

Development Planning in Nigeria: Reflections on the National Economic Empowerment and Development Strategy (NEEDS) 2003-2007

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ABSTRACT Nigeria returned to democratic rule in 1999 with the enthusiasm to chat new political and socio-economic dispensation. The introduction of National Economic Empowerment and Development Strategy (NEEDS) as a medium term planning strategy was a blueprint for new order. It contains all the envisaged policies and programmes of the federal government for the period 2003-2007 and far beyond, and serves as the fountain of the much-touted Obasanjo's reforms. NEEDS is not only a macro-economic plan document, but also a comprehensive vision, goals and principles of a new Nigeria that would be made possible through four key policies of wealth creation, employment generation, poverty eradication and value reorientation. This paper is a reflection on NEEDS. Using historical and content analysis methods, the paper explores common indices of development planning in the country. It reveals that NEEDS is not different from previous development plans in Nigeria, despite the claims to the contrary. While claiming to be a home-grown plan, it is very much in line with the wishes of the international agents of developed capitalist economies; there is lack of commitment of the leadership in pursuing plan objectives; corruption is still rife and priority in selecting plan projects is still poor. The paper recommends among others, the need for committed leadership, continuity with NEEDS II document, drawing adequate scale of preference in choosing policies and programmes, and determined efforts to break from the crutches of neo imperialist and neo colonial tendencies of the developed countries.

1. INTRODUCTION

Planning is one of the basic principles of administration and about the most critical of its functions since it permeates all others. Development planning therefore becomes a necessary tool used by many governments and organizations to set their visions, missions, goals, and effective means of realizing development through effective direction and control. Development planning has been a consistent phenomenon in Nigerian administration since 1946. Experts, (e.g. Obikeze and Obi 2004; Okojie 2002) however, argue that it has not been as successful as expected. Truly, Nigeria remains an underdeveloped nation occupying a low position among the poorest countries of the world in spite of her tremendous natural and human resources endowment. This points to a distorted planning regime and implies two things: either the correct plan had not always been made or correct plans made were not effectively implemented. Both options seem to be true of Nigeria. As Obikeze and Obi (2004:) noted, "a review of the various plan (sic) clearly shows that, the country is still very far from where it was envisaged it will be today. This is simply as a result of either faulty

implementation of the plan, distortions or even non-implementation".

The Nigerian government has aspired to achieve development through the use of various types of plans, namely short term (Annual Budget), medium and long term plans. The National Economic Empowerment and Development Strategy (NEEDS) is the latest in the history of medium term plans for the country and promises to surmount some of the problems that marred the success of previous plans. As NEEDS enters its final year of possible review in 2007, and the government that initiated it as a plan document hands over to another one, there is need to reflect on some actions and programmes of the government especially as guided, directed and controlled by the plan – NEEDS. This paper while not arrogating to itself the task of evaluating NEEDS, seeks to reflect on how concrete activities and programmes of the Federal government in the period 2003 to 2007 have helped to realize the objectives of the plan. The paper uses secondary data collected on the activities and programmes of the government within the period 2003-2007. The sources of data include the Central Bank of Nigeria documents and other official and non-

official sources namely, books, journals, newspapers, and magazines.

The rest of the paper is organized in five sections. The next section will discuss the concept of development planning. The next reviews the history and problems of development planning in Nigeria. This will be followed by a highlight of the vision, objectives and strategies of NEEDS. The next section reflects on NEEDS key programmes in relation to the government's efforts at realizing them in the period 2003-2007. The last section articulates some recommendations to re-orientate NEEDS and enhance the effectiveness of development planning in the country. It also concludes the paper.

2. CONCEPTUAL ISSUES ON DEVELOPMENT PLANNING

Development planning can be properly understood by separately explaining the concepts of 'planning' and 'development'. Planning has been simply defined as 'deciding in advance what to do, how to do it, when to do it and who is to do it' (Ujo 1994:157 citing Koontz 1980). In Vancevich, Lorenzi, Skinner with Crosby (1994) see planning as embracing all the activities that lead to the determination of objectives and the appropriate courses of action that lead to their achievements. For Cole, "planning is an activity which involves decisions about ends as well as means and about conduct as well as result" (Cole 1993: 109). Cole's definition emphasizes the relationship between planning and results. Plans are meant to achieve specific results; hence planning is not just an issue of determining objectives that are not consciously pursued or means that are never followed. It is therefore a blueprint for action. "it entails determination of control, direction and methods of accomplishing the overall organization *or national* (italics added) objective" (Nwachukwu 1988). Plans must be controlled and directed towards the desired set goals.

Development on the other hand is a word that is difficult to define because of the multifarious contextual usage of the concept. But in its simplest reductionism, the term means improvement or to become more advanced, more mature, more complete, more organized, more transformed etc. Rodney (1969) sees it as a many sided process but defines it in relation to the individual. As he explains, "at the level of the individual it implies increased skills and capacity, greater freedom,

creativity, self-discipline, responsibility and material well-being". Todaro also sees development as a multi-dimensional process but gives a definition that is often considered as the other extreme of emphasis from that of Rodney. He describes development as a multi-dimensional process involving the reorganization and re-orientation of the entire economic and social system. This involves in addition to improvement of income and output, radical changes in institutional, social and administrative structures as well as in popular attitudes, customs and belief (Todaro 1982). Todaro's definition gives the meaning, which the concept of development assumes whenever it is discussed in relation to countries. Development at this level of conceptualisation is often understood in terms of economic development. This does not only signify economic development, but as Todaro notes above, it equally implies improving the social, administrative, political as well as people's cultural attitudes and beliefs that are anti progress. Also, Ibezim (1999: 69) further explains, "economic development does not only involve physical and financial progress but also improvements in the political and social aspects of society".

However, this conceptualisation has some serious implications for a holistic approach to development planning in developing countries. It promotes the idea and practice of equating development planning with economic planning as the economy is usually regarded as the bedrock for a nation's development. Understood this way development planning implies "deliberate control and direction of the economy by a central authority for the purpose of achieving definite targets and objectives within a specified period of time" (Jhingan 2005: 489). But emphasis of purely economic factors in development planning has not been successful in achieving development in the economic sector talk less of the overall national development in developing countries. In such countries, Jhingan notes that the essence of planning is to increase the rate of economic development by increasing the rate of capital formation through raising the levels of income, saving and investment.

Development planning comprehensively involves predetermining a nation's visions, missions, policies and programmes in all facets of life such as social, human, political, environmental, technological factors etc. and the means of achieving them. Economic visions and

programmes cannot be realized without looking at developmental issues holistically, which entails improvement in all human endeavours. In this sense, development surpasses the economic criteria often measured by economic growth indices and must be conceived of as a multidimensional process involving changes in inelastic social structures, destructive popular attitudes and ineffective national institutions as well as the plan for economic growth. Development planning presupposes a formally predetermined rather than a sporadic action towards achieving specific developmental results. More importantly, it entails direction and control towards achieving plan targets.

It is necessary to underscore that development planning is not easy since it deals with many complex and futuristic events. It is in recognition of this that Jhingan (2005) has enlisted twelve points that are relevant to a successful development planning. These are:

- i. having a Planning Commission with adequate organizational structure and qualified experts in various relevant fields like economists, statisticians, engineers etc. dealing with various aspects of the economy;
- ii. availability of Statistical Data which also entails "setting up of a central statistical organization with a network of statistical bureaux for collecting statistical data and information for the formulation of the plan" (Jhingan 2005: 492);
- iii. laying down some objectives or goals which "should be realistic, mutually compatible and flexible enough in keeping with the requirements of the economy;"
- iv. fixation of targets and priorities in relation to the objectives set;
- v. mobilization of resources, i.e. laying down policies and instruments of resource mobilization that will fulfil the financial outlay of the plan without inflationary and balance of payment pressures;
- vi. eliminating possible surpluses or shortages with reference to input-output, demand – supply, production-consumption etc.;
- vii. ensuring incorrupt and efficient administration: This implies having competent and incorrupt administrative staff in various ministries who are capable of preparing good feasibility reports of proposed projects before starting them, gaining experience in planning and starting a project and keeping

it on schedule, amending it in case of some unexpected snags, and embarking on periodic evaluation. Lewis (1954) in Jhingan (2005) believes that it is better for a government that does not possess such qualitative staff to conduct its affairs *lasses-faire* than to pretend to plan;

- viii. having a proper development policy;
- ix. ensuring economy in administration "particularly in the expansion of ministries and state departments";
- x. having an education base that guarantees high ethical and moral standards. Jhingan (2005: 496) believes that "one cannot expect economy and efficiency in administration unless the people possess high ethical and moral values. This is not possible unless a strong educational base is built up whereby instructions are imparted both in academic and technical fields";
- xi. a theory of consumption. Quoting Galbraith (1962), Jhingan explains that development planning should pay prime attention to goods within the consumption level of model income rather than high profile goods that can only be purchased by a few; and
- xii. finally enlisting public cooperation or support without which no plan can be a success.

3. DEVELOPMENT PLANNING IN NIGERIA

Nigeria's development planning could be classified under four phases. These can be described as the Colonial Era, the Era of Fixed-Term planning (1962-85), the Era of Rolling Plan (1990-1998), and the New Democratic Dispensation (1999 till date). There exists between these periods some years dominated by sporadic governmental actions and ad hoc planning in which the country did not actually produce a plan document that could be categorized into the four periods mentioned. These periods represent times of major socio political upheaval and economic crisis that necessitated transitory and sporadic actions from the incumbent administrations.

The Colonial Era

The colonial government was seen as a field administrative organ of the colonial office in London. Hence it was never understood by the colonial powers as a government of its own.

Adamolekun (1986:34-35) clearly explains this fact when he wrote that:

The chief servant of the Crown as far as running of the affairs of the African colonies in the empire was concerned was the Secretary of State for the Colonies.

However, to underline the direct allegiance of each colony to the Crown, one or more of the principal officials of the local colonial government was appointed by the Crown. Thus, the successive Governors of Nigeria between 1914 and 1951 and the Lieutenant-Governors between 1914 and 1931 were Crown appointees.

The obvious consequence of the above was that planning during the colonial period was masterminded from outside the country and thus, was in accordance with the colonial objectives, which is believed by some scholars (Rodney 1969; Obikeze and Obi 2004) to be exploitative. The issue of development planning from inside during the colonial administration therefore became necessary only when the heat of nationalism and the possibility of independence for the country become evident. Thus, it was in 1946 that the first attempt at development planning was introduced. It was a Ten-year plan of Development and Welfare for Nigeria. The plan was purely expenditure-related as its aim was "primarily to guide the allocation of the development and welfare funds made available by the imperial power, Britain" (Adamolekun 1983: 157). Major areas of attention were transport, communication and a few cash crops (Obikeze and Obi 2004). Little attention was paid to developing the productive base and defining a comprehensive development objective for the country. The plan suffered a revision half way through in 1951 and the introduction of a federal structure in 1954 reduced its efficacy. But it continued to guide both the central and regional governments until the launching of the First National Development plan in 1962. Adamolekun (1983) and Ayo (1988) have exhaustively documented the problems that marred the plan. These include poor financial resources for plan implementation, weak formulation and implementation machinery, lack of technical skills by the generalist administrators who prepared the plan, and the absence of clearly defined national objectives.

The Era of Fixed Medium-Term Plans

Within this period, four successful plans were

launched, namely, First National Development Plan (1962-1968), The Second National Development Plan (1970-1974), the Third National Development Plan (1975-1980) and the Fourth National Development Plan (1981-1985). Reasonable commitment was made in the preparation of these plans. Realizing the effect of non existence of a planning commission and the need to prepare the country as an independent country led to the establishment of a National Economic Council in 1955 with the mandate of coordinating activities for economic development of the country. The Council was made of representatives of the Central and Regional governments and was headed by the Governor general up to 1958 when the Prime Minister became the chairman. The Coordinating work of the Council was boosted with the establishment of a Joint Planning Commission (JPC) made up of senior professional administrators drawn from relevant federal and regional ministries and the Central Bank of Nigeria. It is important to mention that even these senior professional administrators *de facto* lacked the technical knowledge and experience necessary for a strategic planning as most of them were young inexperienced civil servants who, by sheer opportunism saw themselves in the high positions they occupy, thanks to the Nigerianization policy recommendation of the Foot Commission of 1948. The envisaged importance of human resource factors in any planning also led to the creation of the National Manpower Board (NMB) in 1962. The complimentary nature of the assigned functions of the JPC and NMB instigated their merging with the Ministry of Economic Development with the responsibility for plan preparation and implementation. The NEC remained the overall political overseer of planning at this period. This was the new institutional framework under which the First National Development Plan 1962-1968 was done (Adamolekun 1983).

It is easily seen by a critical mind that though, a Planning Commission was in place, its members lacked the expertise and the Commission did not have reasonable time to do a thorough job before coming out with the First plan in 1962. Foreign experts were of course invited by the government for assistance, but in a mercenary-like fashion, No attention was paid to public participation in the preparation of the plan. The departure of the foreign experts at the end of plan formulation stage meant that the plan implementation was

entrusted to the few Nigerian technocrats (who had played only a minor role in the plan's formulation) and to the ordinary citizens who had not been involved in the plan formulation exercise at all. All this meant that the chances of the plan being implemented successfully were very limited.

Even the limited opportunity for success was further depleted by the political upheavals and regionalized and ethnocentric politics faced by the new indigenous government that culminated in military take over in 1966 and subsequent 30 months civil war from 1967 to 1970. The war situation called for a radical approach, which included the suspension of the Planning/Implementation organs-the JPC and NEC. The plan remained un-reviewed until 1970. It also remained a perfunctory source of action for the Federal government and the twelve state governments supposedly operational at this period. The plan however cannot be written off entirely. Some of its major projections that laid foundation for the industrial growth of the country were realized. These included the Niger Dam, The Port Harcourt Refinery, The Nigerian Security and Minting plant, the Jebba Paper Mill, The Niger Bridge and The Bacita Sugar Mill. Part of the failure in realizing its projections was increased administrative overheads that saw the percentage of actual expenditure at 19.5% of total expenditure instead of the planned percentage of 7.2%. Also only 15.2% out of the planned 20.9% (National Planning Office) was used for social overhead comprising of Education, Health, Co-operative and social welfare etc., Obikeze and Obi (2004) have blamed the failure of the plan to the civil war which meant that distortions was as a result of channelling resources towards keeping Nigeria together.

The subsequent plan in this era (Second National Development plan 1970-1974) witnessed attempts to rectify some of the shortcomings of the first development plan. The planning machinery was strengthened, the need for public input was recognized by preceding the plan preparation by a national conference on economic development and reconstruction, and the need for inputs from various levels of government, ministries and agencies especially relevant planning agencies like the National Manpower Board and Federal Office of Statistics, and an Advisory Body made up of representatives drawn from the universities, trade union, other ministries and the private sector. The ministry of

Economic Development remained at the centre of plan coordination and preparation while the Supreme Military Council (the government in power still being military) was at the apex of the Planning machinery as it was in charge for the approval of broad national policies. More importantly, the need for comprehensive national objectives to guide development plans were recognized. Five such objectives were spelt out for the second national Plan. These were:

To establish Nigeria firmly as:

- i. a united, strong and self-reliant nation;
- ii. a great and dynamic economy;
- iii. a just and egalitarian society;
- iv. a land of bright and full opportunities and
- v. a free and democratic society.

These national objectives were considered so important that they were included in the 1979 Constitution. Yet their inclusion in the constitution did not actually influence plan implementation as they were only considered as directive and fundamental and not legally enforceable. Abasili (2004: 94) has this to say about them:

- i. the directive principles are not legally enforceable by any court of law
- ii. the state cannot be compelled through the courts to implement and fulfil their fundamental obligations
- iii. the fundamental objectives are 'pious wishes' devoid of constitutional significance
- iv. the non-justiciable nature of the directive principles makes them superfluous and irrelevant.

Thus, the guiding principles, which became increasingly recognized from the Second Plan, did not correct plan distortions and slippages. Apart from their vagueness, it did not actually achieve its rationale of directing the programmes and budgets of various administrations. Part of the problems remained lack of the will to perform, lack of finance, corruption, monocultural oil economy etc.

The serious impact of a monocultural economy in which over 90% of the government's source of revenue upon which development plans were based became more critical from the Third and Fourth National Development Plans. In the Third Plan for instance, the government could only spend N29.43 billion out of the projected expenditure of N43.31 billion as reviewed. While in the Fourth Plan, only N17.33 billion was actually spent out of the planned total expenditure of

N42.20 billion. Okojie (2002) shows an analysis of Nigerian economic (GDP) growth rate of 5.1%, 8.2%, 5.0% and 1.2% for the First, Second, Third and fourth fixed term planning periods respectively. But the truth indeed is that planning in Nigeria markedly showed increasing developmental crisis that climaxed with the Fourth plan. Development planning was meant to control the future. But within this era, plans were rather overwhelmed by the future and external events especially the fluctuations of oil pricing, which even happened in some cases immediately after the launching of the plan. The 1981 production decline from 2.1 million barrels per day that climaxed in less than one million barrels per day by February 1983 started immediately after the launching of the Fourth plan in 1981. The obvious explanation was that adequate forecast was not made by the planners. The fixed term planning system did not improve the development planning and was found to be inappropriate for un-stable national and international political, economic and social events in the period. Okojie aptly remarked that:

At the end of the four plan periods, the foundation for sustainable growth and development was yet to be laid. The productive base of the economy and sources of government revenue were yet to be diversified. The economy did not have its own driving force and was therefore highly susceptible to external shocks (Okojie 2002: 362).

The Rolling Plan Era (1990-1998)

By 1986, the development planning in Nigeria had hit the rocks. The huge deficits of the third and fourth plans had pushed the country's external debts to about \$22 billion. Nigeria's creditors necessarily had to be involved in her planning if further debts rescheduling had to be obtained. Thus came the introduction of Structural Adjustment Programme (SAP), which was basically a 'reform therapy' from the World Bank and International Monetary fund (IMF). SAP was only an economic emergency programme expected to last for two years. But its programmes were too radical to be realized within such a short time. SAP underscored a shift from project-based to policy-based planning system, and emphasized a private-sector-led economy rather than the prevailing public sector-led philosophy that had inspired previous plans. SAP

also presented opportunity for reevaluating the planning system for the country as the fixed medium term planning system had failed.

A three tier planning system was to succeed SAP. The new proposal consisted of:

- i. a 15-20 year Perspective or Long term Plan;
- ii. a three-year Rolling Plan; and
- iii. an Annual Budget that will draw from the Rolling Plan (Okojie 2002).

The perspective plan was to identify long term policies upon which the rolling plans and the annual budgets will derive their medium and short-term programmes respectively. It is necessary to point out that the spelling out of some national objectives, as the foundation for plans that started with the Second Fixed term plan was very much like doing the work of a perspective plan. However, the idea of a perspective plan was a significant innovation as it ought to be more elaborate and specific than the national objectives that were criticized for being vague (Okojie, 2002) and having no constitutional significance (Abasili, 2004) nor administrative utility for the implementation of plans. The preparation of a perspective plan that was to take effect from 1990 together with the rolling plan did not take place until 1996 when Abacha set up the Vision 2010 Committee. The main report of Vision 2010 submitted to the Abacha government in September 1997, among other things, recommended that 'the Vision should provide the focus for all plans, including long (perspective), medium (rolling) and annual plans (budgets)' (Adubi 2002: 65). It became in effect the first perspective plan for the country, even though it seemed to have died with Abacha in 1998.

The three-year rolling plan became effective from the 1990 with the initiation of The First National Rolling Plan, 1990-1992. The essence of the rolling plan was to afford the country the opportunity of revision in the midst of increasing socio-political and economic uncertainties. But preparation of medium term plans turned out to be a yearly event and became almost undistinguishable from the annual budgets. Okojie concludes that

Rolling Plans have been prepared yearly at all levels of government including the local government level. At the end of about ten Rolling Plans, from 1990 to 1999 [italicised words added], Nigerians are no better off than they were during the years of fixed medium-term planning (Okojie 2002: 366).

With the coming to power of a new democratic

power in May 1999, there were high expectations that things were bound to change regarding development planning in Nigeria since the military rule was partly blamed for plan failures especially as it concerned constant change of governmental administrations that led to inconsistency in plan formulation and implementation, and absence of democratic means of control that will likely guarantee more responsibility in governance.

The New Democratic Dispensation (1999-2007)

Democratic governance returned to Nigeria in May 1999 with the swearing in of President Olusegun Obasanjo on the platform of Peoples Democratic Party. This was after long military rule that ran from 1966 to 1999 with a brief interlude from 1979 to 1982, and a few months Interim National Government headed by a civilian in 1983. The new administration started development planning in 1999 on a clean slate with the initiation of a four-year medium term plan document, the National Economic Direction (1999-2003). The plan had the primary object of pursuing a strong, virile and broad-based economy with adequate capacity to absorb externally generated shocks. While being a new plan document, the objectives and policy direction was not significantly different from that to which the country has followed since the introduction of SAP. According to Donli (2004: 69),

The new plan was aimed at the development of an economy that is highly competitive, responsive to incentives, private sector-led, diversified, market-oriented and open, but based on internal momentum for its growth.

The plan did not achieve much of the articulated programmes of deregulating the economy, reducing bureaucratic red-tapism in governance, creating of jobs, alleviating of poverty and providing welfare programmes and infrastructure such as water, improved health care, electricity and roads. Despite the huge resources garnered from improved oil pricing, sale of privatised government enterprises, and recovered loots from the Abacha family and its cronies, Nigeria went further down the rungs of impoverished nations. Today Nigeria ranks among the fifteenth poorest country in the world despite her position as the 6th among the Oil producing countries of the world. Oil- the black gold- being reckoned as one of the highly priced natural endowments in the

world today, Nigeria by all standards supposes to be rated highly in the committee of wealthy nations.

When the PDP government got a second opportunity by virtue of being re-elected in 2003, it saw the need to have a rethink on the issue of development planning. It realized the need for a comprehensive socio-political and economic reform of the country since no plan can succeed in Nigeria if it continued to be business as usual. This intent to bring radical changes in the way things are done gave birth to the National Economic Empowerment and Development Strategy (NEEDS).

4. NEEDS- VISION, OBJECTIVES AND STRATEGIES

NEEDS is described as Nigeria's plan for prosperity. It is a four-year medium term plan for the period 2003 to 2007. NEEDS is a federal government plan, which also expected the states and local governments to have their counterpart plans- the State Economic Empowerment and Development Strategy (SEEDS) and the Local Government Economic Empowerment and Development Strategy (LEEDS) respectively. It is a comprehensive plan that seeks to include not only all levels of government towards moving in the same direction, but also seeks all and sundry namely, the private sector, the Non-Governmental Organizations (NGOs) and the general public in cooperative activity in pursuit of developmental goals. NEEDS as a plan contains all the envisaged policies and programmes of the federal government for the period 2003-2007 and far beyond and serves as the fountain of the much-touted Obasanjo's reforms. NEEDS is not only a macro-economic plan document, but also a comprehensive vision, goals and principles of a new Nigeria that would be made possible through re-enacting core Nigerian values like respect for the elders, honesty and accountability, cooperation, industry, discipline, self-confidence and moral courage. As established in NEEDS document,

NEEDS wishes to significantly eradicate poverty in Nigeria. It aims to create a Nigeria that Nigerians can be proud to belong to and grateful to inhabit, a Nigeria that promotes self-reliance, entrepreneurship, innovation, rewards hard work, protects its people and their property, and offers its children better prospects than those

they may be tempted to seek in Europe or the United States (*National Planning Commission and Central Bank of Nigeria 2005: 4*).

The primary goal of making Nigeria a 'promised land' would be realized according to NEEDS through four key strategies of wealth creation, employment generation, poverty reduction and value reorientation. The linkage of vision, objectives and strategies of NEEDS are adequately represented in the diagram below adapted from the NEEDS document.

The above figure portrays a macroeconomic weighing balance in which the vision, values and principles of development will be achieved if the goals of wealth creation, employment generation, poverty reduction and value reorientation are

pursued through empowering the people, promoting private enterprise and changing the way government does its work. Each of the four key strategies of NEEDS embodies numerous other strategies, policies and programmes.

5. NEEDS VIS-À-VIS GOVERNMENT'S POLICIES IN 2003-2007: A REFLECTION

Commenting on the gains of NEEDS, the *CBN Annual Report and Statement of Accounts (2005: 34)* states as follows:

The policy thrust of NEEDS focused on empowerment, wealth creation, employment generation and poverty reduction, as well as value reorientation. Under NEEDS, substantial progress

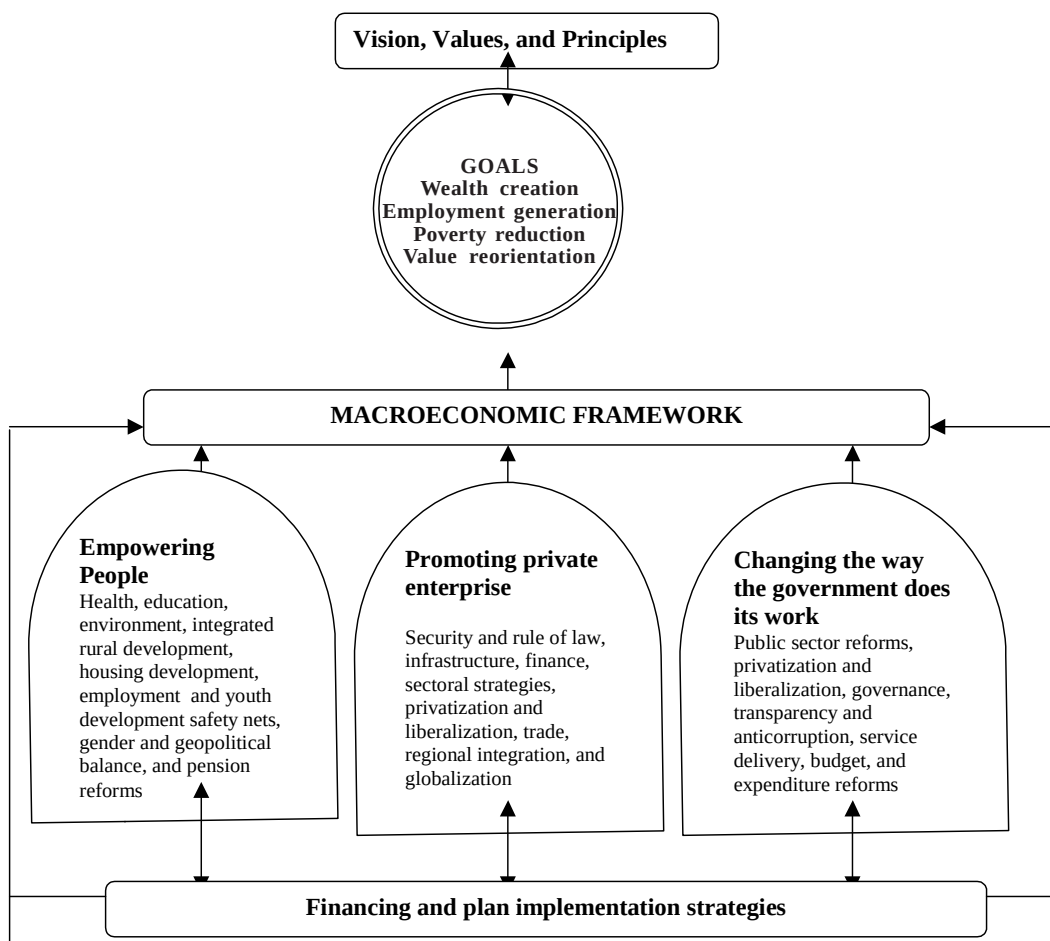


Fig. 1. NEEDS at A Glance

Source: National Economic and Empowerment and Development Strategy (NEEDS), (2005: 5).

was made in the implementation of structural reforms, including a comprehensive banking sector consolidation programme, growing the non-oil sector, liberalization of Nigeria's import tariffs regime transactions, introduction of a Wholesale Dutch Auction System (WDAS) for foreign exchange, fight against corruption, and restructuring and privatising state-owned enterprises, in order to improve the environment for private-sector led growth and increase investor's confidence.

Economists, especially government loyalists may well give us figures to justify the success of NEEDS as the CBN governor has done recently. In the National Business Forum organized recently in Abuja, he has made a hilarious presentation of all the indices of growth of the Nigerian economy markedly achieved by the administration of present Obasanjo between 1999-2007. We recognize that the administration has contributed to the recalcitrant efforts to develop the country, especially in changing the structure of mixed economy ideology to the market-driven or private sector led economy. But assessing the government through its achievements of NEEDS' core objectives seems to portray the government no different from the previous ones in ways and manner of pursuing and realizing the ideals of her development plan.

It is opined that the acclaimed achievements of the government through manipulation and propagation of economic growth indices contrary to the commonsensical impact of the administration's policies and programmes on the standard of living of the people increasingly make our data questionable. Professor Eghosa Osagie laments on this approach to economic analysis when he writes that:

Ideological confusion and mystification encouraged by naïve ideologies have successfully diverted attention from real issues to peripheral and esoteric cliché-ridden polemics along narrowly focused dogmatic lines. This attitude to analysis of economic phenomena in Nigeria tends to produce simplistic solutions to problems which give the impression that either economists are unrealistic in their analysis or their tools of analysis are suspect and unreliable (Osagie 2007: 9)

The truth remains that the government has not achieved much of the professed objectives of NEEDS which are employment generation, poverty eradication, wealth creation and value

reorientation, in any significant measure, in the medium term. If anything, the impact has not been evident on the general well being of Nigerians.

Poverty eradication strategy includes improved education system to give half of Nigeria's people who are children opportunity for a prosperous future; improving the health care delivery system with emphasis on HIV/AIDS and other preventable diseases such as malaria, tuberculosis, and reproductive health-related illnesses that threatens the country's productive capability; to initiate laws and programmes that will empower the vulnerable such as woman, children, the disabled, the retirees/pensioners and the elderly; implement projects such as reliable electricity and better-maintained network of roads that will encourage businesses to sprout and expand to the benefit of many (NPC & CBN 2005). Despite the statistical claim by the Nigerian Living Standard Survey that the incidence of poverty has declined from 70% in 2000 to 54.4 per cent in 2004 (CBN 2005: 76), nothing concrete can support the authenticity of this claim. The increasing level of poverty in the country has defied whatever measures initiated by this regime. The continued drift of Nigerian youths abroad, which has been one crucial index of the economic downturn in the country, has continued unabated. The realization of the poverty eradication plan is yet a far cry. Special programmes and infrastructure through which the government hopes to empower the citizens especially the most vulnerable ones have not been efficiently provided. Poverty alleviation programmes especially the National Poverty Eradication Programme (NAPEP) set up by the government has performed sub-optimally. Nnadozie (2003) has shown that not much has been done by various schemes of the programme to eradicate poverty, as funds allocated to the agency are too small to create any significant impact in addition to other militating problems. For instance, in 2005 approximately N500.0 million was disbursed to 120,000 people to enable them set up small enterprises (CBN 2005). This is approximately N4200 each if the entire fund were distributed to participants. In the first place what is the percentage of 120000 people to a country of 140 million where about 70% suffer from abject poverty? Also, how many will likely succeed in starting any sustainable business with the meagre sum of N4200?

NEEDS strategy of wealth creation and by implication, employment generation and poverty

reduction, is through the empowerment of the people and promotion of private enterprise. The NEEDS document asserts:

By allowing the private sector to thrive, NEEDS creates opportunities for employment and wealth creation. It empowers people to take advantage of these opportunities by creating a system of incentive that reward hard work and punish corruption, by investing in education, and by providing special programmes for the most vulnerable members of the society (National Planning Commission and Central Bank of Nigeria, 2005 :6).

Empowerment policies would be on such vital areas as tackling social exclusion, housing, health care, education, skills acquisition, protecting the vulnerable and promotion of peace and security. The core of this strategy is to fight poverty, which the plan recognizes as being multidimensional. It does not only involve measures to improve incomes but also to tackle social and political factors that lead to poverty. Wealth creation is therefore intrinsically linked to the strategy of employment generation. To what extent this goal has been attained by NEEDS is a matter of conjecture. While Nigeria's wealth has risen within the period of NEEDS as a result of better oil prices in the international market induced by the Middle East crisis, favourable terms of trade and substantial debt relief granted by the Paris Club, it is not obvious that the average Nigerian benefited from this wealth increase. Within the period of NEEDS 2003-2007, Nigeria's Annual budget crossed the threshold of billions into trillions of Naira, but the Per Capita Income of Nigerians falls into the one dollar per head level of the poorest countries.

Education, by which it is hoped to empower the citizens, has witnessed increase in educational institutions both at the primary, secondary and tertiary levels. The universities has increased from about forty in 1999, and mainly belonging to federal and state governments, to about 89 in April 2007, with greater private sector participation. However the cost of education where average private university charges fees as high as two hundred and fifty thousand per session puts a limit to the number and class of citizens that can have access to such education in a country where over 70% of the citizens are poor. Empowerment of the people will necessarily lead to employment generation. The promotion of private enterprise by providing an enabling environment through

ensuring security and rule of law, provision of necessary infrastructures such as electricity, good network of roads etc., liberalization of markets, deregulation and provision of strategic support in terms of finance and other supports to the productive sectors such as agriculture, industry (especially small and medium scale enterprises) and service sector (e.g. tourism, arts and culture, information and communication technology, oil and gas, and solid minerals) were measures through which the plan hopes to generate employment.

NEEDS promised creating about seven (7) million jobs by 2007. But the truth is that most policies pursued by the government within the period were anti-employment rather than employment generating. In the bid to reform government institutions thousands of employees have lost their jobs. The Central Bank of Nigeria alone severed 804 employees through mandatory retirement in 2005 alone (CBN 2005). The bank consolidation exercise that saw the convergence of 75 out of the 89 existing banks in 2004 to only twenty-five and 14 failed ones by end of 2005 witnessed the throwing into the unemployment market thousands of retrenched bank workers resulting from mergers and acquisitions. The same process is being witnessed in the microfinance and insurance sub-sectors where stringent capitalization requirements may by the end of this year push out many existing community banks and insurance companies out of business. Yet the private sector especially the manufacturing sub sector is not any ready to start absorbing these excesses as the cost of production has continued to be high due to gross infrastructural inadequacy, making the employment situation even worse.

The issue of infrastructure development as projected by NEEDS failed to achieve much impact. Electricity, which coincidentally, was a major policy choice area of the government, rather than show improvement, seemed to have declined tremendously. Using the 2005 situation, CBN (2005: 72) informs that "the quantum of electricity generated declined in 2005. At 2.687.1 megawatt hour (MWH), aggregate electricity generation fell by 2.8 per cent". By 2007 the decline of electricity in the country has reached a crisis dimension that Tunde Akingbade describes the story of the Power Holding Company of Nigeria thus:

The story of PHCN in recent months is not only pathetic; it is horrible and laced with comedy. The blackout which the power organization has

become synonymous with, has raised fears about attendant health effects (Akingbade 2007: 9)

The health effect may be considered minor to the overall economic effects especially as concerning the promotion of small businesses, industries and the entire manufacturing sub sector. Despite the huge budgetary allocation to the sector, which, though led to the commissioning of some power projects by the administration, Adegboyega (2006: 12) notes that “we have to look beyond the Obasanjo reform package if we must get out of the power quagmire”.

NEEDS recognises the bad international image which Nigeria had prior to the restoration of democracy in 1999 and the fact that advancement can only be possible through acceptance by Nigerians of lasting values. It articulates policies and programmes aimed at creating:

A new Nigerian citizen who values hard work, self-actualisation rather than dependency and who realizes that one cannot have something for nothing. Achieving this aim may be the strongest action Nigeria can take to build a better future for its people (NPC & CBN 2005: 3).

It undertakes primarily to fight corruption and graft, nepotism, favouritism and to re-instil the virtues of honesty, hard work, discipline, and patriotism. Needs emphasizes public sector reforms to institutionalise transparency, accountability and to have a small or moderate bureaucracy. This is to position the government machinery as the facilitator of development. Hence, if trust is restored in government institutions, it will be in a position to regulate other sectors and also be better positioned to render essential services to the citizenry.

In contrast to this objective many agencies were added to the already bloated public sector to fight fraud, financial crimes and corruption. These include the Economic and Financial Crimes Commission (EFCC), the Independent Corrupt Practices Commission, the Procurement and Due Process Unit, the Code of Conduct Bureau, the Extractive Industries Transparency Initiative (EITI) etc. Multiple Bills have been introduced and passed to reform and initiate responsibility, accountability and fiscal discipline. These include the Fiscal Responsibility Bill targeted at all government ministries and agencies, the Competition and Antitrust Bill, Public Procurement Bill and many more. But what is the significant reduction in contract inflation in government? Who are the true owners of the privatised state

owned enterprises? Why has Nigeria continued to feature among the world’s most corrupt countries by Transparency International rating? These questions and many more are rhetorical and do not negate whatever achievements made by NEEDS. But it goes to show that its objectives as a development plan are still inconsequentially realized.

As a medium term plan, most of the goals of Needs ought to be significantly realized before the exit of the Obasanjo administration in May 2007. But the truth remains that NEEDS is more of a long-term plan than a medium and short-term plans as most of the key objectives are still plans on paper. The federal government is already hoping on the NEEDS II document that will initiate the phase two of the plan as a solace. Timiebi Koripamo-Agary, an official of the Ministry of Labour, in an interview with journalists, believes “that the NEEDS II document will come up with concrete strategies to address the issues of employment and job creation” (Vanguard, April 27: 25). The NEEDS II document presented to stakeholders in Lagos on May 3 2007, “demonstrated that so much has been put on paper to grow the economy but this has not translated to rapid achievement” (Kolapo, 2007). All in all, the government has admitted the failure of NEEDS to achieve significant results in the medium term. As reported by Ogefere (2007) the Minister/Deputy Chairman of National Planning Commission, the coordinating institution for NEEDS programmes, Senator Abdullah Wali, admitted that NEEDS has a lot of challenges. According to Ogefere (2007: 20)

The major challenges were not only in the areas of infrastructural crisis but also high poverty level and high dependence of nation’s economy on oil exports. Others include low contribution of secondary activities to yearly gross domestic product (GDP), low aggregate demand, high cost of production, high rates as well as high import dependence of the economy, especially on capital and intermediate goods import.

5. THE MISSING LINK IN DEVELOPMENT PLANS: REORIENTING NEEDS’ IMPLEMENTATION

This section serves as a recommendation to how the federal government can improve its achievement of the goals of NEEDS, and as a matter of fact, subsequent development plans in

the country. We have discussed vital problems that marred planning in Nigeria and have equally presented expert's opinions on what makes for an effective development planning on other sections of this paper. However we want to pinpoint few factors, which we consider as the missing link of development planning in the country that needs to be properly addressed.

Firstly, we remark that plans are perfunctory obligations that have never seemed to guide governmental actions in Nigeria. When a government draws a plan and the actual programmes and policies pursued markedly differ from the plan projections, it shows that either the plan was not realistic or that the government was not committed towards the plan. There is need therefore, that the government should see its plan as a work guide and do its best to prepare plans that cannot be rendered useless by future exigencies.

Secondly, the government is a going concern. So also are her plans and policies. NEEDS have been acknowledged to be a plan document well articulated to give direction to Nigeria in the pursuit of her development goals. But like other previous plan documents, the problem has not been with the plan as formulated but on how best to implement and achieve the goals. Thus, a major problem remains the issue of good leadership for the country. Osagie (2007: 2) remarks that

When national economic leadership has as its overriding goal improvement of national welfare and quality of life, as indeed is the case in Japan, South Korea and China, it constitutes part of the team in the quest for workable solutions to complicated national problems. When however, it chooses to be self-centred, it unfortunately becomes part of national economic problems. Countries saddled with a myopic economic leadership are trapped in a continuous state of economic crisis capable of leading to political collapse in the long run.

Osagie observes that effective leadership is only part of the team in the solution of national economic problems. This implies that effective follower-ship is the other team. But what then is a leader if not the ability to command follower-ship? This is not to undermine the importance of follower-ship but underscores that as teams to the solution of national economic problems, leadership should be the superior team. For as Keith Davis observes, "leadership transforms potential into reality. It is the ultimate act which brings to success all the potential that is in an

organization or nation [*italics mine*] and its people" (cited in Laxmikanth 2002: 166). It cannot be said that Nigeria has not had visionary and enigmatic leaders, but none seemed to be free from corruption charges. And when the leader is corrupt, the political will and the moral right to fight corruption among his officials wane. The best that has been said of Obasanjo's fight against corruption is that it is an instrument of political vendetta and intimidation. The president himself has not been free too from accusations of corruption, which little efforts were made to clear himself. Nigeria therefore requires a leader who will be ready to die fighting corruption and who will not discriminate or condition the corruption fighting agencies on who to go for and not. It is only when we have such a leader can we hope that the government will be committed to its plans with little distraction from corrupt practices.

The next significant problem in realizing the NEEDS objectives is that while NEEDS seems to show-case desirable policies for the country, it is highly propelled towards making the economy dependent on foreign western developed economies. Osagie describes the planning experience of the present government which is based on NEEDS and indeed that of all previous governments since 1982 as "nothing more than cosmetic exercises to mask the dependent nature of the economy, provide additional opportunities for awarding highly inflated contracts and favour particular interests of those in power at any particular time." Thinking in line with Osayinmwense (1983), he describes the economic policies of Nigeria since 1978 till 2006 as Facile solutions calling for reduction of government expenditure, retirements of public sector employees, and the introduction of austerity measures and regulations of international trade transactions (Osagie 2007: 16).

Despite the effects and inevitability of globalisation, there is no doubt that a sincere effort toward national economic development must be based on some kind of isolationism from the harmful relationship of international trade especially with the West. Nigeria must sift from advise of International agencies those that will benefit her economy like China did recently when it was advised to appreciate her currency in relation to the dollar. The recommendations of World Bank and International Monetary Fund, which anti imperialist writers have continued to see as agents of neo imperialism against develop-

ing countries, must be analysed locally. The prospects of economic growth must be married to the welfare of the citizens in real terms. It is obvious from history that the economic development policy recommendations of these neo-colonial international agencies have only brought untold sufferings rather than the dangled economic prosperity.

Another important recommendation that will lead to realising the objectives of NEEDS in the shortest time possible is the importance of doing the first things first. Most developing countries are too desirous of development that they believe it can be achieved in a twinkling of an eye. Hence, so many things including things that ought to come latter are done at the same time or even earlier than programmes that ought to come latter. For instance, it is not doubted that energy and other infrastructure facilities such roads, railway, water etc are vital for optimal production of industries. Thus any effort made to improve the capacity of industries without first addressing the problem of infrastructure will hardly work. When factories continue to operate at high capacity because they have to depend on self-generated power, which is worsened by high cost of petroleum products, the tendency will be that the cost of imported goods will continue to be cheaper than that of the local industries. This naturally encourages production of inferior products that cannot withstand competition with foreign goods or total closure from production by the local industries.

On a related dimension, retrenchment of public sector workers where the private sector has not developed to absorb excess labour from that sector is a deliberate plan by government to worsen the unemployment situation and create poverty. Our policy planners must therefore have a worthwhile scale of preference and opportunity cost in designing development plans and choosing programmes. Otherwise trillions will continue to be spent without seeing the impact. In such circumstances, only sabotage can become the culprit.

6. CONCLUSION

NEEDS as a development plan has not really done better especially in the actual implementation than previous development plans in Nigeria. The four key objectives of employment generation, poverty reduction, wealth creation and

value reorientation are indeed attractive issues to be the crux of any worthwhile development plan. But their achievement in the medium term from 2003-2007 by the Obasanjo administration remains a wishful thinking. It is only through committed leadership, continuity with NEEDS II document, drawing adequate scale of preference in choosing policies and programmes, and determined efforts to break from the crutches of neo imperialist and neo colonial tendencies of the developed countries which is piloted by International agencies like the World Bank and IMF, can Nigeria hope to achieve the objectives of her development plans.

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