ECN 406: Economic Planning Lecture Note 2 Units

- ✓ Definition and Concepts of Development Planning
- ✓ Levels and ranges of planning: annual, medium term and perspective plans
- ✓ Quantitative, qualitative and reformative plans
- ✓ Objectives of development planning
- ✓ Sectoral and spatial (national and regional), and social plans
- ✓ Characteristics of the planning
- ✓ Planning decision models
- ✓ Social accounting framework
- ✓ Resources projection and Consistency
- ✓ Implementation and organisation of development planning in Nigeria

Meaning of Planning

Planning is the process of thinking about and organizing the activities required to achieving a desired goal. Economic or development plan can be defined as a country's collection of strategies mapped out by the government of the country to achieve a rapid economic growth and development. It contains broad outlines of line of action which the government or its agents in the country will follow within the specified period of time to achieve the goals which the country wants to achieve. We can categorise countries into developed, developing or less developed and typically underdeveloped countries. This categorisation calls for the need to plan for the development of the economy.

Developed country refers to a country with relatively high levels of economic growth and reliable security system, advanced technological infrastructure and have diverse industrial and service sectors as well as high income per capita or per capita gross domestic product.

Developing economies, once referred to as lesser-developed economies (LDCs), are characterized by a poor infrastructure, inferior growth rates, an imbalanced economy, and extremely low personal incomes.

Underdeveloped countries refers to the economies with low level of development characterized by low real per capita income, widespread poverty, lower level of literacy, low life expectancy, and underutilization of resources, etc. An underdeveloped economy fails to provide acceptable levels of living to a large fraction of its population.

Development or Economic planning may be described as the conscious governmental effort to influence, direct and in some cases even control changes in the principal economics variables - (Consumption, Investment, Savings, Exports, Imports, etc) of a certain country or region over the course of time in order to achieve a predetermined set of objectives.

One of the most popular definitions is by Dickinson who defines planning as the making of major economic decisions what and how much is to be produced, how, and when and where it is to be produced, to whom it is to be allocated, by the conscious decision of a determinate authority, on the basis of comprehensive survey of the economic system as a whole.

There is no agreement among economists with regard to the meaning of the term development or economic planning. The term has been used loosely in economic literature. It is often confused with communism, socialism and economic development. Any type of state intervention in economic affairs has also been treated as planning.

Professor Lewis (1954) has referred to six different senses in which the term planning is used in economic literature.

- ✓ Firstly, there is an enormous literature in which it refers only to the geographical zoning of factors, residential buildings, cinemas and the like. Sometimes, this is called town and country planning and sometimes just planning.
- ✓ Secondly, "planning" means only deciding what money the government will spend in future, if it has money to spend.
- ✓ Thirdly, a "planned economy" is one in which each production unit (or firm) uses only the resources of men, materials and equipment allocated to it by quota and disposes of its product exclusively to persons or firm indicated to it by central order".
- ✓ Fourthly, "planning" sometimes means any setting of production targets by the government, whether for private or public 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.
- ✓ Fifthly, here targets are set for the economy as a whole, purporting to allocate all the country's labour, foreign exchange, raw materials and other resources between the various branches of the economy.
- ✓ And finally, the word "planning" is sometimes used to describe the means which the government uses to try to enforce upon private and public enterprises the targets which have been previously determined.

In one of its first publications dealing with developing countries in 1951, the United Nations department of economic affairs distinguished four types of planning, each of which has been used in one form or another by most LDCs.

- ➢ First, planning refers only to the making of a programme of public expenditure, existing over from one to say ten years.
- ➢ Second, it refers sometimes to the setting of production targets, whether for private or for public enterprises, in terms of the input of manpower of capital or of other scarce resources or use in terms of output.
- ➢ Thirdly, the word may be used to describe a statement which sets targets for the economy as a whole, purporting to allocate all scarce resources among the various branches of the economy.

- And fourthly, the word is sometimes used to describe the means which the government uses to try to enforce upon private enterprise the target which have been previously determined.

In all plan levels or range, Planning, Implementation, and Consistency are the basic features that can help in achieving the plan objectives. Aside the three basic features, development or economic planning must operate under four major categories: **strategic, tactical, operational, and contingency planning**.

Strategic: Planning should be strategically planned by the leaders to define their vision for the future and identify the country's goals and objectives. This involves a process of establishing the sequence in which the set goals and objectives should be realized for the country to reach its stated vision.

Tactical: Plans should be drawn in such a way that smaller plans achievable within time frame are drawn for utilisation to reach a larger, overall goal (Strategic Planning). Tactical goals are measurable and specific actions that are often time-bound and have a direct correlation with the strategic goal.

Operational: Operational planning is the process of creating steps that are justifiable which the plan implementers can take to meet the goals and objectives in the plan. It involves setting out daily, weekly, and monthly tasks for each ministries, department and agencies of government. It is a future-oriented process that maps out department goals, capabilities, and budgets to promote the success of team-based activities designed to support the plan.

Contingency: In planning, provision must be made to forestall any situation that may arise against the success of the plan. A contingency plan is a course of action designed to help an organization respond effectively to a significant future incident like wars, disasters, political and social unrest, events or situations that may or may not happen.

Reasons for Planning

- Reduction in Unemployment: Unplanned economies have failed to provide employment to all those who are willing to work at the existing wage rate. In other words, capitalistic free economies cannot provide full employment in an economy. In this way, economic planning is very fruitful to solve the problem of unemployment.
- Resource Endowment: Under economic planning, Government ensures proper use and conservation of natural resources. While making use of these scarce resources it is ascertained that there is least possible wastage but the resources are economically utilised.
- Balanced Growth: In many economies, we find some sectors or industries more developed and others remain at the same level of development, it will adversely affect the growing sectors as they will suffer from inadequate of raw materials, Economic planning assists in developing all the sectors of the economy to develop in a balanced manner.
- Economic Stability: Under unplanned or laissez faire policy. We find emergence of cyclical fluctuations i.e. ups and downs in the economy. In other words, in such economies, we find

booms, depression, unemployment, over production etc. In order to bring economic stability, various policies like monetary, fiscal etc. are adopted for economic stability.

- Poverty Reduction: Poverty is one of the characteristics of less developed and developing economies. Economic planning aims at improving the productive capacity of the people which leads to better conditions of living of the people thereby reducing their poverty.
- Improved Standard of Living: When the focus of the government is to plan to improve the productive capacity of the people which will inturn enhance their income level and their contributions to national income level. This reflects in increase in per-capita income and thereby improves their standard of living.
- Rapid Economic Development: Under economic planning, new resources are discovered, which help in raising the level of investment and national income. The path of economic development is well-defined and priorities are already fixed under economic planning.
- Balance of Payment Equilibrium: A country suffering from adverse balance of payment is said to be underdeveloped as it imports more than it export to other nations. With economic planning, strategic efforts can be put in place to correct the causes of poor domestic production thereby improving on exports.
- Minimal Inflation: Higher rate of inflation is a characteristic of underdevelopment. Economic planning is required to correct some of the causes of inflation like imported inflation or cost-push inflation.
- Stable Exchange Rate: Higher exchange rate is another characteristic of an underdeveloped country. Economic planning is needed to address key economic sector that can produce goods which will improve international trade to improve the value of the country's currency
- Social Justice**:** Economic planning incorporates income equality and improved social welfare in the planning process. Also the government plan to increase overall investment and production in the economy thereby helps in bringing social justice.

Levels and ranges of planning

We have annual, medium, long or perspective plans

Annual Plans: This is a plan that runs or span within a fiscal year**.** It is incorporated in the annual budget and achievable within the budget year. This type of plans does not involve huge capital projects. It ranges from repairs and renovations, research and development, recruitment and training, credit facilities and promotions aimed at effecting certain dramatic positive changes in the economy. Annual planning mostly emanates from the review of the past year government activities and provides an opportunity for the operation teams to iterate on operations from the past year and incorporate those experiences into the upcoming plans.

Medium term Plans: This is a plan that entails strategies that focus on finding permanent solutions to economic problems that cannot be addressed through short or annual plan. It's the implementation of policies and procedures to ensure short-term problems do not recur. It is a Planning over a period of between about 2 and 10 years into the future, which is intermediate between annual planning and long or perspective planning. This type of planning involves projects that could be executed beyond a fiscal year. It ranges from road construction, building and industry construction, agricultural plantation development, mining exploration and exploitation, power plant, dams and energy constructions, air and seaports construction. This type of plan is being refers to Medium Term Expenditure Framework (MTEF). The plan is drawn for the period and incorporated in the annual budget throughout the years covered by the plan.

Long or Perspective Plans: This is a plan executable for a long period of time where targets are fixed for long period say 10 to 25 years. The long years covered by this plan does not imply that one plan is drawn for the complete period. In practice, the broader plan objectives subdivided into a period of about 4 to 6 years. A blueprint regarding the objectives and targets of long run growth are so divided into short-run that one by one all the objectives are achieved in the long long-run.

Quantitative, Qualitative and Reformative plans

Qualitative Planning: This is a planning process built on stories hidden in non-numerical data such as interviews, open-ended survey answers, or notes from observations like why, how, which elicit a deep understanding of people's experiences, feelings, perceptions and emotions. Planners based their plan on documents compiled through several techniques including interviews, focus groups, and observations. Interviews may be unstructured, with open-ended questions on a plan or project to be included in the development plans and the interviewer adapts to the responses. Structured interviews have a predetermined number of questions that every participant is asked. In qualitative planning, planning documents usually consists of four parts:

a. The frontend: The front-end planning stage in qualitative planning encompasses determination of the mission need or economic objective, the scope for a project to fulfill the mission or objective, project justification, basic project definition, an outline of the general design, approximate benefits and costs, funding sources, risk factors facing the pursuit of the plan project.
b. The methods: These are procedures involved in eliciting relevant information required to formulate plans. They includes: participants observation, in-depth interviews, and focus groups. Each method is particularly suited for obtaining a specific type of data.

c. The findings: The survey outcomes or information is the articulation of the research questions. These will be organised in such a way as to make sense for plan formulation.
d. The backend: This is the complete evaluation of the contents of the findings in relation to the plans and the application of the findings to formulate the plans, monitor and implement to achieve desired objectives.

Quantitative Planning: This is a type of planning that involves data collection, through questionnaires, interviews, or observation, and frequently appears in narrative form to form the basis upon which the plan will be formulated. These planning techniques enable government planning officials to extract meaningful insights from large datasets, identify patterns and trends, and make informed predictions to ensure overall success in the planning process. The planning approach incorporates statistical and mathematical information into economic theory for analysis for developmental purpose.

Quantitative planning helps to achieve the importance of:

a. Describing the performance of previous plans,
b. Correlate the past with the present as well as interactions of the planning variables,
c. Examining the cause of success or failure of the plan and provide room for comparison
d. Using the present as experiment for the future.

Reformative plans: Reformative as the name implies is a plan mechanism that involves technical, professional and powerful actors to manage grey, difficult and contested areas, fields and perceptions within the economy by focusing attention on some observed conditions rather than on general and by promoting a particular interpretation of those observed conditions to effect desired objectives of planning.

Sectoral and spatial (national and regional), and social plans

Sectoral Plans

Whichever scope of planning- Sectoral and spatial (national and regional), and social plans -that may be adopted in any economy, it should cover any or all the five areas of:

- ✓ social development,
- ✓ economic development,
- ✓ physical/land use development,
- ✓ environmental management, and
- ✓ institutional development.

Sectors are described in the groupings of geographical, economic, social, and administrative activities based on the type of goods or services produced. Sectoral planning focuses on a manageable area of economic unit with consideration to the land use and transportation system, environmental peculiarity, and infrastructure needs unique to that portion of the community. Sectoral planning is deeply based on various sectors of economic activities such as Primary, Secondary, Tertiary and Quaternary Economic sectors.

Sectoral approaches strengthen good practices in skills development through putting an emphasis on skill sets needed in different economic sectors rather than taking a generic approach for skills development. They also provide an important platform for social dialogue on skills at the sectoral level.

Sectoral planning focuses on specific sectors of the economy, while regional planning focuses on specific geographical regions.

Regional planning: Regional plan is a process to achieve the desired development through a scientific and systematic way by a definitive action of integrating sectoral, spatial and economic goals at various levels from rural to urban settlements. This deals with the efficient placement of land-use activities, infrastructure, and settlement growth across a larger area of land than an individual city or town. Regional planning is related to urban planning as it relates to land use practices on a broader scale.

Social Plans

It supports community needs and interests in social, cultural, economic, and environmental affairs." It is a local, democratic system for setting priorities, arriving at equitable compromises and taking action. Social plans are initiated to solve community problems or improve conditions in the community by devising and implementing policies intended to have certain results.

Budget and Development Planning

There are important differences between a budget and a development plan. A budget is a short-time plan depicting the way and manner government intends to undertake the expenditure and generate the revenue for a given year.

A development plan on the other hand is a long term programme designed to achieve some permanent structural changes in an economy. It involves a deliberate attempt by the government to speed up the process of social and economic development. The following can be identified as the difference between budget and development plan.

- ✓ Firstly, while a budget is usually planned for a year, a development plan may cover a period ranging from period of a year and two to twenty-five years.
- ✓ Secondly, a budget may not cover the whole system of the economy in its content due to the shortness of the period; a development plan on the other hand covers the entire structure to the economy. It seeks to find permanent solution to the problems of the economy like to correct an

inflationary situation, a perceived imbalance in income distribution or resolve a balance of payments disequilibrium and changing the structural base from agriculture to industrialisation.

- ✓ Thirdly, a budget is concerned with current problems such as debt servicing meeting of pressing social needs like schools, road maintenance, or the financing of planned capital projects. A development plan, however, may attempt to change the distribution system from a capitalist oriented one to a socialist system or vice versa. It may also attempt to shift the ownership and control of the commanding heights of the economy from foreigners to citizens.
- ✓ Finally, a budget relies heavily on internal direct and indirect taxes and the flow of revenue is relatively more stable, a development plan, on the other hand, at least in the context of West African Countries, depends heavily on foreign exchange earnings and heavy capital inflow from abroad for implementation and achievement of growth targets.

Objectives/Usefulness/Advantages of Development Planning

Most of the development plans formulated by West African countries have tended to establish some form of mixed economy in which the state plays a more significant role. Almost all plans are based on the recognition that if economic development is left solely to the market forces engendered by private firms seeking profits, an adequate measure of economic growth will not be attained from any stand point. The stated objectives of most of the plans can be briefly summarised as.

(i) To create conditions for self-sustained economic growth and development: However, it should be realised that the basic objective of most plans is not merely to accelerate the rate of economic development and the rate at which the level of living of the population can be raised. It is also to give West African Governments and the masses an increasing measure of control over their own destiny and the sustenance of the growth to ensure steady improvement in the standard of living of the people. This can only be achieved when selfness and right thinking people are placed in authority.

(ii) To ensure a steady rate of economic growth: It is realised that much can be achieved through steady growth as compared with intermittent development. In the absence of plans which attempt to allocate resources in the best way possible, the countries cannot avoid unbalanced growth.

(iii) To expand and improve the productive machinery of the country: Diversification of the economy is necessary. It is thus realised that the level of living of the people depends very much on the productivity of the people. It, therefore, become inevitable that a substantial amount of the West African resources available should be used for increasing productivity rather than for immediate consumption, measures to mobilise domestic resources both through the government and through private business must have high priority through planning the economy. Diversification may lead to the development of many industries which will help to reduce our import bills

(iv) To organise a proper allocation of resources in order to achieve the objectives of the plans: It is with the recognition of this objective that greatest emphasis has been placed upon the expansion of agriculture, both for exports and for domestic use through crop diversification and modernisation of techniques, emphasis is also laid on a shift of manpower from agriculture to industry, expansion of industrial establishments, encouragement of more exports of manufactures and processed goods. Good development plans will make it possible for resources both human and material to be fully harnessed and utilised for economic growth and development.

(v) To increase employment opportunities. With proper allocation of resources to those projects and to those sectors of the economy which promotes a high rate of growth, it is contended that more employment opportunities would be provided for the growing population in West African countries. The successful implementation of various objectives contained in the plan will definitely generate employment opportunity for greater number of people.

(vi) To increase the inflow of capital on terms suitable for sustained economic growth and to mobilise domestic resources and to effectively utilise external assistance. It is realised that external capital is a necessity in order to implement the plans. Development planning is a tool for stimulating foreign and indigenous investment. A realistic development plan when presented to foreign international financial organisation may win tier support and encourage soft loans to implement some of the projects to be embarked upon in the plan.

(vii) To stimulate the vigorous growth of the private sector, in particular the development of manufacturing production. Since the private sectors in many West African economics are substantial and the governments generally recognise this, any plan that fails to co-ordinate the activities of this sector could not easily achieve its objectives.

(viii) It is argued that development plan allow for cohesion of the various sectors and the development of linkages for the entire economy. A project is not looked at from its viability alone as an independent project but rather in terms of how it is dependent on other projects as well as other projects depending on it.

(ix) Development of Infrastructure: The social capital of the developing country needs to be fully developed. The social capitals include good network or roads, railways, waterways, telecommunications, education and hospitals to ensure good health facilities. The presence of well-developed infrastructure of the economy will enhance productivity.

(x) To achieve even distribution of income: It has been noted that in developing countries, there is always inequitable distribution of income. In Nigerian for example, about five per cent of the population owns fifty per cent of the total wealth of the country. With the implementation of the objectives of development plan, income will be more equitably distributed.

From the foregoing, we can say without any fear of contradiction that the basic aim of most of the development plans of West African governments is to give a sense of direction to the economy, a sense of priorities and urgency and to enlist the support and co-operation of all sections of the community to work for a better future. It is aimed to attract popular enthusiasm which is both the lubricating oil of planning and the petrol of economic development - a dynamic force that almost makes all things possible.

Characteristics of Planning

Planning for Development should possess the following characteristics

1. Goal Orientation: Every planning must have a goal to which it aims at achieving. Development or economic plans should be attached to certain goals. Planning should not be done aimlessly.
2. Decision Making: Planning in any country should be done at making certain decision relating to the development and growth of the economic sectors of the economy.
3. Pervasiveness: Whether sectoral or spatial planning is involved, it should be able to affect the whole lot of economic variables either directly or in its multiplier effect. Its impact should be felt across the economy.
4. Continuity: Planning should be a continuous exercise which means, it should not be once and for all but areas of strength should be explored and failure or challenges should be addressed for future planning.
5. Futuristic: Economic or development Planning should be forward looking and not backward looking. The past is gone and whatever economic lapses recorded should be evaluated for future corrections and possible improvement for future development.
6. Executable/Effective: Projects, programmes and policies contained in planning should be feasible for execution or implementation within the available resources of the nation. Meaningful planning should not be an abstraction but realistically designed for implementation.
7. Flexibility: Flexibility in government activities will promote necessary adjusted where necessary. Planning should be designed as to allow for possible adjustment to accommodate needing injections for objective realisation.
8. Innovative: Economic/development plans should not be naïve but appeals to the introduction of variables that can affect the economy and bring in new course of economic ideas and thinking.
9. Choice making: The need for planning is to record positive changes that can lead to improvement in the economy. Therefore, economic/development planning should have a target at what and what is to addressed and how to get such addressed so as to record improvement in the economy. Some sectors of the economy should be identified for attention in economic planning.

Planning decision models

According to Jhingan (2011), a model expresses the relationships among economic variables which explain and predict past and future events under a set of simplifying assumptions. In other words, a model consists of a series of equations each of which represents the association among certain variables.

Planning Model therefore is a series of mathematical equations which help in the drawing up of a plan for economic development. Jhingan M.L (2011).

On the other hand, Otokiti S.O (1999) views an economic model as an organize set of relationships, that describes the functioning of an economic entity whether it concerns, the individual, house hold or firm, the local government system, the regional or national economies, or the world economy under a set of simplifying assumptions. He also posits that in the context of planning economic models provide a logically, systematic and internally consistent operational framework, based on structural inter-relationships of sets and participants in the economy under consideration. A planning model, in other words sets out the relationship between the crucial (key) variables in the process of planned economic development within the stipulated time horizon of the plan. We should also know that most planning models belong to the category of what are known as decision or policy models. In these models a set of plan objectives is specified, policy measures to achieve these objectives are isolated and their interrelationship worked out.

It is imperative to know that model may have endogenous and exogenous variables. Endogenous variables are those whose values are determined from within the system, examples of such are national income, consumption, savings, investment etc. On the other hand, exogenous variable are determined from outside the system, Examples of such are prices, exports, imports, technological changes etc.

Therefore we should know that a planning model specifies the relationships between endogenous and exogenous variables and aims at ensuring the consistency of the proposed plan for economic development. It is also meant to yield an optimally balanced collection of measures known as Model Targets which can help the planning authority in the drawing of an actual plan.

Types of Planning Models

We have various types of development planning models. Most development plans have traditionally been based initially on some more or less formalized macroeconomic model. Such economy wide planning model can be divided into three basic categories.

1. Aggregate growth, Macroeconomic or Simple Models
2. Multi-Sector Models
3. Decentralised Models

Aggregate growth, Macroeconomic or Simple Models

Aggregate growth, macroeconomic or simple models involves macroeconomics estimate of planned or required changes in principal economic variables. As the name implies, It deals with the entire economy in terms of a limited set of macroeconomic variables deemed most critical to be determined by levels and growth rates of national output; that is savings, investment, capital stock, exports, imports, foreign aid etc. The model provides a convenient method for forecasting output (and perhaps also employment) growth over a three to five year period.

Multi-Sector Models

It is a sophisticated approach to development planning in which the activities of the major industrial sectors of the economy are interrelated by a means of a set of simultaneous algebraic equations expressing the specific production processes or technology of each industry. All industries are viewed both as producers of outputs and users of inputs from other industries. For example, the agricultural sector is both a producer of output e.g. (wheat) and a user of input from the manufacturing sector e.g. (machinery, fertilizer). Therefore there is interdependence of industry which could lead to direct and indirect repercussions of planned changes in the demand for the products of any one industry on outputs, employment, and imports of all other industries. This can be traced throughout the entire economy in an intricate web of economic interdependent. This inter-industry model can be used to determine intermediate material, import, labour and capital requirements with the result that a comprehensive economic plan with mutually consistent production levels and resource requirements can in theory be achieved.

Decentralised Models

This type of models are useful in the early stages of a country‘s economic development when information is available for only individual sectors or projects, project evaluation or project appraisal and social cost benefit-analysis are techniques that fit into this category. The most important component of plan formulation is the detailed selection of specific investment projects within each sector. It is the type that have sector of project level variables which are used to prepare models for individual sectors or projects.

Social accounting framework

Social accounting (also known as social accounting and auditing, social accountability, social and environmental accounting, corporate social reporting, corporate social responsibility reporting, non-financial reporting or accounting) is the process of communicating the social and environmental effects of organizations on their stakeholders. Is a process that enables organisations to measure their social and environmental performances against their aims and objectives and assess the true impact of their activities upon their various stakeholders. Social accounting is therefore seen as an essential tool for measuring and reporting on the economic planning impact on society and the environment. Social accounting models divide the socioeconomic system into three equally important components: factors of production, institutions, and activities. How are the factors of production being organised and who does that for what activities? The government does the economic planning while the type of government and economic system determines answer to the basic economic problems of the society.

The term 'social accounting' was first introduced into economics by J.R. Hicks in 1942. In his words, it means 'nothing else but the accounting of the whole community or nation, just as private accounting is the accounting of the individual firm'. However, New Economics Foundation (NEF) pioneered a form of social accounting in the early 1990s. This was aimed at assisting organisations, both commercial and NGOs, in understanding and improving their social impact.

The Components of social accounting framework are production, consumption, capital accumulation, government transaction and transaction with the rest of the world.

Features of Social Accounting

- Establishment of a relationship between business and society.
- Comprises both Social costs and Social benefits.
- Relating to the use of Social resources.
- Accounting for the social responsibilities.

Objectives of engaging in social accounting

a. Determine whether commonwealths are properly utilised or not.

b. To identify and measure the periodic net social contribution of government projects, policies and programmes consisting of cost and benefits.

c. Determination of the activities of the government projects, policies and programmes and externalities as to how it affects social system.

Principles of social accounting

Social accounting must possess the following 8 basic principles

1. Inclusiveness. 2. Comparability. 3. Completeness. 4. Evolution. 5. Disclosure
6. Management of policies and systems. 7. External verification and, 8. Continuous improvement.

Integral Welfare Theoretical Approach

This approach states that "accounts for both social benefits and social costs in the financial statements must be clearly stated. This is a type of accounting format that highlight the creation of social reports that involves the social benefits and social costs. This is carried out with the three steps of Planning, Accounting and Reporting and Auditing.

The concept of social accounting when pursued with utmost attention will

1. Encourages an organisation to take impact assessment more seriously.
2. It provides opportunity for the management information systems to be developed and embedded in the organisation to provide ongoing monitoring and learning from programme activities.
3. It also creates room for better improvement in the management of public resources.
4. It helps in building a positive public image.
5. Organisations' trust can be gained among consumer by transparently reporting on their social and environmental

Measurement and Reporting the Social and Ethical Impacts on Society and Stakeholders

The followings are the ways by which the social and ethical impact of government business activities on the society and the stakeholders can be measured and reported.

1. Viewpoint of the Stakeholders.
2. Measurement of social impact.
3. Reporting and Transparency evaluation.
4. Challenges and Trade-offs analysis.
5. Integration with financial reporting system.
6. Triple Bottom line (TBL) Approach

Resources projection and Consistency

In economics, resource is defined as a service or other asset used to produce goods and services that meet human needs and wants.

1. Resources can be classified on the basis of their availability.
2. Resources can also be classified into renewable and nonrenewable resources. Renewable resources are resource of which there is an endless supply because it can be replenished. It includes sunlight, water, wind and also geothermal sources such as hot springs and fumaroles. Non-renewable resources include fossil fuels such as coal and petroleum.

3. Resources can also be seen in origin as either: biotic and abiotic resources. Abiotic resources comprise non-living things (e.g., land, water, air, and minerals such as gold, iron, copper, silver). Biotic resources are obtained from the biosphere. Forests and their products, animals, birds and their products, fish and other marine organisms are important examples

Economic resources can be defined as the inputs we use to produce goods and services. An economy cannot function without many of these resources. Economic resources can be divided between human resources and nonhuman resources. There are four categories of economic resources: land, labour, capital, and entrepreneurship. The most important elements of a resource planning strategy are capacity planning, demand forecasting, and accountability.

Project managers need to understand what their company is capable of producing. Know exactly what, and how much of it, their customers need.

Resource projection or forecasting is the process of estimating the quantity and type of resources that will be needed to complete a project or meet organizational objective. Every planning requires good and adequate resource projection or forecasting. It is *an* essential part of effective project management and strategic planning and services delivery. In planning, resources should be well planned to avoid waste and to ensure meeting the objective of the organisation. Resource planning therefore is the process of identifying, forecasting, and allocating best-fit resources, i.e., human resources, equipment, assets in the right way for optimal result.

The consistency principle in planning connotes that government business should not be conducted in a haphazard manner. Every action of the government should follow a standard set to guide the operations of the government. It can be said to states that government activities during planning should maintain the same accounting methods or principles throughout the planning periods, so that users of the financial statements or information are able to make meaningful conclusions from the data.

A consistent plan with defined strategies and repeatable processes

1. Reduces the chance of failure. It's always easier to control and maintain a consistent system than to put an inconsistent one back in order. Government agents or planners should be dedicated to organisational goals and staying focused on the things and activities to achieve them. However, it requires a long-term commitment and involves sustained effort in doing actions repeatedly until the target is achieved.
2. Being consistent in planning builds trust and improves efficiency. This can be likened to the advantages of specialisation and division of labour. Consistency is important, especially in challenging times when people want certainty and reassurance.

In planning, some observed corrections needs being effected within the economy and in doing this, there must be a commitment to achieving the proposed corrections. It may be economic, financial, developmental geographical or other type of objective. It's about committing to a path and staying true to it, regardless of obstacles or challenges. It's the unwavering belief that every action you take and every step you take contributes to your growth and success or otherwise.

Tips to Consistency:

ii. Goals setting. In order to become more consistent, you have to set clear goals that you want to work towards.
iii. Learn how to Prioritise. Scale your objectives accordingly.
iv. Regular Record of Progress. This will enable easy discovery of failures or deviations.
v. Limit Distractions. Be more focused and look away from distractions
vi. Track Time. Be conscious that time is irredeemable resource and must not be wasted
vii. Be Patient and Forgive Failures. Don't allow discouragement to weigh you during failures, but go back to drawing board for re-strategising.

Implementation and organisation of development planning in Nigeria

History of Development Plans in Nigeria

Nigeria's development planning was dated back to pre-independence era, and these could be classified under the following phases:

1. The Development Plan of the Colonial Era: (1946-1955)
2. First National Development Plan (1962-1968)
3. The Second National Development Plan (1970-1974).
4. The Third National Development Plan (1975-1980) and.
5. The Fourth National Development Plan (1981-1985).

The Development Plan of the Colonial Era: (1946-1955)

A Ten-year plan of Development and Welfare for Nigeria was formulated between 1946 and 1955 primarily, to guide the allocation of the development and welfare funds made available by the colonial masters. Major areas of attention were transport, communication and a few cash crops with little attention to developing the productive base and defining a comprehensive development objective for the country. Some problems that marred the plan include:

(1) poor financial resources for plan implementation,

(2) weak formulation and implementation machinery,

(3) lack of technical skills by the generalist administrators who prepared the plan,

(4) the absence of clearly defined national objectives.

First National Development Plan (1962-1968)

This plan was preceded by the establishment of a National Economic Council in 1955 with the mandate of coordinating activities for economic development of the country. The Council was made of representatives of the Central and Regional governments and was headed by the Governor General up to 1958 when the Prime Minister became the chairman. The National Manpower Board (NMB) was established in 1962 as well as the establishment of Joint Planning Commission (JPC), which was later merged with the Ministry of Economic Development with the responsibility for plan preparation and implementation. Foreign experts were of course invited by the government for assistance, without indigenous participation. The plan was confronted with the political upheavals, regionalism, ethnocentric politics and the military coup of 1966. The plan however cannot be written off entirely as some of its major projections that laid foundation for the **industrial growth** of the country were realized. These include: The Niger Dam, The Port Harcourt Refinery; The Nigerian Security and Minting plant, The Jebba Paper Mill, The Niger Bridge and The Bacita Sugar Mill.

Second National Development plan 1970-1974

The 1970-1974 National Development plan was formulated to rectify some of the shortcomings of the first development plan. The planning machinery was strengthened. The need for public input was recognized by proceeding with the plan preparation by a national conference on economic development and reconstruction, and the need for inputs from various levels of government, ministries and agencies especially relevant planning agencies like the National Manpower Board and Federal Office of Statistics. An Advisory Body made up of representatives drawn from the universities, trade unions, other ministries and the private sector were incorporated. The ministry of Economic Development remained at the Centre of plan coordination and preparation while the Supreme Military Council (the government in power still being military) was at the apex of the Planning machinery as it was in charge for the approval of broad national policies.

Five comprehensive national objectives to guide development plans were recognized. These were to establish Nigeria firmly as:

a. A united, strong and self-reliant nation. **b**. A great and dynamic economy.

c. A just and egalitarian society **d**. A free and democratic society

e. A land of bright and full opportunities for its citizens

These national objectives were considered so important that they were included in the 1979 Constitution. Nevertheless, the plan was confronted with lack of the will to perform, lack of finance, corruption, mono-cultural oil economy etc.

The third national development plan 1975-1980

The third plan had a projected jumbo investment of ₦30 billion which was later increased to ₦43.3 billion. This represents ten times that of the second plan and about 15 times that of the first plan. Just like the second plan, a broad section of the population like professionals and business groups were consulted during the preparation of the plan.

The objectives of the plan were:

1. Increase per capital income. 2. More even distribution of income.
2. Reduction in the level of unemployment. 4. Increase in the supply of high level manpower.
5. Diversification of the economy. 6. Balanced development, and 7. Indigenization of economic activities.

The military coup of 1975 brought a new government leading to a review of the plan. In the review, more emphasis was placed on projects that the government felt would have a more direct effect on the lives of the people. Agriculture, health, housing and water supply were given more priority.

The fourth national development plan 1981-1985

The fourth plan came on stream in 1981. It was the first plan prepared by the civilian government since 1966 when the military first intervened in Nigeria's politics. There was uniqueness in the plan as local governments were allowed to make inputs into the plan as a separate tier of government.

The objectives of the plan are:

1. Increase in the real income of the average citizen.
2. A more even distribution of income among individuals and socio-economic group.
3. Reduction of unemployment and under employment.
4. Increase in the supply of skilled manpower.
5. Reduction of the dependence of economy on a narrow range of activities.
6. Balanced development i.e. the achievement of the balance in the development of different sectors of the economy and the various geographical areas of the country.
7. Increased participation by the citizens in the ownership and management of productive enterprises.
8. Optimum utilization of Nigeria's human and materials resources;
9. Development of technology;
10. Increased productivity; and
11. The promotion of a new national orientation conducive to greater discipline, better attitude to work and cleaner environment.

The projected capital investment of the plan was put at ₦82 billion. Out of this figure the public sector investment was ₦70.5 billion while the private sector was expected to invest ₦11.7 billion.
The plan was anchored on crude oil and hence, encountered the problem of fall in world oil prices. The economy no doubt performed very poorly during this period which showed that the plan fail to achieve its set aims.

THE FIFTH NATIONAL DEVELOPMENT PLAN:

At the expiration of the fourth development plan in December 1985, a one year economic emergency programme was initiated in 1986. Later the Structural Adjustment Programme (SAP) which was then projected to last for two years was introduced. The government also decided to stop the traditional 5 year planning programme for a 3 year rolling plan which will be operated along with a 15-20 year perspective plan and operate within the annual budget.

THE OBJECTIVES OF SAP WERE:

1. To restructure and diversify the productive base of the economy in order to reduce dependence on the oil sector and on imports.
2. To achieve fiscal and balance of payments viability over period.
3. To lay the basis for a sustainable non-inflationary growth; and
4. To reduce the dominance of unproductive investments in the public sector, improve public sectors' efficiency and enhance the potential of the private sector.

The main elements of the Nigerian SAP were:

(a) Strengthening of demand management policies;

(b) Adoption of measures to stimulate domestic production and broaden the supply base of the economy;

(c) Adoption of a realistic exchange rate policy through the establishment of a Second-tier Foreign Exchange Market (SFEM);

(d) Rationalization and restructuring of the tariff regime in order to aid the promotion of industrial diversification;

(e) Progressive trade and payments liberalization;

(f) Reduction of complex administrative controls and fostering reliance on market forces;

(g) Adoption of appropriate pricing policies for public enterprises; and

(h) Rationalization and commercialization/privatization of public sector enterprises.

The Rolling Plan Era (1990-2007)

By 1986, the development planning in Nigeria had hit the rocks. The huge deficits of the third and fourth plans had pushed the country's external debts to about $22 billion. Nigeria's creditors necessarily had to be involved in her planning if further debts rescheduling had to be obtained. The new proposal consisted of:

i. A 15-20 year Perspective or Long term Plan;

ii. A three-year Rolling Plan; and

iii. An Annual Budget that will draw from the Rolling Plan

The perspective plan was to identify long term policies upon which the rolling plans and the annual budgets will derive their medium and short term programmes respectively. The preparation of a perspective plan that was to take effect from 1990 together with the rolling plan did not take place until 1996 when the then Head of Military government, General Sanni Abacha set up the Vision 2010 Committee.

The First National Rolling Plan, 1990-1992.

The essence of the rolling plan was to afford the country the opportunity of revision in the midst of increasing socio-political and economic uncertainties. The Rolling Plans were being prepared yearly at all levels of government including the local government level. Yet, Nigerians are no better off than they were during the years of fixed medium-term planning. With the coming to power of a new democratic power in May 1999, there were high expectations that things were bound to change regarding development planning in Nigeria since the military rule was partly blamed for plan failures especially as it concerned constant change of governmental administrations that led to inconsistency in plan formulation and implementation, and absence of democratic means of control that will likely guarantee more responsibility in governance.

The New Democratic Dispensation (1999-2007)

The new democratic government started development planning in 1999 on a clean slate with the initiation of a four-year medium term plan document, the National Economic Direction (1999-2003). The plan had the primary object of pursuing a strong, virile and broad- based economy with adequate capacity to absorb externally generated shocks. While being a new plan document, the objectives and policy direction was not significantly different from that to which the country has followed since the introduction of SAP. Other objectives are to have an economy that is highly competitive, responsive to incentives, private sector-led, diversified, open and market-oriented, but based on internal momentum for its growth. The plan did not achieve much of the articulated programmes of deregulating and diversifying the economy, reducing bureaucratic red-tapism in governance, creating of jobs, alleviating of poverty and providing welfare programmes and infrastructure such as water, improved health care, electricity and roads.

. Today Nigeria ranks among the fifteenth poorest country in the world despite her position as the 6th among the Oil producing countries of the world. Oil, the black gold being reckoned as one of the highly priced natural endowments in the world today, Nigeria by all standards supposes to be rated highly in the committee of wealthy nations. There was further plan to develop the economy which led to the establishment of National Economic Empowerment and Development Strategy (NEEDS). NEEDS is described as Nigeria's plan for prosperity. It is a four-year medium term plan for the period 2003 to 2007. NEEDS is a federal government plan, which also expected the states and local governments to have their counterpart plans- the State Economic Empowerment and Development Strategy (SEEDS) and the Local Government Economic Empowerment and Development Strategy (LEEDS) respectively. It is a comprehensive plan that seeks to include not only all levels of government towards moving in the same direction, but also seeks all and sundry namely, the private sector, the Non-Governmental Organizations (NGOs) and the general public in cooperative activity in pursuit of developmental goals.

The primary goal of making Nigeria a 'promised land' would be realized according to NEEDS through four key strategies of wealth creation, employment generation, poverty reduction and value reorientation.

An Evaluation of Plan Implementation in Nigeria:

Over the years it has been discovered that Nigerian's have actually excelled in programme formulation but have not fared well in implementation. Five determinants of the quality of plan implementation in Nigeria are identified. They are;

- ✓ the character of the plan and its demands of executive capacity,
- ✓ the adequacy of executive capacity in relation to these demands;
- ✓ the behaviour of the donors of foreign aid;
- ✓ the performance of the economy; whether the economy is capable of providing the real resources required for implementation and
- ✓ the political system and the interests of politicians.

Challenges of Development Plan and Plan Implementation in Nigeria

The following challenges are noticeable in Nigeria.

1. Imposition of policies on citizens of a nation: Most often, government policies are not really the needs of the people.
2. Lack of proper utilisation of human resources or capital to implement these plans/policies: Resources meant for plan implementation are not being utilised properly and adequately in most cases.

3. Corruption and lack of credible leadership: It has become a common knowledge that political leaders are found of enriching themselves corruptly through plan resources.
4. Non-involvement of the masses in policy formulation: The required community support that could enhance the implementation of the plan are not being enjoyed due to neglect of the people in policy formulation.
5. There is absence of continuity in policies when the tenures of specific government come to an end: This often leads to many abandoned projects that will later turn to waste of public resources.
6. Improper assessment of implemented policies: Poor assessment and evaluation of the policies has not given room for necessary improvement on subsequent plans
7. Lack of self-reliance: Most of the plans formulated n the past has been foreign based in term of finance and these has brought untold burden on the nation in the form of foreign debts.
8. Weak collaboration between the public and the private sector: The role of private sector cannot be overemphasised in national development. Nigerian plans have exhibited weak collaboration between government and private sector.
9. Lack of self-discipline among the leaders and the led: Personal opinions should not override collective interest. But in Nigeria, lack of self discipline among the leaders and the led has made previous plans to fail due to imposition of personal opinions and interest.
10. Lowering morale of civil servants: Civil servants are the engine of government. But in Nigeria, the morale of the civil servants have not been boosted to enable them contribute technically and professionally to a successful plan
11. Political officers' inefficiency: Most of the political officers lack the required competence to effect positive transformation in the economy. In most cases, they impose their will on the policies and may work contrary to the normal course.

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