

# THE REVIEW OF NIGERIA=S DEVELOPMENT PLANNING EXPERIENCE: THE JOURNEY SO FAR

BY

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## ABSTRACT

*History of planning in Nigeria indicates that Nigeria is in the habit of changing development strategies without allowing these strategies to be fully implemented. Thus there have been phases of development planning in Nigeria. From the review, it is evident that development plans in Nigeria right from 1946 to date has been dominated by influences from foreign countries and United Nations Agencies. During the contemporary period, the IMF and the World Bank are playing the leadership role. The voices of the poor are hardly heard directly by the government, mostly through these agencies and other Non-Government Organizations (NGOs). Similarly, the paper pointed out clearly that the habit of changing development strategies all the time cannot provide solutions to our development problems because it has much more to do with the attitudes, values, behaviours and orientations of Nigerians. And again the national planning record has been very weak. Each plan was essentially a laundry list of projects, some rolled over from the one before. The rolling plans for instance was designed to operate within the context of more comprehensive fifteen- to twenty-year plans; but there was no any perspective plan to guide it. As a result, it has proved irrelevant to the budgeting and financial management process. The dominant mode has been medium term planning with no serious attempt at systematic, integrated and targets-oriented planning. The paper therefore recommended among others that the task of re-branding Nigeria should aimed at reorienting, inspiring and motivating Nigerians being called PRIDE. An acronym for Patriotism, Resourcefulness, Integrity, Distinction and Enterprise. We therefore hope that if genuinely pursuit all the problems militating against effective implementation of development plans in Nigeria would be a matter of history.*

## **INTRODUCTION**

National Development Planning in the modern era, dates as far back as 1917, with the establishment of Communism in the Soviet Union, when the Soviet Government introduced centralized planning, in which the state through its various centralized 5-year plans determined what was to be produced, by whom and at what prices. There was little or no room for the market and the private sector, and all the means of production were owned by the state (Diejomaoh, 2008). At the other extreme, was the Capitalist system in the West, where the market system through the operation of privately owned enterprises, determined essentially what goods and services were produced, and prices were determined by the market through the forces of supply and demand. The Government or State operated essentially annual plans or budgets, which had to do with what current and capital expenditures the state, had to execute. The general consensus in the West was that the state should undertake expenditures and provide services or goods which the private sector could not produce, or were not best placed to produce. The state largely used the services of the private sector or NGOs in the execution of its services, and concentrated mainly in the administration of justice, the rule of law and the provision of security, police and the armed forces, education and health services. The state controlled the operations of the market through fiscal and monetary policies and regulatory commissions or agencies to ensure adequate competition among private enterprises and to avoid the excesses of monopolies.

In-between the extremes of central planning in the Soviet Union and Communist World and the >free market economies= of the Western world, led by the United States, were the so-called AMixed Economies@ in both the developed countries of the West and the developing countries. Here the state played a major role in the provision of social services, controlled the production of some major industries and the supply of public utilities. The private sectors modulated by market forces were responsible for the production and distribution of most of the goods and services. Mostly, in the 1980s, Structural Adjustment Programmes (SAPS) were introduced in most developing countries, which needed financial assistance from the International Monetary Fund (IMF) and the World Bank to enable them reschedule their foreign debts, reduce external debt repayments and have access to international credit for their international trading operations, upon which their development so critically depended. As a conditionality, countries who introduced World Bank and IMF assisted SAPS often had to

adopt draconian economic policies, cutting back on public expenditures and reducing their budget deficits to under 5% of their national incomes (GDP)

However, the application of the SAP policies resulted in considerable economic hardship and deterioration in many social indicators in developing countries; which led to the World Summit on Social Development held in Copenhagen in March 1995, which enthroned poverty eradication, employment creation, enhanced expenditures on education (basic education for all by year 2015), health and other social indicators, and gender equality (Beijing Conference on Women), which set a minimum target of 33% for women participation in all spheres of human endeavour. A global review of progress in the implementation of the Copenhagen Declaration after 5 years in 2000, led to the birth of the Millennium Development Goals (MDGs), after the Millennium Summit of World Heads of States and Government in New York in September 2000. Another World Summit to review global progress with MDGs was held in September 2005. That particular summit strengthened the MDG Declaration by specifically emphasizing employment creation and the implementation of the ILO Supported Decent Work Agenda.

In the post 1995 World Summit for Social Development (Copenhagen Declaration), the World Bank, IMF and the UNDP led the development agenda on poverty reduction and eradication and human development as a surrogate and summary index for social development. Poverty Reduction Strategy Papers (PRSPs) were introduced as the new conditionality for writing off external debts, through the Highly Poor Indebted Countries (HIPC) Initiative. Further thinking on the development process, led to the conclusion that too much emphasis was being put on poverty reduction and that there was need to place more emphasis to enhancing economic growth, creating wealth, and empowering people to take greater control of their own lives. It was within this context NEEDS was introduced in Nigeria.

The emerging global consensus on development now consists of National Development Planning for the following:

- (1) Accelerated economic growth and >Wealth Creation= and not just poverty reduction.
- (2) Macro-economic stability, liberalization of markets and prices, and private sector led growth
- (3) On the external economic front, reaping the gains from the irreversible process of globalization, which must be made fair for all (ILO, 2004).

- (4) Pursuing the implementation of the Millennium Development Goals.
- (5) Implementing the Decent Work Agenda which emphasizes Workers Rights, decent employment for all, social protection for all, and enhanced social dialogue (ILO, 1999).
- (6) The practice of good governance B democracy, respect for human rights; rule of law, transparency and accountability and the fight against corruption in Government, the private sector, and all sectors of human endeavour and society.

It is against this trend in global development thinking and practice as highlighted above, we can appreciate and understand the review of Nigeria=s national development planning. It is in this line that this paper started by looking at this global trend, types and goals of national development plans, which have already been done in the introduction; the review of Nigeria=s national development planning from 1946-2008; major challenges of Nigerian National Development Planning, and finally we concludes and make recommendations on the way forward for future national development planning in Nigeria. Let=s now proceed to look at the national development planning in Nigeria from 1946-2008.

#### **NIGERIAN DEVELOPMENT PLANNING EXPERIENCE 1946-2008**

The initial experiment on development planning in Nigeria began in 1946, with the launching of a 10-year development plan by the colonial government (1946-1956). This was subsequently followed by multi-year medium term (five-year) plans introduced by central and regional governments: Northern, Eastern, Western and Southern Camerouns, between 1955 and 1960 (Daggash, 2008). Thus, the detail of this plan is being discussed below:

#### **COLONIAL DEVELOPMENT PLAN (1946-56)**

This plan was carried out by the colonial administration, as an aftermath of the Second World War. In 1946 the British Government drew up a ten-year development plan, which was labelled Development and Welfare Programme for West Africa (1946-56). This plan laid emphasis on the following:

1. Promoting export through Commodity Boards, Marketing Boards, and Cooperative Societies.
2. Improving road network, especially in the rural areas for the evacuation of Agricultural products.
3. Improvement in the health and sanitary condition in Nigeria, especially in the rural areas.

4. Town and Country planning in such a way as to safeguard people=s safety and prevent the growth of shanties and squatter settlements.
5. Expansion of Educational opportunity, including the establishment of a university in Nigeria.

This period coincided with the time that Africans were engaged in independence struggle. In Nigeria, it was the period in which political parties were formed, and the nationalist had intensified their effort in capturing political power. This struggle resulted in the diversion of the attention of the colonial government in executing the programmes contained in the ten-year development plan. For instance, in 1951 ministries were created in Nigeria and Nigerians were appointed as ministers to head them. This change was followed by the drive to Nigerianize the civil service. In the same vein, each region, especially the North, had also intensified effort to localize its civil service. All of these had affected the realization of the objectives of the colonial development plan.

Although the colonial plan was not fully implemented, at least the effort had introduced some agro-allied industries in parts of Nigeria. Similarly, big commercial and administrative cities had sprung up such as Lagos, Kaduna, Enugu, Kano, etc. In 1954, the International Bank for Reconstruction and Development (IBRD)-World Bank, sent a mission to Nigeria, which produced an interim economic development report for 1956-60, which was inadvertently extended to 1962. A National Economic Council was established in 1955, which provided a forum for the Federal and Regional Governments to meet and discuss ideas related to economic development. The principal issues addressed by the council between 1955 and 1960 were related to the production of adequate manpower through expanded educational programmes. It was fallout of this desire that the Ashby Commission on higher education was set up. According to Jelili, e tal (2008), this plan also led to the establishment of the following: Niger Agricultural Project; Shendam Agricultural Project; Expansion of Export Crop Production; Model Village and enactment of the 1946 Town and Country Planning Ordinance, among others. According to Bade Onimode the colonial plan was characterized with the following:

- (i) Foreign private enterprises were entrusted with the major role of providing technical assistant, loans, subsidies, infrastructural facilities, and e.t.c.
- (ii) Emphasis on transportation

- (iii) British metropolitan interest such as shortage in dollar, supply of raw material and market for their manufactured goods.
- (iv) The conscious attempt by Britain to over emphasize the role of loans in development planning had led to the Adept-trap@.
- (v) The over bureaucratization of the planning process and the utilization of the so-called foreign experts is an indication of dependency.
- (vi) The emphasis on laissez-faire attitudes was to open room for the dominance of private sector and was dominated by the multi-national corporations.
- (vii) Time of great depression of 1929-33 characterized by political instability and economic crises marked by the Second World War.
- (viii) According to him, it was the beginning of GDP approach to planning, which succeeded in the entrenchment of under development in Nigeria (Mbaya, 2007).

According to Daggash(2008) and Diejomaoh (2008), this plan was neither comprehensive nor integrated in nature, they were mainly public sector plans, reflecting selected projects and programmes to be implemented by the respective regional governments. This plan often lacked internal consistency and were uncoordinated. Thus, the performance in terms of meeting its objectives was poor. Indeed, production of most goods and services were left to the private sector, dominated by commercial activities, and foreign trade, and peasant agriculture, and prices were largely determined by the market.

#### **FIRST NATIONAL DEVELOPMENT PLAN (1962-1968-70)**

After independence in 1960 the Nigeria government, with the assistance of International Bank for Reconstruction and Development-World Bank, commissioned Walfang Stolper, from the University of Michigan-U.S.A, to draw the first national development plan for the country. This development plan did not however yield positive results due to several faults associated with it.

1. The plan, as confessed by the author (stolpler), was drawn without facts or adequate and reliable data.
2. Too much emphasis was laid on the public sector to the neglect of private sector development.
3. Rural development was not given serious attention and the capacity building of the rural dwellers was not emphasized.
4. Too much hope put in foreign loans as sources of capital for development, and self-reliant development strategy was neglected.

5. Industrial development was pursued through the strategy of import substitution, while the indigenous industrial base was very weak.
6. The plan was drawn and executed during a period of political instability, which eventually led to military coups and a bloody thirty month civil war.
7. The military regime centralized the planning process and extended the first national plan period from 1968 to 1970, mainly because of the civil war that took place between June 1967 and January 1970.

The objectives of the first national development plan were as follows:

- (i) To achieve a co-ordinated economy consistent with the political and social aspirations of the people in order to achieve the following:
  - (a) Creating more employment
  - (b) Modernization of agriculture
  - (c) Creation of more managerial opportunities
  - (d) Provision of necessary infrastructure
  - (e) Maintenance of reasonable measures of stability through appropriate fiscal and monetary policies.
- (ii) To develop as rapidly as possible opportunities in education, health and employment and to improve access for all citizens to these opportunities.
- (iii) To achieve the growth through the investment of 15 percent of the GDP each year; among others.

Although Nigeria political leaders made decisions about general objectives and priorities for the first plan, foreign economists were the main authors of the actual document. Nobel economist Arthur Lewis has suggested that the main weaknesses of the 1962-68 plans were incomplete feasibility studies and inadequate evaluation of projects, accompanied by meager public participation, followed by excessive political intervention in economic decisions. Moreover, insufficient attention was paid to the small indigenous sector, and the machinery for implementing developments in the public sector was unsatisfactory. Lewis noted that the most important aspects of Nigeria's 1962-68 plans were "how the government proposes to raise the money and to recruit the personnel to carry out its objectives. " (<http://www.photius.com/countries/nigeri-economy-planning.html>).

However, at the end of the plan period the public sector was able to achieve 79.4% of its planned investment expenditure. There was an increase in the Gross Domestic Product (GDP). It increased from about N2, 630.8 million in 1962/1963 to N3, 166.2 million in 1966/1967; with the economy

recording a significant growth rate of 5% per annum. In 1967/ 1968, political instability set in culminating in a military coup d'état (January 1966) and the civil war in 1967. Consequently the question of increased growth rate of the economy and meeting plan targets were no longer feasible as the economy was put on a war basis.

### **SECOND NATIONAL DEVELOPMENT PLAN (1970-1974)**

This period followed the end of the civil war, and the government placed emphasis on post-war reconstruction, rehabilitation and reconciliation (the three Rs). Fortunately, it was during this period that Nigeria earned more money from petroleum products following the Arab-Israeli war of 1973. The Second National Development plan was a landmark plan because Nigerians formulated it and, above all, it was guided by concrete development goals or philosophy. The clearly spelt out goals for the plan were to make Nigeria a:

- a. united, strong and self-reliant nation;
- b. great and dynamic economy;
- c. just and egalitarian society;
- d. land of bright and full opportunities for all citizens, and
- e. Free and democratic society.

In order to have a well-coordinated planning the Federal Ministry of Economic Development was assigned the responsibility of monitoring all other agencies involved in the process. The main programme executed under this plan was the indigenization of the ownership of enterprises, through the Nigerian Enterprises Promotion Decree 1972. It was also during this period (1973) that Nigeria switched from right-hand side driving to left-hand side driving, as well as replaced the British pound sterling with the local currency called Naira. Effort was equally made by the Federal and State Governments to expand schools at both primary and post-primary levels. Likewise, agricultural development through cooperative societies was promoted. Unfortunately, bureaucratic corruption resulted into mismanagement and waste of resources. The political leadership under Yakubu Gowon lost control to the powerful Asuper-permanent Secretaries@ consequently; the plan did not achieve much in developing Nigeria=s economy. The replacement cost of physical assets damaged and destroyed in the civil war with the secessionist Igbo area in the southeast, then known as Biafra, was estimated to exceed N600 million (then about US\$900 million) (<http://www.photius.com/countries/nigeri-economy-planning.html>). The main weaknesses of the plan centred round immeasurable objectives and fragile executive capacity. The methodology for planning was pragmatic, largely due to lack of data and input-output tables. Many projects went ahead



without adequate project preparation or coordination. Projects were selected rather in an incidental manner with no general strategic conception or even much relation to the goal of the plan .The unexpected inflow of oil money undermined financial discipline of planning (Eghe, 2005).

Despite the above weaknesses, the public sector was able to undertake investment programmes worth N2.238 billion which is about 66.8% of the proposed investment by the sector at the end of the plan period. The Gross Domestic product (GDP) increased from about N9.4421 million in 1970/1971 to N14.4107 million in 1974/1975. The economy recorded a significant growth rate of 11.2% per annum, which exceeded the 7.0% annual growth rate target fixed for the plan. The unexpected inflow of oil money must have been responsible for this astronomical increase in growth rate (Eghe, 2005).

### **THIRD NATIONAL DEVELOPMENT PLAN (1975-1980)**

Nigeria entered the so-called oil-boom during this plan period. This was the time that petroleum products were produced in large quantities and the international price of the commodity was also high. The objectives of this plan among others were: to ensure balance development; reduction in rural-urban migration; expansion of federally managed teaching hospitals; expansion of basic health services, etc. As a result of the oil-boom Nigeria embarked on several gigantic development programmes. These programmes include:

1. Universal (free) primary education (UPE).
2. Establishment of seven new universities.
3. Creation of thirteen River Basin Development Authorities to promote agricultural development.
4. The National Accelerated Agricultural Development Programme (NAADP).
5. Operation Feed the Nation (OFN) programme.
6. The Basic Health Services Scheme (BHSS).
7. The execution of huge capital projects such as roads and earth dams.
8. The sponsorship of the First Black and African Festival of Arts and Culture (FESTAC 1977).
9. The initiation of the relocation of the nation=s federal capital from Lagos to Abuja.
10. Execution of a transition programme from military to civilian rule.
11. To expand agriculture, industry, transport, housing, water supplies, health facilities, education, rural electrification, community development, and state programs (Mbaya, 2007).

In spite of all wealth Nigeria had the development programmes under the third development plan did not effectively reach the rural poor. There was an urban bias in the location of projects. Furthermore, Nigeria secured a World Bank loan to execute the Agricultural Development Programmes. This was the beginning of Nigeria's problem with foreign loans, which have been obtained and misused and abused over the years. For example in June 1975, several state and local governments did not receive their monthly subsidies from the federal government. Just before the July 29, 1975, coup in which head of state General Yakubu Gowon was toppled, government workers in several areas threatened to impair vital services unless their June wages were paid (<http://www.photius.com/countries/nigeri-economy-planning.html>). In March 1976, in response to an economy overheated by demands for new programs and higher wages, General Olusegun Obasanjo, the then head of state, pointed out that petroleum revenue was not a cure-all. Many projects had to be postponed, scaled down, or canceled when oil-revenue-based projections made in 1974-75 later proved too optimistic. According to Jelili, et al(2008), the major achievements of the third plan were:(i) the creation of balanced development to generate growth simultaneously in all geographical areas of the country; (ii) provision of basis for regional planning and development by articulating policy towards ensuring that both the rural and urban areas are equipped for their proper role in the development of the national economy; (iii) creation of more states from 12 to 19 states; (iv) setting up of the Federal Ministry of Housing and Urban Development and Environment; (v) the 1976 Local Government Reforms; (vi) setting up of 12 River Basin Development Authorities in 1977 to cut across state boundaries; and (vii) establishment of Regional Planning Division within the Federal Ministry of Economic Development and Reconstruction, among others.

#### **FOURTH NATIONAL DEVELOPMENT PLAN (1981-1985)**

The fourth plan was executed during a period of economic crisis. The Shagari regime (1979-83) witnessed a fall in world price of petroleum products. This forced the government to embark on austerity measures and most of the development programmes had to be scaled down. The stated objectives of the plan were as follows:

1. Increase in the real income of the average citizen.
2. More even distribution of income among individual and socioeconomic groups.
3. Reduction in the level of unemployment
4. Increase in the supply of skilled manpower.

5. Balance development.
6. Increase participation of citizens in the ownership and management of productive enterprises.
7. Development of technology
8. Reduction in rural- urban migration.
9. The promotion of a national orientation conducive to greater discipline, better attitude to work and clearer environment.

The plan was designed to involve local government in planning and execution. However, such involvement was not feasible because local government lacked the staff and expertise to accept this responsibility (Diejomaoh, 2008). The plan was interrupted in 1985, because of the external shock resulting from rapid declines of crude oil prices in the world markets, and the resulting disequilibrium in monetary, fiscal and external balances, having due regard to the predominant role of crude oil in the Nigerian Economy, and the rising dominance of SAPS at that time. The plan was also threatened by falling oil revenues and an increased need for imported food that had resulted from delays in agricultural modernization. Projected to rise 12.1 percent annually, exports actually fell 5.9 percent yearly during the plan, as a recession among the nations of the Organisation for Economic Co-operation and Development reduced demand for Third World imports. As exports declined, the capacity to import construction materials and related capital goods also fell, reducing growth in the construction, transport, communications, utilities, and housing sectors (<http://www.photius.com/countries/nigeri-economy-planning.html>). Nigeria was heavily dependent on agriculture, with the sector accounting for more than 40 percent of pre-1973 GDP. But in the decade up to 1983, agricultural output in Nigeria declined by 1.9 percent and exports fell by 7.9 percent. Agricultural imports as a share of total imports rose from 3 percent in the late 1960s to 7 percent in the early 1980s. Nigeria's unfavorable agricultural development resulted from the loss of competitiveness among farm exports as the real value of the Nigerian naira appreciated substantially from 1970 to 1972 and from 1982 to 1983 (<http://www.photius.com/countries/nigeri-economy-planning.html>).

#### **FIFTH NATIONAL DEVELOPMENT PLAN (1986-88-90) SAP**

This was supposed to be the fifth national development plan. Babangida administration introduced long term plan with rolling plan as a check. Still under this administration, Structural Adjustment Programme (SAP) was introduced to achieve the following objectives:

- (i) To restructure and diversify the productive base of the economy in order to reduce its dependence on the oil sector and imports
- (ii) To reduce the dominance of unproductive investments in the public sector.
- (iii) To enhance the potential of the private sector
- (iv) To achieve fiscal and balance of payment viability; and
- (v) To achieve a realistic exchange rate for the Naira, among others.
- (vi) To devalue the naira, remove import licenses, reduce tariffs, open the economy to foreign trade, promote non-oil exports through incentives, and achieve national self-sufficiency in food production. The drafters sought to improve labour productivity through incentives, privatization of many public enterprises, and various government measures to create employment opportunities.

It can be observed that instability of the exchange rate has been one of the major problems facing the economy since the adoption of SAP. There was a serious leakage between savings and investment. Beside exchange rate and credit management problems, other serious problems include the high rate of inflation, under-capacity utilization in the industrial sector, slow growth rate of productive sector, under-employment and unemployment and above all external debt burden. Particularly, this burden has hindered the country's socio-economic development.

#### **FROM SAP TO ROLLING PLANS**

The SAP which was initially designed to cover the period, 1986-88 was later extended to provide the policy basis for the successive three-year rolling plans which commenced from 1990 and have been operative to 2003. In introducing the plan the government made it clear that the plan was aimed at removing the weakness of earlier plans. The economic crisis that faced the nation since 1983 has revealed that fixed five years plans were not the best suited to cope with attendant problems of economic management and adjustment under conditions characterized by numerous uncertainties, fairly rapid changes as well as pressing issues that called for urgent solutions (Business Times, 8<sup>th</sup> January, 1990).

The lessons of the past fixed five year medium term development plans, with wide divergence between objectives and actual achievements, made it imperative to adopt a new planning strategy (rolling plan) that is subject to periodic reviews as against the rigid five years fixed plans. Thus, the rolling plan which is of shorter duration and more efficient in coping with the vagaries of the international oil market and the dynamics of the new world

order was introduced in 1990 to replace the five year fixed medium term plan. Thus, we had eight rolling plans, namely: 1990-92; 1991-93; 1992-94; 1993-95; 1994-96; 1995-97; 1996-98; and 1997-99.

The use of three-year plan became popular after the Second World War when most European countries used it to reconstruct the damages caused by the war. The recovery of the economies of European countries was largely due to the adoption of this plan. Some of the objectives of the rolling plan were as follows:

- (i) To consolidate achievements made so far in the implementation of SAP
- (ii) To deal with the pressing problems of inflation, unemployment, poverty, performance of the productive sectors, external debt burden and the slow growth of non-oil export.
- (iii) To provide solutions to the problems of high growth rate of population, low level of productivity and threats to the environment.
- (iv) To provide solutions to anti-social behaviour such as armed robbery and drug abuse.
- (v) Agricultural development
- (vi) The provision of infrastructural services.
- (vii) Streamlining public expenditure to give priority to the completion of critical on-going viable projects.
- (viii) Anti-corruption campaigns
- (ix) Poverty alleviation programmes
- (x) Job creation, among others
- (xi) To reduce inflation and exchange rate instability, maintain infrastructure, achieve agricultural self-sufficiency, and reduce the burden of structural adjustment on the most vulnerable social groups (<http://www.photius.com/countries/nigeri-economy-planning.html>).

In late 1989, the administration of General Ibrahim Babangida designed the rolling plan to operate within the context of more comprehensive fifteen- to twenty-year plans. This has not been done as a result the plans were implemented without focus and direction.

#### **FROM ROLLING PLAN TO NEEDS**

Nigeria is of the habit of changing development strategies even when the ones being experimented have been given sufficient time to mature. From 2000 to 2002 there was no formal planning which was regarded as the period of muddling through. This was why the National Economic Empowerment and Development Strategy (NEEDS) also replaced the rolling plan that

substituted for the fixed plans of the 1980s in 2003. NEEDS is an economic development strategy that was inspired by the World Bank, through its Interim-Poverty Reduction Strategy Policy (I-PRSP) paper that was issued in 2001/2002. It was realized that the poverty level in Nigeria was so high that the government had to embark on programmes that would alleviate the bad situation. As a medium-term development strategy, NEEDS has been designed for the period 2003 to 2007, as NEEDS-1. Its policy thrust includes:

1. Empowerment of the poor.
2. Wealth creation
3. Employment generation for the unemployed youth.
4. Poverty reduction by half of the level it was in 2003 by the year 2015.
5. Value re-orientation for Nigerians be their brothers= keepers, be hardworking and appreciate home-made goods.
6. Public sector reforms that will reduce the size of the service eliminate ghost workers, monetize fringe benefits and fight corruption.
7. Intensification of the deregulation of the economy.
8. Developing the infrastructure through private sector participation.

#### **FROM NEEDS-1 TO NEEDS-2(2008-2011) AND 7 POINT AGENDA**

On assumption of office on May 29, 2007, President Musa Yar`Adua, met a nation with vital infrastructure such as roads, power, water etc in comatose state, while the key sectors such as manufacturing, agriculture, education and transportation were floundering. It was against this background that the president unveiled a seven-point agenda which he hoped would put back the economy on track. The agenda was to be the platform on which his administration would spring off. He enumerated the seven point agenda as power and energy; food security and agriculture; wealth creation and employment, mass transportation, land reforms; security; qualitative and functional education and pursuance of the rule of law. He added that his administration would focus on Accelerating economic and other reforms in a way that makes a concrete and visible difference to ordinary people@ (Ochima, 2008). To have unity of purpose the then Minister of National Planning (Mohammed Sanusi Daggash) announced the harmonization of NEEDS-2 and the seven-point agenda to have the new medium term national development plan for 2008-2011 (NPC, 2007). In a survey conducted in 2008, Nigerians score Yar`Adua low on seven-point agenda (Aluko, 2008).

## **NEEDS-2 AND NIGERIA VISION 2020**

Nigeria vision 2020 is designed to be achieved using a multi-medium term plans. The goals of the vision among others include: engendering peaceful, harmonious and a stable democracy by 2020, sustenance of a sound, stable and globally competitive economy with a GDP of not less than N900 billion per capita, GDP of over \$4,000, provision of adequate infrastructure services that support the full mobilization of all economic sectors, a modern and vibrant education system which provides the opportunity and facility for every Nigerian to achieve his/her full potential and a health sector that supports and sustains a life expectancy of not less than 70 years, modern technologically enabled agricultural sector that guarantees national food security, etc. The institutional arrangement allows for states and local governments to prepare their respective state vision documents, given their respective backgrounds and peculiarities. However, these plans are expected to reflect national objectives, as well as states specific objectives

## **MAJOR CHALLENGES OF NIGERIAN NATIONAL DEVELOPMENT PLANNING**

The major Nigeria=s daunting development challenges are pervasive poverty estimated to be about 54%, growing inequality (49%), high unemployment rate resulting in youth restiveness, infrastructural deficit, poor industrial base, low capacity utilization, collapsing human capital, uncontrolled population growth, low technological base, insecurity of lives and property, Niger Delta problem, lack of water and sanitation, environmental degradation, climatic change, HIV/AIDS and malaria. All these demand a holistic approach for addressing them. Similarly, our development plans did not succeed in translating improved macro economic performance into improved quality of life for the majority of Nigerians. The major indices for measuring the quality of life, or living standards, such as poverty, employment, human security and freedom, education, health, access to water and sanitation, amongst others, are rated very low compared to other developing countries. A brief review of the UNDP released Human Development Report 2007/2008, shows that Nigeria has a Human Development Index (HDI) of 0.470, and ranks 158 out of 177 countries surveyed in the world. The Nigerian Index puts Nigeria in the category of Least Developed Countries (LDCs), and the Nigeria HDI is below the average for the LDCs and that of sub-Saharan African countries, and is well below that of our neighbouring country-Ghana whose economy collapsed in

the 1970s and early 1980s. Indonesia, a country that was in the same income position as Nigeria, in fact lower, and a fellow member of OPEC in the early 1970s, has an HDI that is about 50% better than Nigeria, while its income position is now about three times higher (UNDP, 2007/2008). Moreso, with respect to the attainment of the Millennium Development Goals, the MDGs Report (2006), shows that apart from the basic education target, Nigeria is far from achieving the MDGs(NPC,2007).

From the foregoing it is clear that Nigeria=s performance in the areas of human development and the attainment of the Millennium Development Goals has been far from satisfactory, hence considerable improvement in these central aspects of development, must constitute the centerpiece of Nigeria Vision 2020. Another major area of poor national economic performance for Nigeria is employment creation. Available information indicates that we are in crisis territory, with youth unemployment at 60%, university graduates constituting 25% of total unemployment and with the formal sector only generating 7% of employment for all those in the labour force (Federal Ministry of Labour and Productivity, 2007).

## **CONCLUSIONS**

From the review the national planning record has been very weak. Each plan was essentially a laundry list of projects, some rolled over from the one before. The rolling plans for instance was designed to operate within the context of more comprehensive fifteen- to twenty-year plans; but there was no any perspective plan to guide it. As a result, it has proved irrelevant to the budgeting and financial management process. The dominant mode has been medium term planning with no serious attempt at systematic, integrated, targets-oriented planning (Ukwu, e tal, 2003). The habit has been changing strategy without allowing these strategies to be fully implemented. Thus there have been phases of development planning in Nigeria, namely:(i) Long- term plan phase (1946); (ii) Medium- Term Plan phase(1962-1985); (iii) No Formal Plan Phase(1986-1989); (iv) 3 Year National Rolling Phase(1990-1999); (v) No Formal or muddling Through Plan Phase(2000-2002); and NEEDS-1(2003-2007, NEEDS-2(2008-2011), 7 Point Agenda and Nigeria Vision 2020 Phase (2003-to date).



## **RECOMMENDATIONS**

- (i) National Development Plans in Nigeria should be more of an *indicative* medium-term plan, which should be private sector led driven, where prices are largely determined, based on free market principles (Diejomaoh, 2008). These should be incorporated in NEEDS- 2, the 7 Point Agenda and the current Nigeria Vision 2020. Emphasis should be more of implementing appropriate policies, strategies, programmes and projects to attain much higher performance for Nigeria especially in the areas of improving quality of life and employment generation.
- (ii) There is the need, to put in place strong national sectoral regulatory agencies to curb private sector transgressions and excesses. This approach is in tune with the emerging global consensus on development discussed under the introduction above. Even India and China, which have long followed socialist and communist ideologies, are proceeding in this manner in their Eleventh National Development Plans (Diejomaoh, 2008).
- (iii) The privatization exercise which started in Nigeria about 20 years ago, should now be accelerated and extended to the 2 major sectors which now constitute the greatest obstacle to development in Nigeria, namely the Power Generation and distribution sector and Petroleum products production and distribution. By implication, market principles must be allowed to determine prices in these sectors, without which there will be no incentives for private sector investments in these sectors and the nation will continue to be trapped and caught in the vicious circles which have characterized these sectors up to date. Appropriate monetary and fiscal policies and administrative measures should be taken to protect the interest of vulnerable groups that will be adversely affected by these reforms.
- (iv) There has been advocacy for the diversification of the Nigerian economy for a long time, the structure of the Nigerian economy remains essentially unchanged after 50 years. Manufacturing accounts for only 4% of GDP, while the agricultural sector share has stagnated at about 40% of GDP for a long time. There is an urgent need to diversity the structure of our exports away from almost sole dependence on crude oil, to Gas, exports of manufactured goods and more agricultural exports (Daggash, 2008).

- (v) There can be no meaningful and successful planning without reliable and timely economic and social statistics. As the nation embarks on vision 2020, there is the need to strengthen the human and institutional capacities of statistical services at national, state and local services.
- (vi) Development Planning in a democratic setting must of necessity be participatory, and involve all relevant stakeholders at all stages of policy and programme planning. It is to be hoped, that this principle will be adhered to, at all levels of Government and development planning. Recent national experiences, with opposition to National Policy reforms, suggest that there is need to strengthen social dialogue institutions and processes in moving the nation forward through development planning and market reforms.
- (vii) The best conceived development plans can make an impact only if implemented. To improve implementation prospects, there is need to institute an Annual National Development Forum at the Federal level, with corresponding development forums at State , Local and Community level, just before the budget cycle begins say last week of September every year. The development forums should be dedicated to show-casing annual achievements in planned policies, strategies, programmes and projects that have actually been implemented, and are on the ground. The annual development forums should be conducted with the full participation of all relevant stakeholders. There will be need for the accounting and reporting institutions to substantiate their achievements. The allocation of new budgetary resources should be contingent on actual achievements. Besides, sanctions need to be imposed on non-performing entities.
- (viii) There is need for finding ways of mobilizing leadership at all levels, not only in Government (Executive, Legislature and Judiciary) but in all levels of national life to commit to a better performing Nigeria, and to provide inspirational and improved leadership in all fronts of our national life, that will drive the nation to greater heights of achievement in the economic, social and other fronts in the future Development Plan period. In the mid-1980s a national leadership conference was convened at the Nigerian Institute of Social and Economic Research, to achieve the ends stated above. More of such are needed.

- (ix) Finally, the issue of re-branding Nigeria. Nigeria is an oil rich African country with an estimated population of over 140 million people; it also occupies an envious position as the 6th largest oil producer in the world. Despite these positive attributes, Nigeria=s reputation as one of the most corrupt nations in the world, coupled with other socio-political issues has greatly affected its global image and has directly impacted on its attractiveness as a potential investment and tourist destination. Re-branding Nigeria should aim at reorienting, inspiring and motivating Nigerians being called PRIDE. An acronym for Patriotism, Resourcefulness, Integrity, Distinction and Enterprise. We therefore hope that if genuinely pursued all the problems militating against effective implementation of development plans in Nigeria would be a matter of history, and Nigeria assume her position as GIANT OF AFRICA.

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