

Economic analysis of factors affecting road maintenance in Tanzania

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This study examines the short run and long run relationships between road maintenance financing gap, road maintenance expenditure, overloading charges, fuel Levy and transit fee. Using the bound test approach to counteraction and error correction model developed within an autoregressive distributed lag (ARDL) framework, this study investigate whether a long run equilibrium relationship exists between road maintenance financing gap, revenue sources, and road maintenance expenditure. The study employed monthly time series data collected between 2012/13 and 2015/16, using the secondary data on road maintenance financing gap, fuel levy, overloading charges, road maintenance expenditure and transit fees. The study results indicate that there is short run and long run relationship for all variables except that Transit Fee found to be insignificant for long run and short. The results suggest that in order to maintain road quality the government should increase overloading charges as a way of discouraging transiting of heavy and abnormal loads. Such policy decision will help to avoid effect of heavy and abnormal loads on road infrastructure especially by reducing rehabilitation and maintenance costs. Moreover, laws and regulations on axle load control should be adhered so as to minimize road damage.