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FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF ADMINISTRATION
COURSE GUIDE

Course Code: PAD807

Course Title: Development Theory and Administration

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COURSE GUIDE

PAD 807 Development Planning and administration are a one semester, 3 credits, course. It is made up of Twenty-Five units collapsed into five modules.

Development theory and administration is an Master of Science (M.Sc) course that tends to expose the student to the rudiments of development and administration in both theoretically and practically in the way and manner a society is governed in the interest of all and sundry subsumed into modules for easy of purpose and to guide an understanding of the course in its entirety. The overall aim of the course is to introduce you to the definition and origin of development planning and administration. Related concepts such as development, growth, underdevelopment and modernization will be learnt as well as underpinning theories to expedite the understanding of the intricacies that are embedded in the development paradigm. After that the focus will shift to the environment of development administration with emphasis on salient economic, political, administrative and socio-cultural factors which are parts and parcel of development agendas.

Measureable Outcomes

The overall aim of the course is to introduce you to the definition and origin of development planning and administration. Related concepts such as development, growth, underdevelopment and modernization will be learnt. After that the focus will shift to the environment of development administration with emphasis on salient economic, political, administrative and socio-cultural factors which impinge on government development efforts. Other issues that will be discussed include development planning and public enterprises with emphasis on privatisation. To achieve the stated aims the course sets specific objectives at the beginning of each unit which you should read before studying the unit.

You should endeavour to look at the units objectives after completing a unit to be sure you have attained the unit requirement.

To complete the course, you are required to study the units, read the textbooks and other materials listed under further reading plus any other material provided by the National Open University of Nigeria.

Tutor-Marked Assignments

Each unit contains activities and tutor-marked assignments for assessment purposes. There is a final examination at the end of the course.

There are two parts to the assessment of the course.

First are the tutor- marked assignments and second there is a written examination. When completing the assignments, it is expected of you to apply the knowledge acquired during the course. There are twenty-seven tutor- marked assignments in this course and you are encouraged to attempt all. However, you only need to submit ten of the twenty-seven assignments.

The three with the highest marks will be counted. Each of the three assignments attracts 10% towards your total course marks (30%). The final written examination for this course will be of three hours' duration and will have a maximum value of 70% of the total grade. The examination will consist of questions which reflect the course content. The time between completing the last unit and sitting for examination should be used to revise the course. It may be useful to review your activities and tutor-marked assignments before the examination

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MODULE ONE: DEVELOPMENT

UNIT 1: Development; Meaning and Concepts

Unit Structure

- 1.1 Introduction
- 1.2. Learning outcomes
- 1.3 Meaning of Development Administration
- 1.4 Summary:
- 1.5 References/Further Reading
- 1.6 Possible Answer to Self-Assessment Exercise



1.1 Introduction

The concept of development has been approached from different quotas owing to the fact that it is a concept that defiles a unilateral meaning. However, certain aspects stand out in what development stands for; which are mostly the common indices it shares across all definitions. In the light of that fact, it is worthy of note that development connotes improved living standards and improved infrastructural and societal wellbeing.

Another perspective of development sees it as a ground breaking achievement of countries in different spheres necessitating adequate studies in administration, industrialization, science and technology and general wellbeing of a people in a country. Various countries are celebrated today as success stories in administration and the pursuit of development owing to deliberate and targeted policies of government through administrative narratives however, the desired developmental strides are still a mirage in less developed countries and Nigeria is not left out in this regard. Hence the idea behind discussions on development planning, administration and even theories of development that guide an understanding of the entire gamut of development.



1.2 Learning Outcome

At the end of the unit, you should be able to:

- i. Define development administration and
- ii. Explain the differences between development administration and public administration and how they interrelate in the discuss of development in general.



1.3 Meaning of Development Administration

The task of development in the developing countries is said to be a most challenging one for a variety of reasons: first, because, unlike in the advanced countries where the pressure on the government is for more social services for a society already at an advanced stage of development in which most of its members possess and enjoy the basic necessities for a decent life, in the new nations even those basic necessities are either non-existent or minimal for the vast majority of the population. Moreover, the task of

development was an urgent one since the survival or nation building in itself is dependent on it. The people had also been made to expect that independence would bring about an immediate improvement in their conditions. It was therefore, felt that the traditional model of public administration would be inadequate in providing guidelines for building a nation-state out of traditional society. Thus, a new model of administration termed development administration came into being especially within the broader field of public administration and was adopted in the new nations to 'modernize' their economies, accelerate development to be equivalent with what is obtainable in developed climes. It was reasoned that a technocratic bureaucracy following rational-legal principles as set out by Max Weber would be all that was needed to overcome tribal authority and superstition, combined with the application of technical expertise to agriculture and industry. Basically, development administration can therefore be defined as a system of administration geared towards development. It initiates and manages innovation-political, social and economic tailored towards improved economic conditions in a country. Development administration is characterized by innovation and social engineering. In explaining development administration, (Fainsod 1963: 1-5) says: It is a carrier of innovation values. It embraces the array of new functions assumed by developing countries embarking on the path of modernization and industrialization. Development administration ordinarily involves the establishment of machinery for planning economic growth and mobilization of resources to expand national income.

Development is a process that creates growth, progress, positive change or the addition of physical, economic, environmental, social and demographic components to improve the living standard of all and sundry in the society. The purpose of development is a rise in the level and quality of life of the population, and the creation or expansion of local regional income and employment opportunities. Development is visible and useful, not necessarily immediately, and includes an aspect of quality change and the creation of conditions for a continuation of that change however, in every facet of it, development should impact positively in all spheres of societal existence.

The international agenda began to focus on development beginning in the second half of the twentieth century. An understanding developed that economic growth did not necessarily lead to a rise in the level and quality of life for populations all over the world; there was a need to place an emphasis on specific policies that would channel resources and enable social and economic mobility for various layers of the population.

Through the years, professionals and various researchers developed a number of definitions and emphases for the term "development." (Amartya S, 2009) for example, developed the "capability approach," which defined development as a tool enabling people to reach the highest level of their ability, through granting freedom of action, i.e., freedom of economic, social and family actions, etc. This approach became a basis for the measurement of development by the HDI (Human Development Index), which was developed by the UN Development Program (UNDP) in 1990. (Martha, N. 2016)

developed the abilities approach in the field of gender and emphasized the empowerment of women as a development tool.

In contrast, professionals like (Jeffrey S and Paul Col 2018) focused on mechanisms that prevent or oppress development in various countries, and cause them to linger in abject poverty for dozens of years. These are the various poverty traps, including civil wars, natural resources and poverty itself. The identification of these traps enables political, economic and social conditions in a country to either plummet or advance depending on the level it is put into practice. If implemented right, it can be considered as an attempt to advance development. One of the emphases in the work of Jeffrey Sacks is the promotion of sustainable development, which believes in growth and development in order to raise the standard of living for citizens of the world today, through relating to the needs of environmental resources and the coming generations of the citizens of the world.

While some people see development as industrialization and Modernity or even Westernization and its artifacts such as cars, trains, refrigerators, television, computers, phone-sets, radio, electricity, textiles, schools, tarred roads, et cetera, for others, development has come to mean the Millennium Development Goals (MDGs) better still, the United Nations Sustainable Development Goals. In other words, to them, development is the eradication of extreme poverty and hunger, illiteracy, maternal and child mortality, malaria and HIV/AIDS, gender inequality, and so on.

Development is often used in an exclusive economic sense; the justification being that the economy has a pervasive influence in all societies and also, the economy is itself an indicator of other socio-political features of a society. But development is a multi-dimensional concept, thus it could be economic, political, social, cultural or even human.

Self-Assessment Exercises

Q1: identify the attributes of Development Administration.
Q2: and describe the scopes of development



1.4 Summary

The unit examined the meaning of development administration. In essence, development administration is field especially within the broader field of public administration. Whereas public administration is concerned with the maintenance of law and order, development administration is geared more towards development. In the final analysis one may say that administration stems from capitalism while development administration stems from socialism.



1.5 References/Further Reading

Fainsod, M. (1963). *The Structure of Development Administration in Development Administration: Concepts and Problems.*

Swerdlow I (ed). Jorgensen, J.J. (1990). “Organisational Life-cycle and Effectiveness Criteria in State-Owned Enterprises: The Case of East Africa’ in Alfred, M.J. and Rabindra, N.K. *Management in Developing Countries.* London and New York: Routledge.

Turner, M. and Hulme, D. (1997). *Government Administration and Development: Making the State Work.* London: Macmillan.



1.6 Possible Answer to Self-Assessment Exercise

Question one: Development administration is concerned with development. It initiates and manages innovation which can be political, social and economic. Development administration is characterized by innovation, and social engineering. It embraces the array of new functions assumed by developing countries embarking on the path of modernisation and industrialization. Development administration basically involves the establishment of machinery for planning economic growth and mobilizing and allocating resources to expand national income.

Question two: the scope of development revolves around the improved welfare of individuals within the state. It connotes societal development which ranges from industrialization, infrastructural development and the general wellbeing of all and sundry.

UNIT 2: Features of Development

Unit Structure

- 2.1 Introduction
- 2.2. Learning outcomes
- 2.3 Specific Indices of Development
- 2.4 Scope of Development
- 2.4 Economic Development
- 2.5 Political Development
- 2.6 Socio-Cultural Development
- 2.7 Summary
- 2.8 References/Further Reading
- 2.9 Possible Answer to Self-Assessment Exercise



2.1 Introduction

In spite of the ambiguous nature of the concept of development, it has some identifiable features. Some countries have been able to achieve development and as a result, their values and institutions have become the yardsticks for determining and measuring development around the world.



2.2 Learning Outcome

- i. By the end of this unit, you should be able to identify clearly the features of development.
- ii. Understand the Scope of Development



2.3 Specific Indices of Development

A country is said to be developed if it has the following characteristics:

- i. Social infrastructures such as constant electricity, good network of roads, potable water, well equipped and functional schools and hospitals and sound communication networks
- ii. Adequate Security to protect lives and property
- iii. Good governance and political stability
- iv. Industrialization

Moreover, according to the United Nations Development Programme (UNDP), societal development can be measured using the Human Development Index (HDI) and this includes:

- i. High life expectancy
- ii. High literacy level

iii. High income level

In other words, for any society to be regarded as developed, it must be able to provide those basic amenities that would prolong the life of its inhabitants, provide education for the majority of its citizens as well as good jobs that can fetch them enough income to live a quality life.

However, the above UNDP indices of development have been criticized on the ground that they do not take into cognizance societal inequalities and the quality of education that is being given to the people as well as some other vital indicators of development. Majority of the citizens of a society for instance may have access to education, but that education may not be qualitative. The HDI on education is calculated based on number of people who have access to education; it fails to take into account the quality of that education. It is quality education that is needed for development.

Also, the income level in a society may rise as a result of increase in the Gross Domestic Product (GDP), but the bulk of the income may be concentrated in the hands of the privileged few – the political and the economic elites. The UNDP's HDI on income is based on the rise of national income, and not on national income distribution.

It has been discovered that if the income rise is not fairly distributed, societal inequality will increase. The gap between the few elites and the rest of the society who are in the majority will continue to widen even as the GDP and national income increase. Despite these few reservations, Human Development Index (HDI) is still a yardstick for measuring development.

Poverty and Development Challenges

Poverty is not uniformly distributed across the globe i.e. there are rich and poor people in every country, although most of the poor live in three regions South and East Asia and Sub Saharan Africa. Sachs (2007) also notes that there is hope – because the numbers of those in extreme poverty in East and South Asia have fallen by 2/5ths and 1/3rd respectively since 1981, although numbers grew slightly in Africa.

Poverty and Causes

Pushing the debate further from the prism of the world economic forum in (2020), the argument is put forward that, the world's 2,153 billionaires have more wealth than the 4.6 billion people who make up 60 percent of the planet's population. this revelation is done by a new report from Oxfam in line with the World Economic Forum (WEF) in Davos, Switzerland.

To them, the Global inequality is shockingly entrenched and vast; and the number of billionaires has doubled in the last decade while the numbers of the economically bankrupt persons or the downtrodden as the case maybe continues on the increase. Oxfam India CEO Amitabh Behar, who is in Davos to represent the Oxfam confederation this

year (2020) said: “The gap between rich and poor can't be resolved without deliberate inequality-busting policies, and too few governments are committed to these.”

Oxfam's report, shows how our sexist economies are fueling the inequality crisis enabling a wealthy elite to accumulate vast fortunes at the expense of ordinary people and particularly poor women and girls:

The report further suggests that the world's 22 richest men have more wealth than all the women in Africa; buttressing further the inequality gaps in the world and showing a reflection of the extent of poverty in the world as well.

This is further calculated on the basis of the hours of work put in place in the productive sectors and the rate of wages and incomes that accrues from work hours. The report further opined that, women and girls put in 12.5 billion hours of unpaid care work each and every day; a contribution to the global economy of at least \$10.8 trillion a year, more than three times the size of the global tech industry.

Getting the richest one percent to pay just 0.5 percent extra tax on their wealth over the next 10 years would equal the investment needed to create 117 million jobs in sectors such as elderly and childcare, education and health.

“Our broken economies are lining the pockets of billionaires and big business at the expense of ordinary men and women perhaps through illicit financial flow in some instances particularly as it concerns the less developed countries of the world. The report further showcases the extent of the equally gap by stating that “Women and girls are among those who benefit least from today's economic system. They spend billions of hours cooking, cleaning and caring for children and the elderly. Unpaid care work is the ‘hidden engine’ that keeps the wheels of our economies, businesses and societies moving. It is driven by women who often have little time to get an education, earn a decent living or have a say in how our societies are run, and who are therefore trapped at the bottom of the economy,” these cumulatively propagates poverty and economic crises in less developed countries around the world as they are the worse hit of the global economic crises.

Behar (2020) added that women do more than three-quarters of all unpaid care work. They often have to work reduced hours or drop out of the workforce because of their care workload. Across the globe, 42 percent of women of working age cannot get jobs because they are responsible for all the care giving, compared to just six percent of men. Women also make up two-thirds of the paid ‘care workforce’. Jobs such as nursery workers, domestic workers and care assistants are often poorly paid, provide scant benefits, impose irregular hours, and can take a physical and emotional toll.

The pressure on careers, both unpaid and paid, is set to grow in the coming decade as the global population grows and age. An estimated 2.3 billion people will be in need of care by 2030 an increase of 200 million since 2015. Climate change could worsen the looming global care crisis by 2025, up to 2.4 billion people will live in areas without enough water, and women and girls will have to walk even longer distances to fetch it.

The report shows governments are massively under-taxing the wealthiest individuals and corporations and failing to collect revenues that could help lift the responsibility of care

from women and tackle poverty and inequality.

At the same time, governments are underfunding vital public services and infrastructure that could help reduce women and girls' workload. For example, investments in water and sanitation, electricity, childcare, healthcare could free up women's time and improve their quality of life.

The report further indicts governments of countries to be the cause of the inequality crisis and they must act now to end it. They must ensure corporations and wealthy individuals pay their fair share of tax and increase investment in public services and infrastructure. They must pass laws to tackle the huge amount of care work done by women and girls, and ensure that people who do some of the most important jobs in our society are paid a living wage.

In the views Abhijit Banerjee and Esther Duflo (2019), the camps of poverty and its effects are clearly demonstrated when they opined that there is a clear polarization of the world in economic grounds as a result of the economic choices we make without backtracking. Their works on *Poor Economics* offers a radical rethinking of economics of poverty and close view on 99 cents a day. *Poor Economics* shows that creating a world without poverty begins with understanding the daily decisions facing the poor. The west continues to show affluence with economic policies detrimental to the growth of places like hungry, Brazil and the worse hit Africa. These they do through international trade but in a lopsided manner that bridles inequality in less developed countries and manifest in poverty.

In other works of Abhijit Banerjee and Esther Duflo on *Poor Economics*, they narrated how foreign aid cripple development as there is often limited space for the poor to benefit from the complexities and conditionality attached to such aids. The lives and choices of the poor tell us about how to fight global poverty and explain how token subsidies have more than token effects.

To further demonstrate how poverty has ravaged the economies of third world societies, it is contained in the views of Ahibit Barnajee and Esther Duflo that every year, 9 million children die before their fifth birthday. A woman in sub-Saharan Africa has a one in thirty chance of dying while giving birth in the developed world, the chance is one in every 5600 in their views and there are at least twenty-five countries, most of them in sub-Saharan Africa where the average person is expected to live no more than fifty-five years. In India alone more than 50 million school going children cannot read a very simple text.

In furtherance of the intractability of global poverty, it is contained in the book "Poor Economics" that food shortages in Malawi are affecting more than 3 million children; in Zambia, severe rainfall shortages have resulted in a 42% drop in maize. As a result, an estimated 3 million Zambians face hunger, four million Angolans, one third of the population have been forced to flee their homes, more than 11 million people in Ethiopia need immediate food assistance and many more are the stories that the economic

situations of less developed societies are greeted with and the sources of these poverty can mostly be traced to the effects of illicit financial flows.

In a similar vein on the discussion of poverty as caused by the flow of illicit finances from the coffers of less developed societies, Sachs (2015) argues that extreme poverty defined by the World Bank as incomes of less than one dollar per day can be eliminated globally by the year 2025, through carefully planned development aid. He presents the problem as an inability of very poor countries to reach the "bottom rung" of the ladder of economic development; once the bottom rung is reached, a country can pull itself up into the global market economy, and the need for outside aid will be greatly diminished or eliminated.

In order to address and remedy the specific economic stumbling blocks of various countries, Sachs (2005) espouses the use of what he terms "clinical economics", by analogy to medicine. Sachs explains that countries, like patients, are complex systems, requiring differential diagnosis, an understanding of context, monitoring and evaluation, and professional standards of ethics. Clinical economics requires a methodic analysis and "differential kapay" of a country's economic problems, followed by a specifically tailored prescription. In his views to proffering solutions to the crises of poverty, Sachs (2015) opined that many factors can affect a country's ability to enter the world market, including government corruption; legal and social disparities based on gender, ethnicity, or caste; diseases such as AIDS and malaria; lack of infrastructure (including transportation, communications, health, and trade); unstable political landscapes; protectionism; and geographic barriers. Sachs discusses each factor, and its potential remedies, in turn.

Sachs places a great deal of emphasis on the United Nations' Millennium Development Goals (MDGs) as a first step towards eliminating extreme poverty, which affected approximately 1.1 billion people. He also offers some specific, immediate solutions, such as encouraging debt cancellation for the world's poorest countries. Sachs states that in order to achieve the goal of eliminating global poverty, clinical economics must be backed by greater funding; he argues that development aid must be raised from \$65 billion globally as of 2002 to between \$135 and \$195 billion a year by 2015.

Sachs argues that the developed world can afford to raise the poorest countries out of extreme poverty; he agrees with the MDG's calculation that 0.7 percent of the combined gross national product of first-world countries would be sufficient to achieve that goal.

In spite of the brilliance inherent in the above positions, this research holds the politics of illicit financial flows as the real cause of poverty in the quest for the attainment of sustainable development goals.

In furtherance of that and interestingly however, Aboiyade, (1975) conceives of poverty as a harrowing life situation in which the individual lacks the basic necessities of life. It

also connotes a state of mind and a perception of self in the complex web of unwholesome social relations that makes life a harrowing experience.

In line with that, World Bank (1990) explains the categorization of who the poor are by defining poverty as a situation where an individual lacks the capacity to attain a minimum standard of living considered as ideal in a given society. In other words, an individual who lives below a set standard of US\$1 per day is adjudged as poor. The 1990 report further elaborates that the poor in all societies of the world are people who struggle for survival on a daily basis and live on less than \$370 per annum.

All the foregoing definitions conceive of poverty as an odious situation in which the afflicted person suffers deprivation of the necessities of life, making him to go through a lifestyle that falls short of an ideal society. A striking beauty of the definitions however lies in identifying the poor as people that are deprived, lack quality necessities of life and tyrannize their life with work to eke a living. To the poor therefore, life is a harrowing experience. However, a major pitfall of this definition is the fact that, the causes of poverty are not explained hence this research is considered as an advancement in the explanation of the concept of poverty by tracing its roots to the consequence of illicit financial flows.

A similar definition in the World Bank's (1993) World Development Report is equally illuminating. According to the authors of the report, poverty is a condition of life in which the afflicted person is limited by malnutrition, disease, illiteracy, low life expectancy and high infant mortality as to be beneath any rational definition of human decency that the society considers as suitable for its citizens (World Bank, 1993). In reinforcement, Agbu (1997), and Oyejide (1993), elaborate that poverty should ideally be judged in relation to some well-established norms and cultural values which tends to differ across countries and changes over time for the same society (Agbu,1997). Interestingly however, this research in recognition of all the factors that propagates poverty as conceived in the above views, holds illicit financial flows and the plunder of the economies of third world societies to be more devastating in propagating poverty in a society.

Like the earlier definitions particularly the (2020) Oxfam report on poverty, the emphasis of authors on the gamut of poverty is examined from the deplorable living condition of the persons afflicted and bereft of the capacity to operate like the well off in his community and beyond. The emphasis of Agbu (1997) on some well-established norms in a given society that should form the basis of evaluation and the distinguishing benchmark is unique. However, the assertion tends to turn on the World Bank (1990) that opined that globally set benchmark of \$370 per annum for declaring a person as living below poverty line is apt.

Interestingly, the definitions highlighted above tends to place emphasis on inadequate access to resources caused by the lack of capabilities of the afflicted person who is thus denied the opportunity of living a comfortable life style. Thus, the poor who is bedeviled by a litany of relentless and deleterious characteristics, finds it difficult to meet his personal and societal obligations.

In a similar vein, Ravallion & Badan (1994) conceive of poverty as the lack of capacity to acquire sufficient nutritive food, good clothing and standard shelter required to provide comfort for the individual. In agreement with this viewpoint, the 1996 Nobel Laureate Winner, Amartya Sen, describes poverty as a multidimensional disease that deprives the afflicted person, the capabilities to participate in activities in the society which in turn denies him sufficient access to the basic resources required for a decent living (Sen, 1996).

Relatedly, Odejide (1997) conceives of poverty as a despicable phenomenon with multidimensional effects that forces the victim into vicious cycle. According to him, poverty is a global disease and constitutes the leading cause of death in all parts of the world because the helpless poor lack the capacity to break out of the vicious carapace of destitution as most poor people lack the income to supply the minimum nutritional needs and healthcare services required for long-term survival.

Perhaps, the proponents of the United Nations Human Development Report for 1994 had this scenario in mind when they eloquently asserted in agreement that in spite of the technological breakthroughs recorded in most advanced societies of the world, the developing country's people still go hungry every night; a quarter lack access to basic necessities of life such as safe drinking water and live in the state of abject despair (UNDP,1994) hence, the need to curb capital flight and illicit financial flows from the coffers of the economies of third world countries where poverty is most pronounced as there is no gainsaying illicit financial flows engenders poverty in a society.

Against the above background, the World Bank's (1999) conceptualization of poverty becomes apposite. According to the authors, poverty is a situation in which an individual is not able to cater adequately for his/her basic needs of food, clothing and shelter; and thus lacks the capacity to meet personal and societal social and economic obligations. Also, most poor people lack gainful employment, skills, assets and self-esteem; and have limited access to social and economic infrastructures such as education, healthcare services, portable water and sanitation among other services (World Bank, 1999).

2.3.1 Adequate Technology and the Question of Development

Technology simply put is a means of harnessing and exploiting our understanding of nature for our own benefit. It is an application of knowledge for practical purpose. It is used to improve human condition, natural environment or to carry out other socio-economic activities. It could also be defined or referred to all processes dealing with

materials and their end products. One important attribute of technology is that it does not just happen; it is developed and learned whether in the form of manual skills or as an applied science. It is the systematic application of collective human rationality to the solution of human problems. According to Egbogah (2012), Technology is the total and complete application of man's knowledge, skills, tools and materials. It is the use of scientific knowledge to develop and produce goods and services useful to man. It is practical problem-solving enterprise, which is propelled by scientific discovery or by societal needs.

The components of technology that must be present for meaningful benefits according to Obibuku (1983) include knowledge (i.e. science, education, skills and know-how), organization (i.e. institutional, aspects of methods of production, coordination, relationship to the environment) and techniques (i.e. ways of doing things, production process, the combination of human and material resources).

Technology therefore can be broadly classified into two major categories namely: (a) Material Technology- where knowledge is embedded into technological products such as tools, equipment, agro-chemicals, improved plant varieties or hybrids, improved breeds of animals and vaccines. (b) Knowledge-Based Technology- such as technical knowledge, management skills and other processes which are needed to successfully produce products or grow crops. A technology may be appropriate or inappropriate depending on the nature and capable of use of such technology. An appropriate technology is a form of technology which makes use of available resources in a given economic environment. It concentrates on tools and techniques which are carefully tailored to their needs. It is a technology that is accessible, manageable, transferable and within the reach of the people (Obibuaku, 1983). According to Canadian Hunger foundation in Obibuaku (1983), appropriate technology is the technology which is most suitably adapted to the conditions of a given situation.

2.3.2 Adequate Technology and Technology in Development

Science and technology hold the key to the present and future development of Nigeria or any other country for that matter. Technology plays a fundamental role in wealth creation, improvement of the quality of life and real economic growth and transformation in any society. Egbogah (2012) maintained that the sooner Nigeria realizes that her escape from poverty is predicated on her investment in science and technology education, the better for her. Animalu (2001) in Egbogah (2012) explained that there is a technological power vacuum in Nigeria waiting to be filled by which every geo-political zone that cares to mobilize its people through dedicated and selfless services.

Essentially, technology is the primary engine of economic growth. It is the key and fundamental requirement for value addition to raw materials and people. It provides the key to unlocking any country's potential in terms of decreasing over-head costs associated with out sourcing and creating employment opportunities. Science and technology education will not only prepare the Youths of Nigeria and indeed any other

nation, for fulfilling career prospects, but also train their minds to address social problems with scientific mind. Youths equipped with science and technology education are also endowed with high employment opportunities, much because of their heavy investments on science and technology. Examples: The United Kingdom and France benefited immensely from the industrial revolution in the 19th century. Similarly, the United States emerged from an agrarian economy in the 19th century into an industrial superpower in the 20th century. More recently, Taiwan and Korea have exploited advances in silicon microelectronics from the early 1960s. China and India have emerged as industrial leaders in manufacturing and information technology respectively. Malaysia has also followed in the footsteps of these later Asian successes it is necessary to emphasize here that in recorded achievements all these countries invested heavily in people, factories and infrastructure that provided the foundation for today's industries. These successes were all based on carefully designed roadmaps of plans and strategies. Unfortunately, however in many if not all the non-development or yet to develop countries, technology is seen or viewed as a consumable- item, and not something that can be produced or created. Analysis of technologically advanced economics shows that at each level of the economy, science and technology provide the engine for economic growth. For example, in the case of primary products, application of science and technology significantly increase the yield from agricultural production and mineral beneficiation. Similarly, new and existing industries do stimulate economic growth at the intermediate level, while the overall volume of activity at the tertiary level is amplified by increased use of science and technology associated with information technology and improved distribution/marketing networks. Therefore, the need for countries with the intention to grow, to invest significantly in science and technology cannot be overemphasized. This is achieved by developing the talent, the human capacity required to compete in a globally competitive world of today.

Technology have been central in the progress and development of virtually all the nations of the world. It has contributed immensely in all sector of the economy. Science and technology are intimately connected with development because; they have historical record of bringing advances that have led to healthier, longer, wealthier and more productive lives and they are key ingredients to solutions to the most serious poverty alleviation and economic development challenges that we currently face and are likely to face in the future. The many ways in which science and technology impact poverty alleviation across various sectors and economic growth merit attention.

Technology is strategically important to economic opportunity and growth. For many years policymakers have suspected a close link between economic growth and productive investment in science and technology and now mounting evidence supports this, in three principle ways (Watson et al., 2003). First, since the industrial revolution, rich (developed) countries have had the most science and technology capacity and have grown fastest. From 1870 to the present, scientifically and technologically-advanced countries have become increasing wealthy and their rates of growth have not diminished as this occurred. Second, returns to rural and development have been shown to be consistently

positive and high in countries where science and technology are properly established. In such case, there is always a correlation between innovation and growth.

Environmental degradation at the local, regional and global scale adversely affects the livelihoods, health and vulnerability of poor people. Local issues include indoor and outdoor air pollution and water pollution, regional issues include acid deposition, and global issues include climate change, stratospheric ozone depletion, and loss of biological diversity, land degradation and desertification. These changes in the environment can adversely affect the incomes of poor people who depend on natural resources for their livelihood. These changes may also adversely affect human health through air and water pollution, an increase in the exposure to vectorborne disease such as malaria and dengue, and an increase the vulnerability of poor people to extreme weather phenomena (e.g., floods and droughts) and sea level rise due to climate changes. Hence, environment degradation threatens poverty alleviation and long-term sustainable development. The key challenge is to recognize that local, regional global environmental issues are inextricable linked and affect sustainable development. Therefore, there are synergetic opportunities to develop more effective response options to these environmental issues that enhance benefits, reduce cost and more sustainably meet human needs. The capacity of countries to adapt and mitigate can be enhanced when environmental policies are integrated with national development policies.

Conclusively, there is no doubt, technology hold the key to the present and future development of any nation including Nigeria. We must ensure adequate development of man power in science and technology to guarantee the efficient utilization of abundant natural resources and reduce the drain on our treasury and independence on outside sources for industrialization. The nation should be technologically self-reliant in the production of capital and consumer goods and raw materials. The educational system shall emphasize science at all levels and re-orient the entire society towards scientific thinking in order to develop new technologies and adapt existing ones to improve societal wellbeing and security. Technology based developments can occur only with concerted efforts to revitalize education, develop personnel and create integrated industries that will involve close collaboration between government, industry and academia. Considering the roles of science and technology in national development, it become important to stimulate demand for technology from private sector, renew emphasis on the creation of linkages between firms and knowledge institutions, reform enabling environments for better use of knowledge, setting priority and evaluation right, promoting transparency, objectivity, selectivity and international best practices in science and technology funding, increasing access to ICTs and Government as a consumer of knowledge.

2.4 Scope of Development

We have said earlier that development is a multi-dimensional process, thus its scope is very broad. It ranges from economic, political to socio-cultural variables.

It also includes factors like national infrastructure, technology, transportation systems, information communications and technology, and military preparedness.

2.5 Economic Development: This is a dimension that readily comes to mind whenever development is mentioned. This is because of the primacy of the economy in shaping other sectors of human society. The economy is the foundation of a society or what (Ake 1981) referred to as the base, and if it is strong, it will have positive impact on the political system which is the super-structure.

However, if the economy is weak, it will have inimical effects on the political system. In fact, it is the economic system that produces the resources to be allocated. And if the resources are not produced in the first place, there will be nothing to allocate. Hence, the economic aspect of development appears to be at the foremost in the hierarchy of development discourses.

Economic development entails increase in the wealth of a nation through expanded production of goods and services. It includes the rise in agricultural production, manufacturing and construction as a result of the introduction of better skills, techniques and technology. Also, it includes, but not limited to increase in GDP, rise in exports, job and wealth creation, high per capital income cum high standard of living. Suffice to state here that economic growth is different from economic development though; some western scholars would want us to believe that the two are the same. Economic growth entails increase in GDP, but that increase may not translate to development. The GDP and the economy may sometimes grow as a result of improvement in just few areas of the economy such as crude oil production and, or the price of oil in the International Oil Market.

It may also be induced by increase in the production of goods and services by a few Multinational Corporations (MNCs) whose subsidiaries are domiciled in the country, or due to bountiful agricultural harvests which may increase export of cash crops. This will in turn increase external revenues for the government (economic growth). But such revenues may not be utilized to improve the well-being of majority of the people which economic development demands.

In this case, there is economic growth without corresponding economic development. This shows that increase in GDP may only bring about increase in revenues or incomes of both the government and the privileged few in the society.

2.6 Political Development: This aspect of development is also very important. Politics is not only central to the making of development, but also vital to its sustenance. Political development is attained when a political system is able to enjoy popular legitimacy, articulate and aggregate public interests, authoritatively allocate resources as well as maintain law and order through strong and functional institutions. In the opinion of Lucian Pye, equality, capacity and differentiation are the three important features of political development. Gabriel Almond described political development as the capacity of

the political system to effectively perform rule-making, rule adjudication and rule application functions.

A society is said to have political development if there is accountability and transparency in political leadership, respect of the rule of law, constitutionalism, and periodic free, fair and credible elections or selection process as well as political stability. Most importantly, political development entails strong institutions that have legitimate authority to guarantee equilibrium in the system through proper management of identity crisis, political participation crisis, distribution of resources crisis and national integration.

It involves optimum performance of the institutions of state such as the legislature, the executive, the judiciary, the police, the military, etc. In contemporary times, political development is equated with liberal democracy.

Thus, countries with matured democratization processes are regarded as having political development. However, experiences have shown that there are countries that do not practice liberal democracy, yet, they have political development. For example, Russia and China have their own peculiar styles of leadership which the West often consider as not in conformity with the capitalist notion of development but insofar as it has translated into improvement of living standards and societal transformation, it can be termed development as well.

2.7 Socio-Cultural Development: This is another essential dimension of development. It entails improvement in social infrastructure. Regular supply of power, potable water, good road networks, functional and quality schools, sound communication network, good health care system and adequate security, are some of the characteristics of social development.

Also, human capital falls under socio-cultural development. This entails optimal harnessing of human potentials which translate to increased human knowledge and skills. Human capital is very vital because without it neither economic nor political development is possible.

Lack of development in the Third world has been largely attributed to the dearth of human capital. In a knowledge economy where ideas and skills are necessary catalysts, human capital is inevitable. It is the fulcrum of societal development.

Moreover, socio-cultural development involves the evolution of national norms, values and identity. All these are pre-requisite for nation building and national integration which are in turn necessary for total societal development.

Having said that, it is worthy of note that from a wholistic perspective, Development means different things to different people. To some people, it is the improvement of the economy, while to others, it is a political transformation. Yet to some others, it is a social change or movement towards a desired state of being. At the Epi-centre of development is man. Hence, the ultimate goal of development is to improve the people's welfare and quality of life by harnessing the available resources, and creating resources where they

are not available, to meet their immediate and future needs. No society fully embodies all the development ideals, but there are some societies that have approximated or achieved these ideals to a reasonable degree. Such societies are regarded as developed.

2.7.1 Education and Development Questions

Education can be seen as both an objective and component of development, as well as “fundamental to the broader notion of expanded human capabilities that lie at the heart of the meaning of development” (todaro and smith, 2011, p.359).this essay argues that investment in education is essential for development, but also that the form this investment takes is of critical importance in addressing the key challenges to educational outcomes in less developed countries (IDCs) and indeed in the achievement of developmental goals.

Those of us interested in the relationship between education and development know that a widespread belief that education is an important contributor to development is crucial to our professional careers. This belief helps us get research grants, recruit postgraduate students and earn consultancy income, even if we are skeptical or critical of the core assumption. The belief that education is important in development is most visibly symbolised at present by the focus of two Millennium Development Goals (MDGs) on education. It is undergirded theoretically by the continued power of human capital theory and its adaptations to the era of the ‘global knowledge economy’. Education (or often lifelong learning) has been ascribed policy importance north and south as a tool for promoting international competitiveness and social inclusion.

However, education is not the lead discipline when it comes to development. Economics still retains pre-eminence, not least because of its dominant place in the dominant development institution: the World Bank (King and McGrath 2004). Other disciplines (perhaps most notably anthropology) often also appear more significant in shaping development thinking than education.

2.7.2 The state of Development Thinking

There is some correspondence between levels of education and development In so far as development in Africa is constrained by limited governmental capacity, education and training can improve the situation. Rather more implicitly, in so far as local ownership of development is important, education may have some role to play here. Finally, there is a clear role for development education in re-educating northern populations so that they change their own practices and put pressures on their governments to do likewise.

In this account, education is essentially a good thing but it is not that important for development, at least when compared with dealing with issues of trade, conflict, local and international investment and governance. In any case, the challenge of education in the south is very simple. More money and policy effort will get children into schools and education’s effectiveness can be improved by scientifically tested investments in the

‘right’ instructional materials, teacher upgrading and supplementary feeding, where necessary.

International and comparative education has seen a new wave of reflections on methodological and theoretical developments in the recent past (e.g., Crossley and Watson 2003; Phillips, Schweisfurth and Epstein 2007; Arnove and Torres 2007; Bray, Adamson, and Mason 2007; Crossley, Broadfoot, and Schweisfurth 2007). These, and a range of special issues in Comparative Education, have sought to learn from developments in other disciplines and to respond to changes in society, economics and politics. As a result, international and comparative education appears to have gained greater sophistication and self-confidence. However, the discussion above suggests that this process of development for the field of international and comparative education still needs to go further.

2.7.3 International Development

The UNDP (UN development Programme) describes development as: ‘the three essentials of development include the ability to lead a long and healthy life, to acquire knowledge, and to have a decent standard of life’. We map development through certain indicators but there is no universally acceptable definition of the term ‘indicator’. This simply reflects the fact that purpose, scope, and methodology can vary greatly from one indicator or set of indicators to the next. Most indicators are developed to describe important features of a large system. They are ‘succinct measures that aim to describe as much about a system as possible in as few points as possible’ and which ‘helps us understand a system, compare it and improve it’. OECD defines an indicator as ‘a parameter or value derived from parameters, which provides information about and describes the state of a phenomena/environment/area with a significance extending beyond that directly associated with a parameter value’. The following are the major indicators to assess the development of a region: Life expectancy, Per-capita income, food subsistence, reduced infant mortality rate, increased GDP etc

2.8 Indicators of development

I. Economic Indicators of Development

The world economy grew 2.3 % in 2018, to reach \$91 trillion, and the share from developing economies grew to 34.3%. Growth is expected to remain around 2.4 % in 2019. Low- and middle-income economies, estimated to have grown 5.1 % in 2018, are projected to expand 5.5 % in 2019. Growth in high income economies has been downgraded from earlier forecasts to 1.3 % in 2018 and 2019. Gross Domestic Product (GDP) is how much money a country makes from its products over the course of a year, usually converted to US Dollars: the sum of gross value added by all resident producers in the economy + product taxes - any subsidies not included in the value of the products. Gross National Product (GNP) is the GDP of a nation together with any money that has been earned by investment abroad minus the income earned by non-nationals within the

nation. GNP per capita is calculated as GNP divided by population; it is usually expressed in US Dollars.

Parts of Central Asian and sub-Saharan nations are going a little off the track as of now in achieving the goal of reducing poverty while North African, Middle Eastern and South Asian nations have achieved a great deal in reducing the level of poverty. Economic structure shows the division of a country's economy between primary, secondary and tertiary industries.

The developed nations tend to have more share of working population engaged in tertiary sector. Based on current trend GDP growth in Latin America and the Caribbean fell 1.7 %age points from 2018 to 3.0 % in 2019, the second largest drop among developing country regions after Europe and Central Asia, where growth fell 2.8 %age points. The region's GDP growth fiscal, monetary, and credit policy tightening to contain inflation risks had a large impact, decelerated due to slowing domestic demand and a weak external environment. The slowdown was particularly severe in Brazil, the region's largest economy where global uncertainties are easier especially on private investment.

In Chile growth remained buoyant and continued to expand briskly, if slightly slower than in 2011. Growth in Central America and the Caribbean slowed modestly, while growth in Mexico rose slightly in 2018, to 4%, benefiting from the fairly strong recovery in U.S. manufacturing. Developing economies are expected to maintain GDP growth of 6.6–6.8 %, with growth of GDP per capita around 5.5 %. Growth will be fastest in East Asia and Pacific and South Asia, which still contain more than half the world's poorest people. Growth will be slower in Sub-Saharan Africa, the poorest region in the world, but faster than in the preceding years, quickening the pace of poverty reduction.

2.9 Social Indicators of Development

I. Poverty rate

The proportion of people living on less than \$1.25 a day fell from 43.1% in 1990 to 22.7 % in 2008, reaching new lows in all the six developing country regions. How fast poverty reduction will proceed depends not just on the growth of GDP but also on its distribution. To speed progress toward eliminating extreme poverty, development strategies should attempt to increase not just the mean rate of growth but also the share of income going to the poorest part of the population.

II. Health Factors

Malnourishment and under- nourishment are two significant factors to track down the health status of the population. Malnutrition rates have dropped substantially since 1990, from 28 % of children under age 5 in developing countries to 17 % in 2011 and 16% in 2018. Every developing region except Sub-Saharan Africa is on track to cut child malnutrition rates in half soon. After steady declines in most regions from 1991 to 2005, further improvements in under-nourishment have stalled, leaving 13 % of the world's population, almost 900 million people, without adequate daily food intake. While the

condition in East Asia, South Asia, Pacific and Latin America have improved the scenario of sub-Saharan Africa. Women empowerment Women make important contributions to economic and social development. Expanding opportunities for them in the public and private sectors is a core development strategy, and education is the starting point. Achieving gender equality in education is an important demonstration that young women are full, contributing members of society.

Girls have made substantial gains in school enrolment. In 1990 girls' primary school enrolment rate in developing countries was only 86% of boys. By 2011 it was 97%. Similar improvements have been made in secondary schooling, where girls' enrolments have risen from 78% of boys to 96% over the same period. But the averages mask large differences across countries. At the end of 2011, 31 upper middle-income countries had reached or exceeded equal enrolment of girls in primary and secondary education, as had 23 lower middle-income countries but only 9 low-income countries. South Asia and Sub-Saharan Africa are lagging.

Women work long hours and make important contributions to their families' welfare, but many in the informal sector are unpaid for their labor. The largest proportion of women working in the formal sector is in Europe and Central Asia, where the median proportion of women in wage employment outside the agricultural sector was 46%. Women's share in paid employment in the on agricultural sector has risen marginally but remains less than 20% in most countries in the Middle

East and North Africa and South Asia and less than 35% in Sub-Saharan Africa. In these regions full economic empowerment of women remains a distant goal. Relevant indicators could include the percentage distribution of the employed population, by sector and sex; the proportion of employed who are employer, by sex; the length of maternity leave; the percentage of firms owned by women; the proportion of the population with access to credit, by sex; and the proportion of the population who own land, by sex.

Lack of data hampers the ability to understand women's roles in the economy. More women are participating in public life at the highest levels. The proportion of parliamentary seats held by women continues to increase. In Latin America and the Caribbean women now hold 25 % of all parliamentary seats. The most impressive gains have been made in the Middle East and North Africa, where the proportion of seats held by women more than tripled between 1990 and 2012. Algeria leads the way with 32 %. In Nepal a third of parliamentary seats were held by women in 2012. Rwanda continues to lead the world. Since 2008, 56 % of parliamentary seats have been held by women. Education, which is the most important social indicator has experienced improved women participation in recent times. Education enables people gain expertise in respective fields in order to contribute skills and expertise to the economy and some particular branch of national production. Hence the economy grows because there is no lack of skilled labour and state develops in a positive direction.

Progress among the poorest countries has accelerated since 2000, particularly in South Asia and Sub-Saharan Africa, but full enrollment remains elusive. Many children start school but drop out before completion, discouraged by cost, distance, physical danger, and failure to progress. Even if countries approach the target, the education demands of modern economies expand, and primary education will increasingly be of value only as a stepping stone toward secondary and higher education. Sub-Saharan Africa and South Asia, which started out farthest behind, made substantial progress. By 2009 nearly 90% of children in developing countries completed primary school, but completion rates have stalled since, with no appreciable gains in any region.

III. Environmental Indicators

Forest area covered 30% of all land or just under 40 million square kilometres, two-thirds of which lies within just 10 countries. Since 1990, 3% of forests have been lost globally, though some countries have succeeded in reforestation. China has increased its forest area by 33% adding 510,000 square kilometres and India by 11% adding nearly 70,000 square kilometres. In contrast, Brazil has seen its forest area decline by 10 percent losing slightly more than 530,000 square kilometres and Indonesia by nearly 25 percent losing 275,000 square kilometres. Factors that contribute to the loss of forests include population growth, increasing demand for food, and declining growth in agricultural productivity. Air Pollution Air quality is commonly measured through levels of particulate matter less than or equal to 2.5 microns in diameter. The World Health Organization recommends 10 micrograms per cubic meter as a guideline for average annual, with adverse health effects observed through long-term exposure to concentrations above this level. However, nearly 92 percent of the world's people live in places where that concentration is exceeded. In three regions East Asia and Pacific, the Middle East and North Africa, and South Asia levels have worsened since 1990, and global mean annual exposure has increased from just under 40 micrograms per cubic meter in 1990 to 44 in 2015.

Having discussed the above indicators of development across boards, it is worthy of note that economic determinants are pertinent hence, the GDP is the commonest indicator used for measuring development, but is imperfect as the calculation doesn't consider certain forms of production, such as subsistence production. Availability of opportunities for the people to flourish: Domestic subsidies to the people engaged in the primary activity is high in developed nations especially in EU followed by Japan and USA. People in developed nations have advantage of importing goods from developing nations free of tariffs. Norwegians, Japanese and Americans have an upper hand on this.

Self-Assessment Exercises

- Q1. Itemize some of the features of Development
- Q2. How can Development be measured?



2.10 Summary

The term development means a lot to different scholars and their opinion varies in terms of the checklists of development as presented in each view. However, certain parameters abound when the concept of development is mentioned and it tends to address the welfare needs of the citizenry.



2.11 References

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Possible Answer to SAE:

Question one: When the questions of societal transformation in the interest of all and sundry in a society are met and when the levels of poverty, hunger and unemployment are tackled, a society can be adjudged to have experienced development.

Question two: In other words, it simply connotes a society that has achieved certain levels of individual welfare beyond the global poverty line. For example, when poverty is adjudged to be reduced, when shelter is for all, when all the indices of improved living are met.

UNIT 3: The Origin of Development Administration Contents

Unit Structure

3.1 Introduction

3.2. Learning outcomes

3.3 The Origin of Development Administration

3.3 Summary

3.4 References/Further Reading

3.5 Possible Answer to Self-Assessment Exercise



3.1 Introduction

Historically speaking, various events on the global stage has necessitated the growth of development administration and other aspects of administration in general and a particular case in point is taken from during the 19th Century and particularly in the years just the Second World War; a number of developments occurred in the Western world which convinced the developing countries of the need to adopt development administration in the post-independence years. These experiences shall be discussed one after the other.



3.2. Learning outcomes

At the end of this unit, you should be able to:

- i. Explain the origin of development administration
- ii. Explain why development administration was adopted by the developing countries.



3.3 The Origin of Development Administration

Following the socialist revolution in Russia in 1917 private ownership of the means of production was abolished. With that went private enterprise and the free market mechanism as vehicles for economic development. Planning and public enterprise were instituted in its place. The results were remarkable. The state mobilized high rates of public savings and investment. Capital accumulation and national income grew at unprecedented rates. By the end of the Second World War, the Soviet Union emerged as the second big power in the world. In about four decades, from a situation of underdevelopment and backwardness the Soviet Union became a developed country.

This was, thus, a very successful example of planned economic development for the countries developing later to learn and emulate. The strategy adopted by Third world countries was greatly influenced by the soviet experience. However, with the collapse of socialism, planned economy gave way for a free market system in the Soviet Union (now Russia). You may have heard the Great Depression of 1929, also called the World

Economic Crisis. What happened was that the market system, especially in the industrial countries of the West, ground to a halt. There was over production; stock of unsold goods piled up; factories were shut down; share markets collapsed; unemployment soared up. All this meant a complete mismatch between production and market demand. It had been known that the free market system did not ensure smooth development of an economy based on private enterprise. But the Great Depression made it crystal clear for everyone to see. Incidentally, one should also note that the Soviet economy, being a planned economy remained unaffected by the Great Depression. How was the crisis of the Great Depression handled? By state intervention. The states in the badly affected countries of the West intervened to push up market demand by undertaking public works and financing them by money creation (printing currency notes, also known as deficit financing). This step generated additional income and employment. Market demands for goods and services gradually picked up as a result of this policy. In the course of time, normalcy was restored and development resumed. This course of state intervention is also known as the 'keynesian solution' of the economic crisis, named after the famous English economist, J.M Keynes, who provided the economic theory on which this solution was based. In the United States, this course of state intervention came to be known as the new deal. The experience of the Great Depression had, apart from other things, one very major effect. The faith in a laissez faire state, a fence-sitting state not actively intervening in the economic life to control the functioning of the market, was shaken. Since then, state intervention in the market system wherever and whenever necessary, has become a normal feature of the capitalist. So far, this was occasionally practiced in a war economy or in an emergency. Secondly, as noted earlier, the state in these countries oversees the economy and engages in indicative planning (where the state does not actively play a role in economic development but merely indicates the direction in which private enterprise is to move). Finally, it plans for, and undertakes, public works, especially in the field of social infrastructure. Such developments in the developed capitalist countries, following the Great Depression, had a lesson for the developing countries. The lesson was: economic development could not be left wholly to private enterprise based on the free market and the state had a role to play in it. Shortly after the experience of the Great Depression came the Second World War (1936 – 45). It necessitated not just state intervention in the capitalist and fascist countries like Germany and Japan but an overall control of the economy, its regulation and production planning for meeting the war needs. This is what is known as 'planning of the WarTime Economies'. After the war, rehabilitation and reconstruction required the active role of the state. This historical experience favours development administration. Alongside the above development, there arose the nation of welfare state which finally came to be accepted in practice in all market economies after the war. Apart from its interventionist role, a welfare state has also to correct the negative aspects of market-based development and be concerned with the wider issue of social welfare. In the developed countries of the West, the state makes a sizeable expenditure on old-age security, unemployment benefits, health, education and such other social services. All these are known as social security or welfare measures. Provision for all these requires planning. A major negative effect of market-based

development which has emerged lately is environmental pollution with ecological degradation. The welfare state is required not only to protect the environment and the ecology but also to conserve and plan for restoration and development of the natural resources. The free market mechanism, based on the accounting of private profit, does not provide for these. This also is a historical experience favoring development administration and can be said to have started in the developing countries after World War II. The colonies started agitating for independence and many of them got it. However, most of the newly independent countries were poverty stricken but the masses had been led to expect that independence would bring about an immediate improvement in their conditions. The non-realization of these expectations bred a mood of impatience. Unless, therefore, improvement was affected as speedily as possible, this mode of impatience could explode into violent reactions which would endanger, if not destroy, the state itself. The governments of these nations quickly realized that the idea of gradual development might not serve their purpose well. They were convinced that relevant administrative theories and procedures would have to be adopted to modernize their economies and accelerate development to be equivalent, eventually, to that of the West. Because there was a chronic shortage of capital (money or wealth used to start a business) and capital markets (where money used to start a business is sourced) such that private ownership would necessarily mean foreign ownership and because the new nations wanted to preserve their independence, they had to close their doors to foreign investors. It was therefore, felt that government was the only agent organized enough to employ its machinery to induce, promote, and manage socio-economic development. Thus, in the post-independence period, government became the prime agent of economic development, providing infrastructure and producing goods and services, often provided through the mechanism of public enterprise. In Nigeria, for example, most of the known hospitals were built by governments and corporations like the Nigeria Railway Corporation, National Electric Power Authority and Nigerian Ports Authority are owned by the Federal government. In 1977 Tanzania's 400 state-owned enterprises accounted for 38 percent of gross fixed capital formation, and a similar level in Ethiopia (Jorgensen, 1990: 62). The convergence of these streams of thought led the students of comparative public administration to start what is now known as development administration.

Self-Assessment Exercises

Q1. what in your opinion led to the adoption of development planning in the former Soviet Union?

Q2. what in your opinion led to the state intervention in the economies of the industrially advanced countries of the West?



3.4 Summary:

Development administration is geared towards development and it stems from socialization. It is worthy of note also that the task of development in the post-independence period in the developing countries was considered an urgent one since upon it depended the very survival of the nations. The people had been made to believe that independence would bring about an immediate improvement in their conditions. It was therefore; felt that the idea of gradualism would be inadequate in the developing countries in providing guidelines for building a nation-state out of traditional society. Thus, government became the prime agent of economic development in these nations. These streams of thought gave birth to what is today known as development administration.



3.5 References/Further Reading

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3.6 Possible Answer to Self-Assessment Exercise

Q1. Socialist revolution in Russia in 1917 led to the abolition of private ownership and adoption of centralized planning.

Q2i. The Great Depression of 1929 ii. The Soviet economy being a planned economy was not affected by the depression hence the motivation for the state to intervene in the economies of the advanced countries of the West. iii. The Second World War necessitated the state intervention in the economy iv. The welfare state wanted to correct the negative aspects of market based development.

UNIT 4: Development Concepts and Related Theories

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 - 4.3.1 Economic development
 - 4.3.2 Underdevelopment
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- 4.8 Theory of Globalization
- 4.9 Summary
- 4.10 References/Further Reading
- 4.11 Possible Answer to Self-Assessment Exercise



4.1 Introduction

The unit will discuss the **Development Concepts and Related Theories**. One of concept is the Economic development.

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4.2 Learning Outcomes

At the end of this unit, you should be able to:

- i. Discuss the various Development Concepts
- ii. Discuss the various theories of development



4.3 Development Concepts

4.3.1 Economic development

Economic development is a process that generates economic, social and technical progress of nations. The fundamental elements of development in society are: the improvement of health, the growth of wealth, the creation of new knowledge and

technology, etc. Economic development is fostered in appropriate social systems with high democracy and culture, good economic governance, efficient higher education system, and high innovative outputs. The meaning of development has been a burden on ancient political scholars. It has acquired diverse meanings and interpretations from different scholars such as Amartya Sen, Todaro, Coralie Bryant, etc. Development is defined by Todaro and Smith as a multi-dimensional process that involves major changes in social structures, popular attitudes, and national institutions, as well as economic growth, reduction of inequality, and eradication of absolute poverty. Most scholars propounded theories concerning development, how it is achieved and how it is impeded. These theories are the Modernization theory, the Dependency theory and the Feminist theory.

For the purposes of this paper, related economic terms such as the notion of development, underdevelopment, theories of modernization and its tenets would be examined hence, the term development would be briefly discussed in line with related theory to further guide an understanding of what economic underdevelopment is about. In line with that, it can be said therefore that development is understood as a social condition within a nation, in which the authentic needs of its population are satisfied by the rational and sustainable use of natural resources and systems. This utilization of natural resources is based on a technology, which respects the cultural features of the population of a given country. This general definition of development includes the specification that social groups have access to organizations, basic services such as education, housing, health services, and nutrition, and above all else, that their cultures and traditions are respected within the social framework of a particular country. In economic terms, the aforementioned definition indicates that for the population of a country, there are employment opportunities, satisfaction -at least- of basic needs, and the achievement of a positive rate of distribution and redistribution of national wealth. In a political sense this definition emphasizes that governmental systems have legitimacy not only in terms of the law, but also in terms of providing social benefits for the majority of the population. This view however reflects the thoughts of western scholars and their theories that tend to demonstrate a streamlined pattern of development. One of such theories is that of modernization and its prescribed tenet of development.

Theory of Modernization According to Alvin So, there are three main and historical elements which were favorable to the inception of the modernization theory of development after the Second World War. First, there was the rise of the United States as a superpower. While other Western nations, such as Great Britain, France, and Germany, were weakened by World War II, the United States emerged from the war strengthened, and became a world leader with the implementation of the Marshall Plan to reconstruct war-torn Western Europe. Second, there was the spread of a united world communist movement. The Former Soviet Union extended its influence not only to Eastern Europe, but also to China and Korea. Third, there was the disintegration of European colonial empires in Asia, Africa and Latin America, giving birth to many new nationstates in the Third World. These nascent nation-states were in search of a model of development to

promote their economy and to enhance their political independence. According to the modernization theory, modern societies are more productive, children are better educated, and the needy receive more welfare. According to Smelser's analysis, modern societies have the particular feature of social structural differentiation, that is to say a clear definition of functions and political roles from national institutions. (Smelser 1978) argues that although structural differentiation has increased the functional capacity of modern organizations, it has also created the problem of integration, and of coordinating the activities of the various new institutions. In a political sense, Coleman stresses three main features of modern societies: a) Differentiation of political structure; b) Secularization of political culture -with the ethos of equality-, which c) Enhances the capacity of a society's political system. The major assumptions of the modernization theory of development basically are: Modernization is a phased process; for example Rostow has 5 phases according to his theory of economic development for a particular society, and I will mention them later. Modernization is a homogenizing process, in this sense, we can say that modernization produces tendencies toward convergence among societies, for example, Levy (1967, p. 207) maintains that : "as time goes on, they and we will increasingly resemble one another because the patterns of modernization are such that the more highly modernized societies become, the more they resemble one another". Modernization is a europeanization or americanization process; in the modernization literature, there is an attitude of complacency toward Western Europe and the United States. These nations are viewed as having unmatched economic prosperity and democratic stability (Tipps: 1976, 14). In addition, modernization is an irreversible process, once started modernization cannot be stopped. In other words, once third world countries come into contact with the West, they will not be able to resist the impetus toward modernization. Modernization is a progressive process which in the long run is not only inevitable but desirable. According to Coleman, modernized political systems have a higher capacity to deal with the function of national identity, legitimacy, penetration, participation, and distribution than traditional political systems. Finally, modernization is a lengthy process. It is an evolutionary change, not a revolutionary one. It will take generations or even centuries to complete, and its profound impact will be felt only through time. All these assumptions are derived from European and American evolutionary theory. There is also another set of classical assumptions based more strictly on the functionalism-structuralism theory which emphasizes the interdependence of social institutions, the importance of structural variables at the cultural level, and the built in process of change through homeostasis equilibrium. These are ideas derived especially from Parsons' sociological theories. These assumptions are as follows: a) Modernization is a systematic process. The attribute of modernity forms a consistent whole, thus appearing in a cluster rather than in isolation; (b) Modernization is a transformative process; in order for a society to move into modernity its traditional structures and values must be totally replaced by a set of modern values; and c) Modernization is an imminent process due to its systematic and transformative nature, which builds change into the social system. One of the principal applications of the modernization theory has been the economic field related to public policy decisions. From this perspective, it is very well

known that the economic theory of modernization is based on the five stages of development from Rostow's model. In summary, these five stages are: traditional society, precondition for takeoff, the takeoff process, the drive to maturity, and high mass consumption society. According to this exposition, Rostow has found a possible solution for the promotion of Third World modernization. If the problem facing Third World countries resides in their lack of productive investments, then the solution lies in the provision of aid to these countries in the form of capital, technology, and expertise. The Marshall Plan and the Alliance for Progress in Latin America, are examples of programs which were influenced by Rostow's political theories. The strengths of modernization theory can be defined in several aspects. First, we can identify the basis of the research focus. Despite the fact that the main studies of modernization were carried out by a psychologist, a social psychologist, a sociologist of religion and a political sociologist, other authors have extended modernization theory into other spheres. For example, Bellah examines the role of the Tokugawas religion on pajanes economic development in South-East Asia with effects on villages of Cambodia, Laos and Burma; Lipset addresses the possible role of economic development in the democratization of Third World countries, and Inkeles discusses the consequences of the modernization process for individual attitudes and behavior. A second feature of the modernization perspective is the analytical framework. Authors assume that Third World countries are traditional and that Western countries are modern. In order to develop, those poor nations need to adopt Western values. In third place, the methodology is based on general studies; for example the expositions regarding the value factors in the Third World, and the differentiation between unstable democracies, dictatorships and stable dictatorships.

Modernization theory, on the other hand, was popular in the 1950s, but was under heavy attack at the end of the 60s. Criticisms of the theory include the following: First, development is not necessarily unidirectional. This is an example of the ethnocentricity of Rostow's perspective. Second, the modernization perspective only shows one possible model of development. The favored example is the development pattern in the United States. Nevertheless, in contrast with this circumstance, we can see that there have been development advances in other nations, such as Taiwan and South Korea; and we must admit that their current development levels have been achieved by strong authoritarian regimes. A second set of critiques of the modernization theory regards the need to eliminate traditional values. Third World countries do not have an homogeneous set of traditional values; their value systems are highly heterogeneous. For example Redfield 1965, distinguishes between the great traditional values (values of the elites), and the little tradition (values of the masses). A second aspect for criticism here is the fact that traditional and modern values are not necessarily always mutually exclusive: China, for example, despite advances in economic development continues to operate on traditional values and this appears to be the same situation in Japan. Moreover, it is not possible to say that traditional values are always dichotomous from modern status, for example, loyalty to the Emperor can be transformed to loyalty to the firm.

Third world countries generally are characterized with a monumental level of underdevelopment ranging from poor governance, poverty, diseases, poor infrastructure, high rate of illiteracy, child mortality, low gross domestic product (GDP), low per capital income etc. despite the abundant human and natural resources in the third world countries which amount to the tune of 80% of the world total natural resources, they have not been able to transform the natural resources into potential gains due to the aforementioned reasons. Certain factors have been said to be the root causes of the parlous state of third world countries. Third world scholars argued that imperialist movement which gave birth to colonialism is one of the root causes of underdevelopment in third world countries. Some scholars also subjected the crises of the African continent to the internal rubrics of the society owing to factors such as corruption, mismanagement of public funds, poor leadership and followership etc. hence the whole idea of underdevelopment

In furtherance of the aforementioned argument, third world: is a term used to refer to those countries that have not yet attain the threshold of digital development. They are characterized with an imaginary role of technical, technological and social development. The concept of third world is also use rather loosely to refer to those countries in Africa, north East Asia, Latin America and Caribbean.

4.3.2 Underdevelopment

Underdevelopment: the concept of underdevelopment has been the most misunderstood and consequently misapplied term. Todaro (2002: 16) erroneously assert that life's basic needs are food, shelter, health, and protection, therefore, ' ' when any of these is absent or in critical short supply, a condition of absolute underdevelopment exists' '.

However, this is not a comprehensive view of what underdevelopment entails. It refers to a situation where an economy is distorted, disarticulated and disorganised by external forces such that, it is incapable of producing a harmonious, efficient system which can provide the needs of its citizenry, rather depends on external help for such purpose. Such an economy argued Ake, lack the complementarities of both forward and backward linkages

Brett (1973: 18) surmises that ' ' underdevelopment is a condition of dependency, one in which the activities of a given society are subjected to the overriding control of an external power over which it can exert little direct influence' '.

4.3.3 Causes of Underdevelopment:

Imperialism: is a policy, practice or situation where a powerful nation extends its influence over the weak country through socio-economic and political means. Hans Morgenthau defines imperialism as simply a manifestation of the balance of power. To him, the purpose of imperialism is to decrease the strategic and political strength of one nation by the more powerful nations. However this view is Eurocentric.

The concept of imperialism is better understood from a historical perspective. The resultant effect of the industrial revolution was the production of large quantities of goods

in Europe. Consequently, the European markets were saturated and there was the need for market for the sales of large product that resulted from the use of machines.

Imperialism can only be understood from the perspective of monopolistic capitalism which led to the colonisation of the third world countries. Thus Ake defines imperialism as the outward drive of foreign capita arising from the necessity to contract the contradictions of capitalism which engender the accumulation of capita. Imperialism was a consequence of the development of capitalism that necessitated colonisation of the third world. It is the imperialistic nature of capitalism that the third world where structurally incorporated, that disarticulated and ensured the dependent nature of the periphery on the core.

4.3.4 Colonialism

Colonialism is the practice of maintaining and acquiring colonies. It expresses a situation where the political power of a particular state is been administered by foreigners for the maximisation of the latter's interest. Colonialism according Obiajulu el tel (2004:181) is the complete control of a people, their land and their destiny by a foreign people. Colonialism was necessitated by the need to contract the contradictions of capitalism of the imperialist advanced capitalist nations. The industrial revolution of the 18th century led to the over production and under-consumption of industrial product in the advance capitalist economy. The need for market for the under consumed goods led to imperialism which gave birth to colonialism. The reason being that third world societies are blessed with abundance of natural resources which were in serious needs for continuous production of industrial commodities. The problem is not with colonisation but the nature and the character of incorporation through monetisation, imperialism of trade which led to disarticulation, dependency and weak economic base are the fundamental problems (Ake 1981)

4.3.5 Neo-Colonialism: is a changing face of colonialism and aptly described as colonialism dressed in new garb. It expresses a situation where by a particular state which have gained political independence still depends on their colonial masters economically. According Ake (1981), the nature and character of the colonial state was not only transferred but transplanted in the post-colonial economy. This transplantation of disarticulation, dependency and the weak economic base had led to the statist nature of the third world or what Ake (1996) called state capitalism.

4.3.6 Dependency: it is a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is tied. According to Ake (1981:55) an economy is dependent to the extent that its position and relations to other economies in the international system and the articulation of its internal structure make it incapable of auto centric development. The position of dependency arising from the mono-cultural economic nature of raw material production

for export by the periphery and the importation of manufactured goods from the core is central to the difficulty of development in the periphery

4.4 Theories of Development

The modernization theory elaborates on two main categories of societies in the world, namely the traditional and modern societies. Theorists argue that the traditional societies are entangled by norms, beliefs and values which are a hinderance to their development process. Therefore, they must adapt the modern style of living, thus concentrate on accumulation of capital and industrialization.

In essence, this theory seeks to improve the standard of living of inferior societies, that is, improves the economic growth of supposed traditional societies to acquire basic and secondary necessities of life, by introducing modern technology and economic strategy to the third world. Modernization theorist like WW Rostow, also proposed swift machineries of transition for traditional societies to develop; these are preparation to take-off, take-off, drive to maturity and the period of mass consumption. These transitional path processes put traditional societies on the development path. Again, the theory succeeds in the idea that the norms, values and beliefs of a society can affect the social change of that society.

Despite the advantages attributed to the theory, it has weaknesses which must be addressed. Firstly, the theory seeks to entail only the economic and concrete industrial growth of the third world countries. The theory lacks Amartya's view of development, which states that "development can be seen as the process of expanding the freedoms that people enjoy" (Sen,1999). To Sen, development entails freedom, liberty, and self-esteem of humanity which are neglected by the theory.

Secondly, the modernization theory posited that the third world countries must admit the development processes of the modern countries. It fails to recognize the fact that one system cannot be adopted by all countries due to the diverse historical and cultural background of the countries.

Lastly, Wallerstein pointed out that the theory creates dependency and exploitation of the third world countries. The theory neglects the social and cultural structure of the third world countries and imposes on the poor, ethnocentric processes to develop that all societies must follow to attain development.

The dependency theory on the other hand opposes the modernization theory. Its main argument is that, the persistent increment in industrialization in the developed countries rather equally subject poor countries to underdevelopment as a result of the economic surplus of the poor countries being exploited by developed countries.

It was a great analysis done by Frank A. Gunder by being able to debunk the weak, non historical and ethnocentric issues propounded by the modernization theory (Webster 1984).

Also, (Frank G, 1999) succeeded in pointing out the economic inequalities among the developed and the developing countries, as well as the rampant internal inequalities in the various periphery countries and the exploitation of economic surplus of developing countries during colonialism.

Again, the theory posits an essence on the fact that development is not mainly based on the cultural values but rather, the economic and social structures and procedures.

Dependency theory incurs some weaknesses upon examination of its central thesis hence it was said that; Frank failed to exhibit the specific and key dependency of the less developed countries on the metropolis, he merely stated that poor countries depend on rich countries with no specific clarification. The theory downplays internal development. It promotes the idea that indigenous industries cannot develop by its productivity which is not true. Moreover, the theory refuses to point out how the developed countries get access to the economic surplus of the third world countries.

However, the notion that resources flow from a "periphery" of poor and underdeveloped states to a "core" of wealthy states, enriching the latter at the expense of the former cannot be ruled out when one considers the plunder of colonialism and its sustenance in the form of globalization as is known today. There is also a central contention of dependency theory that poor states are impoverished and rich ones enriched by the way poor states are integrated into the "world system".

The theory arose as a reaction to modernization theory, an earlier theory of development which held that all societies progress through similar stages of development, that today's underdeveloped areas are thus in a similar situation to that of today's developed areas at some time in the past, and that, therefore, the task of helping the underdeveloped areas out of poverty is to accelerate them along this supposed common path of development, by various means such as investment, technology transfers, and closer integration into the world market. Dependency theory rejected this view, arguing that underdeveloped countries are not merely primitive versions of developed countries, but have unique features and structures of their own; and, importantly, are in the situation of being the weaker members in a world market economy.

Dependency theory no longer has many proponents as an overall theory, but some writers have argued for its continuing relevance as a conceptual orientation to the global division of wealth.

4.4.1 The Central Propositions of Dependency Theory

There are a number of propositions, all of which are contestable, which form the core of dependency theory. These propositions include:

1. *Underdevelopment* is a condition fundamentally different from *undevelopment*. The latter term simply refers to a condition in which resources are not being used. For example, the European colonists viewed the North American continent as an undeveloped area: the land was not actively cultivated on a scale consistent with its potential. Underdevelopment refers to a situation in which resources are being actively used, but used in a way which benefits dominant states and not the poorer states in which the resources are found.

2. The distinction between underdevelopment and undevelopment places the poorer countries of the world in a profoundly different historical context. These countries are not "behind" or "catching up" to the richer countries of the world. They are not poor because they lagged behind the scientific transformations or the Enlightenment values of the European states. They are poor because they were coercively integrated into the European economic system only as producers of raw materials or to serve as repositories of cheap labor, and were denied the opportunity to market their resources in any way that competed with dominant states.

3. Dependency theory suggests that alternative uses of resources are preferable to the resource usage patterns imposed by dominant states. There is no clear definition of what these preferred patterns might be, but some criteria are invoked. For example, one of the dominant state practices most often criticized by dependency theorists is export agriculture. The criticism is that many poor economies experience rather high rates of malnutrition even though they produce great amounts of food for export. Many dependency theorists would argue that those agricultural lands should be used for domestic food production in order to reduce the rates of malnutrition.

4. The preceding proposition can be amplified: dependency theorists rely upon a belief that there exists a clear "national" economic interest which can and should be articulated for each country. In this respect, dependency theory actually shares a similar theoretical concern with realism. What distinguishes the dependency perspective is that its proponents believe that this national interest can only be satisfied by addressing the needs of the poor within a society, rather than through the satisfaction of corporate or governmental needs. Trying to determine what is "best" for the poor is a difficult analytical problem over the long run. Dependency theorists have not yet articulated an operational definition of the national economic interest.

5. The diversion of resources over time (and one must remember that dependent relationships have persisted since the European expansion beginning in the fifteenth century) is maintained not only by the power of dominant states, but also through the power of elites in the dependent states. Dependency theorists argue that these elites maintain a dependent relationship because their own private interests coincide with the interests of the dominant states. These elites are typically trained in the dominant states and share similar values and culture with the elites in dominant states. Thus, in a very real

sense, a dependency relationship is a "voluntary" relationship. One need not argue that the elites in a dependent state are consciously betraying the interests of their poor; the elites sincerely believe that the key to economic development lies in following the prescriptions of liberal economic doctrine.

4.4.2 Policy Implications of Dependency Analysis

If one accepts the analysis of dependency theory, then the questions of how poor economies develop become quite different from the traditional questions concerning comparative advantage, capital accumulation, and import/export strategies. Some of the most important new issues include:

1. The success of the advanced industrial economies does not serve as a model for the currently developing economies. When economic development became a focused area of study, the analytical strategy (and ideological preference) was quite clear: all nations need to emulate the patterns used by the rich countries. Indeed, in the 1950s and 1960s there was a paradigmatic consensus that growth strategies were universally applicable, a consensus best articulated by Walt Rostow in his book, *The Stages of Economic Growth*. Dependency theory suggests that the success of the richer countries was a highly contingent and specific episode in global economic history, one dominated by the highly exploitative colonial relationships of the European powers. A repeat of those relationships is not now highly likely for the poor countries of the world.

2. Dependency theory repudiates the central distributive mechanism of the neoclassical model, what is usually called "trickle-down" economics. The neoclassical model of economic growth pays relatively little attention to the question of distribution of wealth. Its primary concern is on efficient production and assumes that the market will allocate the rewards of efficient production in a rational and unbiased manner. This assumption may be valid for a well-integrated, economically fluid economy where people can quickly adjust to economic changes and where consumption patterns are not distorted by non-economic forces such as racial, ethnic, or gender bias. These conditions are not pervasive in the developing economies, and dependency theorists argue that economic activity is not easily disseminated in poor economies. For these structural reasons, dependency theorists argue that the market alone is not a sufficient distributive mechanism.

3. Since the market only rewards productivity, dependency theorists discount aggregate measures of economic growth such as the GDP or trade indices. Dependency theorists do not deny that economic activity occurs within a dependent state. They do make a very important distinction, however, between economic growth and economic development. For example, there is a greater concern within the dependency framework for whether the economic activity is actually benefitting the nation as a whole. Therefore, far greater attention is paid to indices such as life expectancy, literacy, infant mortality, education,

and the like. Dependency theorists clearly emphasize social indicators far more than economic indicators.

4. Dependent states, therefore, should attempt to pursue policies of self-reliance. Contrary to the neo-classical models endorsed by the International Monetary Fund and the World Bank, greater integration into the global economy is not necessarily a good choice for poor countries. Often this policy perspective is viewed as an endorsement of a policy of autarky, and there have been some experiments with such a policy such as China's Great Leap Forward or Tanzania's policy of *Ujamaa*. The failures of these policies are clear, and the failures suggest that autarky is not a good choice. Rather a policy of self-reliance should be interpreted as endorsing a policy of controlled interactions with the world economy: poor countries should only endorse interactions on terms that promise to improve the social and economic welfare of the larger citizenry.

The feminist theory of development has its main argument being that, women have a great influence in development therefore must be empowered to partake in decision making and its implementation. This theory plays much role in the building of women capacity and capabilities as development is concerned. Also, feminists were able to bring awareness of gender inequalities among societies and engage in massive activities to emancipate women. Feminists succeeded in propounding theories namely, Women in Development (WID) and Woman and development (WAD) to promote equity.

Despite feminists' achievement on the theory, they seemed to address the interest of females instead of addressing issues concerned with gender as a whole. This was criticized by the Gender and development theory. Also, upon all the activities and struggle to attain a high standard of living for women, there are still high inequalities among our social world unaddressed. The feminist theory failed to point out the actual actions and procedures which must be taken by the society and men to empower women in development process but just emphasized on why women must be part and neglected the "how".

4.5 Importance/Characterization of Development

Insofar as development is concerned with the achievement of a better life, the focus of development analysis has to include the nature of the life that people succeed in living. This incorporates, of course, the length of the life itself, and thus life expectancy data have an immediate relevance to the living standard and through that to the concept of development, but the nature of the life that people succeed in living in each period is also a matter of importance. People value their ability to do certain things and to achieve certain types of beings (such as being well nourished, being free from avoidable morbidity, being able to move about as desired, and so on). These "doings" and "beings" may be generically called "functionings" of a person.

The well-being of a person can be seen as an evaluation of the functionings achieved by that person. This approach has been implicitly used by (Adam S, 1776) and (Karl M,

1844) in particular, and more recently in the literature on "the quality of life" (Morris 1979), (Streeten, 1981). It can be more explicitly developed, conceptually defended, and empirically applied. (Sen, 1985). The functioning achievements are, of course, causally related to commodity possession and use, and thus the constituent elements of the GNP do enter the determination of functioning achievements. Indeed, these elements are the means of which the functionings are the ends- a point of view clearly presented by Aristotle in Nicomachean Ethics and Politics.

In recent departures in consumer theory, developed by (Gorman, 1976) and (Lancaster, 1971), commodities are viewed in terms of their characteristics. This is clearly a move in the right direction as far as well-being of the individual and the development of the society is concerned, since the functionings achieved by a person relate to the characteristics of the commodities used. On the other hand, no index of characteristics as such could possibly serve as an indicator of the achievements of a person, since the conversion of characteristics into functionings can and does vary from person to person. Characteristics of commodities are impersonal in a way that functionings cannot be, since the latter are features of persons, whereas the former are features of commodities.

The achievement of functionings depends not only on the commodities owned by the person in question, but also on the availability of public goods, and the possibility of using private goods freely provided by the state. Such achievements as being healthy, being well-nourished, being literate, etc. would depend naturally also on the public provisions of health services, medical facilities, educational arrangements, and so on. In recognizing this, there is no need yet to enter into the debate, which is important but need not be pursued here, as to whether provision by the state is a cost-effective way of enhancing the relevant functionings involved. That debate about development strategy will involve logistic and engineering issues, which require careful assessment. What is being pointed out here is the importance of judging development in terms of functionings achieved, and of seeing in that light the availability and use of the means to those functionings (in the form of possession of commodities, availability of public goods, and so on).

The concept of development is by no means unproblematic. The different problems underlying the concept have become clearer over the years on the basis of conceptual discussions as well as from insights emerging from empirical work. Insofar as these problems have become clearer, something of substance has in fact been achieved, and the demise of the brashness which characterized the initiation of development economics need not be seen entirely as a loss. A clearer recognition of the difficulties and problems is certainly a step in the direction of enhancing our ability to tackle them.

4.6 Developmental Values and Instruments

According to Prof. Goulet, at least three basic components as core values should serve as a conceptual basis and practical guidelines for understanding the "inner" meaning of development. These core values – sustenance, self-esteem, and freedom – represent

common goals sought by all individuals and societies'. They relate to fundamental human needs that find their expression in almost all societies and cultures at all times.

1. Sustenance

The life-sustaining basic human needs include food, shelter, health and protection. When any one of these is absent or in critically short supply, a condition of absolute “underdevelopment” exists.

2. Self-esteem

A second universal component of good life is self- esteem- a sense of worth and self-respect- of not being used as a tool by others for their own ends. Due to the significance attached to material values in developed nations, worthiness and esteem are now-a-days increasingly conferred only on countries that possess economic wealth and technological power- those that have developed.

Now-a-days the Third World seeks development in order to gain the esteem which is denied to societies living in a state of disgraceful “underdevelopment.” ... Development is legitimized as a goal because it is an important, perhaps even an indispensable, way of gaining esteem.

3. Freedom from Servitude

Arthur Lewis stressed the relationship between economic growth and freedom from servitude when he concluded that “the advantage of economic growth is not that wealth increases happiness, but that it increases the range of human choice.” Wealth can enable a person to gain greater control over nature and his physical environment than they would have if they remained poor.

It also gives them the freedom to choose greater leisure. The concept of human freedom should encompass various components of political freedom, freedom of expression, political participation and equality of opportunity.

It is interesting to note that some of the most notable economic success stories of the 1970s and 1980s (Saudi Arabia, South Korea, Singapore, Malaysia, Thailand, Indonesia, Turkey and China among others) did not score highly on the 1991 Human Freedom Index compiled by the United Nations Development Programme (UNDP).

4. Development Questions

Over the years, there has been a sharp division of the world into what is today known as the North and South divide that has bridled a lot of conflict in the international system ranging from economic, political and socio –cultural discrepancies. This conflict becomes even more alarming when one looks at the fact that the disadvantaged member of the divide harbors the most important resources for development yet suffers the brunt of development the most. Going by these arguments, scholars mostly of the South have resolved to asking mind bugging questions as regards what transpired between the North

and the South that has placed the South in the disadvantaged position which it occupies in the international system today. It is in the light of these facts that this paper considers the economic conflicts between the divides.

5. Countries of the North

Countries of the North are otherwise called developed countries. They are organized political communities of advanced capitalism (Nwoke 1988:1). They are the developed market economy where the most pre-capitalist economic relations of production have been virtually overcome by industrialization and growth of services in the economy. In these countries, the means of production and distribution are increasingly controlled by private entrepreneurs and managers of conglomerates. The countries also exercise considerable control over their domestic and foreign affairs which means that they are likely to exercise force to secure their objectives even when it conflicts with the interests of less potent economies. The states typically achieved political and economic consensus through large scale welfare state policies. This is so because the internal material politics of these states have been relatively stable.

In the same prism, modernized agriculture is practiced with insignificant percentage of the population engaged in the sector but with the capability of producing food several times over what the entire domestic population can consume. Much of the internal markets are large with effective demands as most consumers are economically empowered and with the governments having access to foreign markets.

A large proportion of exports are manufactured goods. The countries most times enjoy favorable balance of payments. According to (Nwoke, 1988) these countries are by and large characterized by a strong commitment to liberal democratic political values, sustained economic growth and technological progress. Other indicators of this economic divide include but not limited to; full employment potentials for all and sundry, structurally transformed and flexible economic systems and a considerable amount of international economic, finance and military powers.

The countries of the North are also collectively referred to as the west which is made up of the United States of America, western European countries Canada, Japan amongst others.

6. Countries of the south:

The countries of the south are otherwise called the third world or the developing countries. According to keen observers and analysts of international politics, the concept of third world assumed much popularity during the erstwhile cold war which pitched the United States and the former Soviet Union against each other in an ideological supremacy tussle in the early 1950s as the heads of the two power blocs in existence. The remaining non-communist states which were non-aligned with any of the blocs were labelled the third world. However, at the end of the cold war, a development brought about by the demise of both socialism and the Soviet Union, the third world concept lost

its political usage and eventually became a phraseology synonymous with developing countries struggling to emerge from economic underdevelopment and poverty. Thus, the emphasis shifted to economic development concretely, the term third world or south according to (Nwoke 1998) refers to people of the world predominantly in the southern hemisphere and that lie at the periphery of the international economic system. Within this classificatory scheme, are countries in Asia, Africa and Latin America which are characterised by underdeveloped and dependent economic systems and by a low standard of living for the majority of their people as there are major economic inequalities with the majority experiencing abject poverty. Many of these countries have potentially strong natural resource base which are either being untapped or mismanaged. The economy is largely agrarian and foreign earnings are virtually from a monolithic source which is usually raw material. The industrial sector is relatively weak with poor capital base and relies on foreign expertise in all ramifications.

The large inequalities in these countries always act as catalysts for social unrest and political instability engendered by coups and counter-coups.

The third world or countries of the south are also tremendously diverse in so many ways-ethnic, religious, cultural, traditional political organisation and value system to mention a few, but are united more by poverty than by forces of economic prosperity. The countries are marginalised in the world economy due to their being poorly integrated into the world capitalist market. The economic power of the people is very low arising from poor wages leading to restricted demand for basic goods. Economic relations are governed by what (Goran H 1979) referred to as the economy of affection'' rather than strictly monetised market relations. In an economy characterised by relations of affection, administrative rationality is eroded, while arbitrary application of laws and rules nepotism and corruption prevail.

7. Economic conflict of the North and South divides

The western industrialised countries have a little less than one-quarter of the world population of 6.067 billion while the less developed countries of the south have a little over three quarter of the population. But the north controls four-fifth (4/5) of world income while the south one-fifth (1/5). The life expectancy in the north averages 75 years while in the south is 60 years (Nwankwo 1989).

According to the Brandit Report 95% of the people in the north have enough food to eat, have a relatively functional education and relatively comfortable shelter but the reverse is the case for 95% of people of the south.

Ninety percent 90% of world manufacturing industries are in the north and about 85% of manufacturing and commercial enterprises in the south are actually owned or controlled by industrial interests of the north. In addition, 95% of all patents and new technologies are owned by the north. The south lacks appropriate technologies and no

political stability and the economy of most of the less developed countries (LDCs) are disarticulated and foreign exchange earnings depend on mono-cultural primary export products of which the prices are decreasing and fluctuating annually. As noted earlier, the export and import markets are firmly controlled by the north.

So the south is losing at both ends as they have little or no control on exports and imports and they are always structured in the world economy to serve as raw material markets for the developed countries.

The above, laid the foundation for the conflict between the north and the south which to a large extent, prompted a lot of demands from the south to ensure a favourable economic, political cum socio cultural status in the international system thus, the clamour for new international economic order (NIEO) which refers to the political-economy or the legal arrangements governing international economic relations.

The campaign for a new political economy arrangement otherwise called new international economic order (NIEO) was first launched in 1974 at the United Nations general assembly sixth special session. However, before this time, serious problems in the international economic system were already in existence especially at the period of global oil shock when OPEC hiked its crude oil prices in 1973/74. Inflation, shrinking markets for the south's primary products, unemployment and protectionism became attendant problems.

More importantly, the agitation for NIEO were as a result of one-sided beneficial effects of the Breton woods system which overwhelmingly favoured the developed countries, there have been general resentment by the developing countries using the United Nations General Assembly as the main forum for venting their grievances against the Breton woods system.

The developing countries have realized that many of the committees or groups established by the system were created to encourage monetary stability and economic expansion of the North to the disadvantage of the south.

Moreover, the general agreement on trade and tariff (GATT) which was established as part of the outgrowth of the Breton woods system set up international commercial codes on the assumption that it was an international agreement, but in effect, it was an agreement among the industrially developed countries of the north rather than that of the whole world.

Constant problems were faced by the countries of the south especially since their agricultural products and raw materials continued to be moved to the north without actually having fair exchange rates and values.

With the economic crises of an unprecedented magnitude, there was the feeling and the need for change/reforms since the 1950s but not much was done. It started by using the U.N as a forum to call for certain special concession but some efforts made at that time did not yield much until the establishment of the United Nations Conference on Trade and Development (UNCTAD). This body was the first forum for the countries of the third world to show their solidarity and collective will within that international system.

UNCTAD was actually established in 1961 as a result of the General Assembly's Resolution 1707 (xvi) of that year which called for the conference. In 1962, seventy seven developing or countries of the south (otherwise known as G77) met in Cairo Egypt to discuss problems of economic development and how to benefit from the General Agreement on Trade and Tariff (GATT). In 1963, they also met in New York for their first session from January 22 to February 5. The second session took place in 1964.

The official inauguration of UNCTAD took place in Geneva in 1964. The institution was created with the hope among the third world that it would bring about a new international economic relationship and serve a major instrument in the hands of the south in their negotiations with the north.

The south expected that, through UNCTAD, it would be possible to reduce the discrimination and the trade barriers on imports from their countries and that there would be new source of export earnings for them as well as increase in the number of semi manufactured goods. Since then, there have been a number of conferences held by UNCTAD which did not yield the expected results. There was for example the UNCTAD conference held in New Delhi in February 1968 which deliberated on a number of strategies for tackling the challenge of the north and there were two other follow up meetings which like the previous conferences did not achieve much.

How to resolve the conflict of the north and south:

Some would argue that free international trade and unhindered capital flows across countries will lead to a contraction in the North-South divide. In this case more equal trade and flow of capital would allow the possibility for developing countries to further develop economically. As some countries in the South experience rapid development, there is some evidence that those states are developing high levels of South-South aid. Brazil, in particular, has been noted for its high levels of aid (\$1 billion annually - ahead of many traditional donors) and the ability to use its own experiences to provide high levels of expertise and knowledge transfer. This has been described as a 'global model in waiting'.

The United Nations has also established its role in diminishing the divide between North and South through its Millennium Development Goals . These goals seek to eradicate

extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability; and develop a global partnership for development all by the year 2025 (maybe).

A consensus should be reached between the north and south on the transfer and redistribution of resource to ensure a balance or a near balanced situation that will be in the interest of countries of the south.

More avenues and forums for negotiation and discussion between countries of the north and the south should be encouraged as that will go a long way in resolving the conflict between the north and the south.

Issues of transfer of technology and Aids/loans to countries of the south should further be encouraged as this can aid development of the south.

4.7 The World System Theory

Theory of World Systems A central element from which the theory of world-systems emerged was the different form that capitalism was taking around the world, especially since the decade of the 1960s. Starting in this decade, Third World countries had new conditions in which to attempt to elevate their standards of living and improve social conditions. These new conditions were related to the fact that the international financial and trade systems began to have a more flexible character, in which national government actions were having less and less influence. Basically, these new international economic circumstances made it possible for a group of radical researchers led by Immanuel Wallerstein to conclude that there were new activities in the capitalist world-economy which could not be explained within the confines of the dependency perspective. These new features were characterized mainly by the following aspects: a) East Asia (Japan, Taiwan, South Korea, Hong Kong, and Singapore) continued to experience a remarkable rate of economic growth. It became more and more difficult to portray this East Asian economic miracle as “manufacturing imperialism”; b) There was a widespread crisis among the socialist states which included the Sino-Soviet split, the failure of the Cultural Revolution, economic stagnation in the socialist states, and the gradual opening of the socialist states to capitalist investment. This crisis signaled the decline of revolutionary Marxism; c) There was a crisis in North American capitalism which included the Vietnam War, the Watergate crisis, the oil embargo of 1975, the combination of stagnation and inflation in the late 1970s, as well as the rising sentiment of protectionism, the unprecedented governmental deficit, and the widening of the trade gap in the 1980s, all signaling the demise of American hegemony in the capitalist world-economy. These elements created the conditions for the emergence of the world-systems theory. This school had its genesis at the Fernand Braudel Center for the Study of Economics,

Historical Systems, and Civilization at the State University of New York at Binghamton. Having originated in sociology, the world-systems school has now extended its impact to anthropology, history, political science, and urban planning. I. Wallerstein is considered one of the most important thinkers in this theoretical field. At the beginning of his career he studied the development problems that the recently independent African nations needed to face taking into account the new capitalist economic and political conditions of the world in the 1960s. Wallerstein and his followers recognized that there are worldwide conditions that operate as determinant forces especially for small and underdeveloped nations, and that the nation-state level of analysis is no longer the only useful category for studying development conditions, particularly in Third World countries. Those factors which had the greatest impact on the internal development of small countries were the new global systems of communications, the new world trade mechanisms, the international financial system, and the transference of knowledge and military links. These factors have created their own dynamic at the international level, and at the same time, these elements are interacting with the internal aspects of each country. The main assumptions of the world-systems theory establish that: a) There is a strong link between social sciences - especially among sociology, economics and political disciplines. This school recognizes that more attention is usually given to the individual development of each one of these disciplines rather than to the interaction among them and how these interactions affect in real terms the national conditions of a given society; b) Instead of addressing the analysis of each of the variables, it is necessary to study the reality of social systems; c) It is necessary to recognize the new character of the capitalist system. For example, the approach followed by the classical political economy perspective is based on the conditions of the capitalist system during the industrial revolution in the United Kingdom. There was concrete evidence to support open competition, more productive patterns in the industrial sector, and wide groups of population which provided labor for the new established factories. Today this is not the situation especially when we consider the important economic role of transnational corporations, the international political climate, the interdependence that affects the governments of poor nations, and the role of speculative investments. For the world-systems school, present economic conditions are not fully explainable within traditional development theories. This criticism of the capitalist system has been present since its birth. Under current international conditions, there are specific features of monopoly capital, its means of transaction, and its concrete operations worldwide which have affected international relations among nations to a considerable degree. The principal differences between the world-systems approach and the dependency studies are: a) The unit of analysis in the dependency theory is the nation-state level, for the world-system it is the world itself; b) Concerning methodology, the dependency school posits that the structural-historical model is that of the boom and bust of nation states, the world systems approach maintains the historical dynamics of world-systems in its cyclical rhythms and secular trends; c) The theoretical structure for the dependency theory is bimodal, consisting of the core and the periphery; according to the world systems theory the structure is trimodal and is comprised of the core, the semiperiphery and the periphery; d) In terms of the direction of

development, the dependency school believes that the process is generally harmful; however, in a world systems scenario, there is the possibility for upward and downward mobility in the world economy; e) The research focus of dependency theorists concentrates on the periphery; while world systems theorists focus on the periphery as well as on the core, the semiperiphery and the periphery. Given the aforementioned characteristics, the world-systems theory indicates that the main unit of analysis is the social system, which can be studied at the internal level of a country, and also from the external environment of a particular nation. In this last case the social system affects several nations and usually also an entire region. The world systems most frequently studied in this theoretical perspective are systems concerning the research, application and transference of productive and basic technology; the financial mechanisms, and world trade operations. In terms of financial resources, this development position distinguishes between productive and speculative investments. Productive investments are financial resources which reinforce the manufacturing production in a particular nation, while speculative investments normally entail fast profits in the stock market, they do not provide a country with a sustainable basis for long term economic growth, and therefore are more volatile. When the world-systems theory considers trade mechanisms, it distinguishes between the direct transactions, which are those who have a greater, more significant and immediate effect on a country; and those operations which are indirect trade transactions, such as future trade stipulations, and the speculations on transportation costs, combustibles prices, and forecasts on agricultural crops, when they depend on weather conditions to obtain their productivity and yield.

4.8 Theory of Globalization

The theory of globalization emerges from the global mechanisms of greater integration with particular emphasis on the sphere of economic transactions. In this sense, this perspective is similar to the world-systems approach. However, one of the most important characteristics of the globalization position is its focus and emphasis on cultural aspects and their communication worldwide. Rather than the economic, financial and political ties, globalization scholars argue that the main modern elements for development interpretation are the cultural links among nations. In this cultural communication, one of the most important factors is the increasing flexibility of technology to connect people around the world. The main aspects of the theory of globalization can be delineated as follows: a) To recognize that global communications systems are gaining an increasing importance every day, and through this process all nations are interacting much more frequently and easily, not only at the governmental level, but also within the citizenry; b) Even though the main communications systems are operating among the more developed nations, these mechanisms are also spreading in their use to less developed nations. This fact will increase the possibility that marginal groups in poor nations can communicate and interact within a global context using the new technology; c) The modern communications system implies structural and important modifications in the social, economic and cultural patterns of nations. In terms of the economic activities the new technological advances in communications are becoming more accessible to local and

small business. This situation is creating a completely new environment for carrying out economic transactions, utilizing productive resources, equipment, trading products, and taking advantage of the “virtual monetary mechanisms”. From a cultural perspective, the new communication products are unifying patterns of communications around the world, at least in terms of economic transactions under the current conditions; d) The concept of minorities within particular nations is being affected by these new patterns of communications. Even though these minorities are not completely integrated into the new world systems of communications, the powerful business and political elites in each country are a part of this interaction around the world. Ultimately, the business and political elite continue to be the decision makers in developing nations; e) Cultural elements will dictate the forms of economic and social structure in each country. These social conditions are a result of the dominant cultural factors within the conditions of each nation. The main assumptions which can be extracted from the theory of globalization can be summarized in three principal points. First, cultural factors are the determinant aspect in every society. Second, it is not important, under current world conditions to use the nation-state as the unit of analysis, since global communications and international ties are making this category less useful. Third, with more standardization in technological advances, more and more social sectors will be able to connect themselves with other groups around the world. This situation will involve the dominant and non-dominant groups from each nation. The theory of globalization coincides with several elements from the theory of modernization. One aspect is that both theories consider that the main direction of development should be that which was undertaken by the United States and Europe. These schools sustain that the main patterns of communication and the tools to achieve better standards of living originated in those more developed areas. On this point it is important to underline the difference between the modernization perspective and the globalization approach. The former follows a more normative position -stating how the development issue should be solved-, the latter reinforces its character as a “positive” perspective, rather than a normative claim. Another point in which the modernization and the globalization theories coincide is in terms of their ethnocentric point of view. Both positions stress the fact that the path toward development is generated and must be followed in terms of the US and European models. Globalization scholars argue that this circumstance is a fact in terms of the influence derived from the communications web and the cultural spread of values from more developed countries. Globalization theories emphasize cultural factors as the main determinants which affect the economic, social and political conditions of nations, which is similar to the “comprehensive social school” of Max Weber’s theories. From this perspective, the systems of values, beliefs, and the pattern of identity of dominant -or hegemony- and the alternative -or subordinate- groups within a society are the most important elements to explain national characteristics in economic and social terms. It is obvious that for the globalization position this statement from 1920s Weberian theory must apply to current world conditions especially in terms of the diffusion and transference of cultural values through communication systems, and they are increasingly affecting many social groups in all nations. Based on the aforementioned elements it is

clear that the globalization and world-systems theories take a global perspective in determining the unit of analysis, rather than focusing strictly on the nation-state as was the case in the modernization and dependency schools. The contrasting point between worldsystems theory and globalization, is that the first contains certain neo-marxist elements, while the second bases its theoretical foundations on the structural and functionalist sociological movement. Therefore the globalization approach tends more toward a gradual transition rather than a violent or revolutionary transformation. For the globalists authors, the gradual changes in societies become a reality when different social groups adapt themselves to current innovations, particularly in the areas of cultural communication. The globalization and world-systems theories take into account the most recent economic changes in world structure and relations that have occurred in the last couple of decades, for example: a) In March 1973, the governments of the more developed nations, began to operate more flexible mechanisms in terms of exchange rate control. This situation allowed for a faster movement of capital among the world's financial centers, international banks, and stock markets; b) Since 1976 trade transactions base their speculations on the future value of the products, which is reinforced through the more flexible use of modern technology in information, computers, and in communication systems; c) The computer revolution of the eighties made it possible to carry out faster calculations and transactions regarding exchange rates values and investments, which was reinforced by the general use of the fax machine; d) During the nineties the main challenge is from the Internet which allows the achievement of more rapid and expansive communication. The Internet is increasingly creating the conditions to reinvigorate the character of the "virtual economy" in several specific markets. Under the current conditions, the main aspects that are being studied from the globalization perspective are: a) New concepts, definitions and empirical evidence for hypotheses concerning cultural variables and their change at the national, regional and global level; b) Specific ways to adapt the principles of "comprehensive sociology" to the current "global village" atmosphere; c) Interactions among the different levels of power from nation to nation, and from particular social systems which are operating around the world; d) How new patterns of communications are affecting the minorities within each society; e) The concept of autonomy of state in the face of increasingly flexible communication tools and international economic ties, which are rendering obsolete the previous unilateral effectiveness of national economic decisions; and f) How regionalism and multilateralism agreements are affecting global economic and social integration.

Self-Assessment Exercises

Q1 Mention at least three theories of development.

Q2: Which of the theories of development tends to explain development from a disadvantaged position using colonialism as an underpinning factor?



4.9 Summary

There are numerous theories for development with its advantages and critics alongside. The modernization theory was based on two main factors: Traditional and modern societies. The feminist theory of development suggest equality in ability and capability.



4.10 References/Further Reading

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4.11 Possible Answer to SAE:

Question one: there are various theories of development ranging from the modernization theory to the underdevelopment and dependency theories. Others include the Marxist theories, the political economy theories etc.

Question 2: the underdevelopment and Dependency theory tends to explain underdevelopment as a resultant effect of colonialism and imperialism. However, the postulated theories are essential as they aid in describing drastically, the economic differences; equality, perspectives and relevance of development to the society. Every theory has its flaws but an agreeable point is met, development can happen simultaneously.

UNIT 5: Development Administration in Perspective

Unit Structure

5.1 Introduction

5.2. Learning outcomes

5.3 Importance/Characterization of Development

5.4 Summary

5.5 References/Further Reading

5.6 Possible Answer to Self-Assessment Exercise



5.1 Introduction

The concept of development is almost as old as civilization however, the quest for it particularly from underdeveloped states has granted it profound recognition in political affairs beyond any other concept in global discourse. Its extensive use in western societies from Greco-Roman civilizations to the late 19th century as a generic construct that designates the most varied aspects related to humanity's well-being, however, made the concept come closer to that of a doctrine. For this present study's purposes, a temporal cut was chosen from 17th century illuminist ideas and its metamorphoses until current times. At the end of that century, the predominant idea of development was dependent on natural and positive phenomena, with its expansion only contained by conscience of limit. Following a long dispute between those called the Modern and Ancient, ending with victory by the Modern, Leibniz (1646-1716) inaugurated the concept of infinite progress. Other modern thinkers such as Condorcet, Kant, Hegel and Marx in turn conceived and interpreted progress in a distinct manner from that resulting from the idea of conscience of limit or, in other words, are aligned with the potentially

infinite concept of progress. In these authors' works, it is also possible to note a certain proximity with Augustinian thinking, of conceiving history as a totality, a firm march of civilization, a continual, albeit inconstant and non-linear process, in the direction of a common well-being. In Rist's words: "a constant evolution, based on the belief of human perfectibility and motivated by the incessant search for well-being".



5.2 Learning Outcome

At the end of this unit, you should be able to:

- I. Identify and mention the importance and characteristics of development
- II. Relevance of Development



5.3 Importance/Characterization of Development

Insofar as development is concerned with the achievement of a better life, the focus of development analysis has to include the nature of the life that people succeed in living. This incorporates, of course, the length of the life itself, and thus life expectancy data have an immediate relevance to the living standard and through that to the concept of development, but the nature of the life that people succeed in living in each period is also a matter of importance. People value their ability to do certain things and to achieve certain types of beings (such as being well nourished, being free from avoidable morbidity, being able to move about as desired, and so on). These "doings" and "beings" may be generically called "functionings" of a person.

The well-being of a person can be seen as an evaluation of the functionings achieved by that person. This approach has been implicitly used by (Adam S, 1776) and (Karl M, 1844) in particular, and more recently in the literature on "the quality of life" (Morris 1979), (Streeten, 1981). It can be more explicitly developed, conceptually defended, and empirically applied. (Sen, 1985). The functioning achievements are, of course, causally related to commodity possession and use, and thus the constituent elements of the GNP do enter the determination of functioning achievements. Indeed, these elements are the means of which the functionings are the ends- a point of view clearly presented by Aristotle in *Nicomachean Ethics* and *Politics*.

In recent departures in consumer theory, developed by (Gorman, 1976) and (Lancaster, 1971), commodities are viewed in terms of their characteristics. This is clearly a move in the right direction as far as well-being of the individual and the development of the society is concerned, since the functionings achieved by a person relate to the characteristics of the commodities used. On the other hand, no index of characteristics as

such could possibly serve as an indicator of the achievements of a person, since the conversion of characteristics into functionings can and does vary from person to person. Characteristics of commodities are impersonal in a way that functionings cannot be, since the latter are features of persons, whereas the former are features of commodities.

The achievement of functionings depends not only on the commodities owned by the person in question, but also on the availability of public goods, and the possibility of using private goods freely provided by the state. Such achievements as being healthy, being well-nourished, being literate, etc. would depend naturally also on the public provisions of health services, medical facilities, educational arrangements, and so on. In recognizing this, there is no need yet to enter into the debate, which is important but need not be pursued here, as to whether provision by the state is a cost-effective way of enhancing the relevant functionings involved. That debate about development strategy will involve logistic and engineering issues, which require careful assessment. What is being pointed out here is the importance of judging development in terms of functionings achieved, and of seeing in that light the availability and use of the means to those functionings (in the form of possession of commodities, availability of public goods, and so on).

The concept of development is by no means unproblematic. The different problems underlying the concept have become clearer over the years on the basis of conceptual discussions as well as from insights emerging from empirical work. Insofar as these problems have become clearer, something of substance has in fact been achieved, and the demise of the brashness which characterized the initiation of development economics need not be seen entirely as a loss. A clearer recognition of the difficulties and problems is certainly a step in the direction of enhancing our ability to tackle them.

Self-Assessment Exercises

Q1: What are the characteristics of development given relevance to its importance?

Q2: Elaborate on the importance of development as regards the functioning of an individual.



5.4 Summary

Development is important in an economy as it improves the standard of living and quality of businesses as well. The more improvement on the country development the more the good range of jobs on offer.



5.5 Reference/Further Reading

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5.6 Possible Answer to SAE:

Question one: One can relate to the processes of development through the livelihood of certain group of people, their environment and the quality of interaction as well be it in terms of trade or other forms of exchanges.

Question two: Development involves biological, physical, social and cognitive aspects in relation to the well-being of life. The varieties of development and its importance are numerous with merits on the high side particularly when the welfare of individuals are measure, when unemployment is reduced and when poverty is at its lowest ebb.

MODULE 2

UNIT 1: Related Concepts in Development Administration

Unit Structure

1.1 Introduction

1.2. Learning outcomes

1.3 Meaning of Development

1.4 Summary:

1.5 References/Further Reading

1.1 Possible Answer to Self-Assessment Exercise



1.1 Introduction

Development is not just a descriptive word. It must stand for something considered worthwhile. In order to get some idea let us explore the meaning of the concept by making references to view of some selected scholars.



1.2 Learning Outcome

At the end of this unit, you should be able to:

- I. explain the concept of development describe the characteristics of development



1.3 Meaning of Development

It is debatable whether listing the attributes of development does not constitute more useful knowledge than the search for a precise definition of the concept. This is so because development as a concept is multidimensional and thus appears elusive. However, it is not altogether a semantic escapism for economists to search for a precise definition of the concept and how to separate it from related concepts (for example growth, modernization, undevelopment and underdevelopment). The concept development is used to refer to the total transformation of a system: thus, when used to describe a nation, describes the transformation of the various aspects of the life of the nation. In fact, development implies a progression from a lower and often undesirable state to a high and preferred one. Development also can be defined in terms of attacking wide-spread absolute poverty, reducing inequalities and removing the spectre of unemployment – all these being achieved within the context of a growing economy. This led to the redefinition of development in terms of both redistribution with growth and meeting the basic needs of the masses of the population. It was Seers who posed the most fundamental questions relating to the meaning of development when he wrote: The questions to ask about a country's development are therefore what has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these declined from high levels, then beyond doubt this has been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result; development' even if per capita income doubled. This way of posing the questions focuses the attention on the fundamental problem of underdevelopment which economic development is supposed to solve. While one may agree that the concept of development is a normative concept in the sense that it implies progress from a less desirable state to a more desired one, it would be difficult to find rational beings who would argue that the objective of eliminating poverty, inequality and unemployment for the largest majority of the population is not a desirable one. Hence, the emphasis today in the development literature is on meeting basic needs and redistributing the benefits of growth According to (Rodney 1974), development is a many-sided process. At the individual level, it implies increased skill and capacity, greater freedom, creativity, self-discipline, responsibility and material wellbeing. At the level of social groups, development implies an increasing capacity to regulate both internal and external relationships.

(Rogers 1969), defines development as a type of social change in which new ideas are introduced into a social system in order to produce a high per capita income and levels of living through more modern production methods and improved social organization. Development can also be defined as the coincidence of structural change and liberation of men from exploitation and oppression perpetrated by international capitalist bourgeoisie and their internal collaborators. Following this definition, therefore, 'real development involves a structural transformation of the economy, society, polity and culture of the satellite that permits the self-generating and self-perpetuating use of development of the people's potential. (Rostow 1960) sees development in terms of modernizing a basically

traditional society or a subsistence sector of a developing society with the aim of attaining sustained growth. He also regards four stages as essential in delineating the process of development: the traditional society, the pre-conditions for 'take-off', the 'take off' and finally sustained economic progress. Rostow's stages of growth have not received unreserved acceptance. (Caincross 1961), for example, has quarreled with the overlapping nature of the characteristics of these stages of development. Szentes sees the definition of these stages of linear growth as tautological and arbitrary. This, he maintains, would lead to a faulty interpretation of economy and society, the essence of social development. Trade theorists like Prebisch, Lewis and Singer who are critics of the conventional international trade theory see development in terms of changes in external trade in particular and contemporary international economic relations and the effects of colonialism as constituting obstacles to the development of the periphery of the world economic system. Wallman in his book, *Perceptions of Development*, also defines development as an inevitable but certainly unilinear movement towards a condition of maximum industrialization, modern technology, high(est) GNP and high(est) material standards of living. He went further to say that philosophically development implies 'progress' which itself implies evolution toward some ultimate good. Development, thus, is an elusive term meaning different things to different groups of social scientists. Most would agree however that development implies more than just a rise in real national income; that it must be a sustained secular rise in real income accompanied by changes in social attitudes and customs, which have in the past impeded economic progress. When development is used to measure economic development, the issue of definition becomes more complex. No single definition of economic development is entirely satisfactory and it has been defined in various ways. For the average person, the term economic development refers simply to achievement by poor countries of higher levels of real per capita income and of improved condition of living for their people. In a technical sense, economic development refers to a process of economic growth within an economy, the central objective of the process being higher and rising real per capita income for that economy (with the benefits of this higher and rising income being widely defused within the economy). (Rodney 1974), also defines economic development as a process where a society develops economically as its members increase jointly their capacity for dealing with the environment. He, however, argues that development should not be seen purely as an economic affair, but as an overall social process which is dependent upon the outcome of man's efforts to deal with his natural environment. Some economists have defined economic development as growth accompanied by change in the structure of the economy in the country's social structure, and in its political structure. According to (Jhigan 1980), economic development can be defined in three ways: One is to measure economic development in terms of an increase in the economy's real national income over a long period of time. But this is not a satisfactory definition. This definition fails to take into consideration change in the growth of the population. If a rise in the real national income is accompanied by a faster growth in population, there will be no economic development. The second definition relates to an increase in the per capita income of the economy over a long period. Economists are one in defining economic

development in terms of an increase in per capita real income or output. Meirer (1964) defines economic development as the process whereby the real capita income of a country increases over a long period of time. (Baran 1957) says let economic development be defined as an increase over time in per capita output of materials goods. According to (Buchanan and Ellis 1955), it is income potentialities of the underdeveloped areas by using investment to effect those changes to augment those productive resources which promise to raise real income per person. These definitions also have difficulties. An increase in per capita may not raise the standard of living of the masses because there is the possibility of increased income going to the few rich instead of going to the many poor. There is also a tendency to define economic development from the point of view of economic welfare. Economic development is referred to as a process of income and the satisfaction of the preferences of the masses as a whole. In the words of (Okun and Richardson 1961), economic development is sustained, secular improvement in material wellbeing, which we may consider to be reflected in an increasing flow of goods and services. This definition is also not free from limitations. First, sustained growth in real national income does not necessarily mean improvement in economic welfare. A mere increase in economic welfare does not lead to economic development unless the resultant distribution of national income is considered just.

Self-Assessment Exercises

Q1: What in your opinion is the meaning of development?

Q2: Elaborate on the importance of development as regards the functioning of an individual.



1.4 Summary:

It is easier to speak of development than to define it. However, it is not altogether a semantic escapism or academic obscurantism for social scientist to search for an objective means of defining the concept. In other words, development is an elusive term meaning different things to different groups of social scientists. Most would agree, however, that development implies more than just a rise in real national income. it must be a sustained secular rise in real income accompanied by changes in social attitudes and customs, which have in the past impeded economic progress.



1.5 References/Further Reading

Baran, P. (1957). *The Political Economy of Growth*. New York: Monthly Review Press.
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Seer, D. (1972). 'The Meaning of Development' in N.T Uphoff and F. Ilohman(ed), The Political Economy of Development.



1.6 Possible Answer to Self-Assessment Exercise

Question one: Development can be defined as a type of social change in which new ideas are introduced into a social system in order to produce a higher per capita income and levels of living through more modern production methods and improved social organization with reference to the view of Dudley Seers, Walter Rodney, Rogers, Rostow, Jhigan, and any other writers you are familiar with.

Question two: Development involves biological, physical, social and cognitive aspects in relation to the well-being of life. The varieties of development and its importance are numerous with merits on the high side particularly when the welfare of individuals are measure, when unemployment is reduced and when poverty is at its lowest ebb.

UNIT 2: What is Growth?

Unit Structure

2.1 Introduction

2.2. Learning outcomes

3 3 Meaning of Growth

2.4 Summary

2.5 References/Further Reading

2.6 Possible Answer to Self-Assessment Exercise



2.1 Introduction

Just as it was said of development in the preceding statements on its elusive nature and meaning different things to different people, growth as a concept operates within the same ambit of multilateralism hence cannot be pinned to a particular explanation even though certain attributes in the multiplicity of definitions stand out. For the purpose of this study and in the interest of our students, growth can be defined as increase in the economic and societal status of a state considering aspects such as development, planning and administration that cumulatively, enhance a more viable and sustainable conditions. As such, this unit attempts to explore the meaning of growth with a view to establishing a universally acceptable definition of the concept.



2.2 Learning Outcome

At the end unit you, should be able to:

I define growth explain the differences between growth and development.



2.3 Meaning of Growth

Let us look at some of the definitions of growth as given by some writers: Kuznets defines growth as a long-term rise in capacity to supply increasingly diverse economic goods to its population, this growing capacity being based on advancing technology and the instructional and ideological adjustments that it demands. This definition has three components:

- I. The economic growth of a nation is identified by the sustained increase in the supply of goods.
- II. Advancing technology is the permissive factor, which determines the growth of capacity in supplying diverse goods to the population.
- III. For an efficient and wide use of technology, institutional and ideological adjustments must be made to affect the proper use of innovations generated by advancing stock of human knowledge.

The above definition supersedes the earlier definition by Kuznets. Kuznets (1955) defining economic growth as sustained increase in per capita or per worker product, most often accompanied by an increase in population and usually by sweeping structural changes. According to Schumpeter (1934), growth is a gradual and steady change in the long run which comes about by a general increase in the rate of savings and population. Some economists generally use the term economic growth to refer to increase in a country's real output of goods and services or more appropriately real output per capita. As a concept, growth has a larger meaning and a more restricted meaning. Strictly it refers to sustained increase in productivity over a relatively long period or long periods each covering at least 10 years. An index of such growth at the national level is not an increase in national product in concrete terms. Growth modifies structures, attitudes and techniques, and where it is sustained; its economic effects are considerable. In the larger sense, growth includes three variables: an upward trend in gross national product and revenue over a long period; a self-sustained character of the growth and which is largely irreversible and growth also movement of structural transformation. Conceptually, growth implies change leading to increase in size including height and weight. Thus, economic growth means increase in economic resources or increased income. A nation is said to have recorded economic growth if that nation has experienced increase in national income or in or capita income.

Self-Assessment Exercises

- Q1: What is your understanding of the concept of Growth?
Q2: Differentiate between Economic growth and Development.



2.4 Summary:

despite the apparent differences between the term economic development and economic growth they are often used interchangeably to refer to progress. The units attempted to explore the meaning of growth by making references to the views of writers such as Kuznets and Schumpeter. An attempt was also made to establish distinction between economic development and economic growth. This was done by making references to the views of Schumpeter, Hicks, Maddison, Baran and Lewis. Finally, it concluded that despite the apparent differences between the two terms they are often used interchangeably to refer to progress.



2.5 References/Further Reading

Fainsod, M. (1963). *The Structure of Development Administration in Development Administration: Concepts and Problems*. Swerdlow I (ed). Jorgensen, J.J. (1990). "Organisational Life-cycle and Effectiveness Criteria in State-Owned Enterprises: The Case of East Africa" in Alfred, M.J. and Rabindra, N.K. *Management in Developing Countries*. London and New York: Routledge.

Turner, M. and Hulme, D. (1997). *Government Administration and Development: Making the State Work*. London: Macmillan.

Kaunga, F.C. (1993). 'Privatisation in Zambia' in V.V. Ramanadham (ed) *Privatisation: Global Perspective*. London and New York:



2.6 Possible Answer to Self-Assessment Exercise

Question One: Growth can be defined as a gradual and steady change which comes about by a general increase in the rate of savings and population. Some economists generally use the term economic growth to refer to increases in a country's real output of goods and services or more appropriately, real output per capita.

Question two: The term economic development is sometimes used interchangeably with such terms as economic growth, economic, welfare, economic progress and secular change. However, some economists like Schumpeter and Hicks have made a distinction between the more commonly used terms, economic development and economic growth. Economic development refers to the problems of underdeveloped countries and economic growth those of advanced countries. Development, according to Schumpeter, is a discontinuous and spontaneous change in the stationary state which forever alters and displaces the equilibrium state previously existing while growth is a gradual and steady change in the long run which comes about by a general increase in savings and population. Hicks points out that the problems of underdeveloped countries have to do with the development of unused resources even though their users are well known while

those of advanced countries are related to growth, most of their resources being already known and developed to a considerable extent. The simplest distinction is made by Maddison in these words. The raising of income levels is generally called economic growth in rich countries and in poor ones is called economic development. Everyman's Dictionary of Economics makes the distinction between economic growth and economic development more explicit. Generally, economic development simply means economic growth. More specifically, it is used to describe not only quantitative measures of a growing economy (such as the rate of increase in real income per head) but also the economic, social or other changes that lead to growth. Growth is measurable and objective: it describes expansion in the labour force, in capital, in the volume of trade and consumption. Economic development can be used to describe the underlying determinants of economic growth, such as changes in techniques of production, social attitudes and institutions. Such changes may produce economic growth. Economists generally use the term economic growth to refer to increases over time in a country's real output of goods and services or more appropriately, real output per capita. Output is conveniently measured by gross national products (GNP) or national income, though other measures could also be used. On the other hand economic development is a more comprehensive term. Some economists have defined it as growth, accompanied by change, changes in the structure of the economy, in the country's social structure and in its political structure. Growth does not necessarily imply development. Indeed, a well-known book about African country produces more of the same types of goods and services to keep up with a growing population or to send to overseas market, while the benefits of this growth continue to go almost exclusively to a privileged elite and a small middle class leaving the vast majority of the country's population completely unaffected. Development goes beyond this to imply changes in the composition of output and in the allocation of inputs by sectors. As with humans, to stress 'growth' involves focusing on height or weight (or GNP) while to emphasise; development; draws attention to changes in functional capacities in physical coordination, for example, or learning (or ability of the economy to adapt). But despite these apparent difference some economists use these terms synonymously. Baran maintained that the mere notions of development and growth suggest a transition to something that is new from something that is old, that has outlived itself. Lewis says in this connection that most often we shall refer only to growth but occasionally for the sake of variety to progress or to development.

UNIT 3: Meaning of Underdevelopment

Unit Structure

3.1 Introduction

3.2. Learning outcomes

3.3 Meaning of Underdevelopment

3.3 Summary

3.4 References/Further Reading

3.5 Possible Answer to Self-Assessment Exercise



3.1 Introduction

The task of understanding underdevelopment is greatly reduced when one understands the concept and the scope of development as discussed in the preceding comments. However, underdevelopment is a relative term that can be approached from different perspectives. It does not necessarily mean the absence of development rather; it makes a lot of meanings by comparing levels of development. This unit tries to define the term underdevelopment within the context of basic concepts in development administration.



3.2 Learning Outcome

At the end of this unit, you should be able to:

- I. Define underdevelopment make a distinction between underdeveloped and underdeveloped countries.



3.3 Meaning of Underdevelopment

The term underdevelopment refers to a situation where the economic, social, and political conditions of a nation are at their rudimentary stage of development. Using the major indicators of development, the nation is backward. Thus, the nation lacks key development facilities including the following: efficient and effective transportation network, communication system and other infrastructural facilities such as power, water supply, housing etc. Other indicators of underdevelopment include poor education, poor health, and generally low standard of living. This traditional approach to the description of underdevelopment has been found to be very limited as it does not explain the causes of underdevelopment nor is it capable of providing prescriptions for underdevelopment. In reaction to this limitation radical students of development such as Frank argue that it is capitalism both world and national which produced underdevelopment in the past and which still generates underdevelopment in the present.

Let us look at another description by Rodney. According to Rodney, underdevelopment is not the absence of development but it makes sense only as a way of comparing levels of development. Underdevelopment is very much tied to the fact that human –social development has been uneven and from a strictly economic view point some human groups have advanced further by producing more and becoming healthier (Rodney 1974). To Rodney, underdevelopment expresses the relationship of exploitation, namely the exploitation of one country by another. In spite of all these, it is very difficult to give a precise definition of underdevelopment. Underdevelopment can be defined in many ways by the incidence of poverty, ignorance or diseases, mal-distribution of the national income, administrative incompetence and social disorganization. There is thus not a single definition which is so comprehensive as to incorporate all the features of an underdeveloped country. (Kuznets 1955) therefore, suggests three definitions of underdevelopment: First, it may mean failure to utilize fully the productive potential warranted by the existing state of technical knowledge, a failure resulting from the resistance of social institutions. Secondly, it may mean backwardness in economic performance compared with the few economically leading countries of the period. Third, it may mean economic poverty in the sense of failure to assure adequate subsistence and material comfort to most of a country's population. The problem of underdeveloped countries in our discussion reflects elements of all the three definitions. Its acuteness arises largely out of the material misery stressed in the third definition; it is sharpened by the realization of a lack compared with other economically more advanced countries, and it is generally viewed as a social problem originating from the failure of social institutions rather than from a lack of technical knowledge.

Self-Assessment Exercises

Q1: Define underdevelopment in three different ways.

Q2: Define the term underdevelopment as best understood by you.



3.4 Summary:

From the discussion it is clear that there is no single definition which is so comprehensive as to incorporate all the features of an underdeveloped country. Normally, underdevelopment refers to a situation where economic, social, and political conditions of a nation are at their rudimentary stage of development.



3.5 References/Further Reading

Kuznets, S. (1955). 'Economic Growth and Income Inequality'. American Economic Reviews. Rodney, W. (1974). How Europe Underdeveloped Africa. Washington, D.C: University Press.



3.6 Possible Answer to Self-Assessment Exercise

Question One: Underdevelopment can be defined in these ways: First, it may mean failure to utilize fully the productive potential warranted by the existing state of technical knowledge, a failure resulting from the resistance of social institutions. Second, it may mean backwardness in economic performance compared with the few economically leading countries of the period. Third, it may mean economic poverty in the sense of failure to assure adequate subsistence and material comfort to most of a country's population.

Question Two: underdevelopment refers to a situation where economic, social, and political conditions of a nation are at their rudimentary stage of development.

UNIT 4: What is Modernization?

Unit Structure

- 4.1 Introduction
- 4.2. Learning outcomes
- 4.3 Meaning of Modernization
- 4.4 Summary
- 4.5 References/Further Reading
- 4.6 Possible Answer to Self-Assessment Exercise



4.1 Introduction

The term development, growth, underdevelopment, modernization, etc. are used in development administration to describe the stage(s) of progress which a country experience. However, this perspective is akin to the views of classical scholars who prescribe a streamlined pattern of growth and development and hold the internal rubrics of less developed countries to be antithetical to development and modernization. This unit, therefore, attempts to explore the meaning of modernization within the context of development administration.



4.2. Learning Outcome

At the end of this unit, you should be able to:

- I Define modernization identify the attributes of modernization.



4.3 Meaning of Modernization

Some writers define modernization in terms of changing institutions; others stress changes in individual attitudes, other still emphasize group attitudes. Frequently,

modernization has been equated with the attitudes and institutions of capitalist western countries, a strong personal work ethic, individual entrepreneurship. Materialism, optimism and a group structure encouraging these attitudes and institutions. There is a growing dissatisfaction, however, with ethnocentric definitions and broader definitions of modernization have been sought which could encompass community as well as capitalist institutions.

(Nash 1991) views modernization as the process of transformation towards the establishment and institutionalization of modernity. By modernity he means the social, cultural and psychological framework which facilitate the application of tested knowledge to all phases and branches of production. A similar view is that of Moore who refers to modernization as the rationalization of social behavior and social organization. Both definitions emphasize that modernization is a process of social change, while the areas in which renationalization takes place are essentially the same for all societies. Moore list the areas as follows: (i). monetization and commercialization ii. technification of production and distribution iii. demographic rationalization iv. education v. bureaucratization vi. secularization the study by (Inkeles and Smith 1960) is an interesting attempt to define modernization as a syndrome of individual attitudes that could be expected to be common to all societies. Specifically, the authors propose to classify as modern those personal qualities which are likely to be inculcated by participation in large-scale modern productive enterprises such as the factory, and perhaps more crucial that which may be required of the workers and the staff if the factory is to operate efficiently and effectively. (Inkeles and Smith 1960) begin by identifying fourteen personal attributes of modernization, including openness to new experiences, efficacy, understanding of productive processes, placing a high value on technical skills and acceptance of skill as a valid base for distributing rewards. In addition, they look at modernization from a 'topical' perspective (e.g attitudes towards family, size, religion, politics, consumption) and a 'behavioral' perceptive which involves 'psychological testing and interviews to determine political and religious beliefs and other activities. Finally, a fourth perspective is obtained by devising several modernity scales combining elements of the other three perspectives. (Inkeles and Smith 1960) conclude that 'modern man's character...' may be summed up under four major headings. He is an informed participant citizen; he has a marked sense of personal efficacy; he is highly independent and autonomous in his relation to traditional sources of influences, especially when he is making decisions based on how to conduct his personal affairs and he is ready for new experiences and ideas, that is, he is relatively open minded and cognitively flexible (Inkeles and Smith 1960). The term modernization is also employed by some authors to refer to the process by which a traditional society undergoes transformation and becomes modern. Other authors use the term to describe the process by which traditional societies becomes more western, or acquire the character of the technologically advanced countries. Thus, a modern society or modernizing society is one that is highly educated and technologized.

Self-Assessment Exercises

Q1: Explain modernization briefly.
Q2: Mention some writers on modernization.



4.4 Summary:

Modernization is one of the basic concepts in development administration used to describe those stages of progress which a country experience. During the course of the discussion, it was variously defined using the views of some writers. However, the term modernization has also been employed by some authors to refer to modern. Other authors use the term to describe the process by which traditional societies become more western or acquire the character of the technologically advanced countries. Thus, a modern society or modernizing society is one that highly educated and advanced technologically.



4.5 References/Further Reading

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4.6 Possible Answer to Self-Assessment Exercise

Question One: Modernization has been equated with the attitudes and institutions of capitalist western countries, a strong personal work ethic, individual entrepreneurship, materialism, optimism and a group structure encouraging these attitudes and institutions.

There is a growing dissatisfaction, however, with ethnocentric definitions, the broader definitions of modernization have been sought which could encompass community as well as capitalist institutions.

Question Two: there are various writers on development particularly those of western origins. However, for the purpose of this exercise, Nash, Moore, Inkeles and Smith would suffice.

UNIT 5 Administrative Reforms in Nigeria

Unit Structure

5.1 Introduction

5.2 Learning Outcome

5.3 Nigerian Civil Service and Reforms

5.4 Reports of the Civil Service Reforms

5.5 Summary

5.6 References/Further Reading

5.7 Possible Answer to Self-Assessment Exercise



5.1 Introduction

The Nigerian civil service was modeled on the civil service which existed in Britain. Here we will discuss the structural and operational features of the civil service and the recommendations of some of the reforms.



5.2 Learning Outcome

At the end of this unit, you should be able to:

- i. Identify the structural and operational features of the Nigerian civil service and
- ii. Explain some recommendations of the reforms.



5.3 Nigerian Civil Service and Reforms

The evolution of the modern civil service in Nigeria can be traced generally to the close of the Second World War. As we discussed in the last unit, specific landmark events in the evolution started with the 1954 review of the Macpherson constitution which was not only a response to the independence movement, but also a response to the forces of regionalism and ethnicity. By this time, the need for the establishment of regional governments and consequently regional civil services was recognized and accepted. This period also marked the beginning of the process of dismantling the colonial civil service in Nigeria, which hitherto, as all other British African colonies then, was composed of two broad classes: the senior service, covering all posts reserved for the Europeans and the junior service, embracing all posts to which Nigerians were appointed.

The Gorsuch report of 1954 recommended the division of the service into four broad classes corresponding to the general educational standards of the time. These were the sub-clerical and manipulative, clerical and technical, executive and higher technical and the administrative and professional classes. The system was modeled on the civil service which existed in Britain. During the period of decolonization, however, the public service began to undergo some significant changes in both its complexity and the responsibility assigned to it. In 1948 for example, there was a general directive from the colonial office in London to the colonial governments instructing them to expand the tasks of government to include reforms of local governments as a means of mobilizing the local human and material resources for socio-economic and political development. Along with this development, there was the expansion of the bureaucracy and establishment of public corporations. The high hopes raised by nationalist and the anxiety of the post-independence leaders of Nigeria to achieve quick social economic development of the country and the availability of more resources especially the oil windfall in the 1970s, greatly contributed to the expansion of the size and responsibilities of the civil service bureaucracy. At the federal level, for example, in 1960, there were only 12 ministries with a total of 60,000 staff. By 1978 the number of ministries and staff strength had risen to 25 and 187 000 respectively, and by 1984 the number of employees stood at 302 000. The breakup of the country into 12 states in 1967 and into 19 in 1976, also contributed greatly to the expansion of the civil service in the country. The phenomenal growth in the size and responsibilities of the service and in particular, the realities of the social, economic and political situation within which it operated made the institution to become embroiled in many serious problems e.g red tapism, rigidity, corruption, nepotism, ineffectiveness and inefficiency, conservatism, etc. These challenges posed for the civil service made it a subject of many inquiries by the government, all in an attempt to improve it. Such inquiries include the Gorsuch Report (1954), the Adebo Commission on the Review of the Salary Structure of the Civil Service (1971), the Udoji Commission (1974), the 1988 Civil Service Reforms and the Ayida Panel (1994). The civil service in 1974 according to the Udoji Commission was almost a caste-like system. The career structure meant that a civil servant was recruited at an early age into the service with an implied promise of a life career, during which he was to work his way through the hierarchy of the service. This promise of a life career meant an assurance of

life-long employment which could be terminated only by mental or physical incapacity or the commission of a criminal offence. The structure was closed because it had no adequate provision for the admission of outsiders (well-qualified and experienced persons) in the higher grades of the hierarchy. Such a career and closed system did not provide enough incentives for change, modernization or the achievement of excellence and could lead to inbreeding and obsolescence. Obsolescence affects not only the structure but also organization and management.

5.4 Reports of the Civil Service Reforms

In its report, the Udoji Commission made far reaching recommendations on making the civil service a result-oriented system. It recommended introduction of such management techniques as Management by Objective (MBO), Project Management, and Programme and Performance Budgeting. The Political Bureau (1987) noted that the above recommendations of the commission were not accepted by the government and therefore, not implemented. The 1988 reforms, like the Udoji Commission recommended that emphasis in the civil service should be on management rather than on administration. The former arrangement (administration) tended to favour the generalists over the professionals. However, it is worth noting that the closed career system which the civil service has hitherto been, is likely to continue, as there will be very few instances where direct appointments will be to higher positions (GL-11 and above) from outside. Most of what will happen with such positions is that they will be filled through promotions or what a personnel management expert calls 'selection from inside the service'. The phenomenal growth in the size and responsibilities of the civil service has produced such a diffusion of power that the task of central direction and coordination has become extremely difficult. The office of the Secretary to the Federal Government which is formally responsible for the coordination of all activities of ministries and departments of the government and for ensuring the efficiency of the functioning of the departments of machinery of government, Udoji noted, was not adequately equipped to perform the role of either coordinating or overseeing the efficiency of the government machinery. This situation led to problems such as red-tapism, rigidity and conservatism, inefficiency, etc.

The Udoji Commission met a civil service ridden with corruption and it made the following: We live in a society in which corruption is generally believed to be, and no doubt it is widespread. It is unrealistic for Nigerians to say that government will eliminate corruption completely from its public service, but it must make it one of its prime objectives to control corruption. The 1988 reforms took a tough stance on accountability by saying that the accountability of an officer shall not cease by virtue of his leaving office as he may be called at any time after leaving office to account for his tenure. Before the 1988 reforms, the minister or commissioner was the political head of the ministry while the permanent secretary was the administrative head as well as the accounting officer. A situation in which the administrative head of the ministry was also the accounting officer rather than the political head has tended to frustrate many noble projects of the government. As accounting officer, the administrative head often placed

unnecessary bureaucratic obstacle to quick execution of such projects. The 1988 reforms made the minister or the commissioner both the chief executive as well as the accounting officer of the ministry. The minister as the chief executive would be in total control of men, materials and money which are critical inputs in the management of the organization. As accounting officer, he would also be responsible and accountable for administration, personnel and finances of the organization. In prescribing these functions, for the minister, the task force was evidently aware that his efficiency and output may be impaired because of too much responsibility. So, it recommended that he delegate a substantial part of his functions to the permanent secretary who in the new structure would be director-general. The Nigerian civil service was divided into two broad segments, namely the administrative and professional cadres. The permanent secretary headed the former at the apex, below who were the executive, the clerical and the sub-clerical officers. The latter was headed by professionals such as engineers, doctors, agricultural officers, etc. who reported to the political head of their ministries through the administrative officers.

Below then were the technologists, technicians and those engaged in manually appointed.

The permanent secretaries were heads of the various ministries and as such, they were the principal advisers to the ministries and commissioners. Technically this meant that the professionals who headed the divisions in a ministry were under the permanent secretary. This relationship between the administrative cadre and professional cadre had generated a considerable degree of acrimony in the service because the professional cadre resented their subordination to the administrative cadre. This tension affected morale and productivity of the service. Officers progressed within their cadre and rarely moved from one to the other. When they did, they usually suffered a loss of seniority. This situation did not motivate the best deployment and utilization of available scarce manpower. This generalist/specialist dichotomy has been targeted by successive civil service reforms during the last two decades for eradication. The Udoji Commission tried to resolve this conflict by evolving only one hierarchical structure (the Unified Grade System) into which every cadre should fit. There were 17 distinct ranks and a range of salary Attached to each rank for the purpose of salary administration. The lowest category of grades (grade level 01 to 06) consists of the junior staff of the civil service; the messengers, typists, stenographers, clerks, craftsmen and artisans and technical assistants. The next category of grades (grade level 07 to 09) are the supervisory, intermediate and lower management staff including executive officers. The third broad category consists of the middle management staff (grade level 10 to 13) who perform the bulk of the administrative and professional functions within the ministries and departments. At the top of the hierarchy is the upper management category (Grade level 14 to 17). This category of staff constitutes the leadership group and they are responsible for the policy and general management. Thus, a generalist and a professional could both be on the same grade level, say GL 16 & 17. This in theory, meant that anybody who qualifies could hold the post of permanent secretary in any ministry. In practice, however, most permanent secretaries were still drawn from the generalist cadre. Thus, even though the

conflict has lessened, it was still a phenomenon in the system. This conflict was finally erased by the 1988 civil service reforms which professionalized the service as every officer was expected to acquire the necessary expertise through relevant specialized training and experience. The 1988 reforms concentrated more on the intra-bureaucratic power or authority realignment aimed at ensuring clearer channels for easy communication flow and lines of authority that clearly define the locus of responsibility and accountability. This is likely, according to Abdulsalami, ‘to facilitate decision making and thereby improve administrative efficiency and/ or effectiveness’. However, for better and for far reaching results, more comprehensive reforms are imperative to usher in modern management techniques, new attitudes that are change conscious and development oriented. The criticism that trailed the discarded 1988 reforms was enormous. On the vanguard was Chief Adebo who said that he preferred what existed before the so-called reforms. This criticism among other things led to the setting up of the Ayida Panel in 1994 to review the existing system by December of the same year the interim report was ready. It suggested the dropping of the director-general title and the restoration of the order. The full report was submitted to the government in 1966. From the above discussion, it is clear that the civil service occupies a very strategic position in the social-economic and economic-political development of this country. It is the most central of the institutions of government, which should be the prime mover of the social and economic development of the country. It is also evidenced that there are serious problems which have impeded its efficient functioning. For the civil service to play its proper leadership role in the new political system envisaged for the country, it must be re-oriented and restructured.

Self-Assessment Exercises

Q1: Where did Nigeria copy her style of administration from?

Q2: Identify the structural and the operational features of the Nigerian civil service.



5.5 Summary

In this unit, the structural and operational features of the Nigerian civil service have been discussed. Some recommendations of the various commissions were also discussed and they together guide an understanding of the internal workings of the Nigerian civil service and how it originated in the British model.



5.6 References/Further Reading

Anyebe, A.A. (1992). ‘Civil Service Reforms in Nigeria: A BRIEF Examination of the Udoji Commission and the 1988 Reforms’.



5.7 Possible Answer to Self-Assessment Exercise

Question One: It should be recalled that Nigeria got her style of administration from Britain. the major commercial, financial and technological developments that has taken place originally in the public and private sector of the economy especially in complex managerial devices and industrialization has its roots in the British model.

Question Two:the structural and operational features of the Nigerian civil service includes: 1. Dual headship 2. Phenomenal growth in size and responsibilities 3.Closed career system 4.General/professional dichotomy 5. Corruption

MODULE 3: Environment of Development Administration

Unit Structure

1.1 Introduction

1.2. Learning outcomes

1.3 Economic Features Underdeveloped Economy

1.4 Summary:

1.5 References/Further Reading

1.6 Possible Answer to Self-Assessment Exercise

UNIT 1



1.1Introduction

In the humanities like in many other similar disciplines, we learn that every concept operates within an environment and the concept of development administration, theories and planning revolve and operate within the confines of an environment. However, emphasis would be placed on the economic environment at this point. It is worthy of note that the economic situation of today's developing countries was initially characterized by underdevelopment. Here we will discuss the key economic features of underdevelopment and when country begins to move on the path of development.



1.2 Learning Outcome

At the end of this unit, you should be able to:

- i Explain structure features of underdevelopment;
- ii. Explain income distribution pattern in an underdeveloped country and perhaps describe the level of science and technology in an underdeveloped country.



1.3 Economic Features Underdeveloped Economy

There is no gainsaying that the economy of underdeveloped societies is predominantly agrarian and revolves around agriculture. Typically, up to 80 percent of the labor force is engaged in agriculture. Production is based on age old technology, is largely for subsistence and carried out under feudal relations. Feudal landlords live an ostentatious life and make little or no investment in agriculture. Within the industrial sector, traditional household craft preponderate. Modern industry, if it exists at all, is limited to a few lines for instance, jute and cotton textiles in India prior to the Second World War. Infrastructural services like transport and communications are extremely poor and limited. As is implicit in the structure of an underdeveloped economy, its relative factor endowment pattern is dominated by land, or by land and labour together. Relative availability of capital is extremely low. Capital goods are mainly those which are turned out by the traditional craft. In countries like India and China marked by high population pressure, the relative factor proportion between land and labour is itself adverse, with a low land-labour ratio. Additional labour due to population growth, stays back in agriculture since little opportunity of other remains underemployed. Labour, the human capital resource, is thus poor in quality. Asset ownership, particularly of the most important factor of production, land, is very unequally distributed in an underdeveloped economy. It may so happen that a handful of feudal lords own most of the land and the rest of the rural population work as tenants. It should also be noted that disparity in incomes follow from land ownership, with 70 percent of the product going to a small class of land owners. The rest of the population lives at subsistence level under acute poverty. Furthermore, in large countries such as India, there also exists disparity of incomes between different regions as the relative factor endowments as well as the levels of development vary from region to region. Since an underdeveloped economy is characterized by stagnation in production and operates at a low-level equilibrium, savings are low, and so is investment. A kind of vicious circle operates: low income, low savings, low investment, low income, low savings and low investment capital accumulation. The majority of the people, living at subsistence level have no capacity to save but engage in conspicuous consumption. Merchants and traders do accumulate some money capital, but they lack in enterprise and do not invest in industry. The other reason for this failure is the large size of capital required by modern industrial units which individual holders of money capital are unable to provide. Underdevelopment is also characterized by low levels of scientific and technical knowledge. Due to illiteracy and lack of education, the quality of human capital is poor. On the other hand, an underdeveloped economy

dependent on the traditional means and methods of production has little scope for technological innovation.

Self-Assessment Exercises

Q1: What are the basic economic features of underdeveloped countries?
Q2: Explain how the vicious circle operates in an underdeveloped economy.



1.4 Summary:

Economic development is nothing but changing or transforming the situation of underdevelopment and backwardness of a country. This unit discussed the structural features, relative factor endowment. Income distribution pattern, saving investment and capital accumulation and science and technology of an underdeveloped economy which essentially constitute the economic environment of development administration.



1.5 References/Further Reading

Lewis, W.A. (1960). Development Planning: The Essential of Economic Policy. London: George Allen and Unwin. Amuchazi, E.C. (ed) (1980). Reading in Social Sciences. Chapters 8 and 9.



1.6 Possible Answer to Self-Assessment Exercise

Question One: An underdeveloped economy is predominantly agricultural. Typically, up to 80 percent of the labour force is engaged in agriculture. Production is based on age old technology, largely for subsistence and carried out under feudal relations.

Question Two: Since an underdeveloped economy is characterised by stagnation in production and operates at a low level equilibrium, savings are low and so is investment. A kind of vicious circle operates: low income, low savings-low investment- low income, low savings and low investment capital accumulation. The vast majority of the people, living at subsistence level have no capacity to save but engage in conspicuous consumption.

UNIT 2: Political Environment of Development Administration

Unit Structure

2.1 Introduction

2.2. Learning outcomes

2.3 Political Features of Underdevelopment

2.4 Summary

2.5 References/Further Reading

2.6 Possible Answer to Self-Assessment Exercise



2.1 Introduction

This unit deals with political features of underdevelopment (environment of development administration). The features include ethnic, religious and tribal conflicts, extra-legal change of leadership and lack of continuity. We shall discuss them one after the other.



2.2 Learning Outcome

At the end of the unit, you should be able to:

1. Identify the political features of an underdeveloped economy.



2.3 Political Features of Underdevelopment

One of the political features of the underdeveloped countries is the growing gap between expectations and the actual achievements. For example, when the Obasanjo

Administration took off in 1999 it promised to restore power supply to normalcy and provide employment for all. The realization of these noble objectives has fallen below expectations. Power supply is still erratic and the rate of unemployment is on the increase. There is a high unemployment and/or underemployment rate among the youths in underdeveloped countries. In such conditions this age group presents a potent threat to political stability and economic growth, being less amenable to nationalist anti-imperialist rhetoric as a panacea for their problem (Mazrui, 1998).

An idle mind is the devil's workshop goes the adage and much of the political unrest on the African continent can be attributed to the presence of unemployed, frustrated and alienated young people. They are easily drawn to parties and groups that promote total and revolutionary change rather than incremental and evolutionary change. If you observe well, they have been in the forefront of pre-democracy movements in many of the African countries (Mazrui, 1998). There are persistent ethnic, tribal and religious conflicts. For example, the activities of the Odua People Congress (OPC) in the western part of Nigeria, Arewa People Congress (APC) in the north and Bakassi Boys in the east. Structures that could have assisted in integrative function. In brief, the common political features of developing countries include, a widely shared developmental ideology as the source of basic goals, a high degree of reliance on the political sector for achieving results in the society, a widespread of insipient or actual political instability, a modernizing elitist leadership accompanied by a wide political gap between the rulers and the ruled and an imbalance in the growth of political institutions. Some version of socialism tends to be the dominate preference with a philosophy having a Marxist label while evils of foreign capitalism are denounced. The state is generally seen as the main hope for guiding society towards modernization. The politics played is agitational. Political instability is a prominent feature as surveys have shown that 40 percent of the countries have had successful or attempted coups. Compared to developed countries the politics of developing countries is that of uncertainty, discontinuity, and extra-legal change.

Self-Assessment Exercises

Q1: What in your opinion do we mean when we say underdeveloped countries are characterized by political instability?

Q2: What are the political conditions of underdevelopment?



2.4 Summary:

In this unit we have been discussing the political features of underdeveloped countries which include instability, ethnic and religious conflicts. Structures which could have assisted in integrative functions are either absent or not well-developed.



2.5 References/Further Reading

Mazrui, A.A. (1998). 'Africa in Political Purgatory: The Cross Roads between Collapse and Redemption' *Governance, a Journal of the Institute of Governance and Social Research* 1(1) pp. 49-51



2.6 Possible Answer to Self-Assessment Exercise

Question One: Political instability results from ethnic, tribal and religious conflicts. There is also uncertainty, extra-legal change of government, lack of continuity, etc

Question Two: The political conditions that characterize Third world countries including Nigeria tends to also affect governments of these countries and they range from unstable political systems, terrorism, insurgency, corruption etc.

UNIT 3: Social – Cultural Environment of Development Administration

Unit Structure

3.1 Introduction

3.2. Learning outcomes

3 3 Socio- Cultural Features of Underdevelopment

3.4 Summary

3.5 References/Further Reading

3.6 Possible Answer to Self-Assessment Exercise



3.1 Introduction

In this unit you are introduced to some key socio-cultural features of underdevelopment. These factors include superstitious belief, tribalism and belief in having large families.



3.2 Learning Outcome

At the end of this unit, you should be able to:

I Identify some salient Scio-cultural feathers of underdevelopment and describe some of the features.



3.3 Socio- Cultural Features of Underdevelopment

In underdeveloped countries superstition is a key socio-cultural feature. For example, in many parts of Africa, people attribute their problems to supernatural factors such as an

angry deity, curses and witchcraft. In this view, man is at the mercy of a bewildering array of unseen, often malevolent forces that are beyond his control. The sufferer may experience some relief when a culturally accepted explanation for his problems is provided, for instance his problems explained as being caused by witches. The fact that these forces are seen as beyond his control but amenable to the intervention of the traditional healer renders the sufferer more open to his suggestions. Is a person considered healed when he continues to live in fear of individuals, and unseen forces in his environment? Our answer should be 'NO' The price a nation pays for being uncritical of the beliefs held by the citizens, that their lives are controlled by forces outside their control is grave indeed. Apathy becomes the predominant attitude of such citizens and underdevelopment a resultant consequence. The belief that anyone with the help of the supernatural may bring harm to others does little to promote mutual trust. In the absence of trust individuals cannot cooperate in engineering solutions to pressing national or community issues. These are societies where children are for instance, seen as needed to continue the lineage and perpetuate the family name and spirit. The aged are dependent on their adult sons and daughters for support hence fertility remains high in order to guarantee enough children to meet the need. Developing countries like those of Africa have the fastest growing population rate. Most of them have large areas of land with population scattered, largely rural and often involve tribal groupings alienated from functional government. People are differentiated on the basis of race. Tribe and religion. Tribal sentiments usually determine the pattern of voting or appointment to positions of responsibility. Most of the time merit is compromised and this affects executive capacity and consequently, national development.

Self-Assessment Exercises

Q1: what is culture?

Q2: In your opinion how has the socio-cultural elements impeded development?



3.4 Summary:

This unit has been examining the socio-cultural factors of underdevelopment with their implications for development. Hence, it can be said that Social-cultural factors of underdevelopment usually revolve around tribal authority and superstition. Superstition endangers trust which may affect development efforts.



3.5 References/Further Reading

Jegade, R.O. and Olatawura, M.O. (1977). 'Problems of Psychotherapy in Changing Societies', (Pp. 75 -80), African Journal of Psychiatry (3), 75 – 80.

Asuni, T. (1966). 'Development in material health in Nigeria: Special Reference to Western Nigeria', Represented from excerpts in Medical International Congress, 150, 1067 – 1068.



3.6 Possible Answers to Self-Assessment Exercises

Question One: culture is the totality of the ways of life of a people. It can promote or impede development depending on the attributes of the culture that is promoted above other considerations. Some aspects are negative to development while others tend to promote development as the case may be.

Question Two: The socio-cultural features of Nigeria which impede development include superstition (irrational) beliefs), tribalism and the belief in having a large number of children.

UNIT 4: Administrative Environment of Development Administration

Unit Structure

4.1 Introduction

4.2. Learning outcomes

4.3 Administrative Features of Underdevelopment

4.4 Summary

4.5 References/Further Reading

4.6 Possible Answer to Self-Assessment Exercise



4.1 Introduction

This unit deals with the administrative characteristics of underdeveloped countries and their implications for development. The influence of the colonial heritage on the service and the need for reforms will also be discussed.



4.2 Learning Outcome

At the end of this unit, you should be able to:

I Identify administrative features of underdevelopment describe the features.



4.3 Administrative Features of Underdevelopment

There is usually an effective bureaucracy coupled with a vigorous modernizing elite. The basic pattern of administration is imitating rather than indigenous. In Nigeria, for

instance, the current administrative laws are those introduced by the British some 50 to 100 years ago. Nigerian civil servants commonly claim that, their system' follows the British system'. Such claims are made with pride and are supposed to demonstrate the pedigree and quality of their civil service. They fail, though, to note that the system is based on a British colonial model (rather than the British domestic model). The colonial heritage is more elitist, more authoritarian, more aloof and paternalistic in these developing countries. Bureaucracy maintains sole ownership of technical knowledge in the various sectors from agriculture to mining and industry. It is usually the sole employer of professional experts, most often trained in the country of the former colonial master. The bureaucracy is often large and deficient in skilled manpower necessary for developmental programmes. The countries emphasize orientations that are other than production directed. Freed Riggs refers to this as preference for personal expedencies as against public principled interests. Value attached to status is based on ascription rather than achievement. Outwardly, they preach a merit system but practice a spoils system. Corruption is widespread and bureaucracy is used as a social security programme to solve an employment problem which in turn leads t a padded bureaucracy. There is widespread discrepancy between form and reality, what Riggs refers to as formalism.

Self-Assessment Exercises

Q1: what are the main characteristics of the Nigerian civil services?

Q2: In your opinion, what are the characteristics of bureaucracy in underdeveloped societies?



4.4 Summary:

The bureaucracy in the developing countries is usually padded being the largest employer of labour in those countries. It is deficient in skill but claims sole ownership of technical knowledge in the various sectors.



4.5 References/Further Reading

Anyebe, A.A. (1992). 'Civil Service Reforms in Nigeria: A Brief Examination of the Department Seminar, Ahmadu Bello University, Zaria.



4.6 Possible Answers to Self-Assessment Exercise

Question One: The Nigerian civil service is elitist as a result of colonial heritage; it maintains sole ownership of technical knowledge and is the major employer of labour in Nigeria.

Question Two: The bureaucracy in the developing countries is usually large and important but does not have the institutional support to work effectively.

UNIT 5 Administrative Reforms in Nigeria

Unit Structure

5.1 Introduction

5.2. Learning outcomes

5.3 Features of the Nigerian Civil Service and Reforms

5.4 Summary

5.5 References/Further Reading

5.6 Possible Answer to Self-Assessment Exercise



5.1 Introduction

The Nigerian civil service was modeled on the civil service which existed in Britain. Here we will discuss the structural and operational features of the civil service and the recommendations of some of the reforms.



5.2 Learning Outcome

At the end of this unit, you should be able to:

1. Identify the structural and operational features of the Nigerian civil service and explain some recommendations of the reforms.



5.3 Features of the Nigerian Civil Service and Reforms

The evolution of the modern civil service in Nigeria can be traced generally to the close of the Second World War. As we discussed in the last unit, specific landmark events in the evolution started with the 1954 review of the Macpherson constitution which was not

only a response to the independence movement, but also a response to the forces of regionalism and ethnicity. By this time, the need for the establishment of regional governments and consequently regional civil services was recognized and accepted. This period also marked the beginning of the process of dismantling the colonial civil service in Nigeria, which hitherto, as all other British African colonies then, was composed of two broad classes: the senior service, covering all posts reserved for the Europeans and the junior service, embracing all posts to which Nigerians were appointed.

The Gorsuch report of 1954 recommended the division of the service into four broad classes corresponding to the general educational standards of the time. These were the sub-clerical and manipulative, clerical and technical, executive and higher technical and the administrative and professional classes. The system was modeled on the civil service which existed in Britain. During the period of decolonization, however, the public service began to undergo some significant changes in both its complexity and the responsibility assigned to it. In 1948 for example, there was a general directive from the colonial office in London to the colonial governments instructing them to expand the tasks of government to include reforms of local governments as a means of mobilizing the local human and material resources for socio-economic and political development. Along with this development, there was the expansion of the bureaucracy and establishment of public corporations. The high hopes raised by nationalists and the anxiety of the post-independence leaders of Nigeria to achieve quick social economic development of the country and the availability of more resources especially the oil windfall in the 1970s, greatly contributed to the expansion of the size and responsibilities of the civil service bureaucracy. At the federal level, for example, in 1960, there were only 12 ministries with a total of 60,000 staff. By 1978 the number of ministries and staff strength had risen to 25 and 187 000 respectively, and by 1984 the number of employees stood at 302 000. The breakup of the country into 12 states in 1967 and into 19 in 1976, also contributed greatly to the expansion of the civil service in the country. The phenomenal growth in the size and responsibilities of the service and in particular, the realities of the social, economic and political situation within which it operated made the institution to become embroiled in many serious problems e.g. red tapism, rigidity, corruption, nepotism, ineffectiveness and inefficiency, conservatism, etc. These challenges posed for the civil service made it a subject of many inquiries by the government, all in an attempt to improve it. Such inquiries include the Gorsuch Report (1954), the Adebayo Commission on the Review of the Salary Structure of the Civil Service (1971), the Udoji Commission (1974), the 1988 Civil Service Reforms and the Ayida Panel (1994). The civil service in 1974 according to the Udoji Commission was almost a caste-like system. The career structure meant that a civil servant was recruited at an early age into the service with an implied promise of a life career, during which he was to work his way through the hierarchy of the service. This promise of a life career meant an assurance of life-long employment which could be terminated only by mental or physical incapacity or the commission of a criminal offence. The structure was closed because it had no adequate provision for the admission of outsiders (well-qualified and experienced

persons) in the higher grades of the hierarchy. Such a career and closed system did not provide enough incentives for change, modernization or the achievement of excellence and could lead to inbreeding and obsolescence. Obsolescence affects not only the structure but also organization and management. In its report, the Udoji Commission made far reaching recommendations on making the civil service a result-oriented system. It recommended introduction of such management techniques as Management by Objective (MBO), Project Management, and Programme and Performance Budgeting. The Political Bureau (1987) noted that the above recommendations of the commission were not accepted by the government and therefore, not implemented. The 1988 reforms, like the Udoji Commission recommended that emphasis in the civil service should be on management rather than on administration. The former arrangement (administration) tended to favour the generalists over the professionals. However, it is worth noting that the closed career system which the civil service has hitherto been, is likely to continue, as there will be very few instances where direct appointments will be to higher positions (GL-11 and above) from outside. Most of what will happen with such positions is that they will be filled through promotions or what a personnel management expert calls 'selection from inside the service'. The phenomenal growth in the size and responsibilities of the civil service has produced such a diffusion of power that the task of central direction and coordination has become extremely difficult. The office of the Secretary to the Federal Government which is formally responsible for the coordination of all activities of ministries and departments of the government and for ensuring the efficiency of the functioning of the departments of machinery of government, Udoji noted, was not adequately equipped to perform the role of either coordinating or overseeing the efficiency of the government machinery. This situation led to problems such as red-tapism, rigidity and conservatism, inefficiency, etc.

The Udoji Commission met a civil service ridden with corruption and it made the following: We live in a society in which corruption is generally believed to be, and no doubt it widespread. It is unrealistic for Nigerians to say that government will eliminate corruption completely from its public service, but it must make it one of its prime objectives to control corruption. The 1988 reforms took a tough stance on accountability by saying that the accountability of an officer shall not cease by virtue of his leaving office as he may be called at any time after leaving office to account for his tenure. Before the 1988 reforms, the minister or commissioner was the political head of the ministry while the permanent secretary was the administrative head as well as the accounting officer. A situation in which the administrative head of the ministry was also the accounting officer rather than the political head has tended to frustrate many noble projects of the government. As accounting officer, the administrative head often placed unnecessary bureaucratic obstacle to quick execution of such projects. The 1988 reforms made the minister or the commissioner both the chief executive as well as the accounting officer of the ministry. The minister as the chief executive would be in total control of men, materials and money which are critical inputs in the management of the organization. As accounting officer, he would also be responsible and accountable for

administration, personnel and finances of the organization. In prescribing these functions, for the minister, the task force was evidently aware that his efficiency and output may be impaired because of too much responsibility. So, it recommended that he delegate a substantial part of his functions to the permanent secretary who in the new structure would be director-general. The Nigerian civil service was divided into two broad segments, namely the administrative and professional cadres. The permanent secretary headed the former at the apex, below who were the executive, the clerical and the sub-clerical officers. The latter was headed by professionals such as engineers, doctors, agricultural officers, etc. who reported to the political head of their ministries through the administrative officers.

Below then were the technologists, technicians and those engaged in manually appointed.

The permanent secretaries were heads of the various ministries and as such, they were the principal advisers to the ministries and commissioners. Technically this meant that the professionals who headed the divisions in a ministry were under the permanent secretary. This relationship between the administrative cadre and professional cadre had generated a considerable degree of acrimony in the service because the professional cadre resented their subordination to the administrative cadre. This tension affected morale and productivity of the service. Officers progressed within their cadre and rarely moved from one to the other. When they did, they usually suffered a loss of seniority. This situation did not motivate the best deployment and utilization of available scarce manpower. This generalist/specialist dichotomy has been targeted by successive civil service reforms during the last two decades for eradication. The Udoji Commission tried to resolve this conflict by evolving only one hierarchical structure (the Unified Grade System) into which every cadre should fit. There were 17 distinct ranks and a range of salary Attached to each rank for the purpose of salary administration. The lowest category of grades (grade level 01 to 06) consist of the junior staff of the civil service; the messengers, typists, stenographers, clerks, craftsmen and artisans and technical assistants. The next category of grades (grade level 07 to 09) are the supervisory, intermediate and lower management staff including executive officers. The third broad category consists of the middle management staff (grade level 10 to 13) who perform the bulk of the administrative and professional functions within the ministries and departments. At the top of the hierarchy is the upper management category (Grade level 14 to 17). This category of staff constitutes the leadership group and they are responsible for the policy and general management. Thus, a generalist and a professional could both be on the same grade level, say GL 16 & 17. This in theory, meant that anybody who qualifies could hold the post of permanent secretary in any ministry. In practice, however, most permanent secretaries were still drawn from the generalist cadre. Thus, even though the conflict has lessened, it was still a phenomenon in the system. This conflict was finally erased by the 1988 civil service reforms which professionalized the service as every officer was expected to acquire the necessary expertise through relevant specialized training and experience. The 1988 reforms concentrated more on the intra-bureaucratic power or authority realignment aimed at ensuring clearer channels for easy

communication flow and lines of authority that clearly define the locus of responsibility and accountability. This is likely, according to Aabdulsalami, ‘to facilitate decision making and thereby improve administrative efficiency and/ or effectiveness’. However, for better and for far reaching results, more comprehensive reforms are imperative to usher in modern management techniques, new attitudes that are change conscious and development oriented. The criticism that trailed the discarded 1988 reforms was enormous. On the vanguard was Chief Adebo who said that he preferred what existed before the so-called reforms. This criticism among other things led to the setting up of the Ayida Panel in 1994 to review the existing system by December of the same year the interim report was ready. It suggested the dropping of the director-general title and the restoration of the order. The full report was submitted to the government in 1966. From the above discussion, it is clear that the civil service occupies a very strategic position in the social-economic and economic-political development of this country. It is the most central of the institutions of government, which should be the prime mover of the social and economic development of the country. It is also evidenced that there are serious problems which have impeded its efficient functioning. For the civil service to play its proper leadership role in the new political system envisaged for the country, it must be re-oriented and restructured.

Self-Assessment Exercises

Q1: Where did Nigeria copy her style of administration from?

Q2: Identify the structural and the operational features of the Nigerian civil service.



5.4 Summary

In this unit, the structural and operational features of the Nigerian civil service have been discussed. Some recommendations of the various commissions were also discussed and they together guide an understanding of the internal workings of the Nigerian civil service and how it originated in the British model.



5.5 References/Further Reading

Anyebe, A.A. (1992). ‘Civil Service Reforms in Nigeria: A BRIEF Examination of the Udoji Commission and the 1988 Reforms’.



5.6 Possible Answer to Self-Assessment Exercise

Question One: It should be recalled that Nigeria got her style of administration from Britain. the major commercial, financial and technological developments that has taken

place originally in the public and private sector of the economy especially in complex managerial devices and industrialization has its roots in the British model.

Question Two: the structural and operational features of the Nigerian civil service includes: 1. Dual headship 2. Phenomenal growth in size and responsibilities 3. Closed career system 4. General/professional dichotomy 5. Corruption

MODULE 4 DEVELOPMENT PLANNING

UNIT 1

Unit Structure

1.1 Introduction

1.2. Learning outcomes

1.3 Relevance of Planning

1.4 Summary:

1.5 References/Further Reading

1.6 Possible Answer to Self-Assessment Exercise



1.1 Introduction

This unit introduces you to the meaning of planning, why we plan and the types of planning especially as it pertains to issues of development and administration. The relevance of planning cannot be overstated hence, planning would be given primacy at this.



1.2 Learning Outcome

At the end of this unit, you should be able to:

I Define planning and explain why we planning is necessary in development administration. identify at least three types of planning.



1.3 Relevance of Planning

It is probably true that there is no universally acceptable definition for planning. However, Buchacet (1970), describes national planning as a system of community action over a period of time ... a national plan constitutes the decision of national persons and corporations to the achievement of coordinated aims within a fixed period. Waterston (1974) says, 'a country is considered to be engaged in development planning if its government makes deliberate and continuing attempts to accelerate the rate of economic and social progress and to alter institutional reforms to remove conflicts in aims and structures. A definition presented at the Minnowbrook Conference of the Comparative Administration Group in 1964 puts national planning as: An effort to promote or coordinate through central planning institutions the activities of: (a) intermediate bodies, such as national government departments, regional, state or local government, business federation and large nationwide enterprises, (b) operating units, such as enterprises, associations, local government, agencies, communities, families and the individual. This definition which focuses on functional relations among the various levels of government and the institutions engaged in development efforts, seem to be in tune with Nigeria's political and economic evolution. Planning can be categorized according to purpose, scope, degree of comprehensiveness and duration. Planning according to purpose can take the form of centralizing all economic activities and exercising control over strategic materials. An example of this type of planning is war time planning. For national development planning, the purpose is to accelerate social and economic progress of the country as a whole. Planning according to scope could be a national development planning which encompasses all sectors of the economy. Under this, we can also have regional or sectoral planning. Planning according to degree of comprehensiveness is a situation where national development planning varies in terms of details. In socialist countries the economy is planned in detail in order to provide a basis for instructions and targets to productive units. Without these details it is difficult to exercise control. Planning in developing countries is not as detailed as in socialist countries and that of capitalist countries is merely for projection. National planning is usually prepared according to specific periods but it can vary according to duration ranging from one year to even fifty years. We can have short time plan (1 or 2 years), medium time plan (5, 7, 8 years) and long time or perspective plan (10, 15, 25 or 50year). Following the socialist revolution in Russia in 1917 private ownership of the means of production was abolished. With that went private enterprise and the free market mechanism as vehicles for economic development. Planning and public enterprise were instituted in its place. The results were remarkable. The state mobilized high rates of public savings and investment. Capital accumulation and national income grew at unprecedented rates. By the end of the Second World War, the Soviet Union emerged as the second big power in the world. In about four decades, from a situation of underdevelopment and backwardness, the Soviet Union became a developed country. This was thus a very successful example of planned economic development for the countries developing later to learn and emulate. The

strategy adopted by Third World countries was greatly influenced by the Soviet experience. However, with the collapse of socialism, planned economy gave way for a free market system in Soviet Union (now Russia). You may have heard about the Great Depression of 1929, also called the 'World Economic crises. What happened was that the market system. Especially in the industrial countries of the West ground to a halt. There was over production, stock of unsold goods piled up, factories were shut down, share markets collapsed, unemployment soared up. All these meant a complete mismatch between production and market demand. It had been known that the free-market system did not ensure smooth development of an economy based on private enterprise. But the Great Depression made it crystal clear for everyone to see. Incidentally, one should also note that the Soviet economy, being a planned economy, remain unaffected by the Great Depression. How was the crisis of the great Depression handled? By the intervention. The states in the badly affected countries of the West intervened to push up market demand by undertaking public works and financing them by money creation (printing currency notes, also known as deficit financing). This step generated additional income and employment. Markets demands for goods and services gradually picked up as a result of policy. In the course of time, normalcy was restored and development resumed. This course of state intervention is also known as the 'Keynesian solution' of the economic crisis, after the name of the famous English economist, J.M. Keynes, who had provided the economic theory on which this solution was based. In the United States, this course of state intervention came to be known as the 'New Deal'. The experience of the Great Depression had, apart from other things, one very major effect. The faith in a laissez faire state, a fence-sitting state not actively intervening in the economic life to control the functioning of the market, was shaken. Since then, state intervention in the market system wherever necessary, become a normal feature of the capitalist countries. Secondly, as noted earlier, the state in these countries oversees the economy and engages in indicative planning (where the state does not actively play a role in economic development but merely indicates the direction in which private enterprise is to move). Finally, it plans for and undertakes public works, especially in the field of social infrastructure. Such developments in the develop in capitalist countries following the Great Depression, had a lesson for the developed countries. The lesson was: economic development could not be left wholly to private enterprise based on the free market. The state had a role to play in it. Shortly after the experience of the Great Depression came the Second World War (1939-45). It necessitated not just state intervention in the capitalist and fascist countries like Germany and Japan but an overall control of the economy, its regulation and production planning for the meeting the war needs. This is what is known as 'planning of the WarTime Economies' After the war, rehabilitation and reconstruction required the active role of the state. This historical experience favours centralized planning. Alongside the above arose the notion of a welfare state which finally came to be accepted in practice in all market economies after the war. Apart from its interventionist role, a welfare state also has to correct the negative aspects of market-based development concerned with the wider issue of social welfare. In the developed countries of the West, the state makes a sizeable expenditure on old-age security, unemployment benefits, health, education and

such other social services. All these are known as 'social security' or welfare measures. Provision for all these requires planning. A major negative effect of market-based development which has emerged lately is environmental pollution with ecological degradation. The welfare state is required not only to protect the environment and the ecology but also to conserve and plan for restoration and development of the natural resources. The free market mechanism, based on the accounting of private profit, does not provide for these. This also is a historical experience favouring development planning. The field of development administration can also be said to have started in the developing countries after World War II. After this war, the colonies started agitating for independent and many of them got it. However, most of the newly independent countries were poverty stricken but the masses had been led to expect that independence would bring about an immediate improvement in their conditions. The non-realisation of these expectations in turn bred a mood of impatience. Thus, improvement needed to be effected as speedily as possible or the mood of impatience would explode into violent reactions which would engender, if not destroy the state itself. These governments of these nations quickly realized that the idea of gradual development might not serve their purpose well. They were convinced that relevant administrative theories and procedures would have to be adopted to modernize their economies had accelerate development to be equivalent, eventually to this of the West. Because there was a chronic shortage of capital (money or wealth used to start a business) and capital markets (where money for starting a business is sourced) such that private ownership would necessarily mean foreign ownership the new nations wanting to pervert their independence closed their doors to foreign investor. It was therefore felt that government was the only agent organized enough to employ its machinery to induce, promote, and manage socio-economic development. Thus, in the post-independence period, government became the prime agent of economic development providing infrastructure and producing goods and services, often provided through the mechanism of public enterprise. It is possible to describe such planning as an attempt to promote and coordinate through central planning institutions, the social and economic activities of central and regional governments with a view to achieving an accelerated national development. It is obvious that such planning presents problems in a federal set-up whose principle includes the divisions of power among the levels of governments, the existence of a written constitution showing the division, and the coordinate supremacy of the levels of the government with regard to their respective functions. We shall examine the implications of this for the planning process later.

Self-Assessment Exercises

- | |
|--|
| <p>Q1: Define development planning?
Q2: What are the categories of planning?</p> |
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1.4 Summary

In this unit planning has been defined by making references to the views of some writers. It has also been categorized according to purpose, scope, degree of comprehensiveness and duration. The discussion ends with the reasons given for improved development planning in the developing countries as the major way to attain development.



1.5 References/Further Reading

Buchacet, I. O. (1970). *Comparative Federalism: Territorial Dimension of Politics*. New-York: Holt Rinechart and Winston.

Waterston, A. (1974). *Development, Lessons of Experience*. Baltimore, M.D.: Johns Hopkins University Press.



1.6 Possible Answer to Self-Assessment Exercise.

Question One: Development planning can be defined as an attempt to promote and coordinate through central planning institutions, the social and economic activities of central and regional governments with a view to achieving an accelerated national development.

Question Two: Planning can be categorized according to purpose, scope, degree of comprehensiveness and duration.

UNIT 2: The Planning Process in India

Unit Structure

2.1 Introduction

2.2. Learning outcomes

2.3 The Planning Process

2.4 Summary

2.5 References/Further Reading

2.6 Possible Answer to Self-Assessment Exercise



2.1 Introduction

In development administration and planning, there are models that tends to standout in certain aspects; in the light of that fact, the whole idea of development planning in India would be discussed as a prelude to the understanding of the Nigerian situation. In furtherance of that, this unit will introduce the planning process in India (a typical example of planning in a federal set-up). The various processes and institutions involved in planning for the country will be discussed.



2.2 Learning Outcome

At the end of this unit, you should be able to: explain planning in India describe the role of government in the planning process.



2.3 The Planning Process

This involves the setting of goals and targets which have to be pursued through the formulation of policies, articulation of appropriate projects and programmes of the mobilization of available resources for their effective realization. The essence of a plan is a statement giving the allocation of investment in various sectors of the private sector and also between the centre and the states in a federation. The allocation of investment among the sectors like agriculture and industry is guided by three considerations (1) goals of development, (2) the long-term strategy of development and (3) inter-sectoral balance or consistency. Here you may simply note that the strategy indicates which particular sector should receive relatively more investment so that the economy develops faster. Inter-sectoral balance is required because output from one sector is used as input in some other sectors. For instance, coal output is required in steel production, or for that matter agricultural output (food grains, cotton, oil, seeds) is used as wage goods or input in industry. The planning process is naturally organized by the state. Plan formulation is done in India through the executive wing of the state, the central government technical body like the planning commission. The draft five-year plan, thus prepared, is presented to the national development council (NDC) for its approval. After it has been approved by the NDC it is presented to parliament, the legislative organ of the state. When finally approved by the parliament it becomes the national development plan, ready for implementation. Plan implementation is the responsibility of the bureaucracy, another organ of the state. Appraisal of the plan performance is done by the planning commission. The mid-term appraisal, as it is called, is done after the plan has been implemented over half its period. This is necessary because the work on the next plan formulation starts at this time. The final appraisal is done at the end of the plan period and is included, by way of review of development, in the next plan document. The state's role in a mixed economy is not limited to the planning process described above. Development plan requires to be supported by a number of appropriate policies and institutional reforms. There are too many to be enumerated here. An example of supporting policies for the plan is monetary and fiscal policies. The state designs and executes such monetary and fiscal measures as would help mobilize private savings and channel them into investment according to plan priorities. Similarly, ceilings on land holdings and land redistribution are examples of institutional reforms that support the plan goal of agricultural growth with equity. Lastly, one must not forget that in a mixed economy of planned development, market-mechanism plays an important role in guiding the production and investment decisions in the private sector. Particularly, the plan itself creates conditions for markets to emerge and develop by building up infrastructural facilities like transport, communication, power, etc. at the same time it tries to overcome the failures of the market-mechanism noted earlier. The resultant outcome of development is therefore, determined both by the plan and the market in a mixed economy.

Self-Assessment Exercises

Q1: Explain the process of planning?

Q2: In one sentence how will you explain the planning process to a layman using India's experience?



2.4 Summary

The planning process in India is usually organized by the state using its agencies. The state is particularly assisted in plan formulation by the planning commission and when the plan is approved by the parliament it becomes a national development plan, ready for implementation. The implementation is usually appraised at least two times before the plan ends.



2.5 References/Further Reading

Buchacet, I. O. (1970). *Comparative Federalism: Territorial Dimension of Politics*. New-York: Holt Rinechart and Winston.

Waterston, A. (1974). *Development, Lessons of Experience*. Baltimore, M.D.: Johns Hopkins University Press.



2.6 Possible Answer to Self-Assessment Exercise

Question One: Planning has become popular in the developing countries because it is seen as the best approach for transforming their economies and for narrowing the gap between them and the advanced countries.

Question Two: The planning process involves the setting of goals and targets which have to be pursued through the formulation of policies, articulation of appropriate projects and programmes and the mobilization of available resources for their effective realization.

UNIT 3: The Planning Process in Nigeria

Unit Structure

3.1 Introduction

3.2. Learning outcomes

3.3 The Planning Process

3.4 Summary

3.5 References/Further Reading

3.6 Possible Answer to Self-Assessment Exercise



3.1 Introduction

This unit introduces you to the planning process and how it has been carried out from the independence period to the present-day Nigeria cutting across the various development plans and the reform efforts put in place across boards. The processes and institutions involved will be explained as well.



3.2 Learning Outcome

At the end of this unit, you should be able to: identify the various institutions involved in the planning process describe the planning process in Nigeria.



3.3 The Planning Process

The federal character of the Nigerian government and the political sensitivity of the various states or sections highlighted the need for a balance between centralization and

decentralization in the planning process. Thus, the process of plan formulation in Nigeria involves almost all the agencies of the federal and state governments. For the 1981 – 85 plan for example, the planning process was set in motion through a planning workshop held at the University of Ibadan in 1978 at the instance of the National Planning Office. Areas emphasized at the workshop included planning techniques, plan formulation, national and sectoral policies, manpower implications for the plan development strategies, etc. The planning office proceeded to prepare guidelines for ensuring plan and in so doing due attention was accorded recommendations of the workshop. The guidelines usually contain an analysis of the major problems of the country's socio-economic system, sector by sector provide some indications of the types of policy guidelines aimed at alleviating the identified problems during the ensuring plan periods. The guidelines also contain estimates of funds which will be available during the plan period, the objective of the plan, etc. This document is extensively discussed at ministerial levels, the Joint Planning Board, the Conference of Ministers/Commissioners for Economic Planning and the decision-making bodies in the country, for example, the National Economic Council for approval and subsequently published as a policy document. It helps to prepare the mind of government agencies both at the federal and state levels for the impending planning exercise. Shortly after the publication of the guidelines, circular letters are sent to all federal ministries and state governments inviting them to submit their projects for the plan. They are required to submit such projects on formats designed for the purpose and in line with the policies and priorities spelt out in the guidelines. On receiving the project proposals, each department of the National Planning Office embarks on a careful analysis of each project proposal under its schedule and makes appropriate recommendations as to whether a particular project based on its technical and economic viability, social justification and consistency with the stated national priorities should be admitted into the plan. The specifications of selected projects are also indicated by providing such information as, the agency responsible for the implementation of the project, the physical scope and financial magnitude of the project. Attempts are also made, based on projected executive capacity of various agencies, to indicate the phasing of the plan and allocation to each project on an annual basis. This serves as a guide in making yearly budgetary allocations. These projects with the appropriate recommendations of the sectoral officers are subsequently examined by the National Planning Office in a series of internal seminars at which the position of the planning office with respect to each project is determined, subject of course, to further examination at the succeeding planning stages. The next stage is a series of bilateral meetings with each federal ministry and its associated agencies to enable further reviews of the projects. Additional information is supplied where necessary and ambiguities clarified. By the end of such meetings each ministry would have known which of its projects were likely to be admitted having regard to relevance, scope, costs, phasing and other details of the projects. Similar series of meetings are also held with representatives of each of the state governments. By the end of these rounds of consultations, a clearer picture would have emerged as to the likely magnitude and composition of the investment component of the plan. The total picture is, of course, reconciled with the

macro-economic projections to ensure consistency of goals and means because the aggregate demand for investment resources (especially domestic savings and foreign exchange) must not exceed the projected level of investment funds for the purpose if serious economic instability is to be avoided in the pursuit of rapid economic growth. After the project details have been agreed upon, the drafting of the various chapters of the plan is commenced. This draft is again submitted to the various planning bodies such as the Joint Planning Board (it uses technical criteria to assess feasibility of all projects to ensure that these proposals are consistent with the national planning objectives explained in the guidelines), the Conference of Ministries/Commissioners for Economic Planning and National Economic Council where it is discussed in great deal and proposed amendments incorporated thereafter. The draft then moves to the President-in-Council for final approval after which it is published as a national document.

Self-Assessment Exercises

Q1: Identify three planning institutions in Nigeria.
Q2: Describe the role of the National planning office in Nigeria.



3.4 Summary

The planning process can be viewed as a sequence of preparation of a development plan. The core of a plan is a statement giving the allocation of investment between the centre and the states in a federal political system. In Nigeria the planning process is a tedious and time consuming exercise because of the federal character and political sensitivity of the various states.



3.5 References/Further Reading

Buchacet, I. O. (1970). *Comparative Federalism: Territorial Dimension of Politics*. New-York: Holt Rinechart and Winston. Waterston, A. (1974). *Development, Lessons of Experience*. Baltimore, M.D.: Johns Hopkins University Press.



3.6 Possible Answer to Self-Assessment Exercise

Question One: National Economic Council, National Planning Commission and Joint Planning Board.

Question Two: The National Planning Office (national Planning Commission) occupies a strategic position within the planning machinery and it is responsible for coordinating both the federal government economic programmes.

UNIT 4: The Planning Machinery in Nigeria

Unit Structure

4.1 Introduction

4.2. Learning outcomes

4.3 The Planning Machinery

4.4 Challenges to Sustainable Development in Nigeria

4.5 Summary

4.6 References/Further Reading

4.7 Possible Answer to Self-Assessment Exercise



4.1 Introduction

This unit deals with the planning machinery in Nigeria with the three key planning institutions examined: National Planning Office, Joint Planning Board and the National Economic Council and the various roles they perform in the quest for development.



4.2 Learning Outcome

At the end of this unit, you should be able to:

I Identify at least three planning institutions explain their functions.



4.3 The Planning Machinery:

There are three of the main institutions which constitute the planning machinery in Nigeria even though there may be other smaller units of departments and agencies charged with these tasks as well. The major ones are the National Planning Office, Joint Planning Board and the National Economic Council. The National Planning Office (national Planning Commission) occupies a strategic position within the planning machinery and it is responsible for coordinating both the federal government economic programmes. It also serves as the secretariat of the Joint Planning Board, Conference of Ministers/Commissioners for Economic Planning, and the National Economic Council. The quality of the plan therefore depends in no small measure on the effectiveness of this office. The National Planning Office has its origin in the small Economic Planning Unit (EPU) created in the Federal Ministry of Economic Development during the preparation of the first national plan. It was in 1972 that the EPU was transformed into a Central Planning Office with a staff of 52 professional officers, about 17 of who had at least a master's degree. By the end of 1980, the office had been re-named National Planning Office with a total staff strength of 78, about 45 of who had at least a master's degree. It was eventually transformed into the National Planning Commission. The Joint Planning Board (JPB) as an advisory body consisted of top officials from the federal and state Ministries of Planning, the Director of Research, Central Ministry of Finance and the Head of the Economic Development, Cabinet Office. Then the Permanent Secretary, Federal Ministry of National Planning, chaired the JPB. This body was a kind of clearing house for planning officials of the various governments with the following functions (a) to harmonize and coordinate the economic policies and development activities of the federal and states and their agencies; and (b) to examine in detail all aspects of economic planning and make recommendations. Such recommendation passed through the Conference of Ministers/Commissioners for Economic Planning to the National Economic Council. The fore-runner of the Joint Planning Board was Joint Planning Committee (JPC) which was set up in 1958 as an advisory body to the National Economic Council. The 1979 constitution created the National Economic Council (NEC) which occupies almost the apex of Nigeria's planning machinery. The council consists of the Vice-President as Chairman; the State Governors and the Governor of the Central Bank of Nigeria as members. The National Economic Council has powers to advise the President concerning the economic affairs of the federation, and in particular on measures necessary for the governments of the federation. It is thus quite similar in composition and functions to the NBC which operated during the First Republic except that while the NEC in the First Republic was chaired by the Prime Minister (the Head of Government) the NEC in the Second Republic was headed by the vice-President (the number-two man).

Viewed from another prism, as part of the democratization, globalization and development agenda going on across the world, the clamor has been for the empowerment of women and their inclusion in societal administration on equal basis with their male counterparts. All over the world today, Africa inclusive, the quest by most stakeholders – governments, policy makers, women leaders, women organizations, non-

governmental organizations (NGOs), etc. - has been for gender sensitive policies such that would guarantee equal representation of men and women in government and administration as well as societal issues generally. To this end, most countries have become signatories to many international agreements which are intended to boost the status of women and empower them in all spheres of life. This orchestration is premised on the need to develop human societies and the sustenance of such development as well as the general belief in the developmental potentials of women. However, while it can be said that only very few countries in Africa have followed this pathway to development, a larger percentage of African countries are still hovering at a very snail pace and lagging behind in this democratized and jet age and that to a large extent has contributed to the poor development strides in those environments as argued by (Kins 2018). Thus, Nigeria is included in the list of countries still dilly-dallying on the way forward for women. This has tremendously affected her crave for development as well as her political stability since it is established that men alone cannot herald the much-desired development the country yearns for talk less of sustaining it. From the international perspective and the views of foreign policy makers, the relevance of women in the quest for development cannot be overemphasized hence, primacy is giving to the role of women in societal development.

Efforts have thus been on to ensure that development takes place globally. It was assured and expected that as societies develops, every living person will experience better living standards where necessities of live such as education, health and health care, employment as well as infra-structural provisions of water, light, roads and transportation, housing etc. would all improve in quantity and quality and be accessible by all and sundry as proofs of development. It is evident that past approaches to development have not equally benefited all members of the societies, though with claims that we are living in a postmodern era, yet economic and social problems are yet to get solution. This has led to new approaches to development tagged Sustainable Human Development (SHD). The Sustainable Human Development approach emphasizes the participation of all segments of the population claiming that the eradication of the imbalance between sexes with respect to education, economy, cultures to mention but a few are pre-condition for achieving long lasting and sustainable development (Gender Training Manual 1999).

Thus, rather than eradicating this gender bias and imbalance, the Nigeria state has not done much in this regard and has resulted to tokenism and politics of baiting to get the stage fully dominated by men. The resultant effect of this has been story of woes and underdevelopment occasioned by the predominantly male dominated politics. Nigeria has abundant resources, yet often suffers from high levels of political corruption, which distorts policy making and government resource allocation, heightened insecurity occasioned by the menace of the dreaded Boko-Haram insurgency is daily unleashing terror on the country and the stigma of sit-tight syndrome that has infected most African states, among others, have made nonsense of her developmental efforts. This is to the effect that party politics has become a do or die issue with the resultant effect that the citizens are further alienated from government and poverty blossoms amidst the nation's

natural affluence. If people are the end of development, then their well-being is the supreme law of development. But the wellbeing of the people will only be the supreme law of development if they have some decision-making power. In most African countries Nigeria inclusive, women have been particularly relegated and discriminated against in governance and public administration. Their position of disadvantage has tended to leave their potentials unexplored and restrict the scope of labor, energy, and human resources available for (national) development. (Bassey – Ekpo & Nkoyo-Toyo 2003; Friedlander 1995; and Williams 1978). In addition, for the success of the development process itself, the need to integrate women within the development framework has been stressed. One of the indexes of the progress and development of any nation is said to be the position of women in that society. Thus, women represent potent agents for positive change, depending on their condition and the opportunity offered them to actualize their potentials. Unlike the constitutions of some African countries notably South Africa and Uganda, the constitution of the Federal Republic of Nigeria takes no cognizance of the disadvantaged position of women and has no provision for gender equality and equity. Apart from the general reference to non discrimination on the basis of sex, there is nothing in the constitution that is aimed at redressing the disparities that exist along gender line in Nigeria. Even though Nigeria ratified CEDAW in 1985 and is a signatory to the Beijing Declaration and Platform for Action, the constitution does not recognize the enormous disparities along gender lines that prompted the United Nations to call for special actions for women's advancement. It does not provide any form of positive measure for accelerated redress of gender imbalances. By implication, therefore, women are hardly part of the decision-making processes and are excluded from policymaking and execution leading to their disempowerment and marginalization. This official neglect has pauperized the country and robbed it of the potentials needed for development and sustainable development. It is against this backdrop that this paper attempts to fashion out a way of upturning this dooming fate of the country and make some useful suggestions towards sustainable development in Nigeria.

I Woman amidst Development

The word 'development' is a multi-phased concept. As a process, development affects all aspects of the life of the individual and the society, be it political, economic or social. Development is people centered; putting human face to human affairs is an important aspect of development. In line with Hobson (1965:289);

... a developed country is one in which the great mass of the inhabitants are able to procure, with moderate toil, what is necessary for living human lives, lives of frugal and assured comfort.

Thus, indicators of such development would be seen in terms of the general material condition of the people, the level to which they have succeeded in reducing the exploitation of man-by-man, the level of popular participation in the socioeconomic set up and the level of individual freedom guaranteed in the society.

II Sustainable Development

Sustainable Development means the ability of the present generation to meet their needs without compromising the ability of future generations to meet theirs (World Commission on Environment and Development, 1987:3), it means that man/woman is the focus of all developmental projects and as such he should be accorded a place in taking decisions that affect his/her life. Sustainable Development means the exploitation of natural resources for human survival without jeopardizing the ability of succeeding generations to satisfy their needs. It has to do with showing a greater consideration for future generations 'means of livelihood even while trying to improve on our standard of living now. It is thus economic development with environmental protection (Ezekiel 2008:283). The Sociological approach to sustainable development sees people as instruments and beneficiaries, as well as victims of all development activities. To a greater extent, (Seragldin 1993:10) described people's active involvement in the development process as the key to success. Consequently, making development more participatory may be interpreted to mean improving the degree and quality of participation of previously disempowered groups and movements in development (Jacob, 1994:10). Thus, increasing women active participation in governance is pivotal to development.

iii. Women and Development

The United Nations (1986; 1995) defines women as the Feminine component of the human species who, apart from serving as a vehicle of nurturing human life, are also producers, consumers and an equally endowed agent for fostering a wholesome political, social, and economic development in the society. The participation of women in every aspect of national life is contributing to development. Women's involvement in power sharing and decision -making is a necessary, though not a sufficient condition for the sustenance of the nation's democratic experiment (Dauda, 2004:85).

Women constitute half of the world's population and have contributed significantly to the well-being of the human race (Enemu, 1999:226). In Nigeria as elsewhere, it is said that women have always played five key roles – mother, producer, home manager, community organizer, and social, cultural, and political activist (UNDP, 1997:9). Despite their large number and crucial functions, the division of roles between the male and female sexes, as prescribed by most cultures, assigns the subordinate position to women. Consequently, women have for long suffered various forms of discrimination, inequality, exclusion, and violence.

iv. Issues in Women and Sustainable Development in Nigeria/World

Africa is reputed to be in perpetual/persistent conflicts and violence (Bolle, 2000; Albert, 2002). For about 50 years now, the issue of war has been the major preoccupation of nations of Africa. From Liberia to Sierra Leone, Mali to Cote d'Ivoire, Somalia to Sudan, Rwanda to Burundi, African people are torn against one another in fratricidal wars that have grave consequences for regional peace and security in the continent (Adams

2013:155). It is thus doubtful whether development or its semblance can occur in a warring milieu talk less of its sustenance. The current political struggle in Mali has reached its crescendo, threatening the corporate existence and stability of the West African sub-region. Noting the magnitude of raging wars in Africa, Bolle's (2000:61) submits that:

“More than one African in five lives in a country that is fighting a war, And nearly 20 countries have experienced civil war since 1960. The Continuing conflicts that ravage African continent represent a heavy social and economic burden. During a war, most of the country's resources tend to be diverted away from development and towards supporting the conflict – War is estimated to cost \$1bn per year in Central Africa, without counting the cost of aiding refugees, which is estimated to be about \$500m in the region.”

Women can bring unique benefits to conflict zones. Research shows that women can play a key role in peace missions. According to UNIFEM's 2000 Independent Experts Assessment on Women, War and Peace, (Cited in Animashaun 2013:259) the presence of women in peace operations (including female police, interpreters, and specialists) makes a positive difference. According to the report, the presence of women:

- I. Improves access and support for local women
- II. Facilitates communication with victims of assault, sexual abuse, violence, etc.
- III. Can provide a greater sense of security to local populations (women and children)

The three pillars of sustainable development which are economic, environment and social; are also relevant to discussions of gender equality. These dimensions have equal and interrelated importance as illustrated in some simple equations. Stressing the environmental and social dimensions of sustainable development in the absence of economics neglects the financial capital needed to pay for progress. Building up the economic and social pillars of sustainability while neglecting the environment degrades the natural capital needed for growth. Focusing on economics and the environment without attention to social factors can lead to green growth for a few. Given gender gaps worldwide, these few tend to be mostly men. Candice Stevens (2010) identified and expatiated on the above three pillars as follows:

v. The Economics of Gender

The economic crisis has led to heightened criticisms of the capitalist model, where growth is fueled by competition and the quest for profits. A lack of corporate responsibility among financial institutions in the United States and banks worldwide brought economic collapse and a recession that has touched almost all countries. It may not be a coincidence that this economic model has been built largely on the ambitions and perspectives of men. Why is it that women do not participate in the labor force to the same extent as men and, when they do, earn 18 percent less? About 60 percent of eligible women work in the richer nations and 40 percent in the poorer, but this work whether formal or informal is undervalued in all countries. And very few women reach the top ranks of business and management. This is variously ascribed to traditional attitudes, the

glass ceiling or the old boys' network. It may be due more to an institutionalized form of gender discrimination embedded in the failure to adjust the male work model to fit the needs of women. Countries with government funded childcare and mandated family-oriented practices such as the Nordics (Denmark, Finland, Iceland, Norway and Sweden) and France have both more working women and higher birth rates than those without enlightened gender policies such as Japan and Korea. Although the female presence in the workplace is growing, women do not yet share in economic and political leadership. Because there are signs that gender trends may not change unassisted, more governments are proposing quantitative targets and quotas for corporations with regard to hiring and promoting women. Since 2003, Norway has required corporate boards to be at least 40 percent women and the country now leads the world in the number of female directors. Norway also has quotas for the number of women managers in government at all levels. The French government has recently proposed that at least half of all company board members must be female within five years hence the role of women in development from an international perspective is germane. However, the economic situation of women in developing countries is far worse, but the solution is not that different. Seventy percent of the world's 1.3 billion people living on less than US\$ 1 a day are women or girls. United Nations and World Bank studies show that focusing on women in development assistance and poverty reduction strategies leads to faster economic growth than gender neutral approaches. Financial aid put in the hands of men tends to lead to a higher share wasted on personal use. Women are essential to poverty reduction because of their role in increasing economic opportunities for women is the cornerstone of development. Investing in women and girls in their education, health and gainful activities can have a multiplier effect on poor economies.

4.4 Challenges to Sustainable Development in Nigeria

Doubtlessly, a number of factors have impeded the developmental aspiration of the Nigerian state and her quest for sustainable development in all areas of human endeavors. Most if not all of these problems are attributable to male dominance of the body polity. Some of these challenges are:

I. Corruption

Nigeria is one of the leading corrupt countries in the world. The Transparency International in her annual rating made Nigeria third, fourth and fifth most corrupt nation in the world in 2003, 2004 and 2005 respectively and even worse in recent studies from 2018 to date. Corruption has become part of governance in Nigeria. General Abacha was said to have stolen more than \$3 billion between 1993 and 1998 (Falola, 1999:2008). Cumulatively, Nigerian leaders, according to the Economic and Financial Crimes Commission, (EFCC), had within the last 40 years stolen a total sum of \$500 billion (Amalu,2006;1). Thus, corruption has eaten deep into the fabric of the nation and has shaken it to its foundation. While the spate and ramified nature of corruption in Nigeria today cannot be holistically adduced to the military, it can be said to a great extent that the interplay of military-civilian- military' rule in the country has polluted both the

military and the civilians and has diffused corruption to such an extent that the country has taken a frontal position in the comity of corrupt nations. The pervasive phenomenon of ten percent kickbacks by public officers as executors of a whole array of public policies insisted on a prepayment to themselves of at least 10% (or more) of the value of the favor being sought by members of the public (contract, license, scholarship, employment, etc.) before performing the duty for which they are already being paid generous salaries and allowances from the public treasury are pointers to corruption. In the words of Kolawole (2005:13); the situation was so bad that the principle of public accountability and probity was observed more in disobedience than in obedience. In fact, corruption in Nigeria presently is best described as grand.

Thus, in Nigeria today, corruption grows at a geometric progression. Public officials now steal in billions and trillions with impunity. Unresolved aviation issues, pension fund scam, oil subsidy scam, non-remittances to federation accounts and a host of others remain controversial and unresolved matters of national debate. They have among others, been major sources of political divisions/crises and have been eroding confidence in national power. This harboring of corruption and non-developmental posture of most African (Nigerian) leaders is having a deleterious effect on the yearnings and aspiration for development. Corruption, near absence of transparency and utter disregard for merit, quality and standards has featured as the cyclone that kick-starts destruction of African sub-national politics and threats to national power. (Atunwa, 2014:66). A nation that bleeds can hardly sustain any development. Sustainable development has thus remained a pie in the sky and wishful thinking in Nigeria.

II. Security

In the existing climate of economic challenges, mounting foreign debt servicing obligations, trans -border crimes, and environmental degradation, security issues in Nigeria can be aptly described in the reverse as high politics. After over five decades of independence and 14 years of continuous democratic government, the Nigerian state has failed to perform the three basic responsibilities of a state, which are maintenance of peace, security, and the welfare of its citizens. The improvement of the security situation in Nigeria, the enhancement of the ability of Nigeria to achieve her national security objectives and combating terrorism remain the main challenges (Pogason 2013:51}. National security in Nigeria, as in most of Africa, is not threatened by conventional threats of armed attack by other countries but by more menacing measures many of which flow from the very weakness of the state and its absence of control over its own territory. Like a number of states in Africa, Nigeria presents the shell of the territorial state where national security is equated with that of the governing elite- governing in the interests of their own preservation and advancement with limited provision of human security for their citizenry (Pogason 2013:21}. Such states are variously described as weak quasi-states, intermediate states or predatory states where development remains a challenge (Workshop on Human Security in West Africa, 2001:10). Thus, from political to wishful killings, killings from accidental discharges from security agents, carnages on

our high ways, kidnapping and ransom payment, security in Nigeria today is very precarious culminating in lawlessness, chaos and underdevelopment. Since no development can occur in a state of lawlessness, the Nigeria state has remained perpetually underdeveloped with little or nothing to sustain development.

III. Terrorism and developmental considerations

Though devoid of one universally acceptable definition, due to its changing character, terrorism destroys and retards development if not on a scale of total retrogression. The UN Security Council Resolution 1566 (2004) defines terrorism as: criminal acts including against civilians, committed with the intent to cause death or serious bodily injury, or taking of hostages, with the purpose to provoke a state of terror in the general public or in a group of persons or particular persons, intimidate a population or compel a government or an international organization to do or to abstain from doing any act. The act of terror in itself is antithetical to development.

IV. Energy crisis/shortage and the question of development

Presently, the power situation in Nigeria is horrible and highly unproductive with most businesses stifled and liquidated. Since energy is pivotal to development, shortage of energy or its epileptic supply has made a mess of the developmental aspirations of the Nigerian state. Thus, in spite of the huge sum expended on power generation, the country is still fathoming ways of generating 4,000 megawatts when a country like South Africa for example is improving on its 40,000 megawatts. Other challenges to sustainable development in Nigeria revolve round leadership, self-centeredness, deceit, policy abandonment etc.

Conclusively, Empirical evidence attests to it that the bane of development in most African states and especially in Nigeria has been male domination. From independence till now (2014) women have remained marginally in the public service occupying about 11% in spite of the fact that they constitute about 50% of the total population. The inhibiting culture of patriarchy as well as the undemocratic nature of the country's democracy culminating in economic comatose has obliterated the chance of the country in heralding development. In practically all fronts; educational, economic, energy, security, transport, social, environment etc., the country has performed poorly. This poor performance has tilted the state towards the categorization of a failed state. The state policies have become theirs' rather than ours. Governance is synonymous with deceit with leaders competing corruptly and attempt to outsmart one another on treasury looting. This situation signals nothing but underdevelopment and retrogression.

Self-Assessment Exercises

Q1: Explain the functions of the National Planning Office or
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Q2: Elaborate on the Joint Planning Board and the National Economic Council



4.5 Summary

The importance of a planning machinery in a country like Nigeria cannot be overemphasized. However, in spite of its existence the achievements of the various plans have been mixed as it is not a clear case of successes as there is much to be desired. In line with that however, this unit discussed three key planning institutions: National Planning Commission, Joint Planning Board and the National Economic Council with their functions spelt out.



4.6 References/Further Reading

Lewis, W.A. (1960). Development Planning: The Essential of Economic Policy. London: George Allen and Unwin. Amuchazi, E.C. (ed) (1980). Reading in Social Sciences. Chapters 12 and 13.



4.7 Possible Answer to Self-Assessment Exercise

Question One: The National Planning Office serves as secretariat for National Economic Council. Question Two: It prepares development plans on behalf of the nation and it coordinates economic activities of the nation.

UNIT 5 Ten-Year Plan Development and Welfare for Nigeria, 1946 – 56

Unit Structure

- 5.1 Introduction
- 5.2 Learning outcomes
- 5.3 History of Development Planning System in Nigeria
- 5.4 Series of Development Plan in Nigeria
- 5.5 Planning Problems
- 5.6 Institutions involved in the planning processes in Nigeria
- 5.7 Planning Framework (RPF)
- 5.8 Prospects for Planning in Nigeria
- 5.9 Summary
- 5.10 References/Further Reading
- 5.11 Possible Answer to Self-Assessment Exercise



5.1 Introduction

Nigeria like many other countries, have always had development plans. They were more pronounced during the early years of independence up to the 90s however, there are still development plans but not as prominent in development literature as they used to be. This unit deals with the ten-year plan of development and welfare for Nigeria, 1946 -56 and the criticisms that greeted the plan.



5.2 Learning Outcome

At the end of this unit, you should be able to:

- i. Describe the preparation of plan and be able to give reasons why plans succeed or are criticized.



5.3 History of Development Planning System in Nigeria

In December 1945, sessional paper No. 24 1945 titled Ten-Year Plan Development and Welfare for Nigeria was presented before the Legislative Council of Nigeria. In February 1946, legislation incorporating the plan was adopted by the Council. It derived from a development in 1940 when the Colonial Development and Welfare Act was passed in Britain with the purpose of promoting social betterment of the colonies. Following the adoption of the legislation incorporating the plan, a colonial Economic Advisory Committee with a membership that included economists such as Lionel Robbins, Evan Durbin, Arnold Plant, Hubert Henderson and ex-colonial administrators such as the former Governor of Nigeria. Sir Bernard Bourdillon was established. The controversy that greeted the committee over its status, role, and competence to discuss or initiate discussion of such matters as strategies for agricultural development, industrial development, colonial public debt, division of taxation between the colonies and the United Kingdom and the bulk purchasing arrangement made the enactment of a new Colonial Development and Welfare Act imperative. The New Colonial Development and Welfare Act of 1945 restricted the role of the advisory committee to the steady inflow of development plans from the colonies without imposing solutions on them. As far as Nigeria was concerned, its size dictated that some central organization be established for overall coordination, control of finances and the preparation of major policies. An advisory committee on economic development and social committee was established in the colonial office but its membership was restricted to officials. Also, a Central Development Board consisting of the Development Secretary (Chainnan), the three chief commissioners for the Northern, Western and Eastern Provinces, the Commissioner of the Colony the Financial Secretary to the Government, and the Director of Public Works was established in the Secretariat in Lagos. The function of the Board was lay down planning principles and policies, priorities and funding of development year by year and between one part of the country and another. In the provinces and the colony, the chief commissioners established Area Development Committees made up in each case of the Resident and representatives of departments. The area committees were expected to

evaluate proposals from the provinces prior to their submission to the Central Development Board. Each province (there were twenty-four of them) also had a Provincial Development Committee consisting of the Resident as Chairman, representatives of departments and some unofficial members. The role of these committees was to prepare local schemes to be sent to the Area Development Committee. The arrangements, according to Okigbo, would have been to no avail if there had been no organization at the apex to make the necessary decisions. The answer was the Governor-Council in Lagos who took the necessary decisions on the spot and the Secretary of State for the Colonies in the Colonial Office who had the power to approve or reject proposals. And since the bulk of the finance was to come directly from or was channeled through the colonial office. The approval or sanction of the Secretary of the State became, in the final analysis, the ultimate authority and represented British government policy. Simultaneously, decisions that were to apply to a particular colony had to be given local legal backing. In Nigeria, they were therefore, referred to the legislative council in which at that time, British Official members predominated over Nigerian members who were either elected (as in the colony) or appointed (as in the protectorate). The ten-year plan of development and welfare in Nigeria, 1946 -56, had therefore to be approved by the legislative council in order to have the necessary legal validity and legitimacy. The philosophy underlying the plan was fully articulated in a document published in 1945 entitled, Preliminary Statement on Development in Nigeria. The need for planning was defined by the uneven progress of the country up to that time, a situation made worse by the retrenchment policies of the 1930s following the worldwide recession. It had become apparent therefore, that coordinated plans should be formulated and executed to improve the standards of health, education, transport and other similar services. The plan drew deeply on the philosophical attitudes of the time in particular socialist doctrines that sprang from the triumph of the Labour Party in Britain after two decades in the shadows. The pre-occupation with welfare and social development in Britain was carried forward to the colonies and translated into concrete form in the plan. Under the plan a total planned expenditure of about N110 million for a period of ten years was envisaged with N46 million of the amounts to be met with funds provided under the Colonial Development and Welfare Act. The plan, however, did not run its full term because by 1950, the inappropriateness of charting development over a period as long as ten years in a country experiencing rapid structural changes had become evident. The estimated costs of projects over a ten-year period could be at best, an educated guesswork. This was readily appreciated in the formulation of the plan that the cost figures were only tentative and would be subject to further revisions in the light of new information, knowledge and prospect for financing. Also, the data required for effective planning were grossly deficient. Therefore, a decision was taken to break the plan into 2 five-year periods (1946 – 51) and (1951 – 56). The plan had been criticized for many reasons. For example, the authors of the National Development Plan, 1962 – 68 wrote that the programmes of the ten-year plan of development and welfare for Nigeria, were not ‘plans’ in the true sense of the word. More accurately, they constituted a series of projects which had not been coordinated or related to any overall economic targets. The criticism contained a large

element of truth. It was valid in the sense that there were no overall economic targets in terms of macro-economic variables, readily quantifiable, against which the performance of the plan could be measured. The plan, also, was comprehensive as it was more of a list of projects, the selection and preparation of which did not take into account the participation of the people being planned for. It completely neglected major branches of activity (for example industry) and concentrated on social services, agriculture and communications. One major error which was frequently permitted, the authors of the National Development Plan 1963 – 68 continued, was that entirely new unrelated projects were readily substituted for original programmes without proper analysis and coordination with other projects. The justification given was flexibility. Actually, ten years was too long a span given the state of statistical information, to plan for a country like Nigeria. Other plans that emanated from these plans include:

5.4 Series of Development Plan in Nigeria

1. THE 1955 – 60 PLAN

The Plan Even though the revised 1951 – 56 plan was not due to come to an end until March 1, 1956 it came to a premature end in 1955 as a result of the introduction of a federal system of government in the country in 1954. Since the new constitutional arrangements made each of the regions autonomous, each of the then regional governments and the federal government launched its own five-year developments plan for the period, 1955 – 60. After a series of reviews, the estimated total cost of the programme was about N328 million. One consequence of setting up such powerful autonomous regions was the existence of consideration over-lapping in the plans of the various regions and the need to coordinate them at the national level. The National Economic Council (NEC), which was established in 1955, was the first major attempt to create a national institutional framework for planning and this body was to provide a forum to discuss development policies and common economic problems. NEC which was chaired, initially by the Governor-General and later by the Prime Minister while the regional premiers and some federal and regional ministers were members, was intended to achieve the coordination that the decentralization of planning had made necessary. It was stipulated that. The council will be consultative body in which the governments of the Federation and the regions may meet to discuss the many economic problems common to each notwithstanding their separate constitutional functions and of consequences reaching beyond their respective constitutional spheres. The council will provide a permanent basis for such consultations without, however, encroaching upon the authority entrusted by the constitution to the respective governments. It is designed to give the maximum encouragement to the development of a national economic policy and to close cooperation towards that end between the governments in the federation. One defect of NEC was that its deliberates were infrequent, meeting only seventeen times in the ten years of its existence, an average of about 1.5 meetings a year and there were years, too, in which it did not meet. The mode of discourse at NEC's meetings was said to be one of generalized debates examination of policies. Conscious of its relative

weakness NEC established the Joint Planning Committee (JPC) in 1958 as its intellectual and technical arm which was charged with the advisory task of formulating planning objectives and of coordinating the planning proposals of the federal and regional governments. This committee, chaired by the economic adviser to the prime minister had officials (permanent secretaries of planning ministries) of the governments of the federation as members. Its specific duties among others were: 1. To examine and report upon any matters remitted to it by the National Economic Council or individual governments. 2. To advise the National Economic Council, in particular by: (a) Preparing a statement of fundamental objectives for the guidance of the planning committees of the several governments in the federations of their development plans for each succeeding period. Examining the plans formulated by the governments and advising what modifications should be made to them in the light of the fundamental objectives agreed for this purpose in order that the plans together may form a coherent whole. 3. To direct its secretariat in: (a) The preparation studies, reports and surveys. (b) The collation, coordination, and dissemination of information. Although the JPC was supposed to be a committee of experts drawn from the federal and regional governments, most of those who took part in its deliberations were not economists but generalist administrators. Other weaknesses of the committee according to (Oyovbaire 1975), include the fact that its members were not only impermanent, its meeting were generally attended only by junior regional and federal officials (representatives of the relevant permanent secretaries). The high rate of mobility of civil servants between ministries and between ranks caused a (rapid) turnover in the committee's membership, few participants in its activities were said to be there under the same schedule for more than two years running. By and large, the politics of the regional governments, their rivalries and political alignments seeped through to the JPC. Although the officials were expected to attend and to discuss the issues before them passionately and in the interest of the country as a whole, the divergent views of the members of the JPC, according to Okigbo, often reflected the positions taken by the governments whose delegates they were. In fact the rivalry between the regions became a regular feature of the meetings of the JPC and this rivalry was often transferred to the meetings of the National Economic Council. The fact that the committee was subservient to NEC, and the need to reflect in its own deliberations the political bargaining of the council, made the JPC succumb to political pressure.

2. THE 1962 – 68 PLAN

The Plan At this tenth meeting in 1959, the National Economic Council (NEC) decided that a national development plan be prepared for the country. This decision gave birth to the 1962 – 68 plan. Under the plan, a total investment expenditure of about N2.130 million. Was proposed, out of this, the public sector investment was expected to be N1,352.3 million while the remaining investment expenditure of N780 million was expected to be undertaken by the private sector. The statement of national objectives expressed in the 1962 – 68 plan appeared clear and articulate (Okigbo, 1989). These objectives were basically the achievement and maintenance of the highest possible rate of

increase in the standard of living and the creation of the necessary conditions for this, including public support and awareness that will be required. In concrete terms, these objectives were translated to cover: 1. a growth rate of the gross domestic product at 4 per cent per annum; 2. savings ratio to be raised to 15 per cent on of the gross domestic product; 3. an annual investment of 15 per cent of gross domestic product; 4. acceptance by all governments that the highest priority should go to agriculture, industry, training of high level and intermediate manpower. However, the procedure for formulating these objectives was no more than an educated guess work as the planners did not have as their disposal the relevant information on the main parameters such as consistent national income series, data on population growth and its characteristics, productivity costs and financial flows. For example, the rate of growth of 4 per cent annum was arrived at, by using the 1950 – 57 data on national income to calculate the income for the base year 1962 and this was extrapolated to 1968 (Anyebe, 1955). In the absence of such detailed information the cost of decisions could become prohibitive and the possibilities of inconsistent decisions become greater and greater. (Stoppor 1966) describe the 1962 – 68 Development Plan as ‘planning without facts. Nevertheless, the plan, which came out in 1962, was considerable improvement over the 1955 – 60 development programmes in many ways. First, all government had a uniform plan period. Second, efforts were made to set and quantify national economic goals, and finally all governments accepted the same priorities. The plan, according to the then Minister of Economic Development, ‘is a manifestation of the growing recognition... of the need to work towards common ends’ (1962 – 68 plan document, pg. 5). In fact, the 1962 – 68 plan was described as the first national plan. The plan was so described because it was the first post-independence plan, the previous ones having been formulated and executed during the colonial era with little participation (especially during the ten-year plan of development and welfare) by Nigerian nationals. It was even claimed that the 1962 – 68 plan rectified the defects in the previous plans. It has therefore, become necessary to see how far this claim is true and to what extent the 1962 – 68 plan established a procession of truly national plan.

3. The 1970 –74 PLAN

The Plan Before the expiration of the 1962 – 68 plan and just about the time that the preparation of the next plan was to commence, the country experienced a national crisis of proportions which seriously affected the operations of the planning institutions. The National Economic Council and Joint Planning Committee ceased to function because of the crisis. They were both replaced by the National Economic Planning Advisory Group in 1966. One of the functions of this body was to review the progress of the economy since independence. The advisory group was unable to function effectively in an environment that required a rigorous and constant interventionist policy by the government in the economic affairs of the nation. The Second National Development Plan (170 – 74) was formulated and implemented under a military regime and it was launched shortly after the end of the civil war, with the aim of reconstructing the war battered economy and social development in the country. Under normal development planning and administration conditions, the preparation of the Second National

Development Plan would have been finalized much earlier but because of the civil war, the implantation of the First National Development Plan was extended to 1970. The experience and the lessons of war, no doubt influenced the national philosophy which served as the principal focus of the plan. This philosophy was spelt out in the objectives which were to establish Nigeria as: 1. a united, strong and self-reliant nation; 2. a great and dynamic economy; 3. a just and egalitarian society; 4. a land of bright and full opportunities for all citizens; and 5. a free and democratic society. This was the first attempt to express the social philosophy underlying the country's planning efforts. The plan was much bigger in size (the total capital expenditure was about N4.9 billion) than its predecessors. According to Ayo (1988), the second plan was more diversified in its project composition than the earlier plans and it was in fact the first truly national and fully integrated plan which viewed the economy as an organic unit, the twelve states being fully integrated in the plan. However, Okigbo (1989), described the objectives of the 1970 – 74 plan as general or what would be regarded as dynamic. There was no way to measure or assess whether the claim of a particular policy was valid with respect to making Nigeria great and dynamic. The inclusion of the objective of a free and democratic society, he constituted, took the planners outside the realm of economics. The splitting of the country into twelve states in 1967 brought another dimension to the problem of planning. The machinery which had been designed to formulate and coordinate national planning when there were five governments became inadequate to withstand the demand of thirteen governments, most of which lacked the relevant institutional machinery and manpower resources for economic planning. With the exception of perhaps the Western and Mid-Western States, all other states were still relatively new for planning purposes during the 1970 – 74 plan period, and this included the East-Central State which had just emerged from being the main theatre of the civil war. What emerged therefore, was a clear recognition that the federal government must take the lead and coordinate the national efforts in formulating plans. This greater role was exercised through the Federal Ministry of Economic Development and Economic Planning Unit (EPU) located in that ministry. The EPU, in essence, became the centralized agency for coordinating federal and state projects through mutual consultations. As to the institutional machinery for planning after the civil war, the prewar practice and methods became inadequate. Therefore a professional planning body the Central Planning Office (CPO) was created in 1972 under the umbrella of the Federal Ministry of Economic Development and Reconstruction. The CPO replaced the EPU. To ensure that all the sectors of the economy were given adequate consideration in the formulation of the plan, a National Economic Advisory Council (NECA) was set up in 1972. This was in response to the criticism that the private sector had been planned for but not taken into confidence. This council was presided over by the Federal Commissioner for Economic development and Reconstruction and its membership cut across the various sectors of the economy comprising the representatives of various organizations in the private sector of the economy such as the trade unions, the Nigerian Chambers of Commerce and Industry, Manufacturers' Association of Nigeria, university teachers, some acknowledge individual professionals and officials of the Central Bank

and the Nigerian Institute of Social and Economic Research. It was to advise the government on economic matters. It is arguable to what extent the inputs of these organized private sector representatives in the council adequately took care of the sector's interests in the subsequent development plans. In fact, the Udoji Public Service Review Commission cynically observed in 1974 that, '... the performance of NEAC has so far fallen below expectation. Its performance has been more or less limited to consideration of papers prepared by the Central Planning Office'. This was definitely not sufficient. The council was expected to identify problems independently, commission its own studies and make positive recommendations to the government on the integration of the private sector in the planning process. Another body, the Joint Planning Board (JPB), which drew its membership from the federal and state ministries, the Central Bank of Nigeria and the Nigerian Institute of Social and Economic Research (NISER) was set up to harmonize the economic policies and development activities of the federal and state governments and to examine in detail all aspects of planning and make recommendations to the government. In the military era, the draft went from the Joint Planning Board to the higher decision making bodies such as the Conference of Minister/Commissioners for Economic Planning, Federal Executive Council or National Council of Ministers and the National Council or the Armed Forces Ruling Council for approval. This body was the highest authority making policies, projects and programmes during a military regime and it was composed of the head of state and commander-in-chief of the armed forces as chairman, the chief of staff supreme headquarters or chief of general staff, the secretary to the Federal Military Government, heads of the Nigeria Army, the Navy, the Airforce, the Police and a few other top ranking military officers. The second national development plan was largely the responsibility of the federal governments. The plan differed from its predecessor (that is, 1962 – 68 plan) as it was addressed more to reconstruction than to growth. Unlike predecessor, it was born out of hopes generated by the euphoria of independence but out of frustrations and fear generated by a pernicious, fratricidal civil war. It required that the policies used to see the country through three years of civil service be remobilized for peace to see the country resettle on a normal course. It required that even where the same criteria were used to select the main channels of investment, the policies would have to be different because the environment had to be radically altered to re-align it to peace time objectives. There were a few other significant differences between the 1971 – 74 plan and the 1962 – 68 plan. The state governments proposed an allocation of 17.8 percent of their capital programmes on agriculture between 1970 and 1974, for all governments combined, that is, including the federal government. The overall proportion was 9.9 per cent. This was clearly below what could have been expected if the emphasis of 1962 – 68 plan had been continued into 1970 – 74. The lion's share of the allocations in the 1970 – 74 plan went to transport and communications, roads, waterways and telecommunications. These represented some 40.1 per cent of the federal government capital programme compared with 32.5 per cent in the 1962 – 68 plan. Social services accounted for 26.6 per cent for all governments' programmes compared with 13.5 per cent of the 1962 – 68. Finally, defence and security represented as much as 10.3 per cent of the overall programme and

17.9 per cent of the federal governments programme. This new development reflected the increasing emphasis of the federal government on security and defence problems as a result of the civil war. Even in the field of agriculture, there was a significant difference in the approach taken by the federal government in 1970 from the stand it took in the 1962 – 68 plan. To that the nation was able to feed itself the 1976 – 80 plan reviewing the 1970 to 74 plan declared, government (federal) established food production companies which have brought into cultivation more than 60,000 acres for the production of substantial quantities of food items such as rice, maize, cassava, etc. This was the first time the federal government had entered into direct production in agriculture. Hitherto, it was content to leave that to the state (regional) governments which established farms and plantations. The expectation of the federal government that by its entry into this field the food problem would be nearer to its solution reflects the prevailing philosophy and a lack of appreciation by all governments of the economics of state government intervention in direct production. This miscalculation of the 1970s has continued to influence successive governments which, in the face of unsatisfactory results, have multiplied their involvement instead of pulling out of direct production.

4. The 1975 – 80 PLAN

The Dimension of the Plan It has been observed second national development plan 1970 – 74, as formulated, were not operational. The view as also expressed in a different way concerning the third national development plan, 1975 – 80, the statement of the objectives merely provided a broad view of the ultimate aspirations of the society. The five cardinal objectives of the second national plan were modified and expanded into seven short-term objectives for the third national plan: 1. Increase in per capital income 2. More even distribution of income 3. Reduction in the level of unemployment 4. Increase in supply of high level manpower 5. Diversification of the economy 6. Balance development The third national plan was an improvement over the second plan in terms of definition of objectives. The overall strategy of the plan was to utilize the resources from oil to develop the productive capacity of the economy and thereby improve the standard of living of the people. The huge size of the plan was as a result of the optimism generated by the unusually favourable financial circumstances under which the country was operating on the eve of the plan. There had been sharp increases in both the price of crude oil as well as its level of production. By March, 1975, the country's oil production was at a record level of 2.3 million barrels per day while the price stood at 14.69 dollars per barrel having risen from 3.55 dollars per barrel in 1973. Nigeria's oil production was projected to reach 3.0 million barrels per day by the end of the plan period. This was however, not realized due to the prevail world economic depression which resulted in production and price decline to the extent that the estimated value of oil exports in the first year of the plan in 1975 – 76 fell by about 1 billion dollars. Apart from this, barley two months after launching the plan, a number of other problems of disturbing proportions, which were not much in evidence at the time of the plan preparation, surfaced to pose a serious threat to the successful implementation of the plan. These included the effects of the growing congestion at the ports and the acceleration of

inflation, which was not only distorting the plan priorities but also eroding living standards all over the country. With the change of government in July 1975, a reappraisal of some of the national objectives was undertaken. Consequently, the third plan was reviewed with more emphasis placed on those projects which had direct effect on the living standard of the common man. Sectors such as agriculture, health, housing and water supply were therefore given more priority. For instance, the target number of hospital beds proposed earlier in the plan was raised from 82,000 to 120,000. The target number of housing units was raised to 200,000 as against 60,000 units. One of the most significant features of planning since the beginning of military rule in Nigeria, according to Abdusalami, was the noticeable national trend towards greater centralization; the increasing federal share of available national resources, increasing scope of federal responsibilities, increasing dependence of states on federal sources for their resources and the increasing integration of the inter-governmental authority of the military had an impact on the style of government at this time. These features destroyed the old regional rivalry and consequently enabled the central government to assert itself and to prepare a plan that is more comprehensive and more integrated. The second and the third national development plans were formulated and implemented by military regimes.

5. The 1981 – 85 PLAN

The 1981 – 85 Plan Objectives Towards the end of the military administration in 1979, the federal military government issued guidelines for the fourth national development plan. The five year plan was not launched until January 1, 1981. The reason for the delay was to enable the new civilian administration which was installed on October 1, 1979, to participate in the formulation of policies and programmes of a development plan that it was to implement. The 1981 – 85 plan will provide for an investment of N82 billion was therefore launched by a democratically elected government under a new constitution based on the presidential system of government. The plan was intended to further the process of establishing a solid base for the long-term economic and social development of Nigeria. High priority was consequently accorded agriculture particularly food production, manufacturing, education, manpower development and infrastructural facilities. Social services like housing, health and water supply were also emphasized with a view to improving the quality of life in both urban and rural areas. Although the guidelines adopted in the outline for the 1981 – 85 plan accepted almost the specific objectives of the third plan as still valid, it criticized the focus on growth in the previous plan as wrong and misconceived. It raised, perhaps for the first time and appropriate too far for the incoming civilian politically elected administration, the basic questions, what kind of society did Nigeria wish to evolve and what was development? The guidelines proceeded to answer that true development must mean the development of man, the realization of his creative potential enabling him to improve his material condition of living through the use of resources available to him. It went further to articulate the need for self-reliance ... and concluded that a conscious effort be made to mobilize the masses - the entire Nigerian population for the implementation of the fourth plan. The specific objectives set for the plan were: 1. Increase in average income of average citizen. 2. More

even distribution of income among individuals and socioeconomic groups. 3. Reduction in the level of unemployment and underemployment. 4. Increase in the supply of skilled manpower. 5. Reduction of dependence of the economy on a narrow range of activities. 6. Balanced development, that is, achievement of a balance in the development. 7. Increased participation by the citizens in the ownership and management of productive enterprises. 8. Greater self-reliance, that is, increased dependence on local resources in seeking to achieve the various objectives of societies. This also implied greater efforts to achieve the optimum utilization of Nigeria's human and material resources. 9. Development of technology. 10. Increased productivity. 11. The production of a new national orientation conducive to greater discipline better attitude to work and a cleaner environment.

5.5 Planning Problems

Planning as a term implies the formulation of a strategy for the future. In economic parlance, it may mean the assessment of one's resources at present and its allocation among different uses as to meet some specific goals in the future. For example, an individual might plan for secure income in his old age by allocating his income between present consumption and saving in various schemes like taking an insurance policy or simply keeping his money in a bank. A business firm might also plan to double production in, say, two-year time in which case it has to decide how much resources it can raise internally, how much to borrow, what equipment to buy, etc. When a nation plans its economy, it is more or less a similar exercise, though on a larger scale. The nation has to assess its resources and allocate these resources among different competing uses, depending on specific priority of each use. The planning authority has to assess how much of these resources are available and how they are to be exploited and further developed for meeting the goals set for the economy. The time-frame by which these goals are met also has to be fixed. Planning in a developing economy goes further to attempt to fulfil the objective of transforming the economy from a low level of production to a higher level of self-sustained growth. This is done by planning for a more effective use of existing resources, developing resources for future use and dismantling institutional and other constraints which hamper the growth of the resource base of the economy. Nigeria's planning experience dates back to the 1940s when the British colonial office requested the colonies to prepare development plans which would assist it in disbursing the Colonial Development and Welfare Funds. In response to this request, the administration in Nigeria prepared the ten-year plan of development and welfare covering 1946 – 1956. Since Nigeria became independent in 1960, it has formulated and implemented at least four development plans (1962 – 1968, 1970 – 1974, 1975 – 1980 and 1981 – 1985). In spite of the apparent faultless process and machinery for development planning in the country, success has been mixed, due to problems which the planning agencies have had to contend with. These problems range from shortage of executive capacity to conflicts in areas of planning, plan indiscipline, and the advisory role of the planning machinery. 3.2 Shortage of Executive Capacity Ayo (1988) asserts that except for the former National Planning Office (NPO) which had a cadre of specially

trained planning officers, very few ministries and agencies at both the federal and state levels had such an institution to undertake planning functions on a permanent basis. Planning duties therefore, had to be undertaken by administrative officers who were given ad-hoc training prior to the commencement of plan preparation. What usually emerged from this arrangement was the production of planners who were amateurs in planning activities. In fact, many of the state ministries and their agencies were unable to evaluate the guidelines issued by the former National Planning Office to know the implications for their states, and so the question of drawing up comprehensive documents encompassing details of local needs did not arise. Consequently, most of the projects submitted to the office by many of these state ministries and their agencies for inclusion in the plan were mere ideas lacking the necessary preliminary appraisals to establish not only their feasibility but also their scope and estimated costs. Thus, a considerable number of ideas admitted into the plan as 'projects' were not properly studied, designed and costed and as a result, their full implications were unknown at the time of their admission. The inadequacy of plan integration can also be traced to the limitations in the technology of data collection and processing. The abortive attempts at population censuses since the country's independence, the atrophy of several branches of economic data collection and even more so of the organisation of the Federal Office of Statistics all point in the direction of a weakening of the database of Nigeria planning. Consequently, the preparatory work that should lead to a sound plan was often perfunctory. The procedure for formulating development targets was in most cases, no more than an educated guess work.

5.6 Institutions involved in the planning processes in Nigeria

The federal character of the Nigerian government and the political sensitivity of the various states or sections highlighted the need for a balance between centralization and decentralization in the planning process. Thus, the process of plan formulation in Nigeria involves almost all the agencies of the federal and state governments. For the 1981 – 85 plan for example, the planning process was set in motion through a planning workshop held at the University of Ibadan in 1978 at the instance of the National Planning Office. Areas emphasized at the workshop included planning techniques, plan formulation, national and sectoral policies, manpower implications for the plan development strategies, etc.

The planning office proceeded to prepare guidelines for ensuring plan and in so doing due attention was accorded recommendations of the workshop. The guidelines usually contain an analysis of the major problems of the country's socio-economic system, sector by sector provide some indications of the types of policy guidelines aimed at alleviating the identified problems during the ensuring plan periods. The guidelines also contain estimates of funds which will be available during the plan period, the objective of the plan, etc. This document is extensively discussed at ministerial levels, the Joint Planning Board, the Conference of Ministers/Commissioners for Economic Planning and the decision-making bodies in the country, for example, the National Economic Council for

approval and subsequently published as a policy document. It helps to prepare the mind of government agencies both at the federal and state levels for the impending planning exercise. Shortly after the publication of the guidelines, circular letters are sent to all federal ministries and state governments inviting them to submit their projects for the plan. They are required to submit such projects on formats designed for the purpose and in line with the policies and priorities spelt out in the guidelines. On receiving the project proposals, each department of the National Planning Office embarks on a careful analysis of each project proposal under its schedule and makes appropriate recommendations as to whether a particular project based on its technical and economic viability, social justification and consistency with the stated national priorities should be admitted into the plan. The specifications of selected projects are also indicated by providing such information as, the agency responsible for the implementation of the project, the physical scope and financial magnitude of the project. Attempts are also made, based on projected executive capacity of various agencies, to indicate the phasing of the plan and allocation to each project on an annual basis. This serves as a guide in making yearly budgetary allocations. These projects with the appropriate recommendations of the sectoral officers are subsequently examined by the National Planning Office in a series of internal seminars at which the position of the planning office with respect to each project is determined, subject of course, to further examination at the succeeding planning stages. The next stage is a series of bilateral meetings with each federal ministry and its associated agencies to enable further reviews of the projects. Additional information is supplied where necessary and ambiguities clarified. By the end of such meetings each ministry would have known which of its projects were likely to be admitted having regard to relevance, scope, costs, phasing and other details of the projects. Similar series of meetings are also held with representatives of each of the state governments. By the end of these rounds of consultations, a clearer picture would have emerged as to the likely magnitude and composition of the investment component of the plan. The total picture is, of course, reconciled with the macro-economic projections to ensure consistency of goals and means because the aggregate demand for investment resources (especially domestic savings and foreign exchange) must not exceed the projected level of investment funds for the purpose if serious economic instability is to be avoided in the pursuit of rapid economic growth. After the project details have been agreed upon, the drafting of the various chapters of the plan is commenced. This draft is again submitted to the various planning bodies such as the Joint Planning Board (it uses technical criteria to assess feasibility of all projects to ensure that these proposals are consistent with the national planning objectives explained in the guidelines), the Conference of Ministries/Commissioners for Economic Planning and National Economic Council where it is discussed in great deal and proposed amendments incorporated thereafter. The draft then moves to the President-in-Council for final approval after which it is published as a national document.

5.7 Planning Framework (RPF)

The most popular planning framework is the Rational Planning Framework (RPF). There are six phases in the RPF. They are: 1) Establish objectives, 2) Establish planning premises, 3) Determine alternative courses of action, 4) Evaluate alternatives, 5) Select course of action and 6) Formulate derivative plan.

The RPF is an inappropriate framework for planning because it encourages people who do not understand problems to plan for a nation like a company and set non-achievable and beautiful objectives and day-dream in the name of planning. Nigeria has always been setting non-achievable objectives: education for all, housing for all and egalitarian society by year 2000; green revolution, operation feed the nation (OFN); transformation agenda; etc. Ogbimi and Adjebeng-Asem(1994,) developed the scientific planning framework(SPF).

The SPF has seven phases. They are: 1) Problem identification, 2) Problem analysis/perception, 3) Setting achievable objectives, 4) Plan implementation, 5) Plan monitoring and appraisal, 6) Plan review and 7) Plan termination. The SPF ensures that a problem is well analyzed and understood before setting achievable objectives. The SPF also ensures that a plan has implementation, monitoring/appraisal, review and termination phases.

In terms of planning theory, planning framework and assumptions, therefore, Nigeria has not been planning at all. African nations including Nigeria have been erecting infrastructure, practicing technology transfer, begging for foreign investments and pretending to have educational and training systems. Nigeria since 1986 has been implementing SAP and claiming to have adopted crude capitalism as economic philosophy. Federal and state governments in Nigeria have been borrowing heavily to erect structures without build-up competences for solving problems for building or maintaining the structures.

5.8 Prospects for Planning in Nigeria

In spite of all the problems highlighted in the course of this study, there are still projects for using the planning process to achieve Nigeria's development objectives. As indicated earlier, except perhaps the National Planning Commission which can be said to have some trained planning officers, very few ministries and agencies at both the federal and state levels have officers with relevant training to undertake planning functions on a permanent basis. Planning duties have therefore, been undertaken by administrative officers who are given adhoc training prior to the commencement of plan preparation.

Self-Assessment Exercises

- Q1: In your opinion, were criticisms against the 1946 – 56 plans valid?
Q2: how relevant was the 1946-56 plan to Nigeria?



5.9 Summary:

Nigeria's planning experience dates back to 1945 when the British colonial office requested the colonies to prepare development plans which would assist it in disbursing the colonial development and welfare funds. In response to this request, the administration in Nigeria prepared a ten-year plan of development and welfare covering the period, 1946 – 56 but this plan was greeted with criticisms.



5.10 References/Further Reading

Okigbo, P.N.C. (1989). National Development Planning in Nigeria 1900 – 1992. London, N6: Valliers Publications.



5.11 Possible Answer to Self-Assessment Exercise

Question One: the 1946-56 development plan were laced with a lot of criticisms owing to the fact that it didn't reflect the true needs of the Nigerian state more so that it was drafted by foreigners. The plan did not take the people being planned for into consideration. 2. The plan period was too long for a country undergoing rapid structural changes like Nigeria. 3. There were no adequate data. 4. The private sector was not involved.

Question Two. The plan laid the foundation for future plans hence its relevance cannot be ignored.

MODULE 5: Public Enterprise and the Privatization Debate

Unit Structure

1.1 Introduction

1.2. Learning outcomes

1.3 Reason for Establishing Public Enterprises

1.4 Summary:

1.5 References/Further Reading

1.6 Possible Answer to Self-Assessment Exercise



1.1 Introduction

This unit deals with reasons for establishing public enterprises especially in the developing countries. Some of problems faced by these enterprises are also discussed.



1.2 Learning Outcome

At the end of the unit, you should be able to:

i. Identify and explain the reasons for the existence of public enterprise identify some of the problems faced by these enterprises.



1.3 Reason for Establishing Public Enterprises

In the post-independence period, government was the prime agent of economic development, providing infrastructure and producing foods and services. This was often provided through the medium of the public enterprises. Developing countries used public enterprises to a greater extent than most Western countries. For example, in 1977, Tanzania's 400 state-owned enterprises accounted for 38 per cent of gross fixed capital formation, a similar level as in Ethiopia (Jorgensen, 1990 – 62). There were some good reasons for this greater use of public enterprises. There was a chronic shortage of capital and capital market such that private ownership would necessarily mean foreign ownership. Also, in many cases, no one from the private sector was interested in providing utility services for nation-building, this for the nation to have necessary infrastructure it had to be provided through the public sector. It was hard to develop exports without adequate port facilities, or rail links, addition, at the time of decolonization, in the 1950s and 1960s, public enterprise was considered an appropriate form of organization. This is not surprising given the major role given to public enterprises in the former colonial powers such as the United Kingdom and France. At a time in which public utilities in European countries were in public hand, allied with the expectation that public enterprise could be used to advance the cause of socialism, it was natural that Tanzania or Bangladesh would develop a large public sector. Indonesia even gave public enterprise a protected role in its constitution. India was industrialization as the key to reducing poverty and state ownership of industry as the means of controlling. Much of the reliance on public enterprises was misplaced and the results were not what had been hoped for. Instead of serving as an agent of national development, many public enterprises accounted for 23 per cent of formal employment in Africa and 3 per cent in Asia, while the poorer the country the larger the relative size of the sector (Turner and Hulme, 1997:176). Even if it could be argued that infrastructure needed to be provided through public hands, there seemed little justification for government ownership of jute factories in Bangladesh, mines in Africa or national airlines almost everywhere. In some countries, public enterprises controlled almost all economic activity. From the late 1960s, the public enterprise sector in Zambia constituted about 80 per cent of all economic activity with the private sector accounting for the remaining 20 per cent (Kaaunga, 1993). The sector was structured with one enterprise, ZIMCO, a holding company, controlling the other enterprises and with the government in turn, particularly the Zambia President, controlling ZIMCO. This meant the government, and particularly the president, could control the overwhelming proportion of economic activity, as well as political activity. If economic success had followed, the public enterprise sector would have been lauded. However, Zambia declined, the period from 1960 to 1990 showing an average annual growth rate of minus 1.9 per cent compared to an average real increase of 2.9 per cent for other low- income countries (Simpson, 1994 – 2120). The external debt of public

enterprises in Zambia was 55 per cent of GDP in 1986 (World Bank, 1995: 31). This is a high figure for total external debt for any nation but this was just the debt contribution of the public enterprise sector. Government in Nigeria since independence has been an active player of the economic scene. The rationale at independence was to accelerate the pace of development by direct investment in all strategic areas of economic activities, given the low capital formation capacity of the private sector at that time. In the 1970s the reconstruction and development efforts in the aftermath of the civil war accounted largely for the increased level of government in economic activities, such that by December 31 1983, the federal government was in no less than 110 enterprises spanning transport, aviation, shipping, oil telecommunications, power and manufacturing. The value of the federal government's investment in these enterprises was then estimated N17.8 billion. The quantifiable return on this stage volume of investment was however not seen as satisfactory in the light of the realities of the Nigerian economy in the eighties. Despite some success, public enterprises in developing countries were characterized by low profitability, poor return on investment and being without strategy. There were a number of problems managers were poorly trained and lacked direction; there was an inefficient organizational structure with 'overstaffing common' inadequate financial control system, political interference and the opportunistic misuse of state-owned enterprises by private individuals, bureaucrats or joint-venture partners' government budgets with the central government subsidies to state-owned enterprise in Tanzania equal to 72 per cent of spending on education and 150 per cent of spending on health (World Bank, 1955: 1). Money that was used to subsidies public enterprises could not be spent on more urgent needs. By the early 1980s the popularity of the instruments of the public enterprise was in decline allied to some general questioning of the economic role of government. Privatization was adopted by many developing countries in the 1980s following the apparent success of the programme in the UK. By 1987, fifty-seven developing countries had commenced programmes of privatization (Ramamurti, 1991). While privatization is under way in many developing countries it is difficult for the private sector to overcome its problems of insufficient capital expertise.

Self-Assessment Exercises

Q1: Why is there need for public enterprise?

Q2: List at least two reasons for the existence of public enterprises in Nigeria



1.4 Summary

The post-independence period witnessed a pervasive involvement of government in economic activities in the developing countries. The motive was to accelerate the rate of development and one vehicle used was the public enterprise.



1.5 References/Further Reading

- Jorgensen, J.J. (1990). 'Organizational Life-Cycle and Effectiveness Criteria in State-Owned Enterprises: The Case of East Africa', in Alfred, M.J. and Rabindra, N.K., Management in Developing Countries. London and New York.
- Turner, M. and Hulme, D. (1997). Government Administration and Development: Making the State Work. London: Macmillan.
- Kunga, F.C. (1993). 'Privatization in Zambia', in V.V. Ramandham (ed). Privatization: A Global Perspective. London and New York: Routledge.



Possible Answer to Self-Assessment Exercise

Question One: Public enterprise has long been an important part of the public sector especially in the developing countries but with the adoption of privatization, the size and importance of the sector is declining. However, its relevance lay in its ability to provide critical public good and services in the interest of the citizenry.

Question Two: To provide goods and services of public interest that may be out of reach of the common citizen. For wealth creation in the interest of the country

UNIT 2: Privatization of Public Enterprise:

Unit Structure

2.1 Introduction

2.2. Learning outcomes

2.3 Privatization

2.4 Summary

2.5 References/Further Reading

2.6 Possible Answer to Self-Assessment Exercise



2.1 Introduction

Some fundamental questions about public enterprises are whether or not governments should be involved in the enterprises and the circumstances in which government ownership should be retained or discontinued.



2.2 Learning Outcome

- i. At the end of this section, you should be able to explain privatization and the inherent demands of the system.



2.3 Privatization

After the election of the Thatcher government in the United Kingdom in 1979 there was an intense debate over privatization, which led to an extensive and continuing programme of sale of public enterprises. The apparent success of the United Kingdom programme made of for its adoption by other countries, who saw privatization as a way concentrating on core activities and also as a handy means of raising revenue. Privatization of public enterprises has become a worldwide movement with, first, developed countries and, secondly, developing countries selling all kinds of enterprises. By 1992 some 7000 enterprises had been privatized worldwide, some 200 in developing countries (World Bank, 1995). For example, a total of 146 public enterprises were slated for privatization in Nigeria in 1988 (Zayyad, 1992). International agencies like the World Bank and the International Monetary Fund courage privatization as a part of any programme of assistance. The word 'privatization' can mean many things. As the name suggests, it can mean returning publicly-owned assets to the private sector, usually 'where control of an activity is passed from the public sector to the private sector by means of an issue of shares' (Ohashi and Roth, 1980). This view, though, is too narrow. It makes more sense to see privatization as the reduction of government involvement in general: not just a reduction in production, but also a reduction in provision, subsidies or regulation, or indeed any combination of the four instruments. Steel and Heald (1984) argue that privatization can be carried out through charging, contracting-out, de-nationalization, and load-shedding, or liberalization. An even broader view is that of Jackson and Price (1994), who argue that the menu of activities which make up a definition of privatization includes: the sale of public assets, deregulation, opening up state monopolies to greater competition, contracting-out, the private provision of public services, joint capital projects using public and private finance, and reducing subsidies or introducing user charges. Most of the arguments about public enterprises are about selling enterprises reducing production by de-nationalization but the other features are also crucial. There is often an inter-connection between selling assets and reducing the regulatory environment. Liberalization, by means of reducing regulation, is a critical part of privatization, while contracting out and charging are occurring right across the public sector. There are a number of reasons advanced for the privatization of public enterprises. This unit therefore, attempts to examine the reasons with a view to drawing lessons for the future. The main argument are about economic benefits, efficiency, ideological conception of what the role of government in society should be and accountability.

Economic Benefits: Economic argument for privatization include: reducing taxes by using the proceeds from sales; exposing activities to market forces and competition; and reducing both government spending and government's share of economic activities. Argument against privatisation include the problems of monopolies, in which new private monopolies could use their power to raise prices, cut services and make consumers worse off. Simulating competition is an attractive part of privatisation programme. In theory competition provides powerful incentives in both produce and price efficiently. When

faced with competition, public enterprises that do not operate in accordance with consumer demand, or who over price their products, will lose customers. Any failure to match the performance of competitors will soon become apparent in the form of the loss of market share and deteriorating financial performance. Effective competition in the markets served by public enterprises who also reduce the need for detailed, intrusive and costly government control and monitoring mechanisms. If completion is seen as desirable, the different instrument of privatization need to be compared. Completion could be introduced by selling or deregulating to allow the entry of competitors. Selling assets only improves competition if an enterprise is already in a competitive environment; selling a monopoly with its regulation intact does nothing for competition. While a government might sell a public enterprise to improve competition, it is financially tempting to effectively sell the monopoly as was done with a number of public enterprises in the United Kingdom. British Telecom was privatized in 1984 with its regulatory protection largely intact and without effective competition been established. Only one competitor, Mercury, was licensed and with a host of restrictions in its operations. Only much later did the government alter the regulatory environment to improve competition. Converting a public monopoly to a private one does not improve competition and can have the additional effect of making future competitive changes more difficult to bring about. As Kay and Thompson point out (1986: 29) if, as we have argued, the privatization of large, dominant firm is at best pointless and possibly harmful in the absence of effective competition, the result is that no benefits of economic performance are likely to be achieved. Privatization of this kind will not, of course, be the first ineffectual restructuring of relationships between government and nationalized industries, which has had a lengthen history. But it is potentially more damaging than the others because of privatization makes it more difficult to introduce competitive incentives in the future. The easiest way to introduce completion is to deregulate the industry, rather than self-assets, unless deregulation occurs as the same time as assets are sold. In this regard, the privatization of Australian Airlines was carried out in a better way than many of the privatization in Britain. The Australian government would have received a higher price if it had sold the airline with the two-airline agreement restricting competition intact. By selling the airline after deregulation the beneficial effects of competition were encouraged, with fares being reduced for consumers and new players entering the market. In Britain there seem to be little or no benefit to ordinary consumer from changing public monopolies into private monopolies as was done in the first wave of privatisation. Another aspect of the process considers prevention of monopoly exploitation which was once regarded as one of the main reasons in favour of public ownership of enterprises but this reason is now less significant. Advances in economic theory, particularly 'contestable market theory', suggest that monopolies are constrained from being predatory by the potential entry of competitors (Baumol, Panzar and Willig, 1982). They cannot charge too much above reasonable prices because a competitor may appear. If a monopolist is being constrained in way, there is no need for government intervention. In addition, even where there are genuine monopoly problems, as in electricity and telecommunications, these may only occur in part of an enterprise's operations.

Duplicating local telephone and electricity networks is so expensive that these may be instances of natural monopoly. But electricity generation is not, and neither is long-distance telecommunication, so rather keeping the entire enterprise in public hands, it is argued the competitors should be allowed entry into those areas, which can attract competition. Even where local networks are too expensive to duplicate, it is possible to franchise particular areas to private companies or to regulate in such a way that the network must provide access to competitors. The overall result is that public enterprises may not be needed even for natural monopolies and even if a private monopoly is created, its potential for abuse of monopoly power may be no worse than the public monopoly it replaces. According to another study of privatization in Britain, the biggest problems there have occurred over the privatization of utilities. Criticisms have centred around the degree of regulation required after privatization (Vickers and Yarrow, 1988: 428). The problems of organization and control in utility industries such as telecommunications, gas, electricity and water are among the most difficult in the field of micro-economic policy. Indeed, our view is that under public ownership is to be preferred. When there are massive economies of scale of scope, high entry barriers, or externalities, private ownership performs poorly. The incentive and opportunity to exploit consumers threaten a locative deficiency, and lack of competitive benchmarks lead to internal inefficiency and slack. The fact the public ownership is also far from perfect in these circumstances reflects the inherent difficulty of economic organization in such industries. Privatization of utilities need not be ruled out, but there certainly should be far more care taken than would be required in privatizing other parts of the public enterprise sector. In the United Kingdom, privatization has occurred throughout the public utility sector with even water being privatized. It is fair to say, however, that there have been greater problems with privatization in the public utility area than in other areas. Even after privatization governments cannot totally remove themselves from the public utility sector for several reasons. First, utilities remain a matter of political importance even when privatized. A utility is just that, used by everyone and its price and condition of supplies are political matters. Secondly, by not establishing a competitive framework at the beginning, the government made it difficult for one to be set up later. Thirdly, although having a specific office to regulate an industry seems reasonable, the absence of effective competition means there must be conflict over price between the enterprise and the regulator, as well as potential 'capture' by the industry. The regulatory system has led to a 'perpetual system of ordered competition' in which regulation remains permanent and firms rely for their profits on the regulatory environment rather than competition (Burton, 1997: 184). For these various reasons, the United Kingdom is not a good example of how to privatize, particularly the privatization of public utilities. At the beginning of the programme, private monopolies replaced public monopolies and consumers did not greatly benefit, neither was there much benefit to industries which use these services as inputs. As the programme extended there were some benefits, especially as government became convinced of the need for competition. Bishop, Kay and Mayer (1994) argue that there were only modest benefits in a financial sense, but beneficial effects on information through greater transparency, and some weakening of government

control, although ‘failure to establish appropriate industrial structures at the outset has been that periodic government intervention to restructure e has been and will continue to be necessary. A further economic argument for privation has been to reduce cross subsidies. This is where an enterprise varies its prices so that, within its overall functions, profitable activities subsidize unprofitable but desirable activities. Privatization is seen as a way of charging for services in accordance with their true costs. Cross-subsidies are now argued to be economically undesirable as true costs and inefficiencies can be hidden. They are unspecific ways of assisting those disadvantaged or having particular political strengths. Other mechanisms are preferable, such as direct cash transfers to those to be given assistance, or by direct funding from the budget. If the government desires the provision of specific services, it should provide the funds for the purpose. These are some of the economic arguments for privatization. The most power is the beneficial effect of competition. If privatization does not result in great competition there are unlikely to be major benefits.

Self-Assessment Exercises

Q1: What is Privatization?

In your opinion is the economic argument enough justification for the privatization of public enterprises?



2.4 Summary

The whole idea of privatization is to promote efficiency in the delivery of public good by state owned organizations. This particular unit has discussed privatization from an indepth perspective hence, the relevance of privatization abounds.



2.5 References/Further Reading

Aharami, Y. (1991). ‘On Measuring the Success of Privatisation’ in R. Ramamurti and R. Vernon, (eds). Privatisation and Control of State-Owned Enterprises. Washington’, D.C.: World Bank.

Baumol, W.; Panza, J. and Wiling, R. (1982). Contestable Markets and the Theory of Industry Structure. New York:



2.6 Possible Answer to Self-Assessment Exercise

Question One: This can simply be described as the transfer of the ownership and control of public enterprises to private ownership to spur efficiency and effectiveness in the discharge of the duties they are set up to perform in the interest of public good.

Question Two: the relevance of privatization stems from the perspective of efficiency in the conduct of public services as it is a known fact that, public enterprises have not fared well in the discharge of their statutory duties hence the need for private ownership of such enterprises.

UNIT 3: Managerial Efficiency and Privatization

Unit Structure

3.1 Introduction

3.2. Learning outcomes

3.3 Managerial Efficiency

3.4 Summary

3.5 References/Further Reading

3.6 Possible Answer to Self-Assessment Exercise



3.1 Introduction

The managerial efficiency argument for privatization claims that private management is inherently superior to public management. Management of private and public sector organizations do operate in quite different environments and often have quite different objectives.



3.2 Learning Outcome

At the end of this unit, one should understand the argument in support of privatization exercises.



3.3 Managerial Efficiency

There are theoretical differences between various organizations in the structure of incentives available to management, and, because public enterprises operate in a political environment, management there may be said to be less straightforward. Perhaps public service conditions are not conducive to excellence. But the managerial argument is more than this: it is that public management is inherently inferior. The private sector is assumed to have a time-tested set of incentives and accountabilities in place, and as these are not present in the public sector, there must be inefficiency. The only problem with this view that evidence is hard to find, and far from percussive, when it is found. Systematic evidence on the relative efficiency of public and private production is extremely limited and ‘universal generalizations are drawn on the basis of a few empirical studies and impressionistic example’ (Heald, 1983). For small-scale operations there is more efficient. For example, a comparison of private and public refuse collection shows that private contractors tend to be cheaper than public ones (Savas, 1982). At such a local level, there may be construction. In fact, governments of all persuasions are increasingly using contractors, and this trend will continue. It is, however, only a minimal form of privatization. It is still a government service or asset, and the only saving is the difference between contractors and government day labour, which varies according to the activity itself. Often the ease of gaining data at the lower-level means that studies about refuse collection are used to substantiate the general case for private provision over public. But it is a far cry from this to the level of large enterprises. (Millward and Parker 1983: 258) studied available evidence on public and private enterprise efficiency in numerous countries and industries and concluded that there was no systematic evidence that public enterprises are less cost-effective than private firms. They added, ‘the poorer performance, in this respect, exhibited in the studies of refuse collection and water supply... has to be balanced against the absence of any significant differences in Canadian railways and Australian airlines and the superior performance in United States electric power’. Also, according to (Vickers and Yarrow 1988: 40), for all the theoretical benefits of private ownership, evidence is rather mixed, and ‘the evidence does not establish the clear-cut superiority of private ownership in respect of cost efficiency’. The absence of systematic differences is surprising. Perhaps the proponents of privatization make the mistake of comparing actual public sector management practices with an idealized private management world. In this ideal management is controlled by, and is accountable to, its shareholders; workers feel part of their enterprise; the share price reflects the value of the company; and the final sanction for poor management is the threat of takeover. In some cases, these views may be realistic, but private managers are often averse to taking risks, treat their shareholders with contempt and takeovers may be concerned with making paper profits rather than improving management. The available evidence seems to suggest no measurable difference between the two sectors. The

differences which do exist are more related to the regulatory environment than to ownership and some parts of the public enterprise sector may have greater inefficiencies than others. It seems evident that public firms in competitive industries can be as efficient as private firms. Reviewing the evidence available on Canadian railways where there is also a public and private carrier in competition and Australian airlines, Kay and Thompson (1986: 243-5) argue that because of the regulatory regimes imposed by governments, there is very little difference in their performance. They add, ‘no simple generalization about superiority of private sector performance can be sustained’. It is most likely that inefficiency in the whole airline industry as a result of regulation—originally imposed to protect the private carrier in Australia overwhelms any difference in efficiency as a result of ownership. Against this is the abysmal in efficiency of public enterprises in the former Eastern Bloc nations and the haste with which former public enterprises are being privatized. Even if good economic evidence of relative public enterprise inefficiency is hard to find, perhaps in the end ownership does matter.

Self-Assessment Exercises

Q1: In your opinion is management in the private sector superior to that in the public sector?
Q2: why is privatization necessary?



3.4 Summary:

The unit has been discussing economic benefits and managerial efficiency issues for privatization by comparing these issues as they affect both the public and private sectors of the economy.



3.5 References/Further Reading

Aharami, Y. (1991). ‘On Measuring the Success of Privatisation’ in R. Ramamurti and R. Vernon, (eds). *Privatisation and Control of State-Owned Enterprises*. Washington, D.C.: World Bank. Baumol, W.; Panza, J. and Wiling, R. (1982). *Contestable Markets and the Theory of Industry Structure*. New York:



3.6 Possible Answer to Self-Assessment Exercise

Question One: there has always been the argument that private sector management guarantees efficiency in the administration of organizations. This is more of a reflection of the capitalist system that tends to promote private ownership of the commanding heights of the economy.

Question Two: privatization is adjudged necessary as a follow up to the argument of efficient management in the interest of the sustainability and survivability of critical sectors of the economy.

UNIT 4: Privatization of Public Enterprise: Ideological and Accountability Issues.

Unit Structure

4.1 Introduction

4.2. Learning outcomes

4.3 Ideological Issues

4.4 Summary

4.5 References/Further Reading

4.6 Possible Answer to Self-Assessment Exercise



4.1 Introduction

The content here said is a departure from the earlier discussion on privatization. This tends to argue for the justification or otherwise of the whole idea behind privatization of critical sectors of the economy on the premise of efficiency. In furtherance of that, This unit introduces you to the ideological and accountability arguments for privatization.



4.2 Learning Outcome

At the end of the unit, you should be able to: explain the ideological and accountability arguments for privatization.



4.3 Ideological Issues

If there has been an ideological debate over privatization, it has certainly been won by those who have argued in favour of privatization, judging by the policy outcome. However, it is not so much that the debate was won but that the counter debate was either not made or made weakly. In any case pragmatic rather than ideological arguments seem to have held sway. Even in Britain, where the ideological debate was supposed to be most fervent, the most cogent reason for continuing privatization programme was pragmatic one of raising revenue rather than changing the shape of society. Looking again at the different kinds of public enterprises in competitive benefits would only be certain to arise from selling enterprises in competitive environments. For the other kinds, notably utilities, the economic benefits would be greatest by encouraging competition through deregulation with the change in ownership being less important. Vickers and Yarrow (1988: 3) argue that ‘the degree of product market competition and the effectiveness of regulatory policy have rather effects on performance than ownership per se’. Even there, though, the benefits may not be large. There would seem to be little advantage in privatizing loss-making areas such as railways, although there may be some attraction in simply getting rid of these kinds of enterprises. The debate has now been won by those in favour of privatization. This has happened even though the economic arguments for privatization are less than overwhelming, there is no incontrovertible evidence supporting the superior efficiency of private sector provision (although there is a similar lack of evidence of any public sector superiority) and, the ideological arguments remain unconvincing. Aharoni (1991: 83-30) argues that the goal of improving economic efficiency is rarely shared by the major stakeholders and in the end, the largesse of privatization may come in subtle and indirect ways, for instance, where privatization is widely believed to make a difference, it may prove a self-fulfilling prophecy. The expectation of government agencies, the public, the labour force and the managers themselves may be altered by the changes in ownership of the enterprises concerned. Those changes in expectations may prove more important in the long run than the measurable economic consequences.

Self-Assessment Exercises

- Q1: In your opinion is the ideological argument for privatization justified?
Q2: Discuss privatization and why is privatization necessary?



4.4 Summary

The questions of privatization and accountability are linked. One of the arguments for privatization is that public ownership means an absence of real accountability. In this view, the absence of the kind of accountability is presumed to exist in the private sector implies that public enterprises have no place in society. Part of the early public sector reform process involved re-asserting control over public enterprises, making them pay larger dividends and devising better means of ensuring accountability. The success of these changes was mixed and inevitably led to further privatization. If accountability is poor and improvements not possible, the case for privatization becomes much stronger.



4.5 References/Further Reading

Turner, M. and Hulme, D. (1997). *Government Administration and Development: Making the State Work*. London: Macmillan.

Dwivedi, O.P. and Henderson, K.M. (1990). 'State of the Art: Comparative Public administration and Development Administration' in O.P. Dwivedi and K.M Henderson (eds). *Public Administration in World Perspective*. Ames: Iowa State University.



4.6 Possible Answer to Self-Assessment Exercise

Possible Answer to Question One

The argument in favor of privatization ranges from accountability issues apart from the general argument on efficient management. Once any organization is in government hands, there's bound to be questions about its accountability. In theory all parts of government are accountable to the political leadership and finally to the people. The question of accountability was one of the major concerns in public administration and other studies of public enterprise and statutory authorities.

Possible Answer to Question Two

Although the main question now is on the relevance of privatization; the concern with raised is still in line with issues of accountability as they remain important. According to (Aharami 1986: 6), public enterprise inefficiency is not necessarily the result of ownership. That accountability is a fundamental problem can be seen from the three distinguishing characteristics of public enterprises. 'First... they must be owned by the government. Second... (they) must be engaged in the production of goods and services for sales.... Third, sales revenue... should bear some relationship to cost'. These

characteristics can lead to confusion in accountability. Public enterprises are organizations designed to be a part of the government sector, but also to operate commercially. They operate commercially but have no shareholders – they are government owned. They have their own management and boards of directors, but are also responsible to a minister. A public enterprise is often required to meet other objectives, rather than simply trying to maximize profit like a private company. The theory of principal and agent suggests that accountability problems are inherently worse in the public sector and in public enterprise in particular. This means that poor accountability is a justification for privatization in addition to the economic rationale set out earlier. According to (Zechauser and Horn 1989: 35): The separation of ownership and control in any enterprise creates an agency problem. In private corporations, the shareholders' ability to sell their stock or vote out management creates incentives for those who control the enterprise to serve the interests of owners. The very diffuse, nontransferable share-holding that characterizes government ownership, by contrast, reduces these incentives. Consequently, those who control the public enterprise pay less attention to the interests of their taxpayer and shareholders, and group with more concentrated interests, such as suppliers consumers and employees. Both public enterprise and private enterprise have principal agent problems but these are likely to be greater in public enterprise.

Public enterprises are usually set up as statutory authorizes with a degree of managerial freedom. On the one hand, there is not the same political accountability to shareholders commonly seen as great advantage in private enterprise. Even if private enterprise accountability is, in practice, far less than theoretical optimum, public enterprises do have special problems of accountability deriving from their position between the two sectors. A public enterprise is subject to political influence and is often required to further 'the public interest', rather than simply trying to maximize profit like a private company. The problem has been to find a mutually satisfactory accountable system for both government and the enterprise. At present different parts of the accountability system have particular problems.

UNIT 5: The Future of Development Administration Contents

Unit Structure

5.1 Introduction

5.2. Learning outcomes

5.3 The Future of Development Administration

5.4 History of Development Plan 5.5 Planning Problems

5.6 Prospects for Planning in Nigeria

5.7 Summary

5.8 References/Further Reading

5.9 Possible Answer to Self-Assessment Exercise



5.1 Introduction

This unit discusses the future of development administration in the face of challenges posed by privatization. The relevance or otherwise of development administration is equally measured owing to the dominance of privatization in the conduct of governmental affairs.



5.2 Learning Outcome

At the end of the unit, you should be able to: explain the status of development administration.



5.3 The Future of Development Administration

Development administration was thought to be all that was needed to overcome tribal authority and superstition and accelerate the rate of development. However, it was rather patronizing, as (Turner and Hulme 1997: 12) argue: It was a form of social engineering imported from the West and embodying faith in the application of national scientific principles and the efficacy of the Keynesian Welfare economics. In its early days at least, it reflected the naive optimism and ethnocentricity of modernization theory, that there were straightforward technical solutions for underdevelopment. It was true that motivations of the practitioners of development administration were high but there were problems as (Dwivedi and Henderson 1990: 13-140) argued: Development administration was supposed to be based on professional orientation, technically competent, political and ideologically natural bureaucratic machinery... The ostensible output was modernization induced a predictable social change following Western perceptions – preceded by institution building and modernization of the indigenous bureaucratic machinery to undertake development tasks... But what was missing from the expected picture-perfect imitation in the Third World was the necessary set of conditions for bringing about a number of social, economic, cultural and political changes. These included an expanding economic base, a tax base, professionally trained manpower, political legitimacy, cultural secularization, and strong political superstructure capable of governing and delivering the good of development and administration. Development administration is interesting for public management as a topic in its own right and also as the area of government to change dramatically over the 1980s and 1990s. It serves as a test case for what is likely to occur in the public sector as a whole. In the final analysis it seems difficult to see any long-term future for development administration in any advanced or developing country. The reduction of the public enterprise sector in 1980s and 1990s says something about the public sector in general. The fact that government entities may have lasted a long time is no guarantee of their continued existence. The shrinking of government participation through privatization occurs through a process of economic theory feeding into policy-making. The privatization policy may be a general test case for the practice of development administration but it is one which shows that care must be taken in developing clear objectives and with the implantation being crucial for desirable results.

5.4 History of Development Plan

In February 1946, legislation incorporating the plan was adopted by the Council. It derived from a development in 1940 when the Colonial Development and Welfare Act was passed in Britain with the purpose of promoting social betterment of the colonies. Following the adoption of the legislation incorporating the plan, a colonial Economic Advisory Committee with a membership that included economists such as Lionel Robbins, Evan Durbin, Arnold Plant, Hubert Henderson and ex-colonial administrators such as the former Governor of Nigeria. Sir Bernard Bourdillon was established. The controversy that greeted the committee over its status, role, and competence to discuss or initiate discussion of such matters as strategies for agricultural development, industrial development, colonial public debt, division of taxation between the colonies and the United Kingdom and the bulk purchasing arrangement made the enactment of a new Colonial Development and Welfare Act imperative. The New Colonial Development and Welfare Act of 1945 restricted the role of the advisory committee to the steady inflow of development plans from the colonies without imposing solutions on them. As far as Nigeria was concerned, its size dictated that some central organization be established for overall coordination, control of finances and the preparation of major policies. An advisory committee on economic development and social committee was established in the colonial office but its membership was restricted to officials. Also, a Central Development Board consisting of the Development Secretary (Chairman), the three chief commissioners for the Northern, Western and Eastern Provinces, the Commissioner of the Colony the Financial Secretary to the Government, and the Director of Public Works was established in the Secretariat in Lagos. The function of the Board was lay down planning principles and policies, priorities and funding of development year by year and between one part of the country and another. In the provinces and the colony, the chief commissioners established Area Development Committees made up in each case of the Resident and representatives of departments. The area committees were expected to evaluate proposals from the provinces prior to their submission to the Central Development Board. Each province (there were twenty-four of them) also had a Provincial Development Committee consisting of the Resident as Chairman, representatives of departments and some unofficial members. The role of these committees was to prepare local schemes to be sent to the Area Development Committee. The arrangements, according to Okigbo, would have been to no avail if there had been no organization at the apex to make the necessary decisions. The answer was the Governor-Council in Lagos who took the necessary decisions on the spot and the Secretary of State for the Colonies in the Colonial Office who had the power to approve or reject proposals. And since the bulk of the finance was to come directly form or was channeled through the colonial office. The approval or sanction of the Secretary of the State became, in the final analysis, the ultimate authority and represented British government policy. Simultaneously, decisions that were to apply to a particular colony had to be given local legal backing. In Nigeria, they were therefore, referred to the legislative council in which at that time, British Official members predominated over Nigerian members who were either elected (as in the colony) or appointed (as in the protectorate). The ten-year plan of development and welfare in Nigeria, 1946 -56, had therefore to be approved by the

legislative council in order to have the necessary legal validity and legitimacy. The philosophy underlying the plan was fully articulated in a document published in 1945 entitled, Preliminary Statement on Development in Nigeria. The need for planning was defined by the uneven progress of the country up to that time, a situation made worse by the retrenchment policies of the 1930s following the worldwide recession. It had become apparent therefore, that coordinated plans should be formulated and executed to improve the standards of health, education, transport and other similar services. The plan drew deeply on the philosophical attitudes of the time in particular socialist doctrines that sprang from the triumph of the Labour Party in Britain after two decades in the shadows. The pre-occupation with welfare and social development in Britain was carried forward to the colonies and translated into concrete form in the plan. Under the plan a total planned expenditure of about N110 million for a period of ten years was envisaged with N46 million of the amounts to be met with funds provided under the Colonial Development and Welfare Act. The plan, however, did not run its full term because by 1950, the inappropriateness of charting development over a period as long as ten years in a country experiencing rapid structural changes had become evident. The estimated costs of projects over a ten-year period could be at best, an educated guesswork. This was readily appreciated in the formulation of the plan that the cost figures were only tentative and would be subject to further revisions in the light of new information, knowledge and prospect for financing. Also, the data required for effective planning were grossly deficient. Therefore, a decision was taken to break the plan into 2 five-year periods (1946 – 51) and (1951 – 56). The plan had been criticized for many reasons. For example, the authors of the National Development Plan, 1962 – 68 wrote that the programmes of the ten-year plan of development and welfare for Nigeria, were not ‘plans’ in the true sense of the word. More accurately, they constituted a series of projects which had not been coordinated or related to any overall economic targets. The criticism contained a large element of truth. It was valid in the sense that there were no overall economic targets in terms of macro-economic variables, readily quantifiable, against which the performance of the plan could be measured. The plan, also, was comprehensive as it was more of a list of projects, the selection and preparation of which did not take into account the participation of the people being planned for. It completely neglected major branches of activity (for example industry) and concentrated on social services, agriculture and communications. One major error which was frequently permitted, the authors of the National Development Plan 1963 – 68 continued, was that entirely new unrelated projects were readily substituted for original programmes without proper analysis and coordination with other projects. The justification given was flexibility. Actually, ten years was too long a span given the state of statistical information, to plan for a country like Nigeria.

5.5 Challenges of development planning in Nigeria

Planning as a term implies the formulation of a strategy for the future. In economic parlance, it may mean the assessment of one’s resources at present and its allocation among different uses as to meet some specific goals in the future. For example, an

individual might plan for secure income in his old age by allocating his income between present consumption and saving in various schemes like taking an insurance policy or simply keeping his money in a bank. A business firm might also plan to double production in, say, two-year time in which case it has to decide how much resources it can raise internally, how much to borrow, what equipment to buy, etc. When a nation plans its economy, it is more or less a similar exercise, though on a larger scale. The nation has to assess its resources and allocate these resources among different competing uses, depending on specific priority of each use. The planning authority has to assess how much of these resources are available and how they are to be exploited and further developed for meeting the goals set for the economy. The time-frame by which these goals are met also has to be fixed. Planning in a developing economy goes further to attempt to fulfil the objective of transforming the economy from a low level of production to a higher level of self-sustained growth. This is done by planning for a more effective use of existing resources, developing resources for future use and dismantling institutional and other constraints which hamper the growth of the resource base of the economy. Nigeria's planning experience dates back to the 1940s when the British colonial office requested the colonies to prepare development plans which would assist it in disbursing the Colonial Development and Welfare Funds. In response to this request, the administration in Nigeria prepared the ten-year plan of development and welfare covering 1946 – 1956. Since Nigeria became independent in 1960, it has formulated and implemented at least four development plans (1962 – 1968, 1970 – 1974, 1975 – 1980 and 1981 – 1985). In spite of the apparent faultless process and machinery for development planning in the country, success has been mixed, due to problems which the planning agencies have had to contend with. These problems range from shortage of executive capacity to conflicts in areas of planning, plan indiscipline, and the advisory role of the planning machinery.

3.2 Shortage of Executive Capacity

Ayo (1988) asserts that except for the former National Planning Office (NPO) which had a cadre of specially trained planning officers, very few ministries and agencies at both the federal and state levels had such an institution to undertake planning functions on a permanent basis. Planning duties therefore, had to be undertaken by administrative officers who were given ad-hoc training prior to the commencement of plan preparation. What usually emerged from this arrangement was the production of planners who were amateurs in planning activities. In fact, many of the state ministries and their agencies were unable to evaluate the guidelines issued by the former National Planning Office to know the implications for their states, and so the question of drawing up comprehensive documents encompassing details of local needs did not arise. Consequently, most of the projects submitted to the office by many of these state ministries and their agencies for inclusion in the plan were mere ideas lacking the necessary preliminary appraisals to establish not only their feasibility but also their scope and estimated costs. Thus, a considerable number of ideas admitted into the plan as 'projects' were not properly studied, designed and costed and as a result, their full implications were unknown at the time of their admission. The inadequacy of plan integration can also be traced to the limitations in the technology of data collection and processing. The abortive attempts at population

censuses since the country's independence, the atrophy of several branches of economic data collection and even more so of the organisation of the Federal Office of Statistics all point in the direction of a weakening of the database of Nigeria planning. Consequently, the preparatory work that should lead to a sound plan was often perfunctory. The procedure for formulating development targets was in most cases, no more than an educated guess work.

5.6 Prospects for Planning in Nigeria

In spite of all the problems highlighted in the course of this study, there are still projects for using the planning process to achieve Nigeria's development objectives. As indicated earlier, except perhaps the National Planning Commission which can be said to have some trained planning officers, very few ministries and agencies at both the federal and state levels have officers with relevant training to undertake planning functions on a permanent basis. Planning duties have therefore, been undertaken by administrative officers who are given adhoc training prior to the commencement of plan preparation.

Self-Assessment Exercises

Q1: What is the future of development administration in Nigeria?
Q2: Discuss possible options of development administration.



5.7 Summary

In this unit we have been able to examine the current status of development administration by making reference to the views of some writer. And from these views we can predict a shaky future for development administration particularly with the expansion of private ownership of the commanding heights of the economy.



5.8 References/Further Reading

Turner, M. and Hulme, D. (1997). *Government Administration and Development: Making the State Work*. London: Macmillan.

Dwivedi, O.P. and Henderson, K.M. (1990). 'State of the Art: Comparative Public administration and Development Administration' in O.P. Dwivedi and K.M Henderson (eds). *Public Administration in World Perspective*. Ames: Iowa State University.



5.9 Possible Answer to Self-Assessment Exercise

Question One: Development administration in as much as it is important particularly as it concerns the ownership and management of critical sectors of the economy worthy of attention. However, it is fading away and giving room for privatization.

Question Two: There are really two options for the future. The first is to improve the sector, aiming for greater efficiency and better public control, hopefully permitting public enterprises some independence, while retaining the benefits of public ownership. In other words, reforms can work, ownership does not particularly matter and improvements can be made, particularly in accountability. The second perspective is that whatever is done, public enterprise is still inefficient.