

## **Liberia Inclusive Growth Diagnostic (IGD) Screening Profile<sup>1</sup>**

### **Economic Overview**

Liberia is a low income country of 4.2 million people, 83.8 percent of whom lived in extreme poverty (below \$1.25/day) in 2007. Its average per capita income (PPP GNI in current international US dollars) was only \$730 in 2012, having grown by an average of 10.4% annually in real terms over the previous 8 years (from a very low starting point after years of conflict ended). Despite this high growth rate, Liberia's 2012 per capita income level was tied with that of Malawi for 183<sup>rd</sup> place in the World Bank's list of 185 countries with data for that year (as of this writing). The only country with a lower level of income was the Democratic Republic of Congo, with \$660 per capita. The 2014 UNDP Human Development Index ranked Liberia 175 out of 187 countries evaluated. Liberia's Gini index, at 38.2 in 2007, indicates a less skewed distribution of income than in many countries.

The adult (ages 15-64) labor force participation rate in 2012 was 62.2%, lower than the average for low income countries (77.4%) and for Sub-Saharan Africa countries (71.0%). The adult female labor force participation rate of 59.4% is also lower than the average for both Sub-Saharan Africa countries (64.9%) and for low income countries (70.8%). The ratio of female to male labor participation rate is 90.0%, compared with the 84.3% and 84.2% for Sub-Saharan Africa and low income country averages, respectively. [World Bank World Development Indicators (WB WDI)]

WB WDI reported Liberia's consumer price inflation as 6.8% in 2012, down from 17.5% in 2008, and that Liberia had a fiscal budget deficit of -2.6% of GDP in 2012. The 2013-14 World Economic Forum Global Competitiveness Index (WEF GCI) reported a government budget balance of only -0.5% of GDP and ranked Liberia a high 34 out of 148 countries for this indicator. It ranked Liberia a high 38<sup>th</sup> for general government debt (only 29.1% of GDP, see Appendix Table 2). However, the country's credit rating is very poor, ranking 136 out of 148.

Services contributed 44.7% to GDP in 2012, up from 25.6% in 2008, agriculture 38.8%, down from 67.3% in 2008, and industry 16.4%, up from 7.1% in 2008. (WB WDI). So the economic transformation of the Liberian economy from an earlier agricultural base to services and industry appears to be well underway.

Based on the readily available indicators discussed below, the vast majority (80%) of Liberian workers are engaged in low income agricultural and other informal sector activities and do not earn enough income to raise their families out of extreme poverty. Formal employment in non-agricultural activities comprises only 20% of the total. To reduce and eventually eradicate extreme poverty in the foreseeable future will require increased productivity and real income growth in agriculture (with 49% of employment) and the non-agriculture rural and urban informal sectors (30%) as well as faster growth of the more productive formal sector (20%). There appears to be substantial room for improved crop production, which has stagnated in recent years with lower cereal yields than in comparable countries. To determine the some of the main constraints to increasing productivity and incomes in agriculture and the informal sector will require in depth analysis of the questions posed at the top of page 3, below. Key constraints affecting all sectors appear to include an unfavorable business environment, a low level of human capital, inadequate infrastructure of all kinds, poor access to financing and a low level of domestic credit to the private sector, policies that provide disincentives for employment generation, inefficient and corrupt government institutions affecting private investors, and the poor health of many workers.

Which of these factors, or possibly other factors as well, are the more binding constraints to more inclusive economic growth at this point in time should be the subject of more in-depth IGD analysis.

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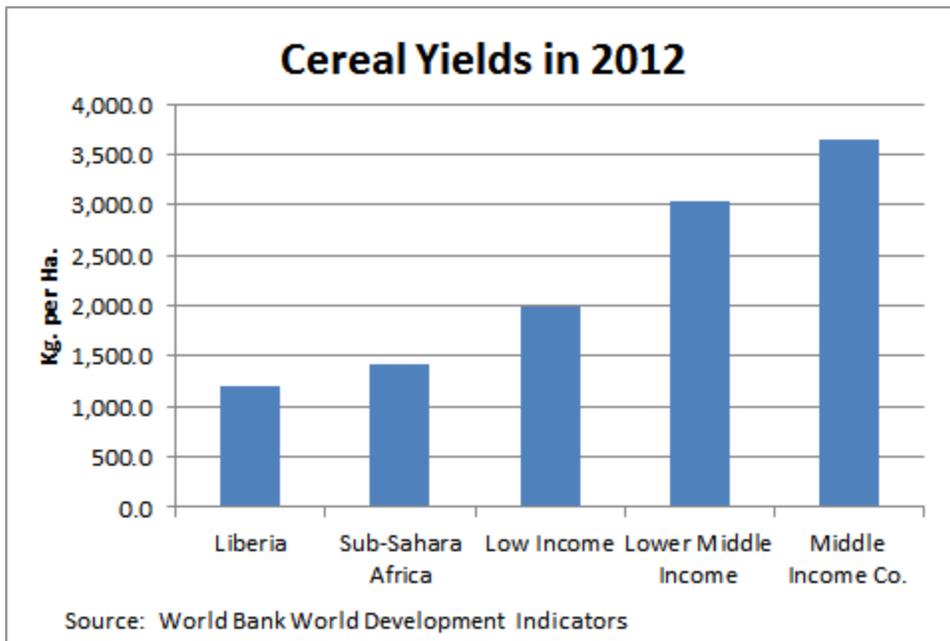
<sup>1</sup> This country profile presents indicators available online that are relevant to the IGD analytical nodes of the "Analytic Guide for an Inclusive Growth Diagnostic (the productive employment model)," which is available from <https://dec.usaid.gov/dec>

1) Potential for higher smallholder agricultural production and rural incomes

A little over half of Liberia’s population, 51%, live in rural areas and 48.9% of total employment was in agriculture in 2010. Agriculture contributed 44.8% to GDP that year. Total agricultural value added per worker in Liberia was equal to only US\$687 in 2011 (in constant 2005 US\$), below the \$702 average for Sub-Saharan Africa countries but above the \$351 average achieved in low income countries. This represents a 52% improvement over the \$452 achieved in 2004. The rural population is growing at only 1 percent or less per year, while total population is growing by 2.7%. The urban population has been growing by 4 to 6% annually since 2006 as people flee the rural areas looking for better jobs. (WB Databank)

The average cereal yield in Liberia was 1,210.3 kg. per hectare in 2012, a little lower than in 2006 and lower than the average for all Sub-Saharan Africa countries (1,417.4 kg.) and for all low income countries (1,982.3 kg.). Lower middle income countries averaged 3,029.2 kg., showing room for further improvement in Liberia.

Total crop production has stagnated in Liberia, with 2012 production lower by 1% than it was in 2000. Livestock production increased by only 25% over that same 12-year period. Total agricultural land in Liberia has not appreciably increased, while arable land<sup>2</sup> increased by 18.4%. Total agricultural value added increased 73.5% in constant price terms between 2006 and 2012, while the rural population increased by 18.8%. (WB WDI)



1A&B) On-farm productivity & rural and urban non-farm sectors, including processing and marketing of farm products

<sup>2</sup> Agricultural land refers to the share of land area that is arable, under permanent crops, and under permanent pastures. Arable land includes land defined by the FAO as land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow. Land abandoned as a result of shifting cultivation is excluded. Land under permanent crops is land cultivated with crops that occupy the land for long periods and need not be replanted after each harvest, such as cocoa, coffee, and rubber. This category includes land under flowering shrubs, fruit trees, nut trees, and vines, but excludes land under trees grown for wood or timber. Permanent pasture is land used for five or more years for forage, including natural and cultivated crops. -- <http://data.worldbank.org/indicator/AG.LND.AGRI.K2>

- 1Aa) Agricultural research & extension services
- 1Ab) Access to credit for farm inputs & capital improvements
- 1Ac) Rural infrastructure for irrigation and farm-to-market roads
- 1Ad) Land tenure and land markets
- 1Ba) Market and pricing policies
- 1Bb) Availability of information about good business practices, market trends, potential competition and contacts with higher value markets
- 1Bc) Rural and urban infrastructure for transport, electric power, storage, markets, & communication
- 1Bd) Access to rural credit for agriculture product processing, storage, marketing, and for other rural and urban informal sector activities

In 2013 the MCC scored Liberia as better than only 18% of a comparable group of 81 developing countries in land rights and access. The World Bank Doing Business Indicators 2014 gave Liberia a very low score, ranking 181 out of 189, for registering property. It also received a low score in the 2014 WEF GCI for agricultural policy costs, ranking 109 out of 148.

## 2) Potential for more productive, higher wage non-farm employment.

As noted above, adult labor force participation rates in Liberia are relatively low. Furthermore, 78.7% of total employment was either self-employed or unpaid family workers (in vulnerable employment) in 2010 and another 3.7% of the labor force was listed as unemployed (latest figures available). (WB WDI) This leaves precious few with good jobs. As noted in section 2Ab) below, only 20.4% of total employment was in formal, non-agricultural jobs in 2010. The investment climate for creating more productive jobs presents a mixed picture. Liberia's overall ease of doing business rank in the World Bank 2014 Doing Business Report is very low at 144 out of 189 countries scored. Even though it ranks high in starting a business at 31, in so many other categories that affect its attractiveness to new investors its relative rankings are very low, 181 for registering property, 165 for enforcing contracts, 161 for resolving insolvency, 147 for protecting investors, 142 in getting electricity, 142 for trading across borders, and 129 for dealing with construction permits.

<b>LIBERIA</b>		Sub-Saharan Africa		GNI per capita (US\$)		370	
Ease of doing business (rank)		144	Low Income	Population (m)		4.2	
<b>Starting a business</b> (rank)	31	<b>Registering property</b> (rank)	181	<b>Trading across borders</b> (rank)	142		
Procedures (number)	4	Procedures (number)	10	Documents to export (number)	10		
Time (days)	4.5	Time (days)	44	Time to export (days)	15		
Cost (% of income per capita)	19.1	Cost (% of property value)	12.9	Cost to export (US\$ per container)	1,220		
Minimum capital (% of income per capita)	0.0			Documents to import (number)	12		
		<b>Getting credit</b> (rank)	86	Time to import (days)	28		
<b>Dealing with construction permits</b>	129	Strength of legal rights index (0–10)	7	Cost to import (US\$ per container)	1,320		
Procedures (number)	23	Depth of credit information index (0–6)	2				
Time (days)	75	Public registry coverage (% of adults)	1.4	<b>Enforcing contracts</b> (rank)	165		
Cost (% of income per capita)	363.0	Private bureau coverage (% of adults)	0.0	Procedures (number)	40		
				Time (days)	1,280		
<b>Getting electricity</b> (rank)	142	<b>Protecting investors</b> (rank)	147	Cost (% of claim)	35.0		
Procedures (number)	4	Extent of disclosure index (0–10)	4				
Time (days)	465	Extent of director liability index (0–10)	1	<b>Resolving insolvency</b> (rank)	161		
Cost (% of income per capita)	2,288.5	Ease of shareholder suits index (0–10)	6	Time (years)	3.0		
		Strength of investor protection index (0–10)	3.7	Cost (% of estate)	43		
				Recovery rate (cents on the dollar)	8.5		
		<b>Paying taxes</b> (rank)	42				
		Payments (number per year)	33				
		Time (hours per year)	151				
		Total tax rate (% of profit)	26.6				

From World Bank/IFC, 2014 Doing Business Report, p. 205

2A) Private Sector Demand for More Productive Employment

2Aa) Level of Private Investment (HRV Constraints Analysis)

2Aai) Private returns to economic activity

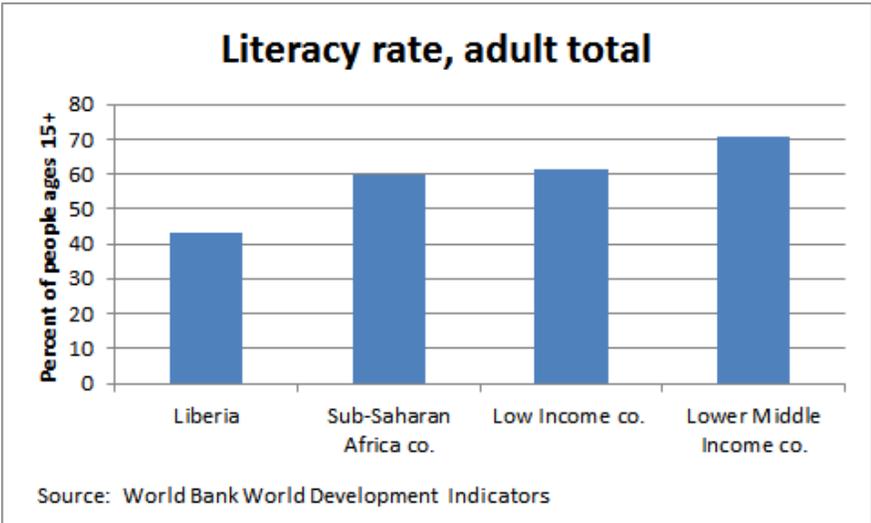
Gross capital formation in Liberia averaged 25.9% of GDP from 2006 to 2012 and registered 25.4% in 2012. This compares favorably with the 20.2% average for developing Sub-Saharan Africa countries in 2012, but is still below the 27.8% average for low income countries (WB WDI). Net foreign direct investment (FDI) was equal to a whopping 78.1% of GDP in 2012 and averaged 39.8% from 2006 to 2012. This is much higher than the 2.9% average for developing Sub-Saharan Africa countries and the 4.8% average for low income countries (WB WDI), and is hard to reconcile with the gross capital formation figures. The 2013-14 WEF GCI survey gave Liberia a mediocre mark for the business impact of rules on FDI, ranking 88 out of 148, but in the prevalence of foreign ownership it ranked high at 31. (See Appendix Table 10.) GDP per capita grew by 7.3% in 2012 and averaged 7.5% over the 7-year period from 2006 to 2012.

Rough incremental capital/output ratio (ICOR) calculations, based on 5-year averages of gross fixed capital formation and subsequent GDP growth rates, indicate a relatively low ICOR, 3.4 in 2005-2010. This indicates fairly efficient use of capital investment to achieve growth in GDP.

2Aai1) Evidence of low social returns

Is there inadequate human capital to run a business successfully?

Only 42.9% of Liberia’s adult population was recorded as literate in 2007 (latest figure available), much lower than the 2011 averages for Sub-Saharan Africa countries (62.6%) and low income countries (62.9%). (WB WDI) The mean years of schooling achieved by Liberia adults was 3.9 in 2012, putting the country in a 3-way tie for 160<sup>th</sup> place out of 187 countries for this indicator. (UNDP HDR) Only 5.5% of business leaders surveyed in the 2013-14 WEF GCI cited an inadequately educated workforce as the most problematic factor for doing business in Liberia, and only 2.1% of them cited poor public health, meaning other factors were even more problematic (See Table 3 in the Appendix). However, Liberia ranked a very low 144<sup>th</sup> out of 148 countries in Health and Primary Education and 126<sup>th</sup> in Higher Education and Training in that year’s GCI. (Appendix Table 1) The country ranked 107 or worse in all 10 elements of the Health and Primary Education pillar and 101 or worse in all but two of the 8 elements of the Higher Education and Training pillar, and those two were 95 and 96. (See Appendix Tables 12 and 13.)



### Is there a lack of or poor condition of productive infrastructure?

The 2014 World Bank Doing Business Report ranked Liberia very low at 142 out of 189 for getting electricity, as it costs almost 23 times income per capita and takes 465 days to do so. Private firms reported an average of 1.7 power outages per month in 2009 (WB WDI). Liberia was ranked 114<sup>th</sup> out of 148 countries for the quality of its electricity supply in the 2013-14 WEF GCI.

The country ranked 131<sup>st</sup> out of 148 for infrastructure in the 2013-14 WEF GCI, with rankings worse than 100 for all infrastructure elements but railroads, where it ranked 96. (See Appendix Table 4) Some 8.3% of the business leaders surveyed by for the 1013-14 WEF GCI listed an inadequate supply of infrastructure as the most problematic factor for doing business in Liberia, the fifth highest percentage. (Appendix Table 3)

#### 2Aai2) Private appropriability

##### Government failure/poor governance

As noted above, Liberia ranked a very poor 144 out of 189 in the 2014 World Bank Ease of Doing Business (DB) Index, with very low scores in 7 of the 10 categories evaluated. The 2014 Heritage Foundation/Wall Street Journal Index of Economic Freedom ranked Liberia 138<sup>th</sup> out of 178 countries in the overall Economic Freedom Index, citing “notable improvements in five of the 10 economic freedoms including business freedom, investment freedom, and the management of public spending. Liberia ranked 30<sup>th</sup> out of 46 countries in Sub-Saharan Africa...” However, it ranked very low in financial freedom (163), investment freedom (132), monetary freedom (124), labor freedom (149), and trade freedom (148).<sup>3</sup>

In the 2013-14 WEF GCI Liberia scored not too badly and ranked 77 out of 148 in the Institutions pillar. It ranked between 23 and 49 in burden of government regulations, wastefulness of government spending and favoritism of government officials and between 51 and 58 in another 4 of these elements. Its lowest Institutions scores were in strength of investor protection, reliability of police services, strength of auditing and reporting standards and irregular payments and bribes, where it ranked 100 or worse. (See Appendix Tables 1 and 5) The Canadian Fraser Institute did not include Liberia in its annual Economic Freedom of the World Report for 2013.

Liberia scored a very poor -1.21 in the 2011 Government Effectiveness Estimate of the World Bank Governance Indicators, out of a -2.5 to +2.5 range, ranking 194<sup>th</sup> in a list of 212 countries. It scored a low -0.92 in the 2012 WB Rule of Law Estimate, tying for 176<sup>th</sup> place out of 212.

Liberia scored 41 out of 100 possible points in the Transparency International Corruption Perceptions Index in 2012 and tied with 3 other countries for 83<sup>rd</sup> place among 176 countries scored.

The World Bank Governance Matters Control of Corruption estimate of 2011 scored Liberia -0.44 in the -2.5 to +2.5 range, tied for 127<sup>th</sup> place out of 212 countries. The 2014 Heritage Foundation/Wall Street Journal Freedom from Corruption index ranked Liberia 84<sup>th</sup> out of 178 countries. In the 2013-14 WEF GCI the second highest percentage (16.4%) of the business leaders surveyed listed corruption as the most problematic factor for doing business in Liberia. (See Appendix Table 3)

##### Market failures in the availability of information for innovation and “coordination”

The 2013-14 WEF GCI gave Liberia poor scores for the Technological Readiness, Business Sophistication, and Innovation pillars, ranking them 141, 108 and 110 out of 148, respectively. It received poor scores and ranked worse than 100 in all elements of the technological readiness pillar and in more than half the elements of the other two. (See Appendix Tables 6, 7 & 8.)

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<sup>3</sup> Heritage Foundation *Index of Economic Freedom*, 2014, pp. 459-460

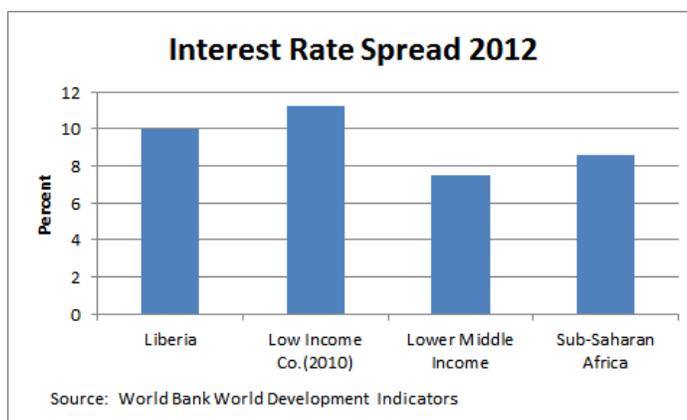
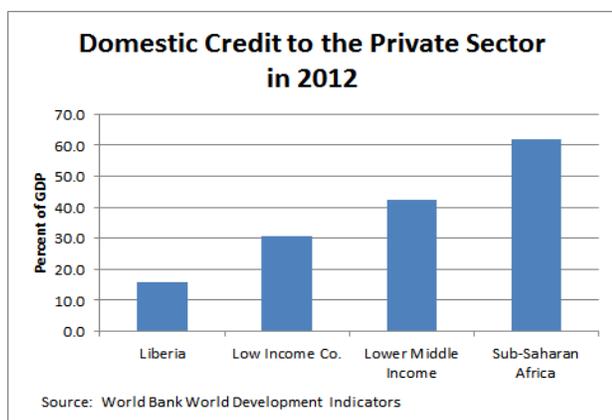
## 2Aii) Cost of finance

Domestic credit to Liberia's private sector was only 16.0% of GDP in 2012 (WB WDI). While this ratio has improved from a low of 3.6% in 2002, it is still way below the low income country average of 30.7% and the Sub-Saharan Africa country average of 62.0%.

In the 2013-14 WEF GCI survey of business leaders, access to financing was listed as the most problematic factor for doing business in Liberia by 17.6% of responses, the highest percentage. (See Appendix Table 3.) Its overall GCI ranking for financial market development was 106 out of 148, and it was ranked worse than 100 in the availability and affordability of financial services, financing through local equity market and the regulation of securities exchanges. It ranked a fairly high 42 in the legal rights index. (See Appendix Table 9.)

In the World Bank 2014 Doing Business Indicators Liberia was ranked 86 out of 189 for getting credit. The lending interest rate was 13.5% in 2012, having fallen steadily from 22.1% in 2001. The real interest rate was 9.0%, and it had fallen from 29.1% in 2001 but with wide swings between those dates, presumably due to variable rates of inflation. The interest rate spread was 10.0%, having fallen from 16.2% in 2001, indicating some improvement in financial intermediation. This was lower than the average for low income countries in 2010 (11.2%) but still higher than the 2012 average for lower middle income countries (7.5%) and Sub-Saharan Africa countries (8.6%). The world average is 6.0%. (WB WDI).

The 2014 Heritage Foundation/Wall Street Journal Investment Freedom Index and Financial Freedom Index scored Liberia 40.0 and 20.0, respectively, out of 100 possible points in 2014, ranking 132<sup>nd</sup> and 163<sup>rd</sup> out of 178 countries, and reported that "The government restricts foreign investment in several sectors. The financial sector remains vulnerable to political influence and institutional instability. The scarce access to financing continues to impede much-needed entrepreneurial activity and private-sector development. The financial sector is dominated by banking, but a large part of the population remains outside of the formal banking sector."



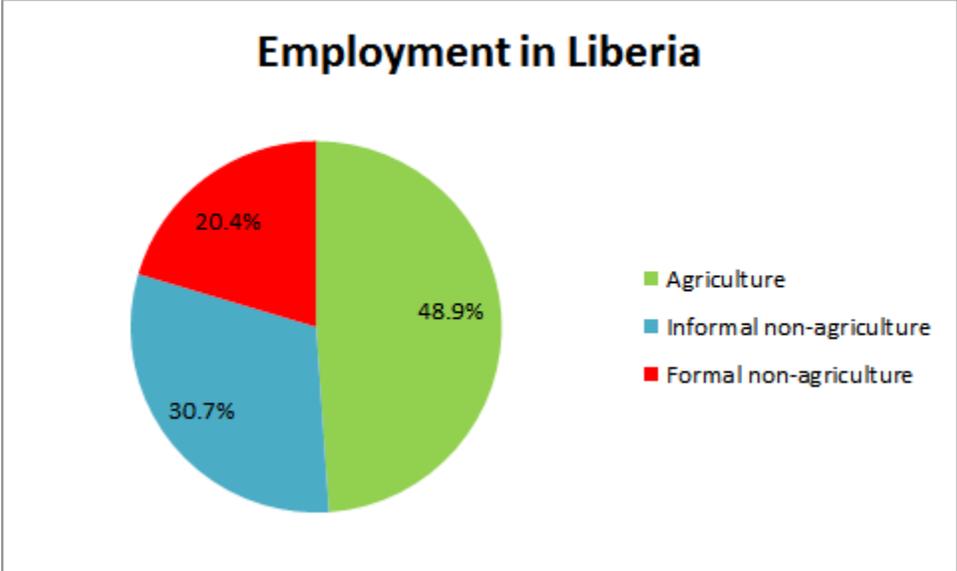
## 2Ab) Growth of the more productive Formal Sector

In 2010 Liberia reported 78.7% of total employment as vulnerable employment in 2010 (latest figure available), meaning self-employed and unpaid family workers. It is higher than the 73.6% averages reported for lower middle income countries in 2012 (67.3%). (WB WDI) As an understated proxy for the informal sector, since it does not include informal wage earners, this implies a very large informal sector.

In a "Statistical Update on Employment in the Informal Economy," published in June 2012 by the ILO Department of Statistics,<sup>4</sup> 60.0% of all non-agricultural employment in Liberia in 2010 was tabulated as informal,

<sup>4</sup> [http://laborsta.ilo.org/informal\\_economy\\_E.html](http://laborsta.ilo.org/informal_economy_E.html)

consisting of persons employed in the informal sector (49.5%) and persons in informal employment outside the informal sector (10.8%). Since 51.1% of total employment is in non-agriculture, this implies that 30.7% of total employment is in the non-agriculture, mostly urban informal sector and only 20.4% of the total employment is in formal, non-agricultural employment. Of total female non-agricultural employment 72.0% was informal, and of total male non-agricultural employment 47.4% was informal. As noted at the beginning of this profile, 83.8% of the Liberian population remained below the extreme poverty line for lack of better employment.



**2Ac) Labor Intensity of Production**

Liberia’s trade with the outside world totaled 121.9% of GDP in 2012. This is much higher than the 69.8% average of developing Sub-Saharan Africa countries and the 66.7% average of low income countries. (WB WDI). However, the country was ranked very low (142 out of 189) in the 2014 Doing Business Indicators for Trading Across Borders. It was ranked a low 119<sup>th</sup> out of 148 in the WEF GCI index for trade tariffs, with tariffs averaging 10.7%. The same GCI index gave Liberia mediocre marks for the prevalence of trade barriers, ranking 63<sup>rd</sup>, but a high mark for imports as a percentage of GDP (85.1%), ranking 16<sup>th</sup>. It was ranked 79<sup>th</sup> for the burden of customs procedures. (See Appendix Table 10.) A further enhanced ability to trade would favor a latent comparative advantage in more labor-intensive activities for both export and import-substitution goods and services.

The World Bank Country Policy and Institutional Assessment (CPIA) ratings for social inclusion-equity gave Liberia a 2012 score of 3.1 (1=low, 6=high), in the bottom third of 104 countries scored that year, and it was also in the bottom third for gender equality with a score of 3.0.

In the 2013-14 WEF GCI, Liberia received a relatively good score in Labor Market Efficiency, ranking 60 out of 148. (Appendix Table 1) It scored fairly high in hiring and firing practices, ranking 47 out of 148, mediocre in the flexibility of wage determination, ranking 92, but very low in redundancy costs, ranking 113, requiring 25.7 weeks of salary, and in reliance on professional management, ranking 122. (See Appendix Table 11.) Of the businessmen surveyed 2.9% cited restrictive labor regulations as the most problematic factor for doing business in Liberia, perhaps because of those inflexible wage issues and redundancy costs. (Appendix Table 3) Liberia received a good overall score for the Goods Market Efficiency pillar, ranking 47 out of 148. It received low scores for its high tariffs on trade, agricultural policy costs and the intensity of local competition, and some mediocre marks in things like customs procedures and trade barriers, but relatively good marks in the total tax

rate as a percent of profits (27.4%, ranking 2), number of procedures and number of days to start a business (ranking 20 and 16), prevalence of foreign ownership (ranking 31) and the effect of taxation on incentives to invest (35). (See Appendix Table 10)

## 2B) Employability of the Workforce:

Only 42.9% of Liberia's adult population was recorded as literate in 2007 (latest figure available), lower than averages for Sub-Saharan Africa countries (62.6%) and low income countries (62.9%). Only 27% of the women were literate in 2007, more than the 2011 average of 54.1% for developing Sub-Saharan Africa countries and the 56.0% average for low income countries. The adult male literacy rate was 61%. (WB WDI, citing UNESCO Inst. for Statistics estimates for Liberia) Liberia's primary school completion rate in 2011 was 66.0% of the relevant age group, a bit lower than the 69.3% average in developing Sub-Saharan Africa countries but close to the 66.5% average for low income countries. (WB WDI)

Health indicators present a mixed picture. A WB WDI table lists life expectancy in Liberia in 2011 as 59.9 years, higher than the average for all developing Sub-Saharan Africa countries (55.9) but a little lower than that for low income countries (61.1). Liberia's infant mortality rate has steadily improved from 112.2 per 1000 live births in 2001 to 56.0 per 1000 in 2012, compared with a 63.9 average in 2012 for developing Sub-Saharan Africa countries and 55.8 for low income countries. The incidence of tuberculosis was 304 per 100,000 people in 2012, having risen over the years from 246 in 2001, and it is now higher than the 255 per 100,000 average for developing Sub-Saharan Africa countries, 246 per 100,000 for low income countries and the 165 per 100,000 for lower middle income countries. The prevalence of HIV in the adult population is low, having fallen from 2.3% in 2001 to 0.9% in 2012, compared with 4.6% in Sub-Saharan Africa countries and 2.3 in low income countries. (WB WDI) The WEF GCI ranked Liberia 107 or worse out of 148 in all 8 health indicators in its Health and Primary Education pillar—27% of the population had malaria. (See Appendix Table 12.)

Liberia's population growth rate is 2.7% per year. (WB WDI) This is the same as the average for developing Sub-Saharan Africa countries but higher than the 2.3% average for low income countries and the 1.5% average for lower middle income countries. It would be easier for the country to improve its health and education services fast enough to keep up with the increasing need for them if its population growth rate could be reduced.

## Appendix

<b>Table 1. The Global Competitiveness Index:</b>	Rank	Score
<b>Liberia</b>	<u>(out of 148)</u>	<u>(1–7)</u>
GCI 2013–2014 .....	<b>128</b>	3.5
GCI 2012–2013 (out of 144) .....	<b>111</b>	3.7
GCI 2011–2012 (out of 142) .....	n/a	n/a
<b>Basic requirements (60.0%)</b> .....	<b>127</b>	3.6
Institutions .....	77	3.8
Infrastructure .....	<b>131</b>	2.4
Macroeconomic environment .....	51	5.1
Health and primary education .....	<b>144</b>	3.2
<b>Efficiency enhancers (35.0%)</b> .....	<b>131</b>	3.2
Higher education and training .....	<b>126</b>	2.9
Goods market efficiency .....	<b>47</b>	4.4
Labor market efficiency .....	60	4.4
Financial market development .....	<b>106</b>	3.6
Technological readiness .....	<b>141</b>	2.4
Market size .....	<b>146</b>	1.5
<b>Innovation and sophistication factors (5.0%)</b> .....	<b>114</b>	3.2
Business sophistication .....	<b>108</b>	3.6
Innovation .....	<b>110</b>	2.9

Source: WEF, *Global Competitiveness Report 2013–2014*, p. 252

<b>Table 2. Macroeconomic environment: Liberia</b>	Rank	Score
	<u>(out of 148)</u>	
3.05 Country credit rating, 0–100 (best)* .....	<b>136</b>	18.6
3.03 Inflation, annual % change* .....	<b>112</b>	6.8
3.04 General government debt, % GDP* .....	<b>38</b>	29.1
3.01 Government budget balance, % GDP* .....	<b>34</b>	-0.5
3.02 Gross national savings, % GDP* .....	n/a	n/a

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (\*).  
Source: WEF, *Global Competitiveness Report 2013–2014*, p. 253

<b>Table 3. The most problematic factors for doing business in Liberia</b>	
	<b>(Percent of Responses)</b>
Access to financing .....	17.6
Corruption .....	16.4
Crime and theft .....	11.6
Inefficient government bureaucracy .....	10.7
Inadequate supply of infrastructure .....	8.2
Poor work ethic in national labor force .....	6.8
Inadequately educated workforce .....	5.5
Tax regulations .....	5.0
Foreign currency regulations .....	4.4
Tax rates .....	3.6
Restrictive labor regulations .....	2.9
Poor public health .....	2.1
Insufficient capacity to innovate .....	1.9
Inflation .....	1.7
Policy instability .....	1.2
Government instability/coups .....	0.4
<p>Note: From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.</p> <p>Source: WEF, <i>Global Competitiveness Report 2013–2014</i>, p. 252</p>	

<b>Table 4. Infrastructure: Liberia</b>	<b>Rank</b>	<b>Score</b>
	<b>(out of 148)</b>	<b>(1–7)</b>
2.09 Fixed telephone lines/100 pop.* .....	148	0.0
2.06 Available airline seat km/week, millions* .....	143	5.0
2.08 Mobile telephone subscriptions/100 pop.* .....	133	56.4
2.05 Quality of air transport infrastructure.....	127	3.1
2.07 Quality of electricity supply .....	125	2.6
2.04 Quality of port infrastructure .....	117	3.4
2.02 Quality of roads .....	113	2.9
2.01 Quality of overall infrastructure .....	103	3.5
2.03 Quality of railroad infrastructure .....	96	2.0
<p>Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).</p> <p>Source: WEF, <i>Global Competitiveness Report 2013–2014</i>, p. 253</p>		

<b>Table 5. Institutions: Liberia</b>	Rank	Score
	<u>(out of 148)</u>	<u>(1-7)</u>
1.21 Strength of investor protection, 0–10 (best)* .....	123	3.7
1.16 Reliability of police services .....	104	3.7
1.18 Strength of auditing and reporting standards .....	104	4.0
1.05 Irregular payments and bribes .....	100	3.4
1.01 Property rights .....	99	3.8
1.14 Business costs of crime and violence.....	99	4.2
1.19 Efficacy of corporate boards .....	99	4.3
1.13 Business costs of terrorism .....	97	5.0
1.15 Organized crime .....	87	4.7
1.20 Protection of minority shareholders' interests .....	85	3.9
1.06 Judicial independence .....	83	3.4
1.17 Ethical behavior of firms .....	77	3.8
1.02 Intellectual property protection .....	68	3.7
1.10 Efficiency of legal framework in settling disputes .....	67	3.8
1.12 Transparency of government policymaking .....	58	4.3
1.03 Diversion of public funds .....	57	3.6
1.11 Efficiency of legal framework in challenging regs. ....	57	3.7
1.04 Public trust in politicians .....	52	3.3
1.07 Favoritism in decisions of government officials .....	49	3.4
1.08 Wastefulness of government spending .....	30	3.9
1.09 Burden of government regulation .....	23	4.1
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 253		

<b>Table 6. Technological readiness: Liberia</b>	Rank	Score
	<u>(out of 148)</u>	<u>(1-7)</u>
9.05 Fixed broadband Internet subscriptions/100 pop.* .....	147	0.0
9.04 Individuals using Internet, %* .....	137	3.8
9.01 Availability of latest technologies .....	136	3.6
9.02 Firm-level technology absorption .....	136	3.8
9.06 Int'l Internet bandwidth, kb/s per user* .....	135	2.0
9.07 Mobile broadband subscriptions/100 pop.* .....	135	0.0
9.03 FDI and technology transfer .....	122	3.8
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 253		

<b>Table 7. Business sophistication: Liberia</b>	Rank	Score
	(out of 148)	(1–7)
11.06 Control of international distribution .....	124	3.5
11.08 Extent of marketing .....	123	3.3
11.01 Local supplier quantity .....	119	4.1
11.07 Production process sophistication .....	118	3.2
11.02 Local supplier quality .....	109	3.9
11.05 Value chain breadth .....	99	3.5
11.09 Willingness to delegate authority .....	95	3.5
11.04 Nature of competitive advantage .....	83	3.3
11.03 State of cluster development .....	77	3.7
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 253		

<b>Table 8. Innovation: Liberia</b>	Rank	Score
	(out of 148)	(1–7)
12.06 Availability of scientists and engineers .....	142	2.8
12.07 PCT patents, applications/million pop.* .....	126	0.0
12.02 Quality of scientific research institutions .....	122	2.8
12.04 University-industry collaboration in R&D .....	122	2.9
12.03 Company spending on R&D .....	95	2.9
12.01 Capacity for innovation .....	68	3.5
12.05 Gov't procurement of advanced tech products .....	40	3.8
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 253		

<b>Table 9. Financial market development: Liberia</b>	Rank	Score
	(out of 148)	(1–7)
8.07 Regulation of securities exchanges .....	134	2.6
8.03 Financing through local equity market .....	117	2.5
8.01 Availability of financial services .....	114	3.8
8.02 Affordability of financial services .....	108	3.7
8.04 Ease of access to loans .....	92	2.5
8.06 Soundness of banks .....	91	4.6
8.05 Venture capital availability .....	63	2.7
8.08 Legal rights index, 0–10 (best)* .....	42	7
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 253		

<b>Table 10. Goods market efficiency: Liberia</b>	Rank	Score
	<u>(out of 148)</u>	<u>(1–7)</u>
6.10 Trade tariffs, % duty* .....	119	10.7
6.08 Agricultural policy costs.....	109	3.5
6.01 Intensity of local competition .....	103	4.6
6.15 Degree of customer orientation .....	90	4.4
6.12 Business impact of rules on FDI .....	88	4.4
6.13 Burden of customs procedures .....	79	3.9
6.16 Buyer sophistication .....	74	3.4
6.02 Extent of market dominance .....	68	3.8
6.09 Prevalence of trade barriers .....	63	4.4
6.03 Effectiveness of anti-monopoly policy .....	56	4.3
6.04 Effect of taxation on incentives to invest .....	35	4.2
6.11 Prevalence of foreign ownership .....	31	5.3
6.06 No. procedures to start a business* .....	20	4
6.14 Imports as a percentage of GDP* .....	19	85.1
6.07 No. days to start a business* .....	16	6
6.05 Total tax rate, % profits* .....	2	27.4

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (\*).  
Source: WEF, *Global Competitiveness Report 2013–2014*, p. 253

<b>Table 11. Labor market efficiency: Liberia</b>	Rank	Score
	<u>(out of 148)</u>	<u>(1–7)</u>
7.07 Reliance on professional management .....	122	3.5
7.04 Redundancy costs, weeks of salary* .....	113	25.7
7.02 Flexibility of wage determination .....	92	4.8
7.08 Country capacity to retain talent .....	89	3.1
7.06 Pay and productivity .....	87	3.8
7.01 Cooperation in labor-employer relations .....	78	4.2
7.03 Hiring and firing practices .....	47	4.2
7.09 Country capacity to attract talent .....	36	4.1
7.10 Women in labor force, ratio to men* .....	25	0.92
7.05 Effect of taxation on incentives to work .....	23	4.3

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (\*).  
Source: WEF, *Global Competitiveness Report 2013–2014*, p. 253

<b>Table 12. Health and primary education: Liberia</b>	Rank	Score
	<u>(out of 148)</u>	<u>(1–7)</u>
4.10 Primary education enrollment, net %* .....	145	40.8
4.03 Business impact of tuberculosis .....	140	3.6
4.02 Malaria cases/100,000 pop.* .....	138	27,023.2
4.04 Tuberculosis cases/100,000 pop.* .....	133	299.0
4.07 Infant mortality, deaths/1,000 live births* .....	132	58.2
4.01 Business impact of malaria .....	129	3.4
4.08 Life expectancy, years* .....	127	56.7
4.09 Quality of primary education .....	123	2.8
4.05 Business impact of HIV/AIDS .....	107	4.5
4.06 HIV prevalence, % adult pop.* .....	107	1.0
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 253		

<b>Table 13. Higher education and training: Liberia</b>	Rank	Score
	<u>(out of 148)</u>	<u>(1–7)</u>
5.06 Internet access in schools .....	129	2.6
5.04 Quality of math and science education .....	125	2.9
5.01 Secondary education enrollment, gross %* .....	124	44.8
5.07 Availability of research and training services .....	123	3.4
5.05 Quality of management schools .....	117	3.5
5.08 Extent of staff training .....	101	3.7
5.03 Quality of the educational system .....	96	3.4
5.02 Tertiary education enrollment, gross %* .....	95	19.1
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 253		