

THE CRISIS IN PLANNING : WHAT LESSONS FOR NIGERIA? *

By

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I. INTRODUCTION

National development planning is often taken to be the most critical instrument of government policy available to currently less developed countries (LDCs). Indeed, much of the optimism leading to the declaration of the United Nations' «First Development Decade» can be said to have rested on high expectations about the possibilities of achieving rapid transformation of the economies of the poor countries through development planning, with massive foreign aid from the rich. While optimism with respect to foreign aid has since long ago turned into bitter cynicism, disillusionment regarding the possibilities of effective planning in LDCs is a more recent phenomenon. Recent development literature has sought to develop some insights into the wider, non-economic dimensions of the problem of poor plan performance in these countries. The purpose of this paper is to critically examine some of these insights, and draw some conclusions with respect to planning in Nigeria. The first part of the task is carried out in the next three sections, while the conclusions are discussed in the final section.

II. THE CRISIS IN PLANNING

To the economist, the theoretical case for development planning is as formidable as it is familiar. But even for the non-economist, the idea of trying to influence present economic activity, in order to make the future different from what it otherwise might be, should not be difficult to accept. Given the intolerable conditions of socio-economic existence found in most LDCs, a heavy burden of credibility indeed lies with whoever would argue that unregulated markets should be left to determine at their own pace the rate of human progress in those countries. If one is going to manipulate the present with an eye to future outcomes, then a purposive strategy — a plan — is needed in order to minimize the incidence of costly and avoidable errors.

The most common type of plan adopted in LDCs is the medium-term, comprehensive plan, i.e., one lasting typically four to six years and embracing both the private and public sectors of the economy. It usually seeks to present a set of centrally coordinated and internally consistent policies which is felt would best achieve a set of specified targets framed within some broader social goals of the government.

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But in spite of the high level of technical sophistication that has been attained in the production of such plans, and notwithstanding the near-axiomatic status of the theoretical case for planning, considerable disenchantment has in recent years been expressed about the practical results of decades of planning in LDCs, and even the feasibility of effective planning there has been called into question. Whether it is in plans abandoned mid-stream, in targets grossly unfulfilled, or in plan documents retained mainly as window dressing, the experience with planning in many LDCs has been one of disappointed expectations. Dudley Seers has spoken of plans that turned out to be «little better than fantasies», adding that «it is indeed quite a puzzle how some *plans* ever came to be produced so lacking in political and administrative reality are they, considering the high calibre of the people working on them» (1). Another commentator has remarked that planning «in the less developed world typically involves a rhetorical commitment to socialist objectives, a technical commitment to «neutral» policy tools, and the practical achievement of capitalist results» (2).

Following a thorough and extensive survey of the relevant literature, Tony Killick has recently argued, quite convincingly, in our view, that the main source of poor plan performance in most LDCs is «the naivety of the implicit model of government decision-making incorporated in the planning literature» (3). Ordinarily economists are wont to blame purely economic and institutional factors for plan failures. Among the commonly mentioned culprits are shortage of competent personnel to undertake feasibility studies as well as those to supervise on-going projects; poor statistical data; and bureaucratic inefficiency, including the problems arising from the wrong location of the planning machinery within the institutional set-up of the government. But, while not discounting the importance of such factors, many economists seem increasingly to be coming to an acceptance of the fundamental nature of political factors as the root cause of the «crisis» in planning. Lack of support for the plans on the part of the major political actors, rivalry among the latter, and their preference for «qualitative» over analytical thinking have been mentioned in this connection. But unfortunately, as Killick notes, most proposals for reform have continued to be of an administrative or organizational nature, probably on the presumption that it is futile to advocate jettisoning the political system itself.

This immediately raises the question as to why one should expect such reforms to be attainable in the very same political environment held responsible for past failures, given that the administrative and institutional deficiencies cited are inherent parts of the political system. But more importantly, the aforementioned political factors do not seem to get to the root of the problem. Why, for instance, do politicians not find it in their own interest to support development plans which are supposed to be a means of improving the rationality of decision-making? Could it be that there is a fundamental conflict between certain critical assumptions of these plans and the actual *modus operandi* of the politicians?

III. REALISM VERSUS CONVENIENCE IN PUBLIC SECTOR

It is a well-known fact that hardly any formal and in-depth studies of the behavioural patterns of households, firms, and, in particular, governments, are carried out within the discipline of economics as conventionally defined. Yet this is not as a result of any legitimate necessity for a division of labour between economics on the one hand, and other branches of the social sciences, on the other. Given the increasing complexity of social phenomena, about which no one discipline could possibly encompass the total reality, the practical necessity for inter-disciplinary and even intra-disciplinary specialization cannot be gainsaid. But the fact is that behavioural assumptions regarding households, businesses, and governments constitute the basic building blocks in virtually all aspects of economic analysis; hence, formal investigations into these behavioural patterns should fall squarely and properly within economics. That economists have been willing to leave such investigations to others, while being satisfied to get along with convenient but naive assumptions is, as an eminent «think tank» economist has noted, largely the result of intellectual laziness (4).

The economist in question, who was discussing the role of economists in public policy-making in the United States, lamented specifically the frequent tendency by economists to make the «naive assumption that the government is a monolithic entity devoted only to the public welfare and knowledgeable about how to attain it». The consequence of this, he added, is that «it has caused us to neglect the all-important problems of acceptability and implementation in making recommendations for public policy» (5). Since most development economists share a common intellectual tradition as other orthodox economists, it is hardly surprising that the same assumption of a monolithic and omnipotent government has been found to be implicitly embodied in most development plans. By «combing the literature for hints and inferences», since writings on development planning are virtually devoid of systematic discussions of «the implications of planning for political systems and vice versa, even though authors often claim that a plan is essentially a political document», Killick arrives at the following summary of what has been called the «rational actor» model of politics:

governments (are) composed of public spirited knowledgeable, and role-oriented politicians; clear and united in their objectives; choosing those policies which will achieve optimal results for the national interest; willing and able to go beyond a short-term point of view. Governments are stable, in largely undifferentiated societies; wielding a centralized concentration of power and a relatively unquestioned authority; generally capable of achieving the results they desire from a given policy decision. They are supported by public administrations with ready access to a very large volume of relevant information which can be processed efficiently (6).

It seems hardly worth the effort to state that plans implicitly based on this model are not likely to receive much real support from real-life politicians, civilian or military, in most LDCs. It may be added parentheti-

cally here that the tendency of economists, consciously or unconsciously, to resort to extreme assumptions about social behaviour may have been partly encouraged by the «Positivist» contention that the validity of a theory is not to be judged by the realism of its assumptions but by its ability to predict well (7). This claim, which was never quite convincing on methodological grounds, would be even less useful as a practical defence for the «planners'» model above; the large discrepancy between actual and intended outcomes is what the crisis in planning is all about.

IV. TOWARDS A MORE RESPONSIVE POLITICAL ECONOMY

It has already been noted how, even though accepting that political factors are at the root of the crisis in planning, many economists still propose solutions that are essentially administrative or organizational in nature. This situation leads Killick to wonder whether it might not be that «the concept of development planning is one that could not, with the best will in the world, be built into the process of government because «politics isn't like that» (8). But we would rather simply argue that what is needed is for proposals embodied in development plans to be adapted to the specific environment in which they must be applied. In other words, if the crisis in planning has arisen largely from the attempt by economists to re-shape the world of government in their own image, what is needed is not to jettison the concept of development planning as such, but to re-shape the planning process to fit the world of government. The problem then is to determine how best to incorporate the realities of governmental decision processes in a given political system into the planning process.

The ideal solution to the problem for public policy raised by the economists' tendency to make naive behavioural assumptions would be for economists themselves to develop appropriate tools for the serious study of the relevant patterns of behaviour. This, however, would at best be a long-term solution. A short-term solution would seem to be to adopt a «task-force» approach in dealing with complex national policy issues. Here, a group of social science specialists armed with a variety of insights from their different disciplines, contribute simultaneously to the solution of a given problem. This approach, in principle, sounds eminently reasonable; in fact, it would be difficult to think of a better substitute for the ideal but unattainable state of a single expert possessing multi-disciplinary omni-science. But as a practical matter, it is doubtful whether this approach, even though it would obviously be effective in areas such as foreign policy, can fully resolve the crisis in planning.

It will be generally agreed that as far as development planning is concerned, there exists among the various branches of the social sciences considerable vertical distances in terms of both the interest shown in the subject matter and the level of abstraction embodied in the analytical tools designed for dealing with it. In these circumstances, a group of specialists operating at different analytical wavelengths would simply be talking at cross-proposes, and thereby probably compounding the element of fantasy in development planning. What is left then is the purely pragmatic approach whereby the development planner himself looks at the research findings of other social scientists with respect to governments and decision processes, selects whichever he believes to be most appropriate to his particular environment, and designs his plan proposals accordingly.

V. IMPLICATIONS FOR PLANNING IN NIGERIA

To apply the foregoing pragmatic approach to Nigeria, consider, in contrast to the «planners» model, the following generalizations based on the conclusions of political scientists and sociologists who have studied governments and decision processes in less developed countries, but which conclusions are not necessarily meant to apply over the entire spectrum of these countries: (a) that «far from being monistic, society is marked by considerable differentiation and severe tensions caused by differences of religion, caste, tribe, language, regional origin, education, and rather extreme inequalities of income and wealth», (b) that given a fragmented society in which politics are an arena for competition between rival interests, political actors will tend to promote particular rather than general interests. Given also the desire to obtain the intrinsic rewards of holding office, policies may be formulated as a means of holding office, rather than it being that office is sought in order to pursue preconceived policies and (c) that given a situation of very incomplete knowledge about the workings of the economy, particularly about the extent to which the actual repercussions of given policies may deviate from the intended effects, politicians will prefer to be vague about economic objectives or even to deliberately disguise their true objectives (9).

The above, and the fact that «governments' effective range of choice will be constrained by the capacities and preferences of public agencies», lead to the conclusion that:

Decision making in the face of major social divisions becomes a balancing act rather than a search for optima; a process of conflict-resolution in which social tranquility and the maintenance of power is a basic concern rather than the maximization of the rate of growth or some such. Indeed, one of the further implications of the foregoing is that economic objectives including development, are likely to come lower on the pecking order of government concerns than the case for development planning implicitly assumes. The maintenance of government authority and social peace will tend to be the dominant themes, with the adoption of a development objective conditional on the extent to which it furthers these higher priority, «non-economic» concerns. Yet another implication is that consistency is not necessarily to be taken as a norm of the rationality of government policies, for the maintenance of authority and the balancing of competing groups may well force governments to twist this way and that, simultaneously or sequentially pursuing apparently contradictory policies (10).

The foregoing generalizations may, for convenience, be referred to as the «competitive» model of politics. That they are more relevant and applicable to the Nigerian situation than the «rational actor» model will not be disputed by many. Events in the country since independence, including several rigged census and election counts, and culminating in a

bitter and protracted civil war, which events need not be elaborated here, speak for themselves about the degree of social fragmentation, and the propensity of political actors to engage in the politics of *aggrandizement* and sectionalism. Regarding the preference of politicians for «qualitative» over analytical thinking, Father O'Connell has noted the «anti-chrematistic biases» of segments of the «political class» in the country (11). As for the military who have been in power since just before the civil war, their understandable tendency to place the «peace and unity» of the country above everything else is also common knowledge.

What are the implications of these conclusions for planning in Nigeria? This question can only be answered against the background of some understanding of the scope and purposes of planning in the country. Systematic planning of the Nigerian economy started in 1946 with what was intended to be a ten-year «Colonial Development and Welfare Plan». With the introduction of a federal system of government in 1954, this was replaced by the 1955-60 Plan, later extended to 1962. But these were all essentially «colonial» or «public sector» plans.

Comprehensive planning, using a well articulated system of national accounts, started with the First National Development Plan, 1962-68. This plan called for a capital investment programme of about N2.4 billion, of which the Federal Government was to be responsible for 63%. This compares with a figure of about 30% for the central government's share of planned investment in 1954, at the beginning of federalism. The 1962-68 Plan was abandoned in 1966 at the onset of the political crisis leading up to the 1967-70 civil war. The war was followed immediately by the Second Plan, 1970-74, which was in turn succeeded by the Third Plan, 1975-80. The latter had a planned investment programme of N30.00 billion, later raised to N42.00 billion, as compared to N3.0 billion for the Second Plan. The Federal government was to undertake 69% and 78% of planned investment in the two plan periods respectively.

The above figures clearly indicate that there has been a sharp and steady increase in the extent of the central government's control of the planning and management functions of the economy since the institution of federalism in the country. What the figures do not show, however, is the considerable difference or intended difference in the quality of federal control of the economy as between the First Plan, on the one hand, and the Second and Third Plans, on the other. Although the Federal government's share of planned investment under the First Plan increased from what it was just before political independence in 1960, even a cursory examination of the Plan document leaves little doubt that the intended role of the central government was to be, as it was in the 1950s, essentially that of coordinating — rather loosely, one might say — the activities of the three Regional governments. In fact, the 1962-68 Plan was in reality three separate National (Regional) Development Plans, each pursuing its own set of basic priorities. The Federal Plan was a loose overlay consisting largely of projects such as the Kainji Dam and Niger Bridge projects which because of either their strategic or geographical nature, or their financial cost, could not be undertaken by the regions.

With the Second Plan, however, the envisaged role of the central government shifted dramatically towards that of a command post in a «command» economy. The First Plan had seen itself as the first in a series

of such plans which would «within a reasonable period of time» enable Nigeria to «be in a position to generate from a diversified economy, sufficient income and savings of its own to finance a steady rate of growth with no more dependence on external sources for capital or manpower than is usual to obtain through the natural incentives of international commerce» (12). The Second Plan, by contrast, explicitly stated the need to go beyond this objective of its predecessor in order to «occupy the commanding heights in the quest for purposeful development» (13), and recognised «the possibilities of using planning as a deliberate weapon of social change by correcting defects in existing social relations in various spheres of production, distribution, and exchange» (14). This plan also for the first time enunciated the five «National Objectives», the first of which was to establish Nigeria as «a united, strong, and self-reliant nation». These objectives, and the recurrent theme of national self-reliance, were re-iterated in the Third Plan.

The «rational actor» model of politics implicit in this new role for the Federal government is unmistakable. The tone clearly suggests the existence of an identifiable and unquestioned single locus of national sovereignty capable of articulating and implementing the collective aspirations of the country. But doubts about the practical viability of this approach begin to suggest themselves once one starts looking at the bold projections which it has inspired. Whereas the level of investment expenditure actually achieved at the end of the Second Plan was less than N2.00 billion, a target of N42.00 billion was set for the Third Plan ending five years later. Even allowing for underspending due to inadequate «executive capacity» — the factor blamed for the failure of the Second Plan, and which was expected to be the limiting constraint during the Third Plan and beyond — an effective target of anywhere around N25.00 billion would still be staggering in comparison with the N2.00 billion which could not be realised for the Second Plan.

The Third Plan document made it clear that it was the comparatively large foreign exchange earnings from crude petroleum that was being relied upon to make possible the stupendous leap from a frustrated expenditure target of N2.00 billion to one of about N25.00 billion within five years. Since the only use of foreign exchange is for the purchase of foreign human and non-human resources, and in view of the great emphasis on the need for self-reliance, the present author was constrained elsewhere to inquire into exactly what a programme of «development through self-reliance» would mean for a country such as Nigeria. The analysis, within the framework of the so-called foreign exchange «gap» model of growth and development, concluded that despite the rhetoric of self-reliance, the present pattern of industrial development in the country was likely to lead to heightened external dependence (15).

What all this suggests is that the very bold conceptions of Nigeria's Second and Third Plans, inspired as they are by an implicit acceptance of a «rational actor» model of politics, are untenable. To the extent that the «competitive» model is more valid for the country, it would follow that State and Local governments would be much more effective than the Federal government as centres for articulating and implementing the aspirations of the citizens of the country. The implication for planning is that

the present attempt at centrally controlled and directed comprehensive planning should be abandoned in favour of a decentralized system based on drastically increased state and local government autonomy.

This call for decentralized planning is of course by now no longer new. Recently, for example, Professor S. Aluko has suggested that State and Local governments be given increased direct access to national resources to enable them provide for their citizens various amenities ranging from secondary highways to higher education. Exclusive federal responsibilities should be limited strictly to strategic services such as defence, inter-state highways, and postal services: the states, «singly or jointly, should be debarred from engaging in economic and social activities only when they threaten the security and continued existence of the federation». «National integration slogans by the functionaries of the Federal government» he added, «should not be used as a smokescreen to stifle the states and the local governments» (16). But Aluko reaches these conclusions as a result of «evidence that increasing economic inefficiency has arisen pari-passu with such centralisation» (17), referring to the trend already mentioned toward increased Federal control of the economy. What is remarkable, therefore, is that this «common-sense» conclusion is supported by our own finding based on a more systematic and explicit attempt to apply a model of politics. For, as Leys has stated, «any useful conceptualisation of the planning process must start from a model of politics» (18).

FOOTNOTES

- (1) Duddley Seers : «The Prevalence of Pseudo-Planning» in M.Faber and D.Seers (eds) *The Crisis In Planning* Chatte & Windus for Sussex University Press, 1972, Vol. I, p. 19.
- (2) B. Van Arkadie «Planning in Tanzania» in Faber & Seers (eds) *The Crisis in Planning* Vol. II, p. 111.
- (3) Tony Killick «The Possibilities of Development Planning» *Oxford Economic Papers*, July 1976, p. 162.
- (4) Charles Hitch «The Uses of Economics» in *Research for Public Policy : Brookings Dedication Lectures*, Washington D.C. Brookings Institution, 1961, p. 107.
- (5) Ibid, p. 107.
- (6) Killick, pp. 166 and 171.
- (7) M. Friedman *Essays In Positive Economics*, Chicago: University of Chicago Press, 1953; Ch. 1.
- (8) Killick, p. 165.
- (9) Ibid, pp. 172–76.
- (10) Ibid, p. 176.

- (11) J. O'Connell «The Political Class and Economic Growth» *Nigerian Journal of Economic and Social Studies*, March 1966, p. 132.
 - (12) Federal Government Nigeria *First National Development Plan 1962–68*, p. 5.
 - (13) *Second National Development Plan, 1970–74*, p. 32.
 - (14) *Ibid*, p. 37.
 - (15) A. W. Obi «Development Through Self-Reliance: Theory, Policy Implications, and the Possibilities for Nigeria», *Nigerian Journal of Economic and Social Studies* (forthcoming).
 - (16) Sam Aluko «Lessons From Three Decades of Development Planning and Strategies for the Future Economic Planning in Nigeria» paper presented at the National Workshop on Planning Strategy for the 1980s; Ibadan, January 1978, pp. 8–9.
 - (17) *Ibid*, p. 7.
 - (18) Colin Leys, «A New Conception of Planning?» in Faber and Seers, Vol. I, p. 60.
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RESUME

La nécessité d'une théorie pour la planification pour le développement dans les pays les moins développés est presque axiomatique. Cependant, on a récemment manifesté beaucoup de désillusion quant aux possibilités d'une véritable planification dans ces pays, désillusion due aux résultats décevants de plusieurs décades de planification. La littérature récente sur le développement a cherché à mettre à jour quelques concepts dans les dimensions plus larges et non économiques de ce problème. Le but de cet article est de faire une analyse critique de ces concepts et de tirer des conclusions par rapport à la planification au Nigeria.