

# Public Policy Instruments and Dynamics of Economic Development Indicators in Rural Nigeria

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## Abstract

*This paper focuses on rural economic development that seems grossly reported, neglected and under-invested in Nigeria despite various acclaimed public policies that the sector holds the key to sustainable economic development of the nation. Analysis of the 55 years of sectoral performance appraisal of the Nigerian economy in relation to sustainability is not comprehensive and instructive if it is devoid of a review of development policies that are public and rural driven. This paper therefore, addresses the dynamics, challenges and prospects of public policy instruments as indicative of rural economic development and performance indicators in the overall discourse on sustainable rural economic development in Nigeria. The paper adopted a qualitative approach to show evidences of performance indicators in rural areas in Nigeria. It concludes that public policies have assisted in accelerating the pace of rural development in Nigeria and the impact cannot be wished away for whatever reasons. The paper recommended that, public policies on rural economic development must be community driven, environmental friendly in implementation, social capital impacted and guided by deliberative civic engagement to enhance the buy-in attitude of rural dwellers.*

**Keywords:** Public policy; instruments; rural economy; Development; Performance Indicators.

## 1. Introduction

In a process of a thinking man's response to societal demands for relevance, policy analysis and application take the central stage of any developmental discourse. Public policy is whatever governments choose to do or not to do. The focus of public policy in contemporary social science discourse is on the description, explanation and justification of the causes and consequences of government activities especially with respect to sustainable rural economic development. This attention is obvious for some basic reasons namely: reduce rural-urban drift, encourage agro-industries for processing of raw-materials and finished goods; and promote export oriented commercial agriculture among others.

Besides, Dye (1981) observed that such description, explanation and justification may be inclusive of the analysis of the impact of social, economic, and political forces on the contents of public policy, an inquiry of the effect of various institutional arrangements and political processes on public policy and an evaluation of the consequences of public policy on society in terms of both expected and unexpected outcomes. It is on these bases that public policy can be viewed as a dependent variable in which case, interest would focus on those socio-economic forces and political system and its characteristics that operate to shape and order the contents of policy. Also, public policy can be viewed as an independent variable, whereby as Dye (1981) noted, the issues of interest would be on the impact that public policy has on society and its' political system.

A good understanding of public policy according to Larson (1987) provides a platform for appreciating the magnitudes of linkages between public policies and regulation of behaviours, organization of bureaucracies, distribution of development benefits, allocative efficiency, institutional structures and philosophical justification of government and governance. It is this

understanding, to us that provides the premise for a wide variety of substantive areas of interest such as sustainable rural economic development, energy, defence, environment, education, welfare, security or police, highways, infrastructure, taxations, housing, social security, health, economic empowerment and opportunities, urban development among others (Dye, 1981) as issues contingent upon public policy instruments.

Presently, the major concern of rural development practitioners in Nigeria is not centrally on policies themselves, rather, the institutions and structures of government, political behaviours and processes associated with policy making and implementation. Therefore, in a more technical sense, public policy depicts a system of courses of action, regulatory measures, laws and funding priorities concerning a given subject matter promulgated by a government entity or its representatives. It is said to be commonly embodied in constitutions, legislative acts and judicial decisions (Dye, 1981; Adebayo, 1998).

## 2. Highlights on Rural Economic Development Policies in Nigeria

Since Nigeria independence in 1960, public policies on rural economic development have been structured under various rural development programmes with projects such as the National Accelerated Food Production Programme (NAFPP) of 1972 which focused on the production of high yield seedlings, stems and vegetables; River Basin Development Authority (RBDA), 1970 with interest on rural farm irrigation for all year round farming; Operation Feed the Nation (OFN), 1976; Green Revolution (GR), 1980 with the aim of encouraging self-reliance in food production and promotion of rural household small scale farming. Other projects are the Agricultural Development Projects (ADP), 1975; National Directorate of Employment (NDE), 1986 focusing on employment generation among grassroots and graduates for the reduction of rural –urban drift thereby enhancing the rural market economy. Better Life Programme for Rural Women (BLPRW), 1987, this was designed to empower women at the local level through mobilization of income generation equipment, establishment of cooperatives to enhance access to credit facilities. National Directorate of Food, Roads and Rural Infrastructure (DIFRI) 1987 which was an initiative that opened up rural areas through the construction of rural feeder roads, silos, provision of rural and farming infrastructure. Family Economic Advancement Programme (FEAP) 1997; Poverty Alleviation Programme (PAP), 2000; and National Poverty Eradication Programme (NAPEP) 2001 with interest based on economic emancipation of rural household farmers through the provision of subsidized farm inputs among other constituents with increased value chain (Sule, Alinno & Ikwegbe, 2013). These programmes and their structures constituted parts of the policy instruments on sustainable rural economic development.

Meanwhile, Nigeria has implemented many national development plans among which are; 1<sup>st</sup> National Development Plan 1962 – 68; 2<sup>nd</sup> National Development plan 1970 – 74; 3<sup>rd</sup> National Development plan 1975-80; and 4<sup>th</sup> National Development plan 1981-85. These are apart from other national rolling plans of the Babangida military regime, couple with the unimplemented late General Sani Abacha vision 2020 within which sustainable rural economic development programmes were encapsulated and structured as specific projects (Oyebamiji & Adekola, 2008).

Unfortunately, since 1999 when Nigeria reverted to civil governance, there seems to be no direct and sustained public policy instruments focusing on rural economic development till date. Rather than domesticating her own rural development policy, Nigeria had relied on the moribund 8-point Millennium Development Goals (MDGs) in which the focus on rural economic development was inherently subsumed without a clear-cut direction as to how to attain such goals. It is therefore obvious, that Nigeria failed in the attainment of any of the 8- point Millennium Development Goals (MDGs) as at the close of the year 2015 among other nations, a reason which now led to the 25<sup>th</sup> September, 2015 declaration by the United Nations of the 17- point Sustainable Development Goals (SDGs) that are expected to be attained by all the signatory countries by 2030 (The New York Times, 2015). Given these premises, it is obvious that, there were, and still perceived and existing public policy instruments on rural economic development in Nigeria. However, the dynamics of sustainability of rural economic development and performance indicators in rural Nigeria constitute development issue that is now addressed.

### 3. Issues of Research Concern

It is evident that there seems not to be consensus on the realities of rural economic performance indicators for sustainable community development in Nigeria. This perhaps is informed by the various structural causes of performance problems that stiffen rural development programmes in rural Nigeria. Unfortunately, no comprehensive research has juxtaposed rural development programmes with rural economic performance indicators in rural Nigeria since 1960 till date. This study fills this existing gap in knowledge as it established public policy instruments and dynamics of rural economic development indicators in rural development.

### 4. Methodology

This study adopted the qualitative research design that relied on secondary sources of data that were subjected to critical analysis and review before inferences were drawn in establishing the performance indicators.

### 5. Perspective on Rural Economic Development

Public policy is the response of the political system to forces brought to bear on it from the environment. System theory portrays public policy as an output of the political input into a system (Paul, 1987). Certain key elements are central to the understanding of public policy from the systems framework. First, is the concept of system, which Dye (1981) refers to as an identifiable set of institutions and activities in society that functions to transform demands into authoritative decisions requiring the support of a society. Second, is the concept of inputs which refer to the forces generated in the environment that affect the political system. Inputs can take the forms of demands and supports. Demands involve actions by individuals and groups seeking authoritative allocation of values from the authorities. Supports comprise of actions rendered to government such as obedience to the rule of law and payment of taxes. The environment on its own is any condition or circumstance defined as external to the boundaries of the political system. Inputs are fed into the black box of decision making, to produce outputs with allowance made for feedback (Ross, 1967 cited in Oyebamiji et al, 2008).

Policy making proceeds in a systematic way, beginning with inputs and onto outputs which can hardly be sustained in the real world of policy making. While not denying the relevance of the environment for the generation of inputs, the facts remain that demands and supports as basic materials for public policy are sometimes initiated within the political system through public policy instruments (Yusuf, 2000; Onyenzu 2000); especially as it relates to rural economic development. The concept of development is however systematically ambiguous because it has been a subject of varied definitions (Akinpelu, 1992). Thus, the term may imply advancement, modernization, improvement or progress as associated with social change. It could only be seen in the light of specific spheres of life. Thus, the concept for instance, could be understood in terms of economic, social, political and technological variables. In this vein, Todaro (2003) views development as a multi-dimensional process involving major changes in social structures, popular attitudes, national institutions and acceleration of economic growth, reduction of inequality and eradication of absolute poverty. Todaro (2003) further identified three core values associated with development namely:

- (i) *Life-sustenance*: implies the ability to provide basic needs such as food, shelter, health or protection.
- (ii) *Self-esteem*: means a sense of worth, and self-respect, not being used as a tool by others for their own ends.
- (iii) *Freedom from servitude*: implies a fundamental sense of freedom and acceptance from alienating materials, condition of life and from servitude to nature, ignorance, and dogmatic beliefs.

Viewed purely from an economic perspective, rural areas develop economically as its members greatly increase their capacity for dealing with production and performance services in the environment, and this capacity is dependent on several factors. First, is the extent to which the

members understand the laws of nature, and secondly, is the extent to which that understanding is put into practice by developing tools, (technology) and thirdly, the manner in which work is organized that is entrepreneurship endowment (Ekong 2003; Data, 1995).

Beyond this however, if under-development is seen as a social and economic backwardness in the rural communities, it is equally amenable to positive change as this can only be achieved through policies on rural development. Rural development itself according to Anyanwu (1992) has been conceived as a process of improving the living standard of the mass of low income population residing in rural areas and making the process of rural development self-sustaining. In essence, achieving rural development lies in the hands of the government and development partners who of course would rely on appropriate public policy framework.

## 6. Framework of Rural Economic Development

The rural economy is a sector that is grossly neglected and under-invested in Nigeria despite the well acclaimed fact that the sector holds the key to sustainable rural economic development of the nation. Hence, analysis of 55 years of sectoral performance appraisal of the Nigerian rural economy in relation to sustainability is not informative or educative if it is devoid of development and performance indicators in the rural economy. Akiintayo & Oghenekohwo (2004) had reasoned that rural economic development would depict the actions, policies, programmes and projects that are economically driven; and rural economic initiatives taken to improve the standard of living in non-urban settings, neighborhoods, countryside and such remote villages. Essentially, rural economic development activities would relate primarily to agrarian activities whereas rural economic development activities relate to the primary sector, production of food stuffs, raw materials, rural marketing and enterprise. Thus, Paudel (2007) recalled that rural development actions mostly aim at the social and economic transformation of the areas under consideration.

Consequently, it is very unlikely that there are no evidences to measure the performance indicators of sustainable rural economic development in rural Nigeria but what may be in doubt is the sustainability of these policies. In this sense, Olayide, Ogunfowura, Essang and Idachaba (1981) informed that rural development policies are means of providing basic amenities, infrastructure, improved agriculture production and extension services that generate employment for rural dwellers. This is because, rural settings are characterized by rural-urban drift, low social interaction, high degree of illiteracy, high population density, poor infrastructure and vicious cycle of poverty (Umehali & Akubiulo, 2006). In this respect, it is expected that public policy instruments would address and revert these negative conditions. Unfortunately, rural economic under-development as exemplified in rural poverty is such that, inhabitants, groups, communities and rural societies at any given point in time experience a level of income below that which is needed to provide a desirable minimum living standard and sustainable quality of life index.

Presently, the United Nations has articulated a 17- point sustainable development goals (SDGs) (The New York Times, 2015). First among which is to "end poverty in all its forms everywhere" (including rural settings). Second is to "end hunger, achieve food security and improved nutrition, and promote sustainable agriculture" by 2030. This paper is of the stance that, the attainment of the other points is a function of the first two points. This is because, since 1999, there seem to be no specific sustainable rural economic development policies in Nigeria to revert the pace of poverty, hunger, lower health status, unemployment, poor sanitation, inadequate water supply and squalid housing among other prevailing socio-economic maladies that have attended rural settings. This of course is sustained by the deficit occasioned by the 1999 constitution as amended which made the local government areas an appendages of the state governments. These challenges are therefore evident and complex in addressing rural economic growth. It is therefore important to show evidences or otherwise of rural economic development and performance indicators in Nigeria rural settings.

## 7. Economic Development and Performance Indicators in Rural Nigeria

It is important to submit that, contrary to certain deficit submissions that characterized the

conclusion of most writers on rural development policies in Nigeria, this paper tends to distant itself from such submissions. Empirically, Ojonemi and Samuel (2013) in their paper on "rural development policies and the challenges of realizing the millennium development goals in Nigeria", concluded that, "rural settings in Nigeria are tired of failed policies and programmes that are meant to change the situations but basically, the much desired betterment did not take place in amidst beautiful rural development policies" (p. 647). Also, Sule, Alinno and Ikwegbe (2013) in a study on "rural economic development: policies implementation in Nigeria," concluded their evaluation of rural development policy on programmes formulation, initiation and implementation in Nigeria over the years and reported that, there have been policies and programmes initiated for rural economic development. These programmes have gulped billions if not trillions of tax payers' money without any meaningful progress and will, according to Sule et al (2013) continue to be drain pipe for draining our common funds into the private purse of politicians and other bureaucratic functionaries"(p.46).

Besides, Adebayo (1998) in "an evaluation of public policies for rural economic development in Nigeria", submitted that, for rural development to take place, the strategies must aim at improving the standard of living of the rural communities in general, and that such strategies must involve the mobilization and participation of the majority of the rural people in those projects aimed at improving their standard of living. Unfortunately, Adebayo (1998) concluded that, the laudable objectives in rural economic development based policies were rarely met because of certain problems of policy implementation. Accordingly, Adebayo (1998) observed that, certain policy instruments such as river basin development authority (RBDA) and directorate of food, roads and rural infrastructure (DFRRI) suffered compromises in policy objectives during implementation which ultimately altered the basic policy goals by rewarding economic elites and bureaucrats rather than the rural dwellers.

However, specific public policies that were implemented under DFFRI, RBDA, FADAMA, I, II & III, Local Economic Empowerment Programmes (LEEP) that were supported by World Bank, among others have evidences of development indicators in terms of economic performance.

Firstly, DFFRI facilitated the opening up of rural feeder roads which facilitated the development of network of rural-urban roads for easy transportation of primary economic goods from rural areas to urban areas thereby reducing the perishability of farm products which hitherto constituted a bane of rural farmers. Unfortunately, the dearth of energy supply has undermined the pace of policy performance since 1999 till date

Secondly, it is also an economic performance indicator that, food production, through DFFRI projects was enhanced through the construction of rural farm irrigation scheme that facilitated irrigation of large scale farmlands for all year farming seasons, some of which exist till date for fadama 1, 11, 111 world bank assisted projects.

Thirdly, the river basin development authority programmes attracted extension workers to rural communities. The extension services provided to rural farmers include appropriate application of fertilizers and chemicals for the production of improved seedlings by rural farmers, preservation of seedlings, appropriate storage and food processing with their attendant value chain.

Fourthly, rural economic development policies enhanced the promotion of farmers cooperatives which encourages the operation of marketing boards, access to loans and grant acquisition of farm equipment and fertilizer at a very subsidized rate. Infact rural economic development policies facilitated the empowerment of rural dwellers through the advancement of information services for rural community in Nigeria (Ekong, 2003).

Fifthly, public policy instruments have also contributed to the diffusion of improved varieties of seedlings. This is evident in the activities of the International Institute for Tropical Agriculture (IITA) Ibadan, that has, through extension services, over the years made improved varieties of seedlings and stems available to rural farmers. Today, there are improved maize, cassava, yam, tomatoes just to mention but few crops, all of which have brought about value chain on the outlook of economic farm products from the Nigerian rural communities courtesy of IITA interventions.

Besides, the River Basin Development Authorities (RBDAs) as a public policy instrument had the objectives among other things of enhancing rural productivity, diversifying the rural economy and to improve the quality of life of the rural dwellers. As reported by Adebayo (1998), eleven River Basin Development Authorities (RBDA) were established in eleven zones with each representing

specific area of operation. The river basin authorities brought about large-scale irrigation projects, and mechanized farming techniques. Economic performance indicators of the RBDAs included the construction of dams, the use of tractors for land preparation, and mechanized farming, the application of modern inputs such as fertilizers, pesticides, and herbicides as well as dictation of the types of crops to grow for all year round cultivation. In general, economic performance indicators of most of the public policy instruments as explored in this paper show that, rural economies in Nigeria at one time or the other, benefited significantly from rural economic development policies that address agricultural activities, community engagement, rural empowerment and development information services among the rural dwellers whose livelihood is essentially based on rural economic activities as facilitated by such public policies.

## 8. Dynamics of Sustainable Rural Economic Development in Nigeria

This paper is of the stance that public policy instruments on rural economic development have not failed as may have been advanced by some writers. From the performance indicators provided above, it is obvious that, certain limitations are evident in the realization of most, if not all the objectives of these policy instruments. These limitations constitute structural causes of performance challenges which can be aptly described as the dynamics of sustainability of rural economic development in rural Nigeria. Some of the dynamics include what Larson (1987) categorized as unrealistic goals, poor policy implementation, environmental contingencies, complexity of inter-governmental actions, bureaucracies, inadequate funding, inadequate development information services for rural development, poor leadership and inconsistencies in policy drive to achieve sustainable development goals. These dynamics encouraged dearth of the leadership to sustain the policies; high incidences of corruption associated with the policy holders, absence of purposive leadership to drive the process, misplaced priorities, wastages, poor maintenance, low accountability and transparency measures which limited continuity of policies.

## 9. Conclusion and Recommendations

Public policy instruments on rural economic development cannot be wished away due to the dynamics of national development challenges. The indicators of economic performance arising from the goals of such public policies are evident even though some writers may consider them as non-existing. Nevertheless, the situational context of such public policy instruments, its challenges or dynamics in relations to the prospects of such policy instruments in rural economic development can only be measured to the extent that, they contribute significantly to improving the living standards of the rural dwellers at one time or the other, since the first national development plans as exemplified in this paper.

Going forward, public policies on rural economic development must be derived and driven by rural dwellers. Policies should be environmental friendly; community based, financially sustained institutionally revolving and need for attainment of deliberative civic engagement to encourage more buy-in among the policy holders. Also, there must be a strong emphasis on the advancement of information services for rural economic development. Finally, access to development information must be enhanced through the provision of electricity supply to rural communities, to facilitate a robust debate, mobilization and information sharing among the policy stakeholders for sustainable rural economic development.

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