

THE IMPACT OF BUSINESS ON MALI 'S NATIONAL ECONOMY

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Abstract

Background/objectives: This study highlights the benefit of business as generator of economic development. Employment, business employees continuing training, business innovation, customer satisfaction, corporate social concern have impact on national economic development. The recommendations should be used as guideline for Malian companies' managers and political leaders.

Methods/statistical analysis: The quantitative and qualitative methods, primary data collected by survey method (telephone interviews, personal interview, questionnaire and mails interviews are used.) secondary data are gotten from articles, journals, internal secondary data generated within the organization, government external secondary sources, private external sources and online resources. The research framework was analyzed using multiple regression models. Hypothesis test is adopted to accept or reject the hypothesis formulated in this research. Excel software has been used to perform the test, the measures of p-value, correlation coefficient, coefficient of determination.

Findings: The research findings confirmed that: employment, training, innovation, customer satisfaction, and social concern have impact on national economy. The results suggest that business have significant impact on national economy. This model can be used by other business to boost national economy. Through the use of this model, areas requiring urgent improvement are quickly identified.

Improvements/applications:

Large companies must contribute against unemployment and exclusion by substantial investment in knowledge and know-how. They must influence customer needs and lifestyles through their new products, their advertising and their marketing. Companies must feel civically responsible with regard to environmental problems.

Keywords: Employment, training, innovation, customers, social concerns, multiple regression.

1 INTRODUCTION

The globalization and interdependence of economies have favoured the vulnerability of economies on the national scale. In recent years, the problem of job losses has been crucial: workforce reductions, layoffs and failures due to progress in productivity, restrictions on relocation and unfavourable economic conditions have multiplied. The recent past has highlighted the risks linked to certain activities (oil spills, pollution of waterways, dangerous releases into the atmosphere of polluting products). The negative effects of the use of certain products appear today very clearly (asbestos, nitrates, lead-containing fuel). Mali is a vast Sahelian country with a low-income economy that is poorly diversified and exposed to fluctuations in commodity prices. In Mali, business is experiencing difficulties and the search for solutions allowing business to contribute to economic development is no longer an option but a necessity..). *Business comprises all profit-seeking activities and enterprises* that provide goods and services necessary to economic system (Patricia Chicholme and John Daly .1999). A national economy is the *production, distribution and trade, consumption of goods and services* by different agents of a nation (<https://dictionary.cambridge.org>).

How can the interests of the business and the general economical policy of the country converge?

1.1 STATEMENT OF THE PROBLEM

Based on the literature review, informal discussions with businessmen, and research objectives, the research questions were proposed. They are listed as follows::

Question1: How does the business contribute to national economy?

Research Question 2: What kind of theoretical model of the impact of business on national economy to guide Malian businessmen?

Question 3: How does the theoretical model of the business impact on national economy can be demonstrated in practice?

Question4: What is the extent of the relationship between business and national economy?

1.2 OBJECTIVES OF THE STUDY

The general objective of this research is to highlight the benefit of business in the national economic development.

Specific objectives :

specific objective 1 : To demonstrate how businesses contribute to the national economy.

Specific objective2 :To develop a theoretical model of the impact of business on national economy to guide Malian businessmen.

Specific objective 3: To test the hypotheses relating to the impact of the contribution of business to the economy of Mali.

1.3 HYPOTHESES

General hypothesis H: The business has positive impact on the national economy;

Hypothesis1 : The Employment has positive impact on the national economy;

Hypothesis2 : The training has positive impact on the national economy;

Hypothesis3: The innovation has positive impact on the national economy;

Hypothesis4: The customers have positive impact on the national economy;

Hypothesis5: The social concerns have positive impact on the national economy;

2 THEORETICAL FRAMEWOERK

The research question1: « How does the business contribute to national economy? »Will be answered? ».

“A theoretical frame work is a conceptual model of how one makes logical sense of the relationship among the several factors that have been identified as important to the problem”(Sekeran, Uma. 2003).

According to Boutillier S. and Uzunidis D. 2017, the action of the business must be compatible with the economic policy of the nation; by manufacturing goods and providing services, the enterprise provides jobs for the active population and distributes income.

2.1 THE BUSINESS AND EMPLOYMENT

The company is the main provider of employment and, in this area, it is irreplaceable. Large companies are for the most part aware of their responsibility in terms of employment and some make their contribution to the fight against unemployment and exclusion by:

- Creation of alternative employment in areas affected by restructuring;

- Partnership with integration companies;
- Training of young people etc.

2.2 THE BUSINESS AND TRAINING

Today it is necessary to develop the qualifications of all employees so that they can develop professionally and acquire increased flexibility;

- The company perceives training as an investment and integrates it into its strategy;
- School training is no longer sufficient for the entirety of working life, so there is a strong convergence between the needs of society, those of individuals, and those of businesses.

2.3 BUSINESS AND INNOVATION

- Research and innovation are powerful factors of economic and social development;
- The company is at the same time the driver, the participant and sometimes one of the victims of these technological upheavals.

2.4 BUSINESS AND CONSUMERS:

- The firm must aim to best satisfy the needs of its consumers;
- Companies take into account consumer aspirations and dialogue with consumer protection groups.

2.5 BUSINESS AND SOCIAL CONCERNS

- A growing number of firms are becoming aware of a responsibility that can be described as “civic” with regard to the environment;
- The company is concerned by the problems of the region, the country and even those of the world, it must contribute to their solution;
- Ecological concerns in particular are becoming a major concern for business leaders.

3 METHODOLOGY

Cases are objects whose behaviour or characteristics studied. Usually, the cases are persons. But they can also be groups, departments, organizations, etc. They can also be more esoteric things like events (e.g., meetings), utterances, pairs of people, etc. Variables are characteristics of cases. (<http://www.analytictech.com>).

3.1 THEORETICAL MODEL

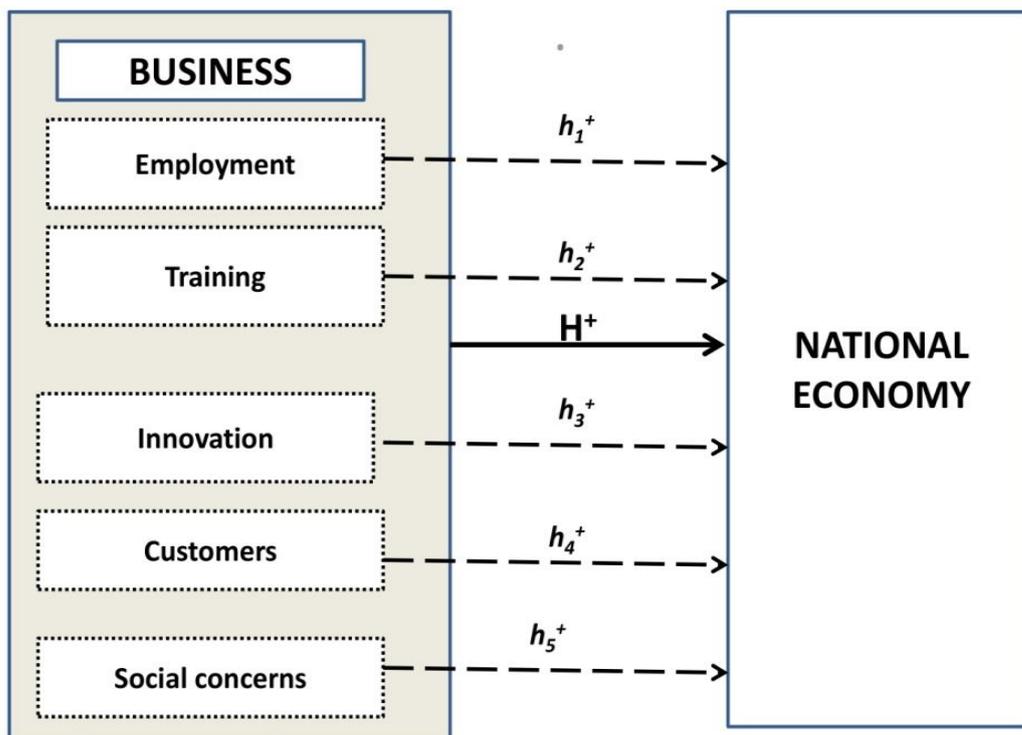
The research Question 2: "What kind of theoretical model of the impact of business on national economy to guide Malian businessmen? " will be answered as shown in Figure 1. Merriam (1998) stated that, information brought by words is qualitative while information brought by figures is quantitative. A correlation is the most appropriate metric for expressing an effect size when we describe the relationships between two continuous variables.

According to Yin, case studies are the preferred strategy when "how" or "why" are questions asked. The West African country Mali puts this model of national economy into practice and can also provide a better understanding of the model.

The business constructs are: " *Employment* "; *Training*;" *innovation* "; "customers "; " *social concerns* ". The business is the independent variable (cause) and the national economy the dependent variable (effect). This model is based on assumption that the business (x) has positive effects on the national economy(y).

Fig. Theoretical Model

Theoretical model of business and national economy



Source: Authors of the study

3.2 CASE STUDY QUESTIONS

Only one country, Mali has been selected to lead this case study. Three issues are addressed in this case study, which are listed as follows: Question 1: What are the strengths of Mali in business? This is a descriptive question focusing on the strengths of the current practices of business versus the practices presented in this study theoretical Model. After the comparison, the strengths of Mali business could be identified. Question 2: What are the weaknesses of Mali business? Current practices of business activities have been compared to this model. Thus, weak

areas could be identified. Weaknesses could be used by Malian businessmen and authorities as opportunities to seek improvement actions and develop an improvement plan. Question 3: What type of improvement plan can be formulated to strengthen the Mali capabilities in the business to boost national economy?

3.3 A BRIEF INTRODUCTION OF MALI REPUBLIC OF MALI

The case study questions Question 1: “What are the strengths of Mali in business?” and Question 2: “What are the weaknesses of Mali business?” will be answered.

Capital :Bamako

1. Population of almost 20 million (2022) Area 1.26 million square km (482,077 square miles)”
2. Major languages French, Bambara, Berber, Arabic”
3. Religions Islam, indigenous beliefs »
4. Currency CFA (Communauté Financière Africaine) Franc.
5. Mali borders Algeria, Mauritania, Senegal, Guinea, Burkina Faso, and Niger.
6. The average temperature highs of every month are over 30 degrees Celsius.
7. Record highs of 46 degrees Celsius have been recorded in the month of May. The coolest months are November to February which can experience average lows of 16 to 19 degrees Celsius but the temperature may fluctuate greatly with highs of 36 Celsius being recorded in February for instance.
8. The political and security situation in Mali has been particularly volatile in recent years.
9. Agriculture-products: cotton, millet, rice, corn, vegetables, peanuts; cattle, sheep, goats Exports – commodities: cotton 50%, gold, livestock” .
10. Exports – partners: China 30.5%, India 15.1%, Indonesia 8.6%, Bangladesh 6.3%, Thailand (2013)
11. Industries: Food processing; Construction; Phosphate and Gold mining” Imports – commodities: petroleum, machinery and equipment, construction materials, foodstuffs.
12. Doing Business Index ; 2020, 52,94, 148° ; 2019, 53,50, 145° ; 2018, 52,92, 143° ; 2017, 52,96, 141° .
13. Global Gender Gap Index, 2023, 141, 92 ; Global Innovation Index, 2022, 126, 117 ; Human Development Index (Score), 2021, 0.43, 0.53.

1.3 DATA COLLECTION

3.3.1 PRIMARY DATA SOURCES

Primary data are information's collected directly by the researcher, when secondary data are not available or are unable to contribute to the achievement of research objectives (Sekaran U.).

3.3.1.1 INTERVIEWS AND OBSERVATIONS

Interviews were conducted with Malian businessmen and economists.

3.3.1.2 QUESTIONNAIRE SURVEY

The research Question 4 "What is the extent of the relationship business and national economy"? Will be answered.

a. Business survey

The respondents (30 businessmen in medium and small size of business) to the questionnaire are invited to note Mali on the following business constructs last 20 years from 2003 to 2023: "Employment"; " training"; "Innovation "; " customers"; " social concerns". Respondents to those items were used five-point Likert format ranging from 1 to 5. The rating scale is as follows: 1 to 2 Very Dissatisfied, 2 to 3 Dissatisfied, 3 to 4 Satisfied, 4 to 5 Very Satisfied. For the sake of objectivity all those who are responsible for the management of these points above are not concerned by the questionnaire.

b. National economy Survey

Respondents (10 Economists of public administration working on National Domestic product) to the questionnaire are invited to note their "perception of the supposed contribution of business to national economy activities in Mali "the last 20 years from 2003 to 2023 into Likert scale ratings. The rating scale is as follows: 1 to 2 Very Dissatisfied, 2 to 3 Dissatisfied, 3 to 4 Satisfied, and 4 to 5 Very satisfied.

3.3.2 SECONDARY DATA SOURCES

Textbooks, academic articles and journals related to the country business and national economy have been used. In addition online resources have been used to obtain information for the literature review.

3.4 DATA ANALYSIS

The research framework of this study was analyzed using multiple regression models. Hypothesis tests have been adopted to accept or reject the hypotheses formulated in this research. Excel software have been used to perform the tests, the p-value analysis for individual coefficients, and the F-test importance of the model. Data are collected for 20 observations:

Table1. Business and national economy, input data for Excel

YEARS OBSER VATIO NS	NATIONAL ECONOMY	BUSINESS CONSTRUCTS				
	Y	X1	X2	X3	X4	X5
2003	National economy	Employment	Training	Innovation	Customers	social concerns
2004	4	4	4	4	4	4
2005	3	2	3	3	3	3
2006	3	3	2	4	3	3
2007	4	3	4	4	4	4
2008	3	3	2	4	3	3
2009	3	3	3	4	5	3
2010	4	4	3	3	4	4
2011	3	2	3	3	3	3
2012	3	4	3	3	3	4
2013	2	3	2	2	2	2
2014	3	2	4	3	3	3
2015	3	3	3	4	4	2
2016	4	3	4	3	4	3
2017	4	3	3	4	5	3
2018	4	5	3	3	4	5
2019	3	4	3	3	3	4
2020	4	4	4	3	3	4
2021	3	2	3	4	3	3
2022	4	5	4	3	3	4
2023	3	3	2	1	2	3

Source: Authors of the study

Table 2. Multiple Regression Results, Excel output

	Employment	Training	Innovation	Customers	social concerns
Intercept	X1	X2	X3	X4	X5
0,47875	0,08312	0,2905	-0,0661	0,2919	0,2755
0,51652	0,13001	0,1313	0,1376	0,1371	0,1678
0,92688	0,63937	2,2128	-0,4803	2,1284	1,6418
0,3697	0,5329	0,0440	0,6385	0,0515	0,1229

Source :Authors of the study

3.4.1 MULTIPLE REGRESSION EQUATION

$$Y = 0,08312X1 + 0,2905X2 - 0,0661 X3 + 0,2919 X4 + 0,2755 X5$$

Interpretation of multiple regression equation

- **National economy** will increase on average, 0,08312 per year for each increase to 1point Employment score, net of the effects of changes due to the other **business constructs**.
- **National economy** will increase on average, 0,2905 per year for each increase to 1point Training score, net of the effects of changes due to the other **business constructs**.
 - **National economy** will decrease on average, 0,0661 per year for each decrease to 1point Innovation score, net of the effects of changes due to the other **business constructs**.
 - **National economy** will decrease on average, 0,2919 per year for each decrease to 1point Customer satisfaction score, net of the effects of changes due to the other **business constructs**.
- **National economy** will increase on average, 0,2755 per year for each increase to 1point social concerns score, net of the effects of changes due to the other **business constructs**.

Table3. ANOVA Table; Excel output

Source	SS	df	MS	F	F-Crit	p-Value
Regn.	4,87411	5	0,9748	8,1435	2,9582	0,0009
Error	1,67589	14	0,1197			
Total	6,55	19	0,3447		R ² 0,7441	Adjusted R ² 0,6577

Source: Authors of the study

3.4.2 REGRESSION STATISTICS

3.4.2.1 MULTIPLE R

A value of 1 means a perfect positive relationship and a value of zero means no relationship at all. It is the square root of R squared.

$R=0,8626$ means strong linear relationship. This is the correlation coefficient. It tells you how strong the linear relationship is.

3.4.2.2 R SQUARED

R^2 is the Coefficient of determination. It tells how many points fall on the regression line. $0,7441$ means that 74,41% of the variation of y-values around the mean are explained by the x-values. In other words, 74,41% of the values fit the model.

3.4.2.3 ADJUSTED R SQUARE

Adjusted, $R^2=0,6577$. The adjusted R-square adjusts for the number of terms in a model. You'll want to use this if you have more than one x variable.

3.4.2.4 OBSERVATIONS

Number of observations in the sample=**20**.

3.4.2.5 OVERALL F TEST FOR THE NULL HYPOTHESIS

P- Value: $0,0009$; $0,05 > 0,0009$. H: business has positive impact on national economy is valid hypothesis.

3.4.2.6 T-STUDENT FOR INDIVIDUAL SIGNIFICANCE OF THE MODEL

- **Employment:** P- value is $0,5329 > 0,05$; $h1$: Employment has positive impact on national economy is not valid.
- **Training:** P- value is $0,0440$; ($0,05 > 0,0440$); $h2$: Training has positive impact on national economy is valid.
- **Innovation:** P- value is $0,6385 > 0,05$; $h3$: Innovation has positive impact on national economy is not valid.
- **Customers:** P- value is $0,05 = 0,05$, $h4$: Customers have positive impact on national economy is valid.
- **Social concerns:** P- value is $0,1229 > 0,05$; $h5$: social concerns have positive impact on national economy is not valid.

4 RECOMMENDATIONS AND SUGGESTIONS

Question 3: “What type of improvement plan can be formulated to strengthen the Mali capabilities in the business to boost national economy? “ will be answered.

- Large companies must make their contribution in the fight against unemployment and exclusion,
- substantial investment by companies in knowledge and know-how,
- companies must influence customer needs and lifestyles through their new products, their advertising and their marketing, raise awareness among all company departments of consumer issues,
- Companies must feel civically responsible with regard to environmental problems.

5 CONCLUSION

The main purpose of this study was to investigate the relationships between business and national economy as perceived by businessmen and economists in Mali. A number of conclusions have been drawn from this research. Thus, a theory of business and national economy related to Mali has been developed.

First, the measurement instruments of the business and national economy are reliable and valid and can be used by other researchers to test the effects of business and national economy.

Second, several conclusions were drawn from the theoretical model test:

- Business has positive impact on national economy is valid hypothesis.
- Employment has positive impact on national economy is not valid.
- Training has positive impact on national economy is valid
- Innovation has positive impact on national economy is not valid.
- Customers have positive impact on national economy is valid.
- Social concerns: social concerns have positive impact on national economy is not valid.

Third, the country attractiveness and delocalization opportunities model developed in this study is applicable in practice. Can this theoretical model be used in other developing country? In fact, the case study was conducted in Mali.

- Thus, the conclusion drawn from the case study can be generalized to other countries. Strictly speaking, generalization is limited. Through the use of this model, country can quickly identify areas requiring urgent improvement. Thus, resources can be allocated more wisely. Different countries have different characteristics. Countries are different should adopt different approaches to business and national business according to their own situation.

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