

DEVELOPMENT PLANNING

Development planning refers to deliberate/organized, conscious and continuous effort by government to influence/ direct and control the use the scarce resources/ to control various variables in the economy to achieve pre-determined social, economic and political objectives within a specified period of time.

(From the definition planning involves the following: objectives to be achieved, the objectives must be specific and well defined, must have a time frame within which results are expected, must define and implement strategies to achieve the objectives). It is a process of decision making that aims at economizing scarce resources and accelerating the rate of economic, political and social development/progress.

A development plan refers to a set of strategies intended to influence/ direct and control various variables within the economy to achieve pre-determined social, economic and political development goals of a country within a specified period of time. **OR** *A development plan is a written document containing policy decisions on how resources are to be directed and controlled in different sectors in order to achieve predetermined social, economic and political objectives/goals in a specified period of time. (In most countries the national budget is the basic document that shows the public how the government is to allocate resources as a means of influencing economic variables)*

Economic (development) planning

Refers to a deliberate and conscious effort by the government to influence, direct and control economic decisions and principle economic variables/economic activities to achieve specified/predetermined economic objectives in a specified period of time.

Note: **An economic plan** is a set of quantitative economic targets to be attained in a specified period of time using a stated strategy. OR it is document detailing

policy decisions on resource allocation aimed at attaining a given set of goals over a given period of time.

Objectives of development plans

1. To achieve rapid economic growth within the economy.
2. To ensure equity in the distribution of the benefits of economic growth like incomes—so as to reduce income inequality.
3. To achieve balanced regional development.
4. To eradicate ignorance, poverty and disease.
5. To achieve full employment level within the economy.
6. To achieve an integrated and self—sustaining economy.
7. To reduce balance of payment problems/ to improve the balance of payment position.
8. To control the rapid population growth rates
9. To build a free and democratic society.

Features of a good development plan

1. **Comprehensive.** It should cover all the sectors and regions in the economy (and should cover both rural and urban areas)—to allow forward and backward linkages among them (since most sectors are interdependent).
2. **Should be socially relevant,** it should to address the problems and aspirations of the people in order to encourage participation of the masses in a development effort/ its implementation.
3. **Feasibility.** The project should be economically, politically and administratively viable (*practical/workable*) i.e. it should be fit for the prevailing social, political and economic conditions (for example economically the resources to implement it should be available).
4. The plan **should be politically acceptable,** if it is to be successfully implemented. This is because it is the politicians who finance the plan and if it does not reach their expectations then it will not be funded.
5. **Consistence.** The plan should be in harmony (in line) with the available resources (*physical, human and financial*) and all sectors of the economy i.e.

should try to balance targets and available resources. Therefore plans should be realistic and achievable.

6. **Compatibility.** Planners have to ensure that the development of one project should facilitate the development of another project i.e. the projects should enhance one another,(instead of interfering with the development of other sectors/ projects)
7. **Sequencing.** The projects should follow a connected line of events/ a particular order such that projects of primary importance should be established first (order of priority).
8. **Proportionality.** The plan should involve allocating of the resources equitably and rationally among the various projects, sectors, areas etc of a country for them to grow more or less at the same pace. However this should with regard to importance (must minimize imbalances in the economy).
9. **Optimality.** The plan should involve maximum use of the available information and resources to achieve specified objectives and targets (to achieve high rates of economic growth). [*Should direct resources in the best way possible so that the economy can get the best out of its resources*].
10. **Should be relatively simple and specific.** The plan should have clear objectives which are easy to measure such that the implementers easily make evaluations.
11. **Should be internationally acceptable/ relevant.** It should consider global issues like the prevailing international market prices, policies of donor agencies, pollution standards among others.
12. *The expected benefits should exceed the anticipated costs (cost-benefit analysis)
13. *Rationality. Planning should allocate resources to different sectors in accordance to significance to the economy. More resources should go to the sectors which are more important such as agriculture which is the backbone of most developing countries.

Rationale / need for economic development planning in developing countries (Reasons for)

1. ***The need for proper allocation of resources/ to ensure optimal allocation and use of scarce resources.*** Since resources are scarce relative to their demand it is necessary to allocate to the most productive projects or priority sectors to be used more efficiently/ maximize gains.
2. ***To reduce income inequality/ to ensure equitable distribution of income and wealth.*** Proper planning ensures that proper policies are implemented to redistribute income among citizens such as fiscal and monetary policies—like progressive taxation policy. This in turn increases aggregate demand.
3. **** To ensure balanced regional development.*** Planning harmonizes the growth of various regions and sectors by properly allocating the available resources such as by developing basic infrastructure hence promoting the development of the entire economy.
4. ***To address/ reduce the wide spread unemployment in developing countries.*** Plans are designed to employ all resources. Planning is needed to minimize labour surpluses or shortages in various sectors. Planning harmonizes the education system with the current demand for labour such as by equipping labour with relevant skills.
5. ***To minimize the defects of price mechanism in resource allocation*** especially during rapid structural changes. It is necessary to guide the activities of the private sector such as by diverting production to the more economically important activities/ essential commodities, avoiding wasteful competition and duplication among others.
6. ***To reduce dependence/To achieve an independent, integrated and self—sustaining economy.*** Economic planning reduces various form of dependence and also checks foreign interests which are not in line with national interests. For example the skilled manpower dependence reduced by appropriate manpower planning, import dependency reduced by adopting import substitution strategy.(planning helps in building an independent , integrated and self-sustaining economy)

7. ***Economic planning is undertaken as a prerequisite/ pre-condition (requirement) for foreign aid/ to solicit for foreign aid.*** The plans are presented to donors –hence acquiring loans, grants, technical aid. A good plan attracts funding from donor countries, international financial institutions and other agencies like World Bank, IMF as a way of guaranteeing proper accountability regarding the use of the aid. A good development plan also attracts foreign investors since they get to know the direction the country is taking.
8. ***To reduce/correct balance of payment problems.*** Planning enables import substitution industries (which produce formerly imported goods locally) to be set up to reduce on imports and hence reduce foreign exchange expenditure. Alternative planning facilitates the establishment of export promotion industries which increases production for export thereby increasing the foreign exchange earnings.
9. ***To develop non-profitable and risky projects which have great potential for economic profitability.*** These are large and risky projects which the private sector would not be able to finance such as construction of roads, railways and public medical facilities which are undertaken by the public sector. *(To identify suitable areas of public and private investment).*
10. ***To encourage public participation in the development process/ to solicit public support.*** Through planning the government exposes its good projects/ ideas to the public to encourage them to participate in the economic development process. People support a government whose plans and programs are clear/ well formulated—targeting to improve their welfare. *{Guides the public on what they are expected to do to promote national development. The people make their own plans which are in line with the national development plan such as by knowing which activities are prohibited or encouraged by government. Therefore the national plan guides individual plans}.*
11. ***To attain price stability in the economy.*** The government organizes stable production systems to regulate/ maintain the supply levels, use of fiscal and monetary policies specified in the plans, hence regulating the price level in the economy.

12. **To fight illiteracy, poverty and disease**; very common in developing countries. The government sets poverty action / alleviation plans by financing projects which directly benefit the poor such as rural farming, self help projects.
13. **To reveal the future economic opportunities based on the past and present economic trends**. This in turn enables the country to achieve the desired and sustained rate of economic growth.
14. *To facilitate economic diversification. Planning is necessary to ensure sector coordination to increase forward and back ward linkages so as to develop various sectors of the economy—hence increasing national income.

Factors that influence the effectiveness of economic development planning

1. **Availability of the necessary statistical data/ information**. Adequate, accurate and correct/reliable data about economic growth rate, population growth, price level, income per capita, level of employment etc makes it possible to determine the available opportunities, hence leading effective planning. However inadequate, inaccurate and unreliable statistical data limits the effectiveness of economic development planning.
2. Prevailing **political atmosphere**. Peaceful/political secure atmosphere enhances the formulation and implementation of plans hence effective planning. While political insecurity limits the implementation of plans leading to ineffective planning.
3. **Availability of funds (from within and abroad) to finance the plan**. Adequate funds for plan formulation and implementation makes planning effective while inadequate funds for plan implementation makes planning ineffective
4. **Availability of trained man power / personnel to administer the plans (the planning machinery and its level of efficiency)**. Existence of highly professional/ expert manpower/ technical people in different fields like engineering, demography, economics, entrepreneurship, etc ensures effective plan formulation and implementation. However absence or limited skilled manpower limits plan formulation and implementation, which makes planning difficult.

5. ***Political will and support of the masses and government.*** Strong political will/ commitment among politicians and masses at all levels ensures effective economic development planning since there is no sabotage/ exerting undue influence on the drawn plans for their selfish interests. However limited political will and support /commitment among politicians and masses at various levels limits effective planning.
****Public will and cooperation.*** Strong public support and understanding of the drawn plans from the national up to the local level results into effective planning process to achieve the intended outcomes, since many people get involved. However failure of people to understand and support the drawn plans leads to ineffective planning.
6. ***Degree of external influence.*** High degree of external influence in development plans such as by IMF, World Bank, donor countries limits the effectiveness of planning since it interferes with national interests. While limited or no external influence enhances the effectiveness of development planning since plan formulation and implementation is autonomous.
7. ***Economic climate such as rate of inflation.*** High rates of inflation limit effective planning because it is difficult to forecast/ predict future prices and costs involved in various projects. However low rate of inflation in the economy promotes effective planning since future economic trends are easily estimated by the planners.
8. ***Size of the population and the population growth rate.*** Rapid population growth rate and big population size makes it difficult to plan and achieve the intended targets since the planned resources are increasingly constrained. However low population growth rate and small size of the population makes it easy to achieve the intended targets due to adequate resources for plan implementation—hence effective planning.
9. ***Level of accountability and transparency/ degree of corruption.*** High level of corruption and embezzlement of funds by plan formulators and implementers leads failure of development plans while high level of accountability / proper allocation of budgeted funds to the intended projects making plan formulation and implementation effective.

10. **Level of infrastructural development.** High level of infrastructural development, both social and economic infrastructure such as better roads, developed banking system, power supply enhances development planning due to easy coordination of projects / programs. However under developed infrastructure such as poor roads, under developed financial facilities and limited power supply limits the effectiveness of development planning.
11. **Natural factors such as climate, soils, etc.** Favourable natural conditions enhance development planning such as adequate rainfall and absence pests in the agricultural sector. However unfavourable natural conditions/ natural calamities such as floods, drought, pests and diseases, landslides, earthquakes etc reduce the funds available to finance the intended projects (*since some funds are diverted to these*), hence ineffective planning.

TYPES OF PLANS

According to length of time

1. Annual plans

Refers to a plan drawn to cover only one year. It is usually done through annual national budgets, involving projects which can be accomplished within a short period of time.

2. *Short-term plans

Refers to plan covering a short period of time usually between 1 to 3 years.

3. Medium term plan.

Refers to a plan that covers between 3—7 years. It is also called an operating plan.

4. Long term plans/ perspective plans

Refers to a broad based plan drawn to cover 10 years and above.

Or Perspective planning refers to long term planning in which long range targets are set for a period of 10 years and above. A perspective plan is always split up into short-term plans, which are also divided into annual plans etc

According to coverage

A. Partial plans

Refers to a plan developed/ drawn to cover only part of the economy. For example the plan to cover the agricultural sector or the industrial sector. It does not cater for the country as a whole i.e. it is a micro-plan.

Partial plans can be categorized as below:

(i) **Regional planning**. Refers to planning that covers a specific region.

(ii) **Sectoral planning**. Refers to planning covering a specific sector of the economy.

(iii) **Project planning**. Refers to planning covering a specific project. For example road net work, hospital project, water supply project.

Advantages of partial planning

1. Easy to coordinate, control and manage since it deals with just part of the economy.
2. Ensures development of key sectors and the sectors which may be lagging behind.
3. Does not require much capital especially in form of finance—hence easy to implement.
4. Tends to be detailed on a specific area.
5. In case of a catastrophe , not all will be lost
6. Creates employment opportunities within a particular sector.
7. Requires less statistical data on just a particular sector which is easily availed.
8. Promotes specialization and hence increasing the quality and quantity of output. Partial planning allows planners to concentrate on priority areas/ sectors of the economy, which in turn help to develop other sectors.

Disadvantages of partial planning

1. Limits interdependence / linkage among sectors.
2. Leads to sectoral or regional inequality, in which people of particular sectors earn more than those in other sectors.
3. Slows the rate of economic growth and in the longrun economic development, since some sectors are lagging behind.
4. Narrows the tax base and hence limits the government's tax revenue.
5. Leads to underutilization of resources.

6. Usually does not provide a variety of goods and services in the economy at any given time.
7. Limits employment opportunities since one or a few sectors are emphasized.
8. Leads to rural urban migration and its negative effects such causing congestion in urban areas. This is because it puts emphasis on urban activities such as industry neglecting rural areas.

Qn. Outline the reasons why most developing countries adopt partial plans

- Limited financial resources to cover the whole economy
- Limited skilled manpower for plan formulation and implementation of various projects simultaneously.
- Political instabilities in some areas, limiting projects in such areas.
- Different areas are at different levels of development and hence have different requirements.
- Partial planning allows planners to concentrate on priority sectors of the economy which in turn help to develop others.

B. Comprehensive plans

These are plans drawn to cover the entire economy –that is all sectors, all regions and all resources of the economy.

OR comprehensive planning is an integrated form of planning which covers all the aspects of the economy. It is initiated and executed by the central planning authority.

Comprehensive planning covers both the public and private sectors of the economy. It considers the interdependence of the economic sectors.

Advantages of comprehensive planning

1. Promotes interdependence of the different sectors on each other, such that they grow in harmony such as the development of the agricultural sector, industrial sectors and transport sector.

2. Promotes equitable distribution of resources and balanced regional development. This because all sectors and regions growth more or less at the same pace.
3. Promotes inter-sectoral linkages, that is, forward and back ward linkages among various sectors. Speeds up the rate of economic growth since it considers various sectors.
4. Encourages competition among the sectors which leads to efficiency.
5. Leads to increased output hence efficient allocation of resources.
6. Creates more employment opportunities in the various sectors of the economy.
7. Encourages participation of many people in the economic activities.
8. Widens the tax base leading to increased tax revenue. This is through increased economic activities in different areas and sectors.
9. Avails a variety of goods and services in the economy. This is because many activities are taking place in the economy, and this widens consumer choice – hence increased standards of living.

Disadvantages of comprehensive planning

1. Requires large capital in form of finance since it includes many sectors, and yet this is limited in most LDCs. This in turn sometimes forces a country to incur huge debts leading to increased debt burden.
2. Requires abundant skilled labour which is rare in developing countries.
3. Requires a large market yet this is limited in developing countries due to low per capita income.
4. Requires a high degree of coordination between and among sectors but this is limited by poor infrastructure.
5. Leads to a heavy tax burden on the citizens so as to sustain it.
6. Leads to quick resource exhaustion.
7. Requires adequate and reliable statistical data /information on the economy yet it is limited in developing countries.

According to social –economic system

A. Indicative planning (*'capitalist plans'*)

Planning which involves the indirect approach by government to influence, direct and regulate allocation of resources in the private sector. The central government concentrates on identifying appropriate investment areas, providing information and incentives such as infrastructural development to the private sector/ individual economic units without directly interfering with their affairs / decisions.

B. Imperative planning/ directive planning (‘socialist plan’)

This is planning through administrative directives from the central authorities/ government. Involves a high degree of institutionalizing of plans i.e. plans are prepared and implemented by the central planning authority (plans direct individual economic units on what to do and when to do it). A socialist plan is that made by the government/ central authority without market mechanism.

Advantages of imperative planning

- 1. Leads to a high degree of economic growth and development since the central authorities give directive and control over individual economic units.*
- 2. Leads to equitable income and resource distribution.*
- 3. Allows for comprehensive planning.*

Disadvantages

- 1. It is costly since it requires close supervision of the individual economic units.*
- 2. Consumer’s sovereignty is overshadowed.*

According to method employed in making decisions

A. Decentralized planning

Refers to planning in which decision –making and implementation of plans in line with set targets are undertaken by the local government /local authority instead of the central authority.

OR Refers to planning which involves people at each stage in the formulation and implementation of the plan. It is planning involving wide spread consultation within the economy based at regional or sectoral level.

Advantages of decentralized planning

1. Promotes use of local resources. This because planning is based on the local level and the people to the development of their respective areas.
2. Ensures that each area/region takes full advantage of its priorities. Coordinates development activities and resource mobilization more efficiently in the interest of integrated regional development. This is because different regions are endowed differently and have different priorities.
3. Encourages community participation in the development process. Gets down to many people in a particular region and hence promotes a sense of belonging and commitment to the planned projects.
4. Reduces/ controls rural-urban migration and its problems. This is because various resources in different regions are identified and developed and hence less need for people to move opportunities elsewhere.
5. Leads to fair distribution of employment opportunities. Decentralized planning creates more job opportunities to the people in a particular region since it is mainly the local people who are employed in the process of plan implementation.
6. Enables government to identify appropriate investment areas for each region through consultations at the local level, and hence provide required incentives and information to different regional planning units.
7. Statistical information for each region is easily got since it takes into account the local environment.
8. Distributes development opportunities fairly within each region, and this leads to equity in income distribution. The developed regions do not sacrifice too much of their resources to the underdeveloped regions (since each region has some resources to exploit).
9. Relieves the central government of the hard task of planning for the entire economy such as provision of social services since each region caters for its development.
- 10.Reduces bureaucratic chain in the planning process. There is easy feedback between planners and implementers.

11. Encourages foreign resource inflow, since some donors want to support particular regions, not the entire economy.

Disadvantages of decentralized planning

1. Leads to wasteful duplication of development programmes and projects by different regions. For example instead of setting a few industries to supply the whole country, each region may set up its own industry of the same type.
2. Leads to regional imbalance in development. The regions endowed with more resources develop faster than other less endowed regions.
3. Undermines national unity and consciousness since each region considers itself as a separate entity.
4. It is more difficult for the local authorities to mobilize foreign aid from the donors as compared to the central government. The donors usually have a lot of trust in the central government unlike local governments.
5. Leads to high costs of administration because each region requires an independent planning department instead of one in the centralized planning.
6. Undermines national interests and priorities because regional needs and priorities are different from national interests.

B. Centralized planning

Refers to planning in which decision making and implementation of plans is made by the central planning authority which in turn gives directives to the local authorities. It is common in socialist economies.

[OR refers to planning in which the state/ central authority determines resource allocation and it directs implementation of plans in line with set objectives].

Qn. Account for centralized planning in developing countries

1. To encourage regional specialization and avoid duplication of projects. For example government crops grown in particular areas through agricultural development policy.

2. To minimize wastage of scarce resources. Centralized planning enables collective planning for optimal allocation of resources instead of concentrating at local level.
3. To ensure equitable distribution of the available resources (both human and non-human) among individuals, sectors, and regions of the country. This reduces regional and sectoral imbalance.
4. To encourage coordination of sectoral development. Government is able to manage various programs and projects in different sectors.
5. To make sequencing of operation possible to achieve specified objectives. For training farmers on modern farming before introducing new seed varieties.
6. To reduce skilled manpower shortage at local level to effect planning and implementation. Government distributes the manpower according to need through the central authority.
7. For easy mobilization of development funds from the donors. The government easily mobilizes foreign resources in form of loans and grants from donors compared to local governments.
8. To minimize divergence between social and private benefit. The central government takes into consideration social costs such as pollution during plan formulation and implementation.
9. To protect national interests. These are best handled and directed by the central planning authority instead of regional planners.

Disadvantages of centralized planning

1. There are delays in plan formulation and implementation due to bureaucracy / red tape at the national level.
2. Ignores divergence between interests and priorities of different regions.
3. Reduces commitment of the local people during implementation since they do not participate in plan formulation.
4. Encourages corruption and embezzlement of the funds by plan implementers since the public that would check them is not involved in formulation of the plans.
5. Centralized planning is subject to political interference from the central government. The government officials at times want the plan to meet their

selfish needs such as unclear acquiring of tenders to implement particular projects.

6. A centralized plan costly to formulate and implement. This is because it is a complex plan covering the entire economy requiring expensive highly skilled labour and high capital investment.

Stages of planning/ the planning process

The planning process goes through a number of stages:

1. Plan formulation

This is the first stage involving identifying broad objectives and what should be achieved in quantitative terms. The objectives should be specific, measurable, achievable, realistic and time bound.

- ***Identification/Setting of goals and objectives.*** This involves singling out objectives to be achieved in a specific period of time and in what quantity or percentage.
- ***Formulating complimentary plans or strategies.*** This involves identifying strategies or methods/ measures to be undertaken in order to achieve the desired goals or identified objectives i.e. policy instruments.

2. Plan appraisal/Plan adoption

This involves finding out the possibility of success of the plan before it is implemented, by looking at the cost and possible benefits and afterwards the plan is accepted or postponed. This is normally a function of the parliament and it can make changes (though not drastic changes). If it requires substantial changes, then the plan needs re-formulation.

3. Plan implementation

Plan execution involves the effecting or putting the plan into action; and this is done by various departments and agencies. The liaison with the planning authority is also important. This is the most important stage of the planning process.

- ***Monitoring /supervision***

Good plan implementation takes into account the course of fulfillment of the plan through monitoring/ supervision to ensure compliance to set targets. This may require an independent body of experts and technical personnel not connected with plan formulation and execution.

4. Plan evaluation

Involves weighing the actual benefits against the expected gains/ targets; whether it is successful or not. When the plan has been successful then it is continued with but when evaluation discloses that it is unsuccessful, it calls for revision of the plan. (For example in most developing countries the gap between promise and performance has been widening over time).

Constraints /limitations/ problems of development planning in developing countries

1. ***Inadequate and unreliable statistical data on which planning is based.*** For example regarding population, incomes, price level, existing resources and this leads to wrong identification of objectives, methods of implementation and poor evaluation. Many people do not keep accurate records and which gives room to guesswork.
2. ***Most plans are over ambitious (which are not realistic).*** Most plans in developing countries try to accomplish too many objectives in a very short period of time, and many are inconsistent and not economically feasible i.e. the county has limited financial and technical resources to implement them.
3. ***Weak administrative and implementation machinery.*** There are limited adequately trained personnel to draw the plans and evaluate their success. More so the few available are faced with institutional weaknesses and lack of coordination, leading to failure of the planning process. As such there is a lot of inefficiency in the planning process.
4. ***Political insecurity in some parts which disrupt plans.*** This leads to lack of sustained commitment to plans, hence abandoning of many good plans in many parts of developing countries. Insecurity also forces government to divert funds from intended projects to financing wars.

5. ***Foreign influence and sabotage of plans/ dependence on foreign aid.*** Developing countries are dependent on foreign aid from MDCs and donor agencies for most of their plans, which aid many times does not come in time and has much conditionality. More so the foreign planners lack proper knowledge of local situations, which also undermine the success of plans.
6. ***Frequent and rising inflation in developing countries.*** Rising inflation makes plan formulation and implementation difficult due changes in costs and estimates, making the estimated funds inadequate.
7. ***Inadequate funds to implement the plans/ Rampant poverty in developing countries.*** The effect is that long-term plans which consistent, realistic and sustainable for development cannot be implemented as they are difficult to finance (vicious cycle of poverty). Many plans remain on paper due to limited funds.
8. ***Unforeseen/ unexpected natural calamities affecting plans/ limited control over natural factors in developing countries.*** Developing countries mainly depend on the agricultural sector, which is most vulnerable to natural calamities like drought, floods, pests and diseases—which renders planning difficult. This leads to diverting of resources from implementing the drawn plans to financing emergencies.
9. ***Limited political will and commitment from the public and politicians.*** Some interest groups end up sabotaging particular plans especially where they stand to lose if the plan succeeds.
 - ***[Political interference in plans. Many politicians interfere with the planning process so that it suits their personal interests instead of national interests. Many politicians are reluctant to implement policies in which they stand to lose/ in which they do not directly benefit].***
10. ***Limited/ no support from the masses for certain plans.*** Some plans especially those drawn at the national level get less support from the public. Such plans are normally drawn without consideration of all the stakeholders especially the local community and thus they become less effective.
11. ***Limited accountability and high level of corruption.*** This has resulted into embezzlement of funds provided to finance particular projects, leading to

failure of the otherwise well formulated development plans. More so there is insufficient plan monitoring at various stages.

12. **Existence of a large private sector.** This is often difficult to control by the government in terms of resource utilization. As a result some investors put their resources in activities which are not very important for national development.
13. **High degree of conservatism and illiteracy among the population.** Most people are not willing to adopt planned projects by changing their life styles (e.g. strong traditions, religious beliefs, rituals etc) which hinders successful planning.
14. The unanticipated economic disturbances such as fluctuations in international commodity prices, changes in domestic economic policies of developed countries which are major buyers of LDCs exports and the major donors. These limit the effectiveness of drawn plans.
15. High population growth rates, which always leads to resource diversion.
16. Existence of a large subsistence sector, which is difficult to plan for.

Guiding questions

- 1) (a) Distinguish between a partial plan and a comprehensive plan (4mks)
(b) Examine the merits and demerits of a comprehensive plan in an economy (16mks)
- 2) (a) What is economic development planning? (4mks)
(b) Why does your country carry out economic development planning? (16mks)
- 3) (a) Why is there need for development planning in your country? (10mks)
(b) What factors limit effective implementation of development plans in developing countries? (10mks)
- 4) (a) Distinguish between centralized planning and indicative planning (6mks)
(b) What are the factors that influence the effectiveness of economic development planning in developing countries? (14mks)
- 5) (a) Distinguish between comprehensive planning and partial planning (4mks)
(b) Examine the role of planning in an economy (16mks)

- 6) (a) Explain the meaning of the following terms as used in development planning:
- (i) Project planning (2mks)
 - (ii) Imperative planning (2mks)
 - (iii) Centralized planning (2mks)
- (b) Account for the centralized planning in developing countries (14mks)
- 7) (a) Distinguish between 'sequencing' and 'compatibility' as used in development planning (4mks)
- (b) Discuss the limitations of development planning in your country (16mks)
- 8) (a) Differentiate between centralized planning and decentralized planning (4mks)
- (b) Explain the benefits of decentralized planning in an economy (16 mks)
- 9) (a) Why is economic development planning necessary in developing countries? (10mks)
- (b) Account for the failure of many developing countries to effectively plan (10mks)
- 10) (a) Distinguish between a development plan and an economic plan (4mks)
- (b) What are the features of a good development plan in an economy? (16mks)
- 11) (a) Distinguish between:
- (i) Development planning and economic planning (2mks)
 - (ii) Project planning and micro planning (2mks)
 - (ii) Perspective planning and short term planning (2mks)
- (b) Explain the advantages and disadvantages of partial planning (16mks)
- 12) (a) Distinguish between indicative planning and imperative planning (4mks)
- (b) What are the major obstacles to achieving a successful development plan? (16mks)