GOL/NIC (2008), Small and Medium Enterprise (SME) Investment Loan Data, National Investment Commission (NIC), Sinkor Monrovia, Liberia
- GOL (2005), Public Procurement and Concessions Act (PPCA), Monrovia, Liberia
- GOL/LISGIS (2008), Population and Housing Census of Liberia, Liberia Institute for Statistics and Geo-Information or LISGIS, 9th Street, Monrovia, Liberia. Available at: www.lisgis.org, or www.lisgis.org/nada/ddibrowser/?section=other_mat&id=8
- GOL/UNDP (2006), *Interim Poverty Reduction Strategy*, Monrovia, Liberia: planipolis.iiep.unesco.org/upload/Liberia/Liberia%20IPRSP%202006.pdf
- GOL/UNDP (2006), National Human Development Report (NHDR), Ministry of Planning and Economic Affairs, Monrovia, Liberia

- GOL/UNDP (2008), *Poverty Reduction Strategy*, Monrovia, Liberia. Available at: [planipolis.iiep.unesco.org/upload/Liberia/Liberia PRSP.pdf](http://planipolis.iiep.unesco.org/upload/Liberia/Liberia_PRSP.pdf)
- Hernando Soto (2000) *on formalizing the informal sector and Mysteries of Capital: The Mystery of Capital*: <http://www.google.com/search?q=Hernando%20de%20soto%20work%20on%20formalizing%20the%20informal%20sector&ie=utf8&oe=utf8&aq=t&rls=org.mozilla:enUS:official&client=firefox-a&source=hp&channel=np>. Also see http://muse.jhu.edu/journals/sais_review/v021/21.1de_olarte.html; *Review of de Soto's The Mystery of Capital*: <http://pubs.aeaweb.org/doi/pdf/10.1257/jel.39.4.1215>
- Holness, S, et al (n.d) *The changing nature of informal street trading in post-apartheid South Africa: The case of East London's central business district*, London, UK
- Ishengoma, E, and Kappel, R (n.d), *Well-being Poverty and informal employment in Tanzania: Formalization of construction enterprises matter?*
- Kaufmann, F (n.d), "Private-sector development, Unfavourable investment climate Catholic University of Mozambique (UCM) and GTZ programme coordinator for the development of the private sector (Ambiente Propicio para o sector Privado) in Maputo. In this article, he expresses his personal view rather than official GTZ policy.
- Kiragu, K (2006), "Impact of Informal Institutions on Private Sector Development:" A developing world perspective: A presentation at the International Seminar on Informal Institutions and Development, sponsored by the OECD Development Centre & OECD Development Assistance Committee – Network on Governance, Solid Investment Securities, Kenya at World Bank Office, 66 avenue d'Iena, Paris
- Liberia's GDP (2008): <http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf>, and [http://www.indexmundi.com/liberia/gdp_per_capita_\(ppp\).html](http://www.indexmundi.com/liberia/gdp_per_capita_(ppp).html)
- LBDI (2008) *Investment Loans Records*, Liberia Bank for Development and Investment, Liberia, Randall Street, Monrovia, Liberia
- Lighthelm, A.A, (2008) *A targeted approach to informal business development: The entrepreneurial route*, Development Southern Africa, 1470-3637, Volume 25, Issue 4
- Macerinskiene, I, and Vaiksnoraite, B (2006), *The Role of Higher Education to Economic Development*, VADYBA / MANAGEMENT 2006 m. Nr. 2(11). Available at: [http://www.leidykla.eu/fileadmin/Vadyba/11/Irena Macerinskiene Birute Vaiksnoraite.pdf](http://www.leidykla.eu/fileadmin/Vadyba/11/Irena_Macerinskiene_Birute_Vaiksnoraite.pdf)
- Merzi, C, et al (n.d) *Collaborative working environments for enterprise incubation – The Sekhukhune Rural Living Lab CEC Pretoria, Persequor Techno Park, Pro Park Building 3, 29 de Havilland Crescent, Scientia, Pretoria 0001, South Africa*
- Mwenechanya, S K (2007), *Legal Empowerment of the Poor: Empowering Informal Businesses in Zambia -An Issue Paper prepared for the UNDP – Commission on Legal Empowerment of the Poor*, Lusaka, Zambia.
- Nicholas, S, and Maitland, E (n.d), *Private Sector Development: How Business Interacts With Informal Institutions* (University of Newcastle, and University of New South Wales, Australia)
- Northern Illinois University or NIU Outreach (2005), *The Role of Higher Education to Economic*, Higher Education Alliance for the Rock River Region Contributors: Northern Illinois University, Rockford College Rock Valley College, University of Illinois College of Medicine at Rockford. Available at: <http://www.hearr.org/pdf/HEARRRWhitePaper.pdf>
- Nyankor, M (2008), *The Role of Commercial Banks in Private Sector Development in Liberia*, Monrovia, Liberia. Available at: <http://www.runningafrica.com/community-03062008Commercialbanks.html>

- Nyemah, S. G (2007), *Liberia Private Sector Investment Forum: Strategies for facilitating Follow-Up, Scaling Expectations, and Actualizing Opportunities*, The Perspective, Atlanta, Georgia, USA. Available at: www.liberiaitech.com/theperspective/2007/0825200702.html, or www.liberiaitech.com/theperspective/08_12_2007.html
- Pfeffermann, G, (2001) Poverty Reduction in Developing Countries: The Role of Private Enterprise, International Finance Corporation, School of Advanced International Studies, Johns Hopkins University (Washington). Volume 38, Number 2: www.imf.org/external/pubs/ft/fandd/2001/06/fefferm.htm - 28k
- Rwandan Government (2010): <http://focus.rw/wp/2011/05/government-encourages-informal-companies-to-register/> or <http://internationalwomensday.org/blog/strengthening-woman-owned-businesses-rwanda> or <http://microfinanceafrica.net/tag/business-in-rwanda/>
- Stern, R, and Loeprick, J (2007), Small Business Taxation: Is this the Key to Formalization? Evidence from Africa and Possible Solutions, FIAS Tax Team, World Bank Group
- Tokuori, T, (n.d) The Economy of Affection and Local Enterprises in Africa: Empirical Evidence from a Network Study in Burkina Faso and Senegal
- Tucker, J (2004) Microfinance development in Liberia- an Initial Assessment, UNCDF Microfinance Unit, Monrovia, Liberia
- United Nations (1983) Manual X: Indirect Techniques for Demographic Estimation, Population Division of the Department of International Economics and Social Affairs, UN Secretariat Commission on Population and Demography, US National Academy of Science, New York
- UNCDF (2005), Social and Economic Background in Liberia- Launch of an Inclusive Financial Sector in Liberia
- UNDP, GOL (2003), Millennium Development Goals (MDGs) Report, Ministry of Planning Economic Affairs, Monrovia, Liberia
- UNFPA/GOL (2000), Liberia Demographic and Health Survey (LDHS) 1999/2000 Reports, Monrovia, Liberia. URL: http://www.stanford.edu/~karenf/blog/.../african_documen_3.html
- UNFPA/GOL (2007), Liberia Demographic and Health Survey (LDHS) Reports, Monrovia, Liberia. URL: <http://www.measuredhs.com/pubs/pdf/FR201/FR201.pdf> or www.unfpa.org/adolescents/docs/adolescentDataGuide_Liberia2007.pdf
- Verick, S, (n.d) Developing the North's private sector: The Impact of Globalization on the Informal Sector in Africa, Economic and Social Policy Division, United Nations Economic Commission for Africa (ECA) and Institute for the Study of Labor (IZA)
- Wanyama, F.O. et al (2008), "Encountering the Evidence: Cooperatives and Poverty Reduction in Africa", Working Papers on Social and Co-operative Entrepreneurship WP-SCE 08-02, University of Maseno, Catholic University Leuven.
- Wellings, P, and Sutcliffe, M (n.d), 'Developing' the Urban Informal Sector in South Africa: The Reformist Paradigm and its Fallacies, University of Natal, Durban, South Africa.