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Economic Policies and Quality of Road Infrastructure in African Countries

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Abstract

The relevance of infrastructure in national development cannot be over emphasized; they are facilitators and provided for the needed ease in encouraging and attracting investment both at home and abroad. Road investment which is one of them, road transport investments can be very large and transformative in their nature, leading to accompanying structural change (that is, the movement out of agriculture into industries and services). They may be needed to accompany the

fast pace of urban growth currently occurring in Africa and Asia. In low- and middle-income countries alike, the current potential for transport policies to boost sustainable and inclusive growth appears to be large. This is especially the case given significant backlogs of transport infrastructure investment in both rural and urban areas, weak governance and inadequate regulations in the transport sector, and rising social costs in terms of congestion, pollution and accidents, especially in emerging large cities .This is why they author using secondary data, showed the importance of economic policy and its effects on quality of transport infrastructure in Africa and recommended policies or ways of improving road infrastructure in Africa. Along four areas, policies that makes roads as one of the instrument of poverty reduction, policies that makes road infrastructure investment as one of the instrument that facilitates economic growth, economic policies that makes road quality as instrument of regional development in a country on in the continent, economic policies of quality of road infrastructure that helps in regional integration.

Keywords: Infrastructure, Road, policies, transport, government, public, investment.

1.0 Introduction

Infrastructure in general seen as the basic physical and organizational structures and facilities (e.g. buildings, health, education and town halls, museums), roads, power supplies) needed for the operation of a society or enterprise. When government provided for these utilities they now become public infrastructure. Public infrastructure are physical installations such as highways and roads, airports, telecommunication facilities, water supply systems, electricity, waste treatment facilities and the like , is believed to provide services that form a part of residents' consumption bundles and augments capital and labor as an input in the production process (Ayogu, 2007).The importance of transportation of national development cannot be over

emphasized , Transport investments can be very large and transformative in their nature, leading or accompanying structural change (that is, the movement out of agriculture into industries and services). They may be needed to accompany the fast pace of urban growth currently occurring in Africa and Asia.

There three key areas of transport policy, infrastructure investments, price instruments, and regulations. Investments entail building new transport infrastructure (for example roads, railways, or airports), upgrading existing links and technology, or improving transport services. Price incentives include subsidies or taxes to influence mode choice and transport behaviour more generally (for example, student fare reductions, tolls, parking fares, fuel taxes, and clean transport subsidies). Regulations include rules to directly reduce emissions (such as fuel emission standards, or driving restrictions) or to organise the transport sector (for example, freight, taxis or buses) or the construction of infrastructure. Some policy interventions may affect supply, such as infrastructure investments, whereas others target demand, as do t ransport subsidies.

In low- and middle-income countries alike, Sub Saharan Africa especially the current potential for transport policies to boost sustainable and inclusive growth appears to be much. This is so because the case given significant backlogs of transport infrastructure investment in both rural and urban areas, poor governance and insufficient regulations in the transport sector, and increasing social costs in terms of congestion, pollution and accidents, especially in emerging large cities.

This is why this paper Economic policies and quality of road Infrastructure in African countries serve as one of the important ways of solving quality of road infrastructure affecting Africa in terms of economic policies.

The paper is divided into seven sections, section one is the introduction, section two is the research questions, this is follow by the research objectives in section three, section four is the conceptual review and followed by the theoretical review section five and section six is the importance and problems of economic policies and qualities of road in sub-Saharan Africa .Section seven proffer solutions as regard to our policies and qualities of road infrastructure in Africa.

1.1Research question

This is research or paper seeks to answer the following questions.

How important is quality of road infrastructure is to national development or to the development of Africa

What are the problems confronting economic policies as they affect the qualities of road infrastructure

How effective use of economic policies can affects the quality of road infrastructure in Africa

1.1.2Objectives of the paper

The main objectives of this paper are to examine how economic policies in Africa have affected the qualities of road infrastructure in the continent.

To recommend policies that will improve the qualities of our road infrastructures.

Conceptual review

1.1.3 An **cost-effective policy** is a course of action that is projected to influence or organize the activities of the economy. Economic policies are usually done and put in place by the government. Examples of such policies include changes made about government spending and taxation, about the relocation of income from rich to poor, and about the supply of money. The success of economic policies can be assessed in one of two ways, known as **encouraging (can be proven)** and **normative (value judgment)** economics.

Also Free dictionary online define economic Policy the strategies and measures adopted by the government to manage the economy as a means of achieving its economic objectives. According to Dr Rodriguez et,al (2016) ``Transport policy deals with the development of a set of constructs and propositions that are established to achieve particular objectives relating to social, profitable and ecological development, and the execution and performance of the transport system. Goal of transport policy is to make successful actions concerning the allocation of transport assets, including the management and regulation of existing transportation activities''.

1.1.4 Theoretical review

Access to infrastructure provision, helps human improvement, and betters quality of life through improved productivity and sustainable economic growth (Sanchez- Robles, 1998; Egert, Kozluk, and Sutherland, 2009; Ajakaiye and Ncube, 2010). Specifically, public/economic infrastructure provisioning may augment trade and commerce (Mbaku, 2013) and play an important role in alleviating poverty and inequality (Ndulu, 2006; World Bank, 2006).

Road transportation infrastructure has been recognized by many scholars in recent years not only as an important economic growth facilitator, but also as the backbone of economic development activities for many industrialized countries (Bagchi & Pradhan, 2013; Lakshmanan, 2011; Smith, 1880; Weber, 1928). In a many literatures, writers have emphasized the relationship between transportation infrastructure investments and a society's political, social, and economic development (Akhmetzhanoy & Lustoy, 2013; Rashidi & Samimi, 2012; Rostow, 1962). Additionally or specifically, road infrastructure investments constitute important political, economic, and social processes that increase the riches and power of a country, enlarge markets, and lower trade barriers. This leads to increases in productivity outputs and to improvements in mobility and standard of living for the masses (Kustepeli et al., 2012; Njoh, 2012).

Investment in road transportation infrastructure has long been considered a subset or component of the capital representing the basic foundation that underpins all production functions. Historically, shipping volumes of raw materials to the factory and finished goods to the market in a timely manner depend on the availability and quality of the rural transportation infrastructure system, mainly in the form of roads traveled by trucks and automobiles (Adler & Polsky, 2010; Haghshenas & Vaziri, 2012; Prud'homme, 2005; Shafik, 2005; Tukker & Dietzenbacher, 2013)

Many researchers agree that relationships between transportation infrastructure investment and economic growth must take into account a multidimensional framework that considers GDP, population size, degree of urbanization, traffic density, level of economic development, and road infrastructure.

1.1.5 Problems of Economic policies and the qualities of our road infrastructure

The United Nations Development Programme (2009) described Nigeria's road networks as the worst and among the deadliest in the world. The United Nations Development Programme and the World Bank (WB) data show that Nigeria has a very poor transportation infrastructure system and has one of the lowest records of economic development (William A. 2016)

One of the problems of economic policies and the qualities of road Infrastructures is that they are characterized by high costs and sub-optimal services. With international transport costs estimated at 12.6% of the delivered value of exports, African countries pay more than twice the world average of 6.1%9. Key factors that contribute higher transport costs include low productivity of the trucking industry mainly due to infrastructure constraints, low competition between service providers, and weak logistics infrastructure (César Calderón and Luis Servén 2008)

Transport sector development prospects are beset by a n umber of emerging realities such as accelerating urbanization and climate change. Economic growth has resulted in a rapid increase in vehicular traffic, which in turn has brought about crippling urban congestion. These negative spin-offs are a reflection of the inadequacy of policy frameworks, and a weak capacity to manage

the environmental, social and safety risks of motorization. Climate change characterized by extreme weather events has disrupted transport operations in Africa. At the same time, rapid urbanization and growing motorization rates will increase Africa's contribution to greenhouse gas emissions.

Inadequate human resources capacity: In most countries, there are too few qualified technical resources. This is generally the case across all transport sector departments but is most acute within road sector departments. One reason for this is the relatively low public sector wages compared to the private sector. Another is the lack of proper human resource management including the staff recruitment and selection process, career development and provision of training for government staff. Also compounding the human resources challenge is the high mobility potential for skilled government workers and managers with technical back grounds especially following the road sector reforms and the creation of new road sector agencies that were better positioned as employers. Even for those who remain within government, mobility from one agency to another reduces corporate memory, leading to inconsistency in ownership and in application of policies that have a longer-term time horizon.

Affordability of transport strategies: Transport sector strategies for the most part are either underfunded or not financially sustainable. The cost of addressing African transport infrastructure development, operation and maintenance needs has been estimated at about US$20 billion annually, representing about 3% of its GDP. If ODA from OECD countries is excluded, the total annual is spending amounts to about US$14 billion or 2.1 percent of GDP15. In almost all cases, external funding from donors is necessary to support transport sector spending.

Among countries included in the review, the share of external funding support as a share of all transport sector spending ranged from 30% to 80%. Notably, the share of external funding support among the countries included in the review is significantly greater in Francophone countries than Anglophone ones. External support notwithstanding, countries included in the

review indicated that funding was inadequate or insufficient to effectively implement transport policy objectives.

Inadequate prioritization framework: Institutional and policy deficiencies continue to hamper the effectiveness of investments. Most countries do not have a well established investment prioritization framework. Often, the process for prioritizing transport sector investments (in the road sector in particular) appears to be somewhat politically or donor-driven, rather than anchored in national objectives and priorities. The absence of such instruments creates substantial discretion in planning and funding decisions thus influencing the distribution of resources.

Transport sector policy performance monitoring and evaluation (M&E) is generally poor or non-existent in SSA. Rarely are M&E results used for a systematic approach to reviewing performance. This finding is consistent across all countries included in the Review. At best, M&E is done in an ad hoc manner, for example by consultants in a specific study, and is often related to external project funding conditions. Some countries are at the early stages of developing M&E processes, but these are for the most part not yet established or formalized. When M&E exists,

it is also largely focused on out puts (e.g. kilometers of road constructed) rather than on performance and outcomes and even less on i mpacts Countries do no t have an established process for monitoring and evaluating transport policy performance with respect to poverty-reduction, economic growth, and most cross-cutting themes including HIV/AIDS, gender equality and environment (tracking road safety statistics is a notable exception although serious weaknesses are also found in that area). This is a weakness of the transport sector compared to other sectors such as education and health, which are better equipped to monitor their impact. There does not appear to be significant interest in the transport sector for M&E of these aspects

at the country level. It must be recognized though that monitoring of these transport externalities would be difficult.

1.1.7 The importance of transport policies

According to Rodriguez et,al (2016) Transport policies arise because of the importance of transport in virtually every aspect of economic, social and political activities of nation states. Transport is taken by governments of all inclination, from those that are interventionalist to the most liberal, as a vital factor in economic development. Transport is seen as a key mechanism in promoting, developing and shaping the national economy.

Transport frequently is an issue in national security. Policies are developed to establish sovereignty or to ensure control over national space and borders. Security was at the heart of the more recent impositions regarding passengers or freight clearance taking place at the port of departure in for instance U.S, in addition to conventional clearance occurring at the port of entry

Transport policy is meant for public safety. Transport raises many questions about public safety and the environment. Issues of public safety have for a long time led to the development of policies requiring driving licenses, limiting the hours of work of drivers, imposing equipment standards, establishing speed limits, mandating highway codes, seat belts and other accident controls. More recently, environmental standards and control measures are being instituted, in response to the growing awareness of the environmental impacts of transport. Examples include banning leaded gasoline and mandating catalytic converters in automobiles.

Transport policy has been developed to prevent or control the inherent monopolistic tendency of many transport modes. Unrestrained competition commonly leads to market dominance by a company thereby achieving monopoly power. Such dominance brings into question many issues affecting the public interest such as access (smaller actors prevented to access infrastructure),

availability (smaller markers being less service or services being discontinued) and price (the monopolist being in a position to charge high prices).

Other reasons for policy intervention include the desire to limit foreign ownership of such a vital industry for concerns that the system would be sidetracked to service more foreign than national interests. For example, the United States limits the amount of foreign ownership of its domestic airlines to a maximum of 49%, with a maximum of 25% control. Other countries have similar restrictions.

1.1.8 Economic policies aim at tackling road infrastructure qualities in Africa.

There are three broad types of transport policies: infrastructure investments, price instruments, and regulations.

(i)Investments entail making policies that helps in building new transport infrastructure (for example roads, railways, or airports), upgrading existing links and technology, or improving transport services.

(ii)Price incentives include making policies that create cheaper transport through subsidies or taxes to influence mode choice and transport behavior more generally (for example, student fare reductions, tolls, parking fares, fuel taxes, and clean transport subsidies).

(iii)Regulations include making or rules or policies to directly reduce emissions (such as fuel emission standards, or driving restrictions) or to organize the transport sector (for example, freight, taxis or buses) or the construction of infrastructure.

Some policy interventions may affect supply, such as infrastructure investments, whereas others target demand, as do transport subsidies

(iv)However economic policies aim at tackling road infrastructure qualities in Africa should tailored in these four areas, Infrastructure Investment in Relation to Poverty Alleviation,

Infrastructure Investment in Relation to Economic Growth, Infrastructure Investment in Relation to Regional Development, and Infrastructure Investment in Relation to Developing Countries.

Africa needs to develop a comprehensive road and transportation infrastructure development strategy that involves citizens as stakeholders in both the development of the strategy itself and in the monitoring of its usefulness for enhancing sustainable economic development.

(v)The uncoordinated and corrupt current practices of planning and funding roads and transportation infrastructures could be resolve through legislation. This could include establishing oversight agencies whose funding is based on c itizen input and continued participation from prioritization through regular maintenance. Without good anti-corruption legislation at all three levels—local, state, and national—and without adequate checks and balances between the executive and judicial arms of government, the corrupt practices that hinder the successful implementation of roads and transportation infrastructure development in a rich country such as Nigeria will continue to undermine the country's economic and sociopolitical growth potential.

(iv) The model and implementation of contract awards need to be revamped and independent oversight bodies or agencies tasked with review and suspension-of-award powers. These powers must be backed by the judiciary to ensure that corrupt practices are dealt with through the courts. In time, as politically-motivated awards are brought before the courts by citizens using well-thought-out legislative statutes as authorities, the modus operandi of today may begin to subside.

(iiv)The current status, in which citizens who are primary stakeholders have no choice or monitoring authority concerning which roads get constructed or fixed, must cease and new models must be enacted if Africa hopes to develop its considerable economic potential.

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