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Review Article

Agricultural Industrialization: An Essential Policy for Economic Development in Liberia

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***Abstract* -** *The Liberian government's approach to achieving economic development is by leveraging foreign investors (concessionaires); international organizations, not ably the International Monetary Fund, the World Bank, and the European Union; and advanced countries, such as the United States, the United Kingdom, France, and Germany, to borrow funds and acquire grants for investment capital. These entities also lend their resources to maximize their long-term gains, for concession contracts, large land tracts, high investment returns, and control of Liberia's revenue generation system (receivership). This pattern has resulted in the extraction of Liberia's natural resources for raw material, enriched foreign investors, and allowed public officials to engage in rent-seeking for wealth, while a majority of the citizens are impoverished and the nation remains undeveloped. The Liberian government has implemented this policy since President Roye's administration in the 1870s, even though it keeps Liberia highly indebted to international entities. New policies are needed to transform Liberia's industrial structure, enhance its citizens' technical skills, and develop its economy. The government should be the primary investor in this industrial policy, promoting domestic firms by protecting, subsiding, and nurturing them to maturity. This initiative should be implemented immediately in the crucial agricultural sector to ignite economic growth and quickly followed up in other sectors.*

Keywords *- Agricultural Industrialization; Policy; Farming Households; International Organizations; Foreign Investors; Development; Economics; Debt; Donor; Aid; Lender; Firestone Plantation Company; Liberia; Traditional; Project; cultivation; Cash Crops, Rice;*

I. INTRODUCTION

Industrializing Liberia's agriculture sector is a critical beginning step to its economic growth. A large percent of Liberians is engaged in some form of agriculture activity, such as subsistence farming, animal husbandry, crude palm oil production, commercial farming, cocoa and coffee cultivation, artisanal fishery, industrial fishery, etc.

This accounts for some government employees, largely through the Ministry of Agriculture, and for commercial exploration of cash crops like cassava, rubber, cocoa, sugar cane, coffee, and palm oil through concession companies, local farming for sales, etc. Liberia Institute of Statistics and Geo-Information Services (2017) states that the "Agriculture sector is the main source of livelihood for approximately 80 percent of Liberia's population. The sector plays an integral role in Liberia's economic and social development as it contributes significantly to employment, food security, and household income" (p. 4). However, this critical sector of the nation's economy has been neglected for years.

Figure 1 reveals that in 2015 Liberia's total labor force was 1,455,340, and in 2019 it was 1,639,258. Employment in the agriculture sector in 2015 was 45.95% (668,728.73) and remained essentially the same, 45.81% (750,944.09), in 2019. These statistics indicate that agricultural industrialization is critical to the nation's growth and development. However, the chart shows that industrial employment outside of agriculture in 2015 was 11.49% (167,218.57) and in 2019 was 11.43% (187,367.19).

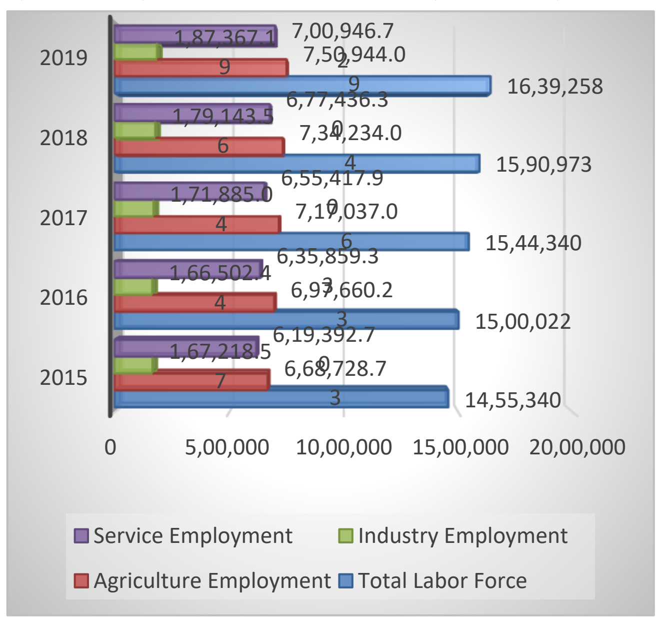

Fig .1 Liberia Labor Statistics from 2015 to 2019
Global Edge. (2020). Liberia: economy. Retrieved from https://globaledge.msu.edu/countries/liberia/economy.

This lack of priority for agriculture industrialization is exhibited by major initiatives in cash crop development being implemented by donor, aid, or loan programs like Lofa County Agriculture Development Project, Bong County Agriculture Development Project, and Liberia Cocoa and Coffee Corporation, entities mostly managed independent of government with minor oversight. This process has made Liberia's agriculture sector less modernized and thereby inefficient and unproductive, with little effect on economic growth. Most Liberian farmers still use basic tools like cutlass, ax, hoe, and knife for clearing bushes, falling trees, tailing solid, and harvesting crops, respectively. This method of cultivation makes it difficult for the nation to feed its growing population. The Demand Analysis Report--Republic of Liberia 2016 discussed this inefficiency in regard to rice sufficiency in Liberia's population:

Rice is the staple food with annual per capita consumption of 53 kilograms. According to estimates, 71% of farm families are involved in the cultivation of rice. The resumption of agricultural activities in post-conflict Liberia resulted in a sharp increase in rice production, from 85,000 tons in 2005 to 144,000 tons in 2007. Despite this 70% increase in domestic rice production, Liberia remains a net importer of this crop. Imports accounted for 60% of the 322,000 tons consumed in 2007, and the import bill doubled from about US$100 million in 2007 to approximately US$200 million in 2008 due largely to global food price increases (Demand Analysis Report-Republic of Liberia, 2019, p. 13).

Due to this onerous cost, Liberia's poverty reduction and economic policies should focus on improving agriculture industrialization (capacity, mechanization, managerial knowledge, etc.) along with minimization of public corruption.

The advancement of Liberia's agricultural sector immediately is crucial to igniting economic growth. However, the transformation of Liberia's entire industrial structure is also needed. This will lead to the creation of more permanent high-tech jobs for sustainable economic development in the country (Gobewole, 2016b).

II. METHODOLOGY

The need for enactment of an industrial policy for Liberia's agriculture sector is underscored by economic and survey data collected by the Liberia Institute of Statistical & Geo-Information Services, the Global Edge, the New Partnership for Africa's Development, Growth without Development by *Clower et al*., 1966, Liberia's Political Economy by *Gobewole*, 2016b, the Auditor General of Liberia, Bitter Canaan by *Johnson*, 1987, and the Government of the Republic of Liberia. These books, public agencies, and nongovernmental entities' reports provide information about tools (equipment) used by Liberian farming households, types of crops they grow, and counties suitable for cash crop cultivation. This information, in turn, is used to measure correlation among indicators of economic development policy, subsistence and cash crop productivity, mechanization of farmers' tasks (clearing, filling, planting, weeding, and harvesting), and suitability of counties for crop cultivation, specifically cash crops, to determine trends toward policy enactment while documenting the levels of agriculture industrialization. In addition, this statistical analysis allowed the study to exhibit the strengths or weaknesses of Liberian farmers' traditional methods and the need for transformation. The low level of cash crop productivity makes it necessary for the Liberian government to industrialize its agriculture sector. The figures collected were also used to create charts, graphs, and tables to assist readers to better understand the economic development policy and agriculture industrialization approach discussed in the study.

III. POLICY INITIATIVES

Liberiahas adopted a few policies important to enhancing productivity in the agriculture sector. The Economic Stabilization and Recovery Plan, Liberia's Agenda for Transformation, and the Liberia Rising Vision 2030 are policies geared to increasing small farmers' productivity, stabilizing the national economy, decreasing rice imports, achieving middle-income status for agricultural workers, increasing acreage of irrigated farms, and improving citizens' nutrition (Liberia: Desk Study of Extension and Advisory Services, 2017). The industrialization of Liberia's agricultural sector will efficiently enhance its processing of commodities and manufacturing skills while increasing cash crop export. This approach will create higher aggregate demand for agricultural products from the country, lead to permanent employment, improve living standards, and accomplish the policy objectives indicated above. In addition, industrializing agriculture will also replace vulnerable jobs with high-tech jobs, which will gradually develop Liberia's labor force technical skills. Gobewole (2016b) stated that "Liberia's farmers perform the labor-intensive work (their expertise) for lower pay and developed nation workers perform the technical or knowledge work (their expertise) for higher pay….To develop Liberia's economy requires a change in the existing system, which can be accomplished by implementing trade policies (tariffs, subsidies, tax levies, etc.) that protect local farmers' commodities and domestic agriculture manufactures' products against foreign competitors" (p. 99-100). The nation will still have barriers like unfair trade agreements and International Monetary Fund regiments, but it will be in a better position to ignite economic growth. Gobewole discussed some of the issues African nation nations encounter with trade agreements in his book Continental Impoverishment.

African small farmers do not have the leverage to sign and enforce fair futures contracts (price agreed when seeds are planted) with multinational corporations for their fruits, which makes them venerable to a surplus of similar products from farmers in advanced nations (Gobewole, 2016B). The lack of legally enforceable commitments, such as futures contracts, to purchase African farmers' commodities that demand years of labor to grow and harvest, despite the available quantities and current prices, create an unfair trade standard (Gobewole, 2018a, p. 63).

This is important because the resolution of Liberia's economic issues is partly predicated on proper execution of the fair and legally enforceable contract, starting with a focus on cash crop production and manufacturing of consumer goods. For example, Liberia's monetary problems, such as currency shortage, hyperinflation, and high unemployment, can be mostly minimized without implementing central banking tools like interest rate manipulation, reserve requirement control, and currency counter accessibility. Such tools, also known as or monetary policy, best address advanced economies' expansionary and recessionary issues because their fiscal policy (collection of revenues and taxes) and monetary policy (control of banking activities and currency in circulation) function appropriately. The institutions that implement those policies, such as the legislative appropriation committee and the Treasury Department's Federal Reserve Bank, are strong and operate effectively. Unfortunately, Liberia lacks such robust public institutions, and the majority of its population conducts financial transactions in the informal economy without using banks). Gobewole discussed Liberia's weak public institutions in his book *Liberia's Political Economy*.

This institutional weakness in Liberian society has led to a dysfunctional economy (market) that makes it difficult to establish credit, raise capital, acquire low-interest rates on domestic and foreign capital, and manage risks of the financial crisis, such as low employment, limited banking activities, and unsound money (Rodrik, 2007). This constraint on Liberia's economy can be minimized by government investment in a coordinated institution of home appraisals, land surveyors, tax assessors, title companies, probate courts, and regional registries of deeds to legitimize the properties of citizens.(Gobewole, 2016b, p. 117).

The current dysfunction makes public corruption perpetual among government officials while investigating missing monies and balancing the national budget are unattainable. These issues can be partly resolved by enhancing public institutional quality and industrialization of domestic sectors like agriculture, mineral extraction, and forestry (Gobewole, 2016b). The record shows that donors, aid, NGOs, and loans are financing critical initiatives, specifically agricultural projects, thatare expected to improve citizens' standard of living. However, this approach is gradually posing a political-economic systemic risk to Liberia's advancement because of its temporary nature. Indeed, the presence of risks is underscored by multiple protests against government holding of wages in arrears, currency shortages, high inflation, high unemployment, and missing monies. In one protest, participants complained of disruption to vital services; Koinyeneh (2019) stated that "[The] protesters explained that they had gone for medical treatment and routine check-up but were told that workers including nurses have laid down their tools in demand of salaries and arrears in solidarity with health workers" (p. 2).

In advanced economies like the United States, most citizens and businesses pay a variety of taxes on income, property, sales, inheritance, luxury goods, capital gains, etc. However, in natural resource-rich countries with poor economies like Liberia, most individuals and businesses do not pay taxes; Liberia's estimated tax receipt is approximately 40-50 percent. Such nations finance their government's operation and policy initiatives mostly through revenue from a natural resource, such as iron ore, gold, diamond, and oil; foreign aid; international organization programs such as the World Bank; and donor funds. Vulnerabilities like low resource prices, high rent-seeking, lesser government attention to non-taxpaying citizens, and lesser entrepreneurial initiatives lead to adverse economic effects, including low labor skills, high unemployment, and adherence to donor requirements. By contrast, a process that ignites and fosters innovation, invention, and industrialization, transforming more citizens into taxpayers by the industrialization of agricultural activities (specifically task mechanization, seed advancement, commodity process, manufacture food products, etc.) is a good strategy to create prosperity in Liberia. Nevertheless, government intervention, specifically the legislative enactment of an industrial policy, is necessary to make the Liberian government the primary investor in its citizen's well-being (Gobewole, 2016b). Foreign investors, donors, and non-governmental agencies can -temporarily provide economic relief but not sustainable development. Economic development is a goal Liberians will have to pursue themselves.

IV. ESSENTIAL PUBLIC AGENCY

The Liberian government needs to enact a policy intervention and design an agency with the primary responsibility (strategically focus) to transform the agriculture (cash crops) sector. This agency will begin with agriculture but also consider broadening into other areas, like natural resources (minerals) and technology (productive skills) sectors' industrial structure in its economy (Chang, 2014; Gobewole, 2016b). The entity's tasks will include automation of the traditional agrarian, mostly subsistence, economy to produce a modern agricultural economy through a provision of technical support (extension training, fertilize application, advanced seed, etc.), land use (irrigation, property ownership, crop type, etc.), farm equipment (power saws, tractors, grinders, etc.), storage facilities (mills, pumps, reservoirs, surface dryers, automated processors, etc.), and management concept (advanced process, effective procedure, modern system, efficient production, employee incentive, etc.). The Demand Analysis Report – Republic of Liberia (2016) stated that "As is the case with other agricultural sectors, farming equipment is in short supply. Technology and mechanization levels are very low. Other important supply-side weaknesses include an impoverished and outdated human capital base, and weak organization levels among sector stakeholders" (p. 37). These essential resources should be subsidized by the Liberian government until domestic firms, including farms, cooperatives, and private companies,can begin generating sufficient revenue to sustain themselves (Gobewole, 2016b).The new public agency should be included in Liberia's national budget and funded through legislative appropriation like other government ministries. Critical development cannot be left to nongovernmental organizations, donor agencies, or international partners.

The need for a development policy is great. Most farmers in Liberia continue to apply traditional methods of cultivation. Indeed, Figure 2 reveals that in 2016 87.2% of farming households used cutlasses, 96.5% hoes, 60.7% axes, 73.8% knives,1.0% power-saws, 0.1% tractors, 1.2% hand-power sprayers, and 0.5% mill-grinder for cultivating their farms.

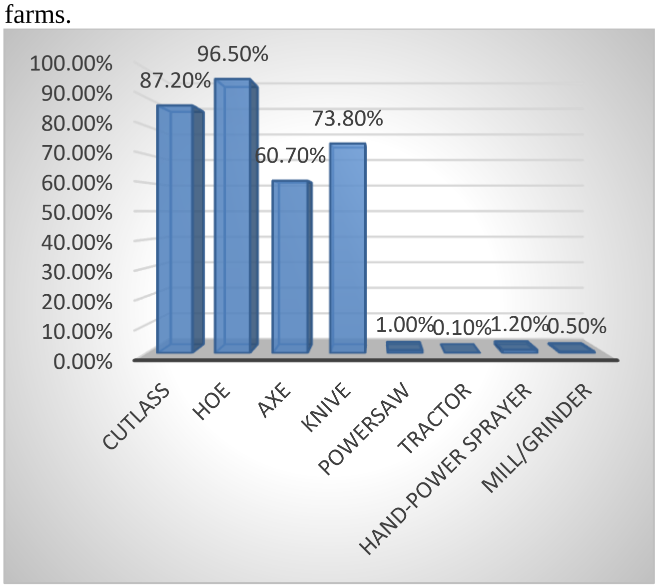

Fig. 2 Farming Households Cultivation Equipment Ownership in 2016

Liberia Institute of Statistics and Geo-Information Services.(2017). Liberia poverty assessment-statistical abstract. Retrieved from https://www.lisgis.net.

These agricultural tool statistics reveal the underpinning inefficiency, high unemployment rate, and poverty in Liberian society. Manual cultivation tools constrain farmers to subsistence farming and restrain their ability to produce rice in quantities to feed the population. Terneusen (2017) stated that "While agriculture is the biggest employer within the country, especially amongst women, its contribution to GDP has been shrinking… The majority of these farmers are into smallholder agriculture of a subsistence nature, which is characterized by low productivity" (p. 8).This is partly the reason Liberia is "dependent on other nations for 90% of its staple food (rice)" (Gobewole, 2016b), despite the predominance of agricultural labor.

Figure 3 reveals that 74% of Liberian farming households produced rice,74% cassava, 20% other tuber-roots, 60% vegetables, 33% cash crops, 34% corn, and 27% fruits. These products are geared to sustaining farming households with no surplus to sell to domestic consumers or markets.

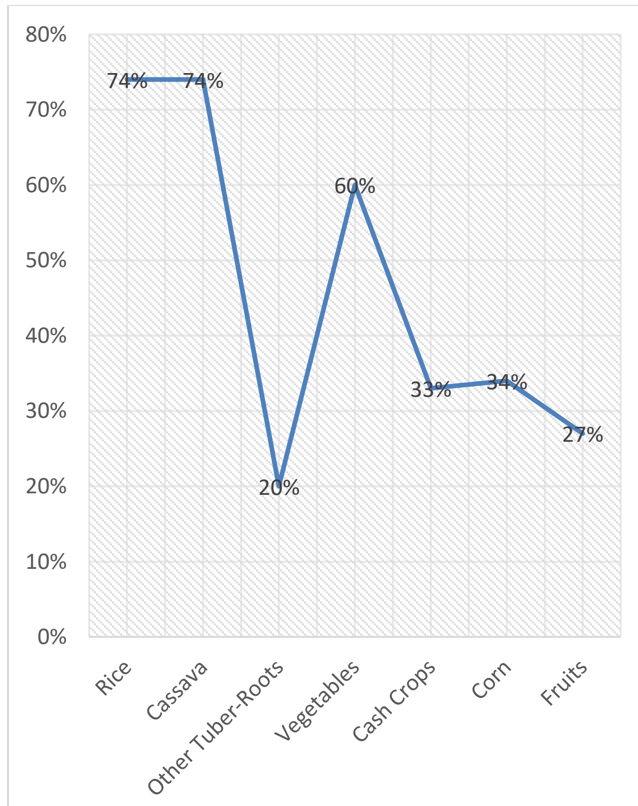

Fig. 3 Liberia Farming Households Crop Production in 2016

Liberia Institute of Statistics and Geo-Information Services.(2017). Liberia poverty assessment-statistical abstract. Retrieved from https://www.lisgis.net.

This subsistence trap makes automation of farming practices andagricultural industrialization critical to economic development in Liberia. An effective strategy needs to focus on Liberia's staple food, rice, for self-sufficiency and cash crop production to enhance consumer goods sales on the international markets. Such an approach would improve the foreign exchange rate, reduce the balance of the trade gap, and stabilize Liberia's fragile economy. If created by the legislative act, the agricultural entity's initial focus should be on areas of Liberia suitable for the cultivation of cash crops like cocoa, coffee, rubber, corn, and sugar cane. The Liberia Agriculture Investment Opportunities Brief (2013) stated that "Rubber, oil palm, cocoa, and coffee accounted for 22% of the GDP in 2005, and tree crops are a significant element of export earnings and employment" (p. 7).

Table 1. Cash Crops Production in 2016

County	Farming Households	Rubber	Oil Palm	Coffee	Cocoa	Sugar Cane
Bong	53,885	8083	164	0	1304	5265
Gbarpolu	7,459	449	38	0	454	174
Grand Gedeh	8,956	134	76	39	1281	18
Lofa	38,883	278	1485	10965	10421	1170
Nimba	74,658	21875	7690	3151	17097	8660
River Gee	5,741	185	41	0	855	175

Liberia Institute of Statistics and Geo-Information Services.(2017). Liberia poverty assessment-statistical abstract Retrieved from https://www.lisgis.net.

Table 1 reveals that farming households in Bong, Gbarpolu, Grand Gedeh, Lofa, Nimba, and River Gee counties total 189,582. These farmers are responsible for the majority of cash crops grown in Liberia. The table chronicles the number of rubber, oil palm, coffee, cocoa, and sugar cane farming households in each county, indicating the most suitable areas for cash crop production in Liberia.

This makes it essential that government focus on these six counties first for agriculture industrialization. The Demand Analysis Report – Republic of Liberia (2016) stated that "The cocoa group primarily grows well in interior counties with slightly higher altitudes, such as Grand Gedeh, River Gee, Lofa, and Gbarpolu" (p. 35). The creation of high-tech jobs in these lower populated countries would encourage unemployed citizens from densely populated Monrovia, the capital of Liberia, which attracts migrants searching for work, to counter that trend by moving. Crops grown in these six counties, once they are industrialized, can be processed into consumer goods and commodities that will attract hard currencies, such as the US Dollar and the Euro, to the Liberian markets.

However, the Liberian government should not implement its agricultural sector industrialization by depending on foreign investors and partners or as an afterthought, which risks extending the cycle of dependency. Many now affluent countries, notably the United Kingdom, the United States, Germany, Denmark, South Korea, and most recently China, have pulled their populations out of poverty using industrialization, but always through careful policy initiatives that included planning, budgeting, managing, implementing, etc. Chang (2008) stated that during these decades [of industrialization and high growth, Korea "nurture[d] certain new industries, selected by the government in consultation with the private sector, through tariff protection, subsidies and other forms of government support (e.g., overseas marketing information services provided by state export agency) until they 'grew up' enough to withstand international competition" (p. 14). The Liberian government needs to adopt such policies, simultaneously protecting its infant industries and subsidizing their growth.

This approach has already gradually begun through a government-initiated policy that focuses on the modernization of agricultural practices in some projects.If it had been implemented effectively, "Liberia's Agenda for Transformation 2012-2017" would have enhanced wealth creation, increased farmers' productivity, increased acreage of irrigation, decreased rice importation, improved citizens' nutrition, and engaged commercial (concessionaries) farmers. This policy also required the Ministry of Agriculture to provide technical support (research knowledge, extension services, etc.) to subsistence farmers (Sigman and Davis, 2017). The "Economic Stabilization and Recovery Plan which is instituted by the Liberian government and its development partners in 2015" is to place "Emphasis on developing the export sector, implementing Land Commission reform recommendations, further engaging the private sector, for smallholders specifically, increasing access to credit and promoting diversification" (Sigman and Davis,2017). Furthering this ambition, the "National Telecom & ICT Policy 2010-2015" is intended to enhance the exchange of information through "e-agriculture" among participants in farming communities (Sigman and Davis, 2017). These policies are attempting to improve Liberia's mechanization issue concurrently, but they amount to a duplication of effort and resources. This error has been made because the Liberian government is designing its agricultural policies to accommodate the agendas of donor agencies, non-governmental organizations, and aid providers (advanced countries), which call for specific cash crops, breeds of cocoa or coffee, etc. The government has been coerced into complying to receive much-needed funds. Gobewole discussed this international organization requirement for lending.

Specifically, the Bretton Wood Institutions (IMF and World Bank) mandate Structural Adjustment Programs for borrowing developing nations that require reducing the government's role, cutting their budgets, reducing regulation on international trade, and privatizing state enterprises, such as the Liberia Electricity Corporation, Liberia Water and Sewer Corporation, or Liberia Telecommunication Corporation (Chang, 2014). Implementing Structural Adjustment Programs in Sub-Saharan Africa between 1980 and 1990 revealed a tremendous reduction in economic growth (Gobewole, 2016b, p. 97).

Policies demanded by international banking institutions, rather than creating sustainable growth, actually lead to funding short-term projects that provide citizens temporary economic relief but create an uncomprehensive national industrial policy.

V. CURRENT AGRICULTURAL DEVELOPMENT STRATEGY

Currently, the Liberian government strategy for implementing its agricultural transformation policy, whether intended or not, is outsourcing it to donor agencies, non-governmental organizations, and aid-providing countries. For example, in the 1980s, the Lofa County Agricultural Development Project, the Bong County Agricultural Development Project, and the Liberia Cocoa and Coffee Corporation were World Bank and donor agencies funded programs that ended the civil war in 1989.

Table 2. International Organizations Participation in Liberia's Agricultural Development Initiatives

Year	**Agricultural Project**	**Commodity**	**Total Cost**	**County**	**Financing Entity**	**Percentage of International/ Government Of Liberia Financing**
1977	Bong County Agricultural Development Project	Cocoa, Coffee, and Rice	US$20.3 Million	Bong	International Development Association - US$7.0 Million, USAID - US$6.0 Million, and Government of Liberia - US$7.3 Million	64%/36%
2006	Project for Inland Swamp Rehabilitation and Development	Rice	US$7.0 Million	Grand Gedeh, Lofa, and River Gee	USAID, European Union, and African Development Bank - US$6.790; and Government of Liberia - US$210 Thousand	97%/3%
2012	Smallholder Tree Crops Revitalization Support Project	Cocoa and Coffee	US$24.95 Million	Lofa	International Fund for Agricultural Development - US$16.88 Million, Private Sector Exporter - US$5.13 Million, Beneficiaries - US$0.92 Million, and Government of Liberia - US$2.02 Million	92%/8%

Auditor General Liberia. (2018). Smallholder tree crops rehabilitation support project (STCRSP).Retrieved from https://www.operations.ifad.org.
Government of The Republic of Liberia. (2006). Project for inland swamp Rehabilitation and development. https://www.fao.org.
Report No. 1307a-LBR File Copy. (1977). Liberia: Bong county agricultural development project. Retrieved from https://www.documents.worldbank.org.

Table 2 reveals that agricultural projects initiated in Liberia are mostly financed by international organizations. The Bong County Agricultural Development, the Project for Inland Swamp Rehabilitation and Development, and the Smallholder Tree Crops Revitalization Support Project were all funded primarily by international organizations, 64%, 97%, and 92%, respectively. This financing arrangement makes it difficult for the Liberian government to control the agenda and implement a necessary industrial policy.

In other words, the nation's current economic situation does not prioritize industrial policy, although this needs to be a primary focus if Liberia is going to create sustainable employment, poverty reduction, and economic development. The potential for success is high due to existing opportunities in the agricultural sector. Sigman and Davis (2017) stated that "The country has the soil, rainfall, and climate suitable for very productive agriculture (Fintrac 2015a). Agriculture plays a key role in the economy, with smallholder agriculture dominating although increasingly there are large-scale commercial farms and concessions" (p. 13).A legislative appropriation for modernization of the agriculture sector is needed to train, automate, and mechanize farming practices. In other words, a consolidated investment in agriculture will jump-start Liberia's economic growth. The goal is to enactan agricultural policy that transforms the sector's structure and productivity. However, Liberia's corruption dilemma leads governments to forgo foreign assistance, making it difficult to find an industrial policy.

VI. INTERNATIONAL PARTNER

Most Liberians, citizens as well as economists and public officials, appreciate the International Monetary Fund's recent approval and disbursement of a US$213.6 million dollars loan. The organization approved "a four-year arrangement under the External Credit Facility (ECF) for Liberia in an amount equivalent to SDR 155 million (60 percent of quota or about US$ 213.6 million) to help the country restore macroeconomic stability, provide a foundation for sustainable growth, and address weaknesses in governance" (International Monetary Fund, 2019). The resources provide necessary release during the current difficult economic period, with an a30% exchange rate depreciation, high inflation, and subdued growth (International Monetary Fund, 2019). However, it is critical to assess what Liberia is giving away for such credit, now and over the years, to the IMF, the World Bank, USAID, the EU, and other international organizations. This arrangement mandates Liberia to continue structural adjustments. For the IMF, "The recent upfront fiscal tightening is welcome. To preserve the gains and to maintain budget credibility, it is important that the recently instituted set of fiscal controls is fully implemented. Moreover, strengthening tax policy and administration over the program period is critical to ensure that the public sector can operate effectively" (International Monetary Fund, 2019). The program period is four years, but Liberia has a weak tax enforcement regime, public corruption is perpetual, and the rule of law is weak (Gobewole, 2015). However, the International Monetary Fund anticipates that "Structural reforms aimed at improving governance will help reduce vulnerabilitiesto corruption and promote private-sector-led growth" (International Monetary Fund, 2019). This four-year arrangement appears extremely aggressive for an endemic corrupted nation like Liberia. The government might need a realistic time frame, at least ten years, to resolve corruption cases from the previous administration, Johnson Sirleaf, Taylor, and Doe, among others.Given that corrupt practices continue underthe current George Weah administration, more time and reform is neededto accomplish the International Monetary Fund's proposed goals. A staff writer at Heritage News (2019) stated that "Cllr. Kofa pointed out that the nation is experiencing serious difficulties as it relates to the prosecution of corruption cases, asserting that the country over the years is not noted for winning many corruption cases" (p. 1). This haphazard strategy creates a reminder of Liberia's economic dysfunction during its previous participation in an International Monetary Fund program. Easterly (2006) stated that "Liberia spent 77 percent of the period 1963-1985 in an IMF program, before finally collapsing into anarchy after 1985" (p. 218).

To make matters worse, the government is maintaining a long history of signing unfair trade agreements. This has weakened Liberia's ability to implement policies that address its real economic issues like replacing vulnerable jobs with permanent employment,a transformation that accords when a nation industrializes its economy (Gobewole, 2018a). The Liberian government should begin this process in its crucial agricultural sector to leverage the most opportunity.

A. Foreign Investment Effect (Donor, Aid, and Lender Nation)

Liberia's Ministry of Information, Cultural Affairs and Tourism "Press Release" of December 19, 2019, indicates that the country's acceptance into the International Monetary Fund External Credit Facility Program, the European Union Budget Support Program, and the African Development Bank's Anti-Money Laundering Standard all exhibit the normal method of policy initiatives by the government. These programs will direct USD$213.6 million, EUR$5.75 million, and USD$ 4 million to Liberia's economy, respectively. However, the government does not have access to these resources at will because they are earmarked for specific purposes (as indicated above) by the donors. This phenomenon makes it challenging for the Liberian government to use an aid or donated funds for process automation in farm cultivation and industrialization of critical sectors (agricultural, mineral, fishery, forestry, etc.) in its economy. However, defaulting to foreign preferences has been Liberia's economic policy for years. The nation has grown accustomed to dependence on international organizations, donor agencies, foreign aid, and loans from advanced countries to finance its government operations,even though the funds come with strings attached.Specifically, the acquisition of loans from international organizations at times results in the Liberian government negotiating its customs duty, revenues, royalties, and tax generation methods to the receivership of foreign countries.

Liberian governments have been following this economic policy since President Roye's administration in the 1870s, asGobewole discussed:

Its weak economic system encouraged the Liberian government to depend on borrowing funds from other nations to maintain operations. The practice began with Liberia's first loan of $500,000, discounted at 30 percent, at an interest rate of seven percent, and for a payment term of 15 years from Britain in 1871 (Liebenow, 1986; Pham, 2004; Sawyer, 1992). In other words, the government was responsible for paying back $600,000 by 1886 for an actual loan of $245,000, which Liberia's economic position made impossible (Gobewole, 2016b, p. 81).

The acquisition of this initial loan placed Liberia on a continuous path of borrowing new or renegotiating old loansfrom foreign governments and investors to manage its affairs. Table 3 chronicles the Liberian government's borrowing practices for development since 1871.

Table 3. Liberia Debt Agreements

Year	Loan Contract Deal	Total Loan Amount	Interest Rate	Term of Payment	Lender Nation
1871	borrowed $500,000, discounted at 30 percent, for an actual loan of $245,000	$600,000	7%	15 years	Britain
1898	renegotiated the 1871 loan and committed to $375,000	$480,000	N/A	N/A	N/A
1904	consolidated the loan to $800,000, with $480,000 being the 1871 loan	$800,000	25-30%	N/A	N/A
1906	took on an additional loan of $500,000	$1,289,570	N/A	N/A	N/A
1912	consolidated the existing loan of $1,289,570 into a new loan for $1,700,000	$1,700,000	10%	40 years	America, Britain, France, and Germany
1914 - First World War	Britain, France, and Germany withdrew their participation, leaving America as the lone sponsor of the debt	N/A	N/A	N/A	America
1926	secured $5,000,000 loan, with a redemption requirement of $1,185,200 for the 1912 loan. The debt was securitized into bonds issued by Finance Corporation of America	$2,500,000	7%	40 years	Firestone Company
1937 and 1939	amended the 1926 loan with supplemental agreements, lowering the interest rate to four percent until 1950 and five percent until the payoff year of 1966	N/A	4% until 1950 then 5% until 1966	N/A	N/A

Clower, R. W., Dalton, G., Harwitz, M., & Walters, A. A. (1966).*Growth without development: an economic survey of Liberia.* Evanston, IL: Northwestern University Press. Johnson, C. S. (1987). *Bitter Canaan: The story of the negro republic.* New Brunswick, NJ: Transaction Books. Liebenow, J. G. (1987). *Liberia: The quest for democracy*. Bloomington, Indiana: Indiana University Press. Pham, J. (2004). *Liberia: Portrait of a failed state*. New York, New York: Reed Press.

The retirement of Liberia's loans and balancing of its budget in 1966 was made possible by an enormous growth of concession contracts with foreign investors,even though the country experienced no development from such arrangements. For example, "The rate of expansion of the economy of Liberia during the decade preceding 1961 surpassed that of almost any other country in the world" (Clower et al., 1966). However, it was just a matter of time for public corruption, including bribery, rent-seeking, and nepotism, to weaken Liberia's critical institutions (the rule of law, state authority, democratic accountability, and independent press) and place it in debt again. Gobewole (2016b) stated that "This situation has fostered poverty among Liberians even though the nation has a fair number of educated citizens at home and abroad and abundant natural resources" (p. 108). This combination of dependence, corruption, and poverty compelled international organizations to classify Liberia as a Heavily Indebted Poor Country in 2010 (Leo, 2010). Gobewole discussed Liberia's indebtedness:

Despite Liberia's experience of total public debt relief of US$ 4.5 billion in 2010, the country had accumulated a new debt burden of 66.6 million (and raising) in 2014 and has reported a budget deficit every year since its debt was relieved, while it reports average economic growth of 3.2% annually indicates a fiscal policy issue (Daily Observer, 2014; Leo, 2010). This problem can be attributed to mismanagement of public resources and gross administrative incompetence (Gobewole, 2016b, p. 110).

The mindset of the majority of Liberians, notably government officials, that foreign investors, non-governmental organizations, and donor agencies can advance their country's economy is not a sustainable approach. There is no individual, entity, or foreign country that has a vested interest in making other people or companies wealthier than themselves, even if they are willing to help occasionally during economic crises, natural disasters, pandemics, or civil wars.

VII. FIRESTONE PLANTATION COMPANY

The country's oldest foreign investor, the Firestone Plantation Company, came to Liberia in 1926, acquired a million acres of land for 99 years to grow rubber, produced millions of pounds of latex, and exported it to the United States for tire production. However, the company failed to fully automate rubber cultivation and industrialize latex production, there by conditioning a majority of its employees to labor-intensive instead of high-tech jobs. In other words, the concession agreement with Firestone Plantation Company, a foreign investor, created manual jobs such as rubber tappers for many Liberians. However, Firestone has been profiting enormously since the acquisition. Gobewole discussed the enormous profits foreign investors (concessionaires) have acquired from Liberia's economy:

The exploitation of tribal communities' wealth, specifically iron ore and rubber, by Liberia's two oldest concessionaires becomes vivid when you see that Firestone Tire and Rubber Company invested only 30 million dollars and earned a profit of approximately 66 million dollars (after-tax) in five years of initial operation, while the Liberia Mining Company, owned by Lansdell K. Christie, invested ten million dollars and earned a return of 11 million (after paying royalties) in three years of initial operation (Clower et al., 1966; Kraaij, 1983). The foreign investors (concessionaires) accumulated such a profit because they benefited from tribal people forced to labor for them, they paid low rent for tribal land, they acquired high prices for extracted commodities, and they negotiated their contracts with corrupt-incompetent public officials (Gobewole, 2016b, p. 91).

A company like Firestone Plantation that has benefited handsomely from Liberia should be willing to assist in transforming its industrial structure. Instead, most recently, Firestone Plantation Company has underscored the argument that "The Liberian government should be the primary investor in its nation's economic transformation" (Gobewole, 2016b). Paquette (2019) stated that

Firestone's farm sprawls across 119,000 acres and is billed as the largest contiguous rubber plantation on Earth. Milky white latex from rows of *Heveabrasiliensis* trees drips into red buckets. Tens of thousands of people live on and around these grounds, including about 5,400 workers, down from approximately 8,500 five years ago. The company has given 568 employees the pink slip since March, with hundreds more dismissals expected as it reduces staff. Firestone's parent company blames a "severe business climate" in which the value of rubber – used to make tires, hoses, roofing, gloves, and condoms – has plummeted 80 percent since its 2011 peak (p. 1).

Rubber is used to make consumer products that could have been manufactured in Liberia if it had a robust industrial infrastructure.Years of corruption and outside influence mean that Liberia remains a source of raw materials to be exploited by others.

Nations advance or develop economically by implementing industrial, manufactural, technological, and other policies that enhance their citizens' skills, create permanent jobs, and transform their industrial structure. Gobewole suggests a policy prescription for economic transformation.

Government policies must be formulated to promulgate a knowledge economy. The necessary learning is best acquired when the workforce is employed in designing, manufacturing, producing, or assembling functions, which give them hands-on experience (learning-by-doing) (Stiglitz et al., 2015). The acquisition and diffusion of such knowledge among citizens and firms arearethe underpinnings for creating and igniting entrepreneurial initiatives, fostering economic growth, and sustaining development in Africa. Such a manufacturing or production process can begin with African governments building factories that useiron ore to manufacture steel, latex to produce plastic goods, and fruits to produce juices (Gobewole, 2018a, p. 68).

Liberia, like much of Africa, needs to develop its own knowledge and manufacturing economy, but foreign influence continues to stymie this.

VIII. CONCLUSION

The Liberian farming households' lack of adequate mechanization, extension support, and government financing has compelled them to cultivate crops for mostly domestic consumption (subsistence), leaving a low level of cash crops for international trade. Instead, Liberia provides the raw material for advanced countries. In addition, the Liberian government's dependence on foreign investors, donor agencies, and international organizations for funding and managing agricultural initiatives has minimized its ability to control the development and industrialization of the agricultural sector. This situation has made it difficult for smallholders, including private and commercial farmers, to produce a high volume of rice, cassava, and other cash crops, process these into consumer products, and demand competitive prices. The resulting under development is hindering Liberia's economy, particularly because a large percentage of its population work in the agriculture sector. The World Bank indicates that 74.7% of Liberians lived on less than $ 3.20 a day in 2018. In addition, Credit Suisse Research Institute reported a Liberian employment rate of 15% and an unemployment rate of 85% in 2017.

The Liberian government needs to up end this approach by aggressively enacting legislation that requires the mechanization of farmers' tasks and industrialization of the agricultural sector. This will enhance crop productivity and allow Liberia's agriculture commodities to trade equitably on the global market, as well as reducing the country's trade inequity, reducing the population's staple food import, and lowering citizens' poverty level, based on international organization figures. Such a policy would ensure subsidies for farmers (infant domestic firms), protect their commodities (cash crops) until they mature, and enable Liberia to collaborate with neighboring nations and negotiate fair trade agreements with advanced countries. In discussing developing nations benefits from implementing infant industries, Stiglitz and Greenwald (2015) state that "Through protectionism, they may lose in the short-run (although in the case of subsidies, consumers may gain even in the short run), but in the long run, the country gains from the learning spillovers, and the country may even be able to seize a fraction of the producer rents that accrue to foreign producers as a result of imperfection of competition" (p. 182-183).This is the kind of policy that will transform Liberia's industrial structure--which should begin with the agricultural sector--and counteract centuries of colonization, underdevelopment, corruption, and foreign exploitation.

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