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F O R

Planning (with an appendix on Plan Implementation)

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INTRODUCTION

It is recongnized that Statistics are among the most important requirements and techniques used for social and economic development planning. Statistics not only help to determine the social setting and the available resources but also disclose the obstacles to development prospects for growth. Statistics additionally help to uncover new posibilities and problems in the course of implementing these programmes and enable the policy-maker to institute measures for adjustments.

This paper is an attempt to outline the basic statistical requirements for economic and social planning. These statistical data cover the subject areas of agriculture, forestry and fishing; mining, manufacturing, construction and the production of electricity; domestic trade; external trade; public finance; money, banking and general prices; transportation; education, health and welfare; population labour and production.

The methods and the difficulties in collecting these data in terms of time, costs and complexity, and some suggested solutions for dealing with these difficulties are also considered. The problem of complexity, for example, may be reduced by arranging the figures in order of priority so that figures of the most urgent nature are collected first. Moreover, in general, sampling has been suggested for collecting most of the required data. However, in the case of Liberia, sampling is not at all recommended due to the smallness of most economic activities. Also the uses to which the statistical series can be put are discussed as each subject area is considered.

The appendix of the paper deals principally with the problems that are involved in the management or implementation of a development plan. It is not an intergral part of the paper and is intended for those persons who are

interested in the institutional factors involved in development planning.
The manner in which the private sector is induced to participate in the deve-
lopment process through the incentive system is highlighted. Emphasis is
placed on the role of the two basic sectors in the economy, namely, the agri-
cultural and industrial sectors, and the type of saving that could be generated
by the private sector for the implementation of the necessary investment for
the growth of these sectors. The role of Government in the planning process
is also emphasized.

I. AGRICULTURE, FORESTRY AND FISHING

A. Agriculture:

The agricultural sector is of paramount importance for all development activities in the economy principally because it is both the source of food supply for the population and labour for new industries. Until these industries are developed considerably, majority of the population will derive their income from the agricultural sector. The latter point is further borne out by the fact that before the mining of iron ore on a large scale in recent years, agricultural produce formed the bulk of Liberian export commodities. For these reasons, statistics are necessary in formulating plans for efficiency and expansion in this sector.

The basic statistics required for the formulation of development plan for the agricultural sector are: The number of agriculture holdings within the country classified according to size, whether these holdings are owned or leased. Statements with regards to accessability to water should be supplied. Also area and number of holdings in a crop year according to major crops; number of holdings with tree crops of productive age, yield and production; number of live stock holdings on a specific date according to sex and key live stock and the number slaughtered; index of annual agricultural production; average prices paid by farmers for important items of farm consumption and prices received by them for each major agricultural product; capital formation in agricultural (i.e. equipment and machinery). Besides the figures on prices received and paid by farmers which may be compiled monthly, and figures on annual crop yields, the rest of the statistics could be usefully gathered for every ten years. The geographic area of coverage in the entire country sub-divided into a major administrative divisions where it is thought advisable. An agricultural census is a "conditio Sine qua Non"

for the collection of these data.

Some uses of the decennial figures of agricultural sector are to enable the planner to advise on the diversification of crops, the expansion of raw materials and food supply and the stabilization of farm prices. The annual data on area cultivated, number of livestock and output of important crops are of assistance in estimating the demand for and the supply of these crops as well as the share of the agricultural sector in the national product. The balance or imbalance of agricultural production may be assessed from a statistical series on prices. Though this could be done by using figures on agricultural outpit, it would appear easier to collect data on prices than on the products themselves. Also important is the need to watch over the stability or relative shift in the terms of trade of agricultural products if a balance is to be maintained between them and other sectors of the economy. This may be gauged from comparison between the indices of prices received by farmers and those paid by them. These indices are also important indicators of the factors that may cause such shifts.

But these data may be difficult to collect. While it could be said that Liberia lacks some sources of these difficulties such as the diversity of farm crops (which is not a virture) others remain nevertheless. These include the questions of time, costs and practical difficulties in collecting data on prices received by farmers, number of farm holdings, capital utilized in farming and yield per acre. The cost of farm holdings when applied per crop year is particularly difficult in Liberia because of shift farming. Despite the limitations, it has been found essential to have data on agriculture in the earlier stages of development of the Liberia economy. Special efforts have been made in estimating subsistence agricultural production in a number of countries.

One way of reducing the difficulties of collection has been the arrange-
ment of the suggested statistical series in order of difficulty so that either
the less difficult or the most urgent could be collected first. Moreover,
figures arising from previous government agricultural programmes have proved
helpful in compiling these data in conjunction with sampling.

B. Forestry:

The need to estimate the present and future requirements for land used
in agriculture and crop for the wood-using industries call for information on
forest resources.

An inventory of forest area, density of productive forest and volume of
wood removed classified as conifers or non-conifers is useful in meeting this
need. The inventory helps to ensure that forest resources are efficiently
utilized, that supply of raw material for wood-using industries is maintained
and drains on forest resources are controlled.

C. Fishing:

Fishing also deserve some attention in planning and development. The
number of fishing crafts in the country in a given year arranged, according
to size and method of operation are basic to the assessment of and planning
for the improvements and expansion of this industry. Figures on output and
prices are indicators of the share of this sector in the national product and
the balance or imbalance of the supply of and demand for its products. This
is a necessary industry for the supply of proteins. It is therefore necessary
to have statistics on the micro-analysis of the industry since most of the
people are depending on fish as the main source for the supply of necessary
proteins for their bodies.

II. MINING, MANUFACTURING, CONSTRUCTION AND ELECTRICITY

Mining is today the leading export industry in the economy of Liberia, (Diamond and iron ore) having accounted for 75.8% of her total exports in 1967 and (mining and quarry) 20% of government domestic revenue for the same period. In view of its weight in the economy data on mining are central to the development planning of Liberia.

Because of similarity of the statistical requirements, it was decided to treat this important sector together with manufacturing, construction and the production of electricity, recognizing, however, that the data could be made more informative by presenting them separately when being collected or used.

The required data in this connection are: the number of establishments on a given date (taken preferably every five years); the number of employees engaged by them during a specific (shorter) period; value added during the year; size, legal status (corporation, partnership or proprietorship); capacity of installed power equipment; quantity of raw materials; fuels, and electricity consumed and commodities produced; annual gross capital formation classified according to type of capital goods, annual index of industrial production; average prices received for each important product by the producer.

The usefulness of these data lies in their characters as indicators of questions which bear on industrial growth. The question of where development efforts should be concentrated, for example, could be answered by the use of figures on value added by kind of economic activity, size of establishment and the descriptions of the structure of these industries. Different types of industries may be assessed for their present and future relative profitability by utilizing the figures on price movements of goods produced in these industries, value added per man-hour and salaries and wages per man-hour. The

same set of figures may be used in guarding against insufficient supply or de-
mand and formulating tariff policy. To know which industry to develop with
advantage, it is also helpful to assess the available local materials, the
level of production for goods that are produced domestically and goods of
foreign origin. Changes in this production level compared with the level of
import and export give some indications of the magnitude of local raw material
usage and progress toward reducing dependdence on agricultural products which
are often liable to wild price fluctuations.

In addition to the industrial census to be taken every five years, the
quarterly data on prices are used in determining whether or not adjustment of
target is required, since they indicate the success or failure of production.
The results of changes in the activities of industrial establishments may be
assessed from monthly or quarterly data on these establishments. Figures on
annual gross capital formation are helpful in estimating the capital growth
in the industrial establishments involved and to improve and adjust the capi-
tal requirements to current trends. The profitability and productivity of an
establishment as well as its contribution to the national product may be ana-
lyzed from the annual value added by the establishment.

Unlike the previous sections, the statistics suggested for this section
do not present many difficulties of collection with respect to the Liberian
economy. One reason is that the mining establishments are not very many and
they have well established accounting systems. Eventhough manufacturing
establishments are smaller in size, they have not become numerous enough to
present difficulty of any troublesome proportion. Moreover, previous indus-
trial establishment surveys were conducted early enough to ensure that Liberia
will keep abreast of changes in the number of these establishments as develop-
ment proceeds. However, the same cannot be said of construction-Construction

projects being too small and too numerous, especially residential construction. One method of dealing with the question has been to take census of the large projects and to use sampling for the smaller ones.

III. DOMESTIC TRADE

Wholesale, retail and related services are the essential elements of domestic trade and since these activities provide employment and make demands on labour and some capital resources which could be used elsewhere in the economy, data on this sector require some attention in the development pro- grammes. Fortunately, the data considered useful in this connection are simi- lar to those of other industries in character and method of collection. Thus the number of persons engaged and the value of sales and gross profit margin, for example, may be used to estimate the relative share of the sector in the national product. The value of retail trade classified by major commodities or services (and adjusted for price level changes) may be utilized to estimate private consumption. But the complexity of some of these data is increased by the fact that many of the retailing units are small and do not keep records. It is consolling, however, that most of the figures for this sector are not so urgent as those for the sectors considered earlier except figures on price series.

IV. EXTERNAL TRADE

Data on the external economic relations of Liberia with the rest of the world are very necessary for export planning purposes. Besides providing employment for part of the population, the exports of Liberia are among the chief sources for the import of capital and other goods and services essential to the development programmes. The concern here is the efforts to increase production of export commodities and to ensure that the higher income generated in the process does not give rise to correspondent increase in the import of

non-essential consumption goods which precipitate an unfavourable balance of trade. An added difficulty is that many of the primary products which Liberia exports are subject to undesirable price fluctuation on the world market, which makes export planning quite inaccurate.

The statistical series needed in dealing with these questions include those on value and quantity of exports, classified by countries of destination and kinds of commodities, average sale price received for each important kind of commodity; index numbers of quantum and unit value for the period for commodities classified into such categories as stages of fabrication, common use and sector of origin. Similar classifications are made for imports, noting the difference of "country of origin" and "purchase price" instead of country of destination and sale price, respectively.

Though part of the above data requirements, namely, figures on the prices and volume of exports, have been discussed in relations to the choice of industries for emphasis and maintaining balance growth in production in earlier section of this paper, nevertheless, these data are considered with special reference to foreign payments. For export, the figures on volume, prices and countries of destination may be analysed to estimate the demand for export, whether or not to diversify export commodities and foreign customers or to find new market for exports. Information on imports are useful indicators of the foreign exchange position of the country. These two sets of figures (on value and quantity of exports and imports) are the basis for calculating index numbers of quantum and unit values. This index is useful for detecting the relative movements in export earnings and import expenditures, variations in the value and quantity of some export commodities and therefore the terms of trade.

In Liberia, figures on foreign trade are usually compiled from export entry and import entry which exporters and importers are required to file with customs officials for each shipment. The difficulties with these documents have been well defined by the external trade division of the Department of Planning and Economic Affairs. Much efforts have been spent in improving coverage, documentation, and valuation.

V. PUBLIC FINANCE

The government sector is very important in any developing economy. One reason is that the size of this sector is usually larger in the developing economies than the developed economies and through the planning activities the influences of the sector are designed with purpose and direction. Consequently, the effects of government receipts and expenditures in some ways determine what happen in other sectors of the economy.

To assess these effects, it is essential to have data on government total receipts and disbursements; sources of receipts according to economic classification; economic objective of expenditure. The source of most of this information is budgetary and accounting figures of government agencies. These data are systematically collected and classified by the Department since 1964. Though the data are compiled annually, quarterly or monthly data are also required for analysis involving shorter periods. Efforts are presently being made for quarterly publication.

A breakdown of the sources of funds into borrowing from abroad, taxes on income, customs duties, or foreign grant receipts are useful in assessing the effects of such sources on saving and current consumption. The question of whether or not these sources are consistent with development objectives could be answered from the analysis of the same data. Monthly or quarterly

arrangement of receipt - expenditure data may be used to guard against infla-
tion or deflation as a result of fiscal policies.

VI. MONEY, BANKING & GENERAL PRICES

In Liberia, as in most developing economies, the problem connected with
financing development programmes is the lack of sources of funds. Domestic
sources are often inadequate because domestic savings are small and institu-
tions for directing the savings that do exist into investment are not develop-
ed. While this is not currently a significant aspect of the Liberian programme,
borrowing from the domestic banking system to supplement funds from taxes is
also a problem in development financing. Parallel to this is the possibility
that growth in economic activities could overtake that of the stock of money
in the country resulting in slow down of economic growth.

The figures necessary for dealing with these questions are a consolidated
sheet of the central monetary authority, if one exists, bank assets classified
according to main debtor economic sectors; bank liabilities classified accord-
ing to main creditor economic sectors, bank debits to deposits during the
period; loans and advances made, classified according to purpose and kind of
economic activity of recipient shown separately for central monetary authority
and other banks. Except for the loans and advances, which could preferably be
compiled annually, the rest of the data may be usefully gathered monthly from
the records of the banks. As development preceeds, moreover, it may be useful
toincrease the statistical series by adding others such figures on interest
rate and central bank rediscount rate.

Since the bank lending may increase the money supply in the economy, there
is the need to keep the volume in harmony with real growth in the economy.
This need is fulfilled through the analysis of the balance sheet. The balance
sheet may be used to determine the amount of lending to official development

establishments, the private sector and the government proper. The volume of private savings classified as time - and saving - deposits could also be determined.

The foreign sector may also be observed from these data. The sources of external funds and their uses may be observed from figures on the balance of payments. In this way policies to solve problems connected with foreign payments could be formulated.

The collection of these statistics do not present any difficulty in the Liberian economy principally because there are only seven banks and perfect records are being kept. The Department of Planning and Economic Affairs has up-to-date Banking Statistics.

VII. TRANSPORTATION

The importance of transportation in the Liberian economy is underlined by the fact that this sector has been growing at a faster rate than the economy as a whole. It is also interesting that some industries have sprung up as a direct result of road construction. In view of this important factor, data on transportation are among the urgent statistical requirements.

These data may be collected annually and consist basically of: The common means of transportation in the country; the number and carrying capacities of transport; vehicles and capital formation in the different modes of transportation (i.e. road transport, water transport, rail transport and air transport). In addition to these common statistical requirements, separate information should be collected for the following:

    a)   <u>Road transport:</u> The length of road, classified according to types;

    b)   <u>Water transport:</u> Registered gross tonnage classified according to type of registered vessel engaged in sea-borne commercial traffic; gross tonnage of goods loaded and unloaded in local coastal traffic;

    c)   <u>Rail transport:</u> Length of rail tracks; net freight-mile and passenger - mile performed during the year;

    d)   <u>Air transport:</u>   Number of registered aircraft classified according to type; passenger-mile and ton-mile of goods performed during the year classified as domestic and international; passengers embarking and disembarking classified as domestic and international.

The uses of the above data are perhaps obvious. Figures on the capacity and number of vehicles, their annual volume of traffic and the length of rail tracks and roads are used to determine whether or not to expand these facilities. Information on capital formation may also be utilized in arriving at similar decision. Performance data (quantity of goods loaded and unloaded, and so on) are also useful in estimating the demand for these services.

VIII. EDUCATION, HEALTH & WELFARE

The fundamental objective in all development planning is to improve the welfare of the population in terms such as health, education and the level of living. In carrying out programmes designed to reach these ends, it is often essential to assess the extent to which the goals have been achieved as well as the facilities for achieving them.

For the advantage of perspective, the latter will be discussed when we consider the problem of population, labour and production in a later section of this paper. In this section, the data requirements for the facilities in providing health and educational services will be discussed.

A. Education:

Statistical requirements for education in this context consists of the number of public and private schools classified according to level of education; number of teachers, classified according to sex, age and level of education; number of students enrolled in schools as of a specific date, their grade, sex and age.

These data may be analysed to determine the adequacy of existing personnel and facilities and to plan for their training and expansion when necessary. The level of educational advancement and changes in this regard may also be assessed from the same data.

B. **Health:**

Health and medical services in the country may be assessed from the number of hospital beds, registered nurses and doctors.

C. **Other Welfare Services:**

Growing population and migration into the cities and social changes may give rise to new social problems to demand expansion in existing welfare facilities or the building of new ones to solve these problems.

This is one of the urgent problems of this country at present, and it would still be helpful to compile figures on existing welfare institutions such as prisons, orphanages, and rehabilitation centres in terms of numbers, personnel and activities.

IX. POPULATION, LABOUR & PRODUCTION

A. **Population:**

The role of population in the planning process could scarcely be over estimated. As the chief productive factor, the population determine the amount of goods and services of the country, and as consumers, it also denote their welfare in the goal of development. The data necessary for formulating development plans with respect to these considerations, are, a national census of population taken every 10 years, classified by marital status, sex and age, type and level of education completed; size of household; annual figures on death by sex, age and cause; annual number of birth classified according to sex of infant and age of mother; annual immigration according to sex, age and education or profession.

Though the above series are by no means exhaustive of the total statistical requirements on population, they form the basic classification of data which may be combined or rearranged to meet the needs of specific projects.

For example, annual figures on changes in the population, indicated by number of births, deaths and immigration, may be combined with data on previous nationwide population census to estimate the growth rate of the population for the entire country.

Other questions could be answered from the analysis of these data. Comparison between the rate of population growth and that of output could indicate whether or not the opposing demands of capital formation and current consumption can be met from current level of output. The structure of current consumption in terms of food, clothing, housing and education may also be assessed from the structure of the population. Figures on the age distribution of the population, sex and the economically active portion of the population are very useful in this connection. The income of those in the labour force provides the basis for calculating and projecting the per capita income of the population, their savings and consumption expenditures. And finally, data on the level of education indicate their level of cultural improvements and the labour skills necessary to the production of the required goods and services.

B.   Labour:

The problem of labour is closely related to population and its role as an element of population was implied in the preceding discussions. In this section, the statistical requirements of labour as the chief productive factor will be emphasized. The basic problems which may be considered by using these statistics are to determine under-employed labour, low productivity of labour, transfer of labour from agriculture into industries and the renumeration of labour, which plays the dual role of being the cost of production to enterprises and the purchasing power of the labour force.

The number of economically active persons (labour force) in the total population is the first requirement of labour statistics. This may be further

classified according to age, sex skill and status. It has been found con-
venient to take this census every ten years. Others include the number of
employees during a specific period (a pay period, for example) in selected in-
dustrial activities classified according to economic activity; salaries and
wages paid during the reference period. Figures other than the decennial
labour census may be gathered annually, quarterly or monthly. All figures
on labour could be further classified as urban or rural and by major geogra-
phic divisions within the country.

Several aspects of labour problems relevant to planning may be observed
from the preceding outline. Occupational classification of the labour force
may be a useful measure of labour capacity in planning a specific project.
To transfer labour from agriculture into industry it may be helpful to know
the distribution of labour by major economic activities. And finally, the
total labour force may be estimated from a knowledge of the structure of the
population in terms of age, sex and therefore how it limits the size of the
labour force.

However, the collection of these data are not without difficulties,
especially in a developing nation where records are not usually kept. Thus
the cost of collecting data on small non-family productive unit may be high.
It has been thought advisable to start with well organized establishments
which are easier to deal with and which constitute the bulk of the economic
activities in development programmes. The difficulty of collection could
further be alleviated by the use of sampling, although not strongly recom-
mended in this economy.

C. Production:

The picture would be scarely complete without a word on production which
has given labour so prominent a place in our discussion. It is one of the

desirable objectives of development programmes to achieve high level of output. This requires that development planning promote increases in the productivity of factors engaged in the productive process and devise measures fairly capable of revealing conditions which must be changed in order to increase production. The measures should also give indications of the types of economic activity to be emphasized so that the increases are consistent with one another and with the development programmes as a whole. This type of consistency is extremely necessary if the preference of the planners is the achievement of balanced growth in the economic sectors. Lastly, it must be recognized that in every productive process the importance of efficiency is always stressed by the entrepreneur. Hence, the productivity of both labour and capital will be constantly accessed in the planning process.

A P P E N D I X

PLAN IMPLEMENTATION

The statistical data discussed in this paper are the basic pre-requisite for the formulation of a national development plan. Primarily, this plan is geared to promote change, specify new objectives and marshall a diversified people, organization and enterprise to the persuit of goals common to the economic well-being of the society. Hence, planning and the implementation or "follow-up" of plans become a basic problem of coordination. For the formulation of a development plan can be done by a centralized agency, the "follow-up," however, is inherently decentralized. The planning agency usually specifies the particular targets that are supposed to be achieved during the planning horizon. The achievement of these targets, however, would require a great amount of investment to produce the products. These investments have to be made by the innumerable economic units within the nation. The "follow-up," therefore, has to do with finding the means for making the objectives prescribed by the planners materialized at the specified time and in a way consistent with the values of the people for whom the plan is intended.

Development plans objectives are usually expressed in the form of priority allocation of resources for the key sectors of the economy. The planners and plan-implementors should have no difficulty in allocating resources in the public sector since it is the one area of economic activity where there is a direct link between plan targets and implementation. The planner being the Government has a complete control over the public sector. Hence, the problem of implementing public sector programmes would be primarily concerned with coordinating these public sector programmes with the national budget and providing the effective administration necessary for the executions of these projects. In other words, the budgeting of capital outlay is in accordance

with the development plan and in most cases the planned growth in the public
sector is almost nearly equal to the realized growth since it is quite easy
for planned investment and realized investment to be made identical. This
is, ofcourse, under the assumption that the necessary factors of production
are given. That is, labour, capital and entrepreneurship.

In the other sectors of the economy over which the planner or plan-
implementor has no direct control, the follow-up of development plans is more
complex. In this case, the plan-implementor or policy-maker would indirect-
ly try to exercise some measure of control over the private sector through
the use of more specific incentives. These incentives would ordinaarily
vary from industry to industry and would primarily depend on the specific
need of an industry in the over-all growth process as prescribed by the
policy-maker in the development plan.

In order to achieve the planned targets for investment without the emer-
gence of domestic inflation or balance-of-payments disequilibrium, there must
be an accumulated amount of both domestic and external savings. Domestic
saving, on the one hand, is a composite of private and public savings that are
generated from the increase in income. However, government policy is viewed
as an indispensable means of bringing about the required increases in total
saving. The basic policy to induce saving is a reform of the tax structure.
This includes, inter alia, upward adjustment of personal income taxes and in-
troduction of taxes on capital gains, wealth, personal expenditures and gifts.
The aim of government here is to reduce the extent of tax evasion through the
tightening of the administration of tax laws. Most developing nations depend
on Government to implement such policies above so as to induce the necessary
savings that are required for the achievement of the planned investment in

in the national development process. Hence, government has to relay additionally on the imposition of indirect taxes, particularly taxes from external trade, as a means of raising public revenues for the undertaking of the bulk of investment activities in the public sector. It is because of this that the public sector is over-emphasized in a development plan. The public sector here would not only include programmes relating to education, infrastructure or health services, but also publicly controlled industries.

Although Government's revenues are gained principally through taxation there are instances in the implementation of development plans when taxes have to be waived as an incentive for investment in the private sector. This is one of the measures which the policy-maker must employ to increase business saving in the private sector of the economy. The government then hopes that this favourable tax treatment would cause potential tax payers to use the saving to invest in productive activities necessary to generate the planned growth in the private sector.

In planning for economic development, the developing nations are principally concerned with formulating agriculture and industrialization plans. This is sometimes referred to as the two-legged development system. Where the emphasis is placed in this system may vary from country to country. However, in all developing nations, agricultural activities constitute the bulk of employment. Although there are both disguised unemployment and under employment existing in agriculture, notwithstanding it engages most of the economically active labour force on a subsistence level. Hence, if the welfare of the people is the paramount concern of a development plan, agricultural activities will be geared toward increasing the contribution of agricultural output through more efficient use of the factors of production. This would raise the purchasing power of the agricultural population and thereby

reduce the income disparity between the agricultural and non-agricultural workers. These are the basic objectives of any agricultural development plan.

One of the first step in the implementation of agricultural development plan is to institute educational and advisory support in modern farming techniques for traditional farmers. There must be some laiason between the agency responsible for agricultural development and the farmers. For example, agricultural extension services could adequately be used to give the necessary advisory and educational services that is needed to have an impact on increasing agricultural productivity. The problems involved here are not under estimated. However, the assumption is that if the extension agency exists, all financial as well as technical services of the government should be associated with this agency.

The second basic step in agriculture plan implementation would be the opening up of employment opportunities in the industrial sector to absorb some of the redundant agricultural labour force. This would again call for a massive training program. An agency should be charged with the responsibility of making these workers productive. The initiation of such an agency would serve to avoid the social dislocation of rural workers in the urban areas.

The third and perhaps most significant step in the implementation of agriculture plan is the marketing of products together with a price incentive policy for stabilization purposes. As is well known in developing nations, organized markets are still obstacles in developing agricultural contribution to the national product. There are times when many cash crops cannot find a ready market. These crops, being seasonal, are plentiful at one time of the year and at another time the economy must rely on the importation of these

same crops. The "follow-up" of a development plan in agriculture calls for
organization of marketing and storage facilities. Also because of the great
fluctuation in prices for agricultural products, there should be an agency
charged with the responsibility for price stabilization. The planned target
in agricultural productions will never be met if strongly guaranteed price
incentives are not given to farmers.

Finally, implementation of agricultural plan presents complex problems
of organization and resource mobilization. Methods used to induce change
must be subject to constant revision. These must also be constantly adopted
to the need and condition of various areas, and improvements of methods used
should be predicated on actual experience from the past. It becomes there-
fore necessary to have a programme evaluation committee for the implementation
of agricultural development plan.

The developing nations are putting great emphasis on rapid industriali-
zation not only because it will contribute to the productive employment of
the unemployed and underemployed, but that also it would reduce the vulnera-
bility of the economy to fluctuations in the prices of agricultural crops.
Hence, implementation of development plan for industrilization plays a major
role in the development process. These plans can be implemented through
direct government responsibility for the execution and operation of industrial
projects; or, government could lend assistance to the private sector by pro-
viding scarce resources and through incentives designed to stimulate indust-
rial growth in the economy. In the private sector of the economy, the promo-
tion of import substitute industries (ISI) and industries utilizing domestic
materials will be the responsibility of the plan - implementation. To achieve
this, foreign exchange and trade policies designed to provide protective
market for domestic industries will have to be initiated. This would necessi-

tate quantitative import restriction and exchange control. Also tariff pro-
tection for sheltering domestic industries from foreign competition will be
used. However, in the case of high-priority projects that require large
capital outlays, there should be a mixed public-private enterprise system with
direct financial participation by the National Government. The criteria for
priority is established by the policy-makers.

A new trend that has developed in plan implementation for industrializa-
tion is that guarantee is given by the government to private credit institu-
tions which reduces the risk that these institutions may take with potential
investors in industries. This has caused small-scale industries to gain
prominence in the industrialization process of the developing nations. These
types of industries have been welcome by government because of their diffusion
possibility which would give rise to a more balanced rural economy. Although
these small-scale industries lead to specilization, it is believed that they
can provide a much needed complement to larger industries.

Capital is a scarce factor in a developing nation. If the overall plan
"follow-up" is to be successful, specialized credit institutions with interest
rate significantly lower than the market interest rate should be formed.
The non-availability and or non-accessability of capital in a developing
economy, automatically places a constraint on the participation of nationals
in the development process. Steps should be taken to see that the local
banking institutions are sympathetic towards the developmental efforts of the
government with respect to the lending of capital to local entrepreneurs.

In conclusion, the scale and tempo of development efforts of the develop-
ing nations should be taken into consideration on international levels, parti-
cularly by the United Nations. The UN should specially consider how its

programmes now under way and the policies being persued could better be integrated with the development plans of the developing world so as to secure more speedy fulfilment of the high-priority programs of these Nations thereby accelerating economic and social progress. This would give the implementation of plans a new dimension. For while planning is an exercise of the imagination, plan implementation is a struggle with reality.