DEVELOPMENT PLANNING IN DEVELOPING COUNTRIES: THE MISSING LINK IN THE NIGERIAN EXPERIENCE

Akims, K.A. and Kromtit, M.J.

Department of Economics
University of Jos, Plateau State, Nigeria
E-mail: akimskb@yahoo.com, kromtitm@unijos.edu.ng

Abstract: *Despite the prolonged history of development planning in developing countries, economic outcomes emanating from various plans over the years have not been quite impressive. This forms the main motivation for this study which attempts to unveil the missing link in the Nigerian experience. Careful development planning could help improve the economy by mobilizing the funds required for financing development, closing the infrastructure gap, smoothing the path to industrialization and reducing unemployment and poverty in the country. By using deductive reasoning and descriptive method of analyzing secondary literature, the study reveals that development planning in Nigeria could not achieve tremendous results due to weak institutions, inconsistencies in planning strategies, inadequate reliable statistics and corruption in governance, lack of commitment to plan implementation, lack of effective control over private sector planning and the failure to appraise and avoid the pitfalls of past development plans by the government. The study recommends mainly the improvement of institutions that would provide supportive role to planning, a sincere fight against corruption and ensuring consistency in planning strategy, plan appraisal and monitoring. This would enable development planning to deliver the expected development outcomes in the country.*

Key words: Development planning, Developing countries, Planning strategies and Nigeria

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INTRODUCTION

The developing countries of the world, particularly in Africa, have had similar experience in development planning as they share very common political history. For instance, Nigeria, Botswana, and South Korea started using the five-year development planning models at the same time, with the first phase 1962-1966; South Korea's five year plan continued up to the ninth phase in 1996 before it started strategic planning. Nigeria's plan on the one hand, was somewhat truncated in 1985 with the advent of the Structural Adjustment Programme

(SAP). In addition, development plans in Bostwana and South Korea were not without financial control mechanisms to enhance the efficient utilization of resources and high level of fiscal discipline for attaining them (Parsons and Robinson, 2006; Acemoglu and Robinson, 2008).

Despite the development planning experience of developing countries over the years, country studies in these countries particularly relating to planning have shown that the economic outcomes emanating from their development plans have not been quite impressive. Obikeze and Obi (2004) and Okojie (2002) argued that planning in Nigeria has not been as successful as expected. Osabuohien, Efobi and Salami (2012) pointed out that this is not because Nigeria and other developing countries planned to fail nor failed to plan but the critical factor(s) associated with the planning models is/are seriously lacking in these countries. The study therefore, evaluates Nigeria's development planning experience and attempts to unravel the missing link with an aim of suggesting ways of filling it. As Obadan (2003) and Akpan (2011) observed, economic planning is essential in "fast-tracking growth and development". This underscores the relevance of development planning in improving the economy for a better living.

From the foregoing, the study is structured into five sections. Section one is the introduction which summarizes the background to the study, the research problem and objectives. Section two gives the conceptual clarifications by reviewing relevant literature and discussing the theoretical framework of the study. While section three discusses the methodology which is purely descriptive and deductive in nature; section four evaluates Nigeria's development planning experience and unravels the outcomes as well as the missing link and section five concludes with recommendations.

CONCEPTUAL ANALYSES AND REVIEW OF RELEVANT LITERATURE

Development economists agree that while developed countries border much on economic growth, developing countries on the other hand are concerned about their economic development. However, both economic growth and development cannot be achieved without planning for the economy and these concepts are well documented in economic literature.

Concept of Development Planning

Economists disagree with regard to the meaning of the term "economic planning", which is vital for achieving economic development (increased output accompanied by positive changes). The term has been used very loosely in the economic literature. It is often confused with communism, socialism, or economic development. Any type of government intervention in economic affairs has been treated as planning, but the state can intervene even without making any plan. What then is planning?

Planning is a technique, a means to an end being the realization of certain predetermined and well-defined aims and objectives laid down by a central planning authority (Jhingan, 2011). Notably, the ends may be socio-economic and political objectives. Professor Lewis (1954) identified six different senses in which the term planning is used in economic literature. These are:

(i) Town Planning: This refers to the geographical zoning of factors, residential buildings, cinemas, and the like.
(ii) Deciding what money the government will spend, if it has the money to spend.
(iii) A Planned Economy: This one in which each production unit (or firm) uses only the productive resources allocated to it by the quota and disposes of its product exclusively to persons indicated to it by central order.
(iv) Setting Production Targets for some Public and Private Firms of Priority: "Planning" sometimes means any setting of production targets by the government, whether for public or private enterprise. Most governments practice this type of planning if only sporadically, and if only for one or two industries or services to which they attach special importance.
(v) Setting Target for the Economy as a Whole: This involves allocating all the country's labour, foreign exchange, raw materials and other resources between the various branches of the economy.
(vi) The Enforcement of the Predetermined Targets by the Government upon Private Enterprise: This is where the government uses some means to try to enforce upon private enterprise the targets which have been previously determined.

Sequel to the above, this means planning involves the overall economy and not separate sections of the national economy. Cole (1993), therefore, noted that planning is an activity which involves decisions about ends as well as means and about conduct as well as results. Cole's definition emphasizes the relationship between planning and results. Plans are meant to achieve specific results; hence planning is not just an issue of determining objectives that are not consciously pursued or means that are never followed. It is a blueprint for action.

Planning for economic development essentially means the attempt to affect by direct and indirect means the greatest volume and the best possible resources required for economic growth in order to reach the goals set by people through their governments (Ogboru, 2006). It involves the deliberate efforts on the part of government to speed up social and economic development and consists of setting a target of growth during a certain period of time, mobilizing the economies, human and material resources towards the achievement of the set objectives and evaluating the success or failure of the plan at the end of the period. Development planning is therefore, viewed in this study as the processes and actions taken to drive economic outcomes to expected levels.

Concept of a Developing or an Underdeveloped Country

The terms "developing", "underdeveloped", and "un-developed" are often used interchangeably in economic literature. Jhingan (2011) argued that these terms are easily distinguishable: while an underdeveloped country is one which has no prospects of development; an un-developed country is one which has no potentials of development and thus, a developing country is one which shows evidences of backwardness, stagnation and retrogression, such as Nigeria, Uganda, Tanzania, and India amongst others. A development economist, Todora (1982), produced a list of the common characteristics of developing nations: low standards of living, characterized by low incomes, inequality, poor health and inadequate education; low levels of productivity; high rates of population growth and dependency burdens; high and rising levels of unemployment and underemployment; substantial dependence on agricultural production and primary product exports; prevalence of imperfect markets and limited information as well as dominance, dependence and vulnerability in international relations.

From the foregoing, it is clear that developing countries requires serious planning to overcome their development challenges in order to improve the key indicators of development-poverty, unemployment and inequality rates.

Theoretical Framework

Several development theorists have postulated different theories of economic development, ranging from those of the neo-classical to the classical; and from the Keynesians to the post-Keynesians. For instance, Adam Smith's "Natural Law" in economic affairs emphasized on how each individual in the society was led by an "invisible hand" which guided market mechanism; Ricardo's Theory was based on the marginal and the surplus principles while The Malthusian Theory was concerned about the "progress of wealth" of a country. However, worthy of note here is the Leibenstein's Critical Minimum Effort Thesis which is adopted as a theoretical framework for this study because of its relevance in explaining what developing countries need to do to make development planning yield fruitful results (Jhingan, 2011).

Harvey Leibenstein (1957) developed the thesis that developing countries are characterized by the vicious cycle of poverty that keeps them around a low per capita income equilibrium state. The way out of this impasse is a certain "critical minimum effort" which would raise the per capita income to a level at which sustained development could be maintained. In order to achieve the transition from the state of backwardness to the more developed state where we can expect steady secular growth, it is a necessity, though not always a sufficient condition that at some point or during some period, the economy should receive a stimulus to growth that is greater than a critical minimum size.

According to Leibenstein (ibid), every economy is subject to "shocks" and "stimulants". A shock has the impact of reducing per capita income initially; while a stimulant tends to increase it. Thus, certain countries are underdeveloped because the magnitude of the stimulants has been small and that of shocks large therein. It is only when the income-raising factors are stimulated much beyond the income-depressing factors that the critical minimum is reached and the economy would be on the path to development. Leibenstein pointed out that the development process is fostered by the expansion of the "growth agents". The typical growth agents are the entrepreneur, the investor, the saver and the innovator-they all carry out growth-contributing activities. The growth-contributing activities result in the creation of entrepreneurship, the increase in the stock of knowledge, the expansion of the productive skills of the people and the increase in the rate of saving and investment.

METHODOLOGY

The study principally used existing literatures and records relevant to the subject matter. Pieces of information and data were sourced from journals, textbooks, newspapers and magazines, official statistics and reports from government and international organizations, as well as the internet. Using descriptive and deductive approaches, conclusions were drawn having critically reviewed salient issues in existing literatures and records. Strikingly, reviewing related conceptual and theoretical issues as well as descriptive statistics gives a deeper insight and enables us to draw reasonable conclusion and make sound recommendations.

NIGERIA'S DEVELOPMENT PLANNING EXPERIENCE AND OUTCOMES

This section reviews the planning episodes in Nigeria, unveils the outcomes and the missing link in the planning process. This is based on the literature reviewed in section three.

Planning Episodes in Nigeria

Nigeria has witnessed various planning models, aimed at different objectives over the years. Table I below summarizes the various planning episodes in Nigeria and classifies them into six episodes.

Table I: The Six Planning Episodes in Nigeria

Period	Planning episode	Objective(s)
1962-1968	1(a) First phase National Development plan	Post-colonization strategies
1970-1974	(b) Second phase National Development plan	Post-civil war reconstruction & development strategies of the country
1975-1980	(c) Third phase National Development plan	Similar to the second phase
1981-1985	(d) Fourth phase National Development plan	Promotion of the bottom of the pyramid
1986-1988	2. Policy-oriented planning	Structural Adjustment Programme-aimed at boosting the macroeconomic performance of the country
1990-1993	3. Three-year rolling plan model	Higher economic growth rates, building a sound foundation for a self-reliant industrial development, employment creation and increasing food production to achieve food security
1996-1998	4. Era of political transition	Preparation for the return to civil rule
1999-2006	5. Era of nascent democracy	The consolidation of the civilian rule, rapid economic growth and development, better income distribution, poverty reduction and general improved welfare of citizenry
2007-Date	6. Era of crises	Same as above

Source: Author's and from Osabuohien, Efobi and Salami (2012)

As presented in table I above, the first episode of the Nigerian planning process involved the fixed-medium-term planning which was further divided into four phases. The first phase of the national development planning (1962-1968) was geared towards post-colonization strategies which include infrastructural developments, growth policies and other components that would enhance national development (Obadan, 2003). The second phase of the planning (1970-1974) was targeted at post-civil war reconstruction and development strategies of the country. It was expected to improve the agricultural sector and industrialization by promoting indigenous production through import substitution policies (National Planning Commission, various issues).

In the third phase (1975-1980), government revenue was enhanced by the oil boom and the agricultural sector was less emphasized. Expansion of social infrastructure and encouragement of indigenous production were also emphasized. More so, there were import liberalization measures which led to mass importation of consumer goods. The fourth phase (1981-1985) focused on the participation of the local government, reduction of socioeconomic doldrums like unemployment and income inequality. The policy-oriented planning was initiated in the second episode (1986-1988), which was entrenched in the Structural Adjustment Programme (SAP). Some of the resultant policies from SAP include: the devaluation of the local currency, liberalization of the economy and export trade, reduction of extra budgetary spending, commercialization and privatization (Obadan, 2003; Ekpo, 2011)-all in an attempt to achieve economic growth and development.

The third episode (1990-1993) was the three-year rolling plan model that started in 1990 and continued up until the democratic transition era. The main difference between the rolling plans and the fixed medium-term plans of the first episode was the shorter period of three years and the incorporation of annual performance evaluation of activities that could be "roll over" into the following year. The key objectives of the rolling plans are as summarized in table I.

The fourth episode (1996-1998) could be referred to as the era of political transition, as it witnessed the preparation for the return to civilian rule. The emphasis of planning in this era was not on driving macroeconomic objectives but the changing over of government to civilian rule. Thus, reforms like electoral reforms were initiated.

The fifth episode could be classified as era of nascent democracy (1999-2006) as Nigeria finally returned to civilian rule on May 29, 1999, which marked an end to military dictatorship. The planning model in this era was the consolidation of the civilian rule. The government focused on building confidence in the Nigerian state, strengthening political institutions. The main planning model in this era was the National Economic Empowerment and Development Strategy (NEEDS) launched in 2004 which was associated with a broad-based financial sector reform.

The plan in the sixth episode (2007-Date) could be "emergency" in nature, as the government through the instrumentality of the Central Bank of Nigeria (CBN), engaged in the bail-out of some ailing banks. This is the extension of the fifth episode and it started during the global financial crisis that resulted in the crash of the stock market and the price of Nigeria's crude oil in the international market. The vision 20:2020 is one of the key plan documents in this episode which was drawn from the international Millennium Development Goals (MDGs). It was launched to help drive Nigeria's socioeconomic reforms and mainly aimed at making Nigeria one of the focal points in Africa's financial system and to be among the top 20 largest economies in the world by the year 2020 (Soludo, 2007; Egwakhe and Osabuohien, 2009). Other "auxiliary plans" in this episode include the Seven-Point Agenda, the Power Roadmap and the Transformation Agenda, all aimed at developing the country.

Outcomes

Table II below gives a summary of some selected macroeconomic indicators/indices of growth and development in Nigeria for selected years.

Table II: Selected Macroeconomic Indicators/Indices of Growth and Development in Nigeria for Selected Years.

Year	Indicator/Index	Value (%)	Planning episode
1985	1.Economic Growth 2.Poverty 3. Unemployment	3.2 46.3 na	1st
1988	1.Economic Growth 2.Poverty 3. Unemployment	3.2 39 na	2nd
1993	1.Economic Growth 2.Poverty 3. Unemployment	1.9 42.7 na	3rd
1998	1.Economic Growth 2.Poverty 3. Unemployment	1.9 67 na	4th
2006	1.Economic Growth 2.Poverty 3. Unemployment	6.3 68 13.7	5th
2010	1.Economic Growth 2.Poverty 3. Unemployment	7.98 69 21.1	6th
2011	1.Economic Growth 2.Poverty 3. Unemployment	7.36 62.8 23.9	6th

Source: Researcher's compilation from NBS, 2011

The table confirms that Nigeria is still grappling with the problems of poverty and unemployment amongst others, despite some level of improvement in the economic growth of the country as a result of development planning. The human development indicators in the country further confirms these outcomes.

Nigeria's Human Development Indicators

Table III: Human Development Index Trend for Nigeria (2008-2010)

Index		2008	2009	2010
GNI		$1,977 USD	$2,057 USD	$2,156 USD
Life Expectancy (Health)		47.93	48.17	48.4
Education	Mean	4.96	4.96	5.0
	Expected	8.9	8.9	8.9
	HDI value	0.416	0.419	0.423

Source: UNDP Human Development Report 2010

Nigeria recorded improvements in key human development indicators during the review period, in particular measured by health, education and income indices. The quality of life of Nigerians generally improved only marginally between 2008 and 2010. As shown in Table III, Life Expectancy at birth increased marginally by 0.9% from 47.93 years in 2008 to 48.4 years in 2010. This is well below the present Administration's target of 55 years as contained in the Transformation Agenda. In sum, the high expectations of the various planning episodes might not have been realized due to certain things missing in the planning process.

The Missing Link

Development planning in Nigeria could not yield the expected outcomes due to a number of missing factors in the planning process. A careful survey of development planning in the country reveals the most critical to include weak institutions, fiscal indiscipline and inconsistencies in planning strategies, inadequate reliable statistics and corruption in governance, lack of commitment to plan implementation, failure to appraise and avoid the pitfalls of past development plans as well as lack of effective control over the private sector in planning by the government. It is sad that Nigeria is still struggling with very weak institutions that cannot play the supportive role to planning. The constant creation and subsequent scrapping of same is a culture in the country that impedes the success of development planning. In addition, inconsistencies in planning strategies, results to limited plan outcomes. Nigeria experiences frequent changes to planning. It has become the norm that with every new administration, targets/priorities are changed instead of consolidating on progress made and addressing challenges.

Unreliable statistics and corruption in Nigeria lead to poor planning and implementation. Most data are influenced by sectional sentiments usually in an attempt to attract competing resources to particular regions/areas, more so that modern planning is based on sophisticated mathematical calculations, such unreliable data when used results to unrealistic plans. Moreover, the failure to appraise past development plans with an aim of shunning pitfalls therein has been a bane to achieving set plan targets. Thus, past constraints of internal inconsistencies; and shortage of skill manpower to oversee the implementation of plans keep reoccurring.

Finally, the inability of the government to adequately influence the private sector is of concern. This of course is not unconnected to insecurity, and infrastructural dearth in the country and their associated costs. The spate of insecurity ranges from kidnapping, and civil unrests which pose serious threat to lives and properties. Infrastructural facilities in Nigeria are highly inadequate on the one hand and on the other, in deplorable state due to poor maintenance culture. There is irregular electricity supply, poor transportation facilities and erratic telecommunication services. All these negate the confidence of private investors to invest in the country.

CONCLUSION AND RECOMMENDATIONS

It is evident that Nigeria is still languishing in the pool of poor countries whose destiny is in her hands. The country can pull out by improving institutions that would provide supportive role to planning, embarking on a sincere fight against corruption and ensuring consistency in planning strategy, plan appraisal and monitoring. More so, the government should direct efforts towards winning the confidence of the private sector through the provision of infrastructural facilities as well as combating insecurity in the country by embarking on the training and re-training of security agencies in handling modern crime in the country which has taken an advanced direction in the form of insurgency and kidnapping. This would enable development planning to deliver the expected development outcomes in the country.

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