Financial Management Research a Strategy for Sustainable Development in the Third World: Experiences and Future Plans of Intellectuals.

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Abstract
Financial Management is the process of procurement and disbursement of funds, and remuneration of the owners of the enterprise. The function of procurement of the funds is called the financing function, while that of the control of the utilization of the funds is called the investment function. The function of remunerating the shareholders of the corporations is called the dividend function. The manager who performs the financial management function is called the Financial Manager. The modern day financial manager is instrumental to the success of the organization. As cash flows pulsate through the organization this individual is at the heart of what is happening. If finance is to play a General Management Role in the organisation, the Financial Manager must be a team player who is constructively involved in the operations, financing and liaising with the other functional areas of the enterprise such as Marketing, Production, Human Resource Management, Innovation, Research and Development, Materials Management and Accounting. The effect of Financial Management is the improvement in the financial performance of the firm which at the macro level leads to Economic Growth. Economic Growth as a concept is the rise in the output of a country from a given year taking the previous year as the base year. It does not however take recognition of the material well-being of the masses that will culminate in a change in the Economic Arrangement that will cause a increase in such macroeconomic variables as poverty alleviation, employment, income especially of people in the low income bracket and improvement in the human development index to result in a higher standard of living, education for all and longevity up to 85 years. The concept of Economic Development which starts with Economic Growth and adds the distribution of the proceeds from Growth and the Spontaneous change that galvanizes the improvement in the macroeconomic variable is more encompassing than the concept of Economic Growth. It is also one of the pillars of Sustainable Development. Sustainable Development entails meeting the needs of the present generation without jeopardizing the needs of the future generations. The needs include the eight needs of Maslow namely: the physiological needs, esteem needs, safety needs, love needs self-actualization needs and the needs for beauty and aesthetics, knowledge and understanding and transcendence. The specific objectives of the study are to do a Theoretical Review of Financial Management Research, a Theoretical Review of Sustainable Development in the Third World and to do a Theoretical Analysis to show how Financial Management Research could be used as a strategy for Sustainable Development in the Third World: Experiences and future plans of intellectuals.
Keywords: Sustainable Development, Economic development, Financial management

1. Introduction

Financial Management is defined as the process of procurement and disbursement of funds and remunerating the owners of the enterprise (Pandey, 2008). Finance as a discipline is no longer an arm chair subject. It needs rigorous analysis, the Financial Manager is the manager that is in charge of the Financial Management function in the enterprise. The functions of the Financial Managers are three in number namely routine, executive and incidental or other functions. The routine functions include receiving cash and disbursing cash. It also includes the safe keeping of cash and valuable record, accounting and reporting, and taking care of some mechanical details (Eriki, 2005).

The executive functions of the Financial Manage include forecasting the financial needs of the firm by carrying forward past data. The Financial Manager must know the financial requirement of the firm (corporate finance) and he or she must carry out financial analysis (capital and cash Budgeting, project analysis, projected financial statement analysis and the Analysis of working capital Requirements). The executive function also includes negotiating with suppliers of funds to decide on the optional source of funds for the firm, evolving a technique to decide the operations of the capital structure of the firm in terms of the balance of the share capital and the long term debt capital. The other executive functions include engaging in the management of current assets, (cash, debtors and inventory) and fixed assets. The executive function includes the distribution of the distribution of net profits or surplus between maintained earnings and dividends (Osaze and Anao, 2000).

Apart from the routine and executive functions, there are incidental functions like supervising the cash receipts and disbursements, safeguarding of security and insurance policies, reporting to the Chief Executive and liaising with other functional area managers. Today, there are three financial management decision namely financing decision, investment decision and dividend decision. The financing decisions are the courses of action that border on the procurement of funds. The investment decision is the course of action that that borders on how to control the disbursement of the funds. The Dividend decision is course that that borders on how to reward the shareholders by giving them cash dividends and retaining the rest of the net profit in the business (Osaze and Anao, 2000).

Financial Management Research is an important aspect of Business or Management Research. A great deal of importance has been given to research in the developed world. The general impression that people hold of research is that it is top-flight, complicated, scientific, thought demanding and above all, it is believed that research is a difficult endeavor which is reserved for persons of academic distinction in the University, Research Institutes and laboratories, generously financed by the Government, Business and Industry. This way of looking at Research is not entirely wrong. But the story it tells is very partial (Nwana, 2001).

Research in its totality is a simple concept, within the reach of most people. Broadly defined, Research is a process of finding out the solution to a problem. The action word in this rather simple definition of Research is finding out. That is why Research is often seen from the perception of searching again and taking a cursory look in the phenomena or issues of interest (Unyimadu, 2005). The issues of interest in this paper are Financial Management and Sustainable Development in the Third World. Financial Management Research deals on the improvement in the firm Performance. Performance is a wholistic concept that includes such performance factors as productivity, efficiency, effectiveness, profitability, employee morale, gearing and contribution to Gross Domestic Product. When performance goes up, all the other performance variables go up and the net effect is a rise in Economic Growth in the long run at the macro level (Jhingan, 2008).

Todaro and Smith, (2009) have observed that because, the term Development may mean different things to different people, there is a need to have some working definition of Development. Without such a common perspective about Development, it will be difficult to decide which country was actually developing and which one was not in strictly economic terms, Development has actually meant the capacity of a national economy, whose initial economic condition has been more or less static for a long term to generate and sustain an annual increase in the Gross National Income (GNI) at the rates of 5% to 7% or more. A common alternative economic index of Development has been the rates of growth of income per capital to take into account the ability of a nation to take into account the ability of the Nation to expand its output at a rate faster than the growth rate of the population data of Growth and Levels of real per capital Gross National Income per capital minus the rate of inflation are normally used to measure the overall economic well-being of a population how much of real goods and services are available to the average citizen for consumption and investment (Jhingan, 2008).

The new Economic view to Development is apt because of the experience of the 1950s and 1960s, when many Development Nations did reach their Economic Growth Targets but the levels of living of the masses of the people remained for the most part unchanged which signaled that something was wrong with the definition of Development. An increasing number of Economists and policy makers clamored for more direct improvement in widespread absolute poverty, increasing inequitable distribution of income, steaming rising unemployment. In the 1970s Economic Development came to be redefined in terms of the reduction or elimination of poverty, inequality and unemployment within the context of a growing economy (Todaro and Smith, 2009). Economic Development is one of the pillars of Sustainable Development just like Social Development, and Cultural Diversity, Sustainable Development is defined as meeting the needs of the present generation without causing harm to the needs of the future generation (Jhingan, 2008).

The broad objective of the study is to do a Theoretical Review of Financial Management Research and Sustainable Development in the Third World.

The specific objectives are:

i. To do a Theoretical Review of Financial Management Research
ii. To do a Theoretical Review of Sustainable Development in the Third World.
iii. To do a Theoretical Analysis to show how the Financial Management Review would be used a strategy for Sustainable Development in the Third World: Experiences and Future Plans of Intellectuals.

2. Goals and Functions of Finance

2.1 Creation of value, profit maximization

The objective of a company must be to create value for its shareholders. Value is represented by the market price of the company's common stock, which, in turn, is a function of the firm's investment, financing, and

dividend decisions. The idea is acquire assets and invest in new products and services where expected return exceeds their cost, to finance with those instruments where there is particular advantage, tax or otherwise, and to undertake a meaningful dividend policy for stockholders (Pandey, 2008).
Throughout this paper, the unifying theme is value creation. This occurs when you do something for your shareholders that they cannot do for themselves. It may be that a company enjoys a favorable niche in an attractive industry; and this permits it to earn returns in excess of what the financial markets require for the risk involved. Perhaps the Financial Manager is able to take advantage of imperfections in the financial markets and acquire capital on favorable terms. If the financial markets are highly efficient, as they are in many countries, we would expect the former to be a wider avenue for value creation than the latter. Most shareholders are unable to develop products on their own, so value creation here certainly is possible. Contrast this with diversification, where investors are able to diversify the securities they hold. Therefore, diversification by a company is unlikely to create much, if any, value(Pandey, 2008).
Maximization of profits is regarded as the proper objective of the firm, but it is not as inclusive a goal as that of maximizing shareholder value. For one thing, total profits are not as important as earnings per share. Even maximization of earnings per share, however, is not fully appropriate because it does not take account of the timing or duration of expected returns. Moreover, earnings per share are based on accounting profits. Though these are certainly important, many feel that operating cash flows are what matter most (Pandey, 2008).

Another shortcoming of the objective of maximizing earnings per share is that it does not consider the risk or uncertainty of the prospective earnings stream. Some investment projects are far more risky than others. As a result, the prospective stream of earnings per share would be more uncertain if these projects were undertaken. In addition, a company will be more or less risky depending on the amount of debt in relation to equity in its capital structure. This financial risk is another uncertainty in the minds of investors when they judge the firm in the marketplace. Finally, earnings per share objective does not take into account any dividend the company might pay (Eriki, 2005).
For the reasons given, an objective of maximizing earnings per share usually is not the same as maximizing market price per share. The market price of a firm's stock represents the value that market participants place on the company. Financial Management Research is an aspect of Social Science Research or Management Research. The most common Research method is the survey. In the survey, the Researcher does not have control of the independent variables because they have already occurred. If the Researcher is able to manipulate the independent variables the appropriate Research Design will be an experiment and not a survey (Stone, 2006). The experiment is performed in a laboratory. In the Management Sciences the experiment is not a popular Research Design because of the human factor which was very visible in the Hawhorne Experiments. Once people are aware that they are being studied, there is a change in their behavior (Podsakoff and Dalton, 1987).
Another popular Research Design in Financial Management is the use of Secondary Data. The sources of Secondary Data are from Books, the Journal Articles, and Internet Materials and other sources of Secondary Data are published document such as the Annual Reports and Commercial Banks Publications, Publication of International Bodies such as World Bank, I. M. F. and the publication of Trade Organization like the International Labour Organization (Unyimadu, 2005).

3. Sustainable Development (SD)

3.1 Good Governance and Personal Security

Good Governance provides the control needed for Sustainable Development. Good governance is need of all sectors of society: the governments, businesses, and civil society organizations. National and Local Governments need to construct effective institutions and pursue Sustainable Development with transparency, accountability, clear metrics, and oneness to the participation and involvement of all key stakeholders. They should uphold and promote the rule of law and good conscience as well as basic economic and social rights. Governments must design financing strategies, provide the course of action help mobilize the necessary resources, and provide the public goods needed for sustainable development. Public policy decisions must be made on the basis of scientific evidence (Jhingan, 2008).
The most important public good is peace and security, including personal security. Development cannot thrive without safety devoid of personal and psychological violence. When conflict is flaring, Development becomes impossible and hard-fought gains are quickly reversed, as evidenced by fact that no conflict prone country is achieving the Millennium's Development Goals (MDGs). Ending conflict often requires international support in the form of mediation, conciliation, arbitration, peacekeeping and assistance to address the underlying economic and social needs that drive conflict. Personal security, conflict and peace building are therefore essential components of good governance for sustainable development (Iyoha, 2008).

The private sector is the principal engine for Economic Growth and job creation. It will develop and utilize many of the new technologies, organizational models, and management system that are needed for Sustainable Development. Good corporate governance therefore calls for all companies, especially the major multinational companies to adopt transparent goals and objective for Sustainable Development, and to hold themselves accountable for those goals and objectives vis-à-vis their investors, customers, suppliers, and society at large. We should acknowledge that companies are often more powerful than governments in determining the fact of Sustainable Development and that they have unrivalled technologies, organizational skill and means. Yet their incentives and motivation are often not aligned with the public objectives of Sustainable Development. There can hence be no Sustainable Development without good governance and accountability. In particular companies sole proprietorship and partnership should responsibly and constructively with governments to address market failures, shown by the shrinking of customer's patronage to help mobilize the needed resources and ensure that private incentives become more fully aligned with public objectives. They must be accountable for the political, social economics, environmental and social sequences of their actions, along the lines of the polluter pays principle. All of this may need fundamental changes to some business enterprise models (Jhingan, 2008).

There also cannot be Sustainable Development without civil society playing its part. This includes voluntary organizations that hold both government and business enterprises to account in terms of performance productivity and profitability to organize and mobilize communities, deliver services, keep neighborhoods pleasant and safe, promote cultural activities. It includes philanthropies and social responsibilities that support science, research, education, and help for the poor. It includes civil society organization and ventures that defend the environment against pollution and other externalities arising from the economy. And it includes social enterprises, often with distinct legal status, that work on a business model yet do not pursue profit as their role or main motive (Iyoha, 2008).

A central challenge for governments at all levels and stages and the private sector, and civil society is to fulfill the promise of new technologies for Sustainable Development. Substantial progress on any of the four dimensions of Sustainable Development will require the large-scale medium scale and small scale adoption of advanced technologies already available. Many more sustainable technologies, techniques and methods will need to be developed. Universities and tertiary institution and research institutions therefore play an important role in Sustainable Development. They are engines of basic scientific and technological research which entails researching again. They train future generations of leaders, managers and scientists who will have to resolve many of the Sustainable Development challenges left by previous generations. They conduct much of the operational research problem solving that is needed to better understand the challenges, devise solutions, monitor and evaluate progress. And they can be an important partner in diagnosing local challenges and devising pathways towards sustainability (Jhingan, 2008).

Strategies or courses of action for Sustainable Development must be integrated and address the relationship across the food dimensions. For example, a food security strategy must address the special needs of the extreme poor in rural and urban areas and address gender disparities so that women, men and young girls have equal access to food. Just as importantly, it must ensure sustainable use of water resources, power resources, preserve soil nutrients, protect biodiversity hotspots, and promote resilience as well as adaptation to climate financing in the context of limited resources, and much more. The relationship across the four dimensions of Sustainable Development varies from nation to nation, from city to city, and from region to region. Therefore, public and private actors at local, national, regional and continental level need to diagnose the interdependencies across sectors, identify strategies for exploiting synergies or win-wins, and determine how to manage trade-offs across policy areas (Jhingan, 2008).

4. Setting Goals for Sustainable Development for 2030

Addressing the challenges and problems of Sustainable Development requires a shared focus on ending extreme poverty in all its forms and a fundamental transformation in the way the economies are organized. The necessary focus and collaboration across actors and countries can only be achieved through shared global goals and objectives. For this reason the world needs effective and efficient and widely shared goals and objectives for Sustainable Development of follow-up on where the MDGs will leave off in 2015. Of course setting global goals will have little impact unless followed up b concerted action, but it is herculean to imagine a pathway towards global sustainability without an ambitious set of shared goals for Sustainable Development (Anyanwu and Oaikhenan, 2000).

Well-crafted post-2015 goals and objectives will guide public understanding of complex long-term, medium term and short term challenges, inspire public and private action, and promote accountability. Children will learn the goals and at school as a short-hand definition of sustainable development. The goals will also promote integrated thinking and put to rest the futile debates that pit one dimension of Sustainable Development against another. They will mobilize governments and the international systems to strengthen measurement and

monitoring for Sustainable Development. If our Sustainable Development framework is a good description of the challenges the world faces, then a new set of post-2015 goals till the year 2030 should apply to all countries – rich and poor- for the four dimensions of Sustainable Development. This does not mean that every goal must be a stretched goal for the people (Jhingan, 2008).
The General Assembly of the United Nations will adopt the post-2015 goals following an intergovernmental process of negotiation. While that process is just starting, there is a reasonable chance that the post-2015 goals might comprise the components below:

i. Ending Extreme Poverty and Promoting Sustainable Growth.
ii. Promoting Health Lives and Sustainable Fertility.
iii. Promoting Quality Education, Job Skills and Decent Work.
iv. Promoting Gender Equality, Personal Security, and Wellbeing.
v. Averting Dangerous Climate Change and Industrial Pollution.
vi. Ensuring Food Security and Sustainable Food Supplies.
vii. Building Smart, Healthy and Resilient Cities.
viii. Fulfilling the Promise of Technologies for Sustainable Development.
ix. Ensuring Good Governance and Accountability (Jhingan, 2008)

These goals may seem utopian. They are not; indeed the world has considerable wind in the sails to achieve them. Extreme poverty is developing countries were halved between 1990 and 2010, from 43% to around 22%.

5. A Theoretical Analysis to show how Financial Management Research could be used as a Strategy for Sustainable Development in the Third World: Experiences and Future plans of Intellectuals

Financial management research entails searching again and taking a cursory look on how to procure funds, how to control the disbursement the funds and how to remunerate shareholder with cash in corporations in Third World countries at the aggregate level. It was stated that the research methods for collecting primary data on Financial Management 80 percent of the time was by a survey. In the survey the Financial Management Researcher does not have control of the independent variables because they have already occurred and to they cannot be inherently manipulated, if it was possible for the Financial Management Researcher to control the independent variables the appropriate research design would be an experiment.
Experiments are done in Financial Management Research less than 20% of the time this is because quite unlike the scenario in the Physical Sciences and Engineering where inanimate objects are being studied as shown by the Hawthorne Experiences whenever human beings are being studied to their notice, there is a change of behavior and the human factor affects the findings. It is difficult to get a control group that is similar to the experimental group.
Also, the use of secondary Data has been a very useful research design in Financial Management Research. The sources of Secondary Data are: Textbooks, Journal Articles, Internet Materials, the Internal Publications of Banks and the Central Banks and publications of International Organizations like World Bank, International Monetary Fund and International Labour Organization etc. The effect of Financial Management Research is that there is an increase in such performance factors like Productivity, Profitability, Efficiency, Effectiveness, Gearing, Liquidity, Employee Morale and Contribution to the Gross Domestic Product. These increases lead to an increase in Economic Growth.

The definition of Economic Growth as an increase in output from a given year using the previous year as the base ignores the distribution of the proceeds of Economic Growth which makes for an improvement in the material well-being of the masses of the people and the improvement in such macroeconomic variables like income, employment and poverty alleviation, Economic Development which as concept started and incorporated Economic Growth, and Distribution of the proceeds from Economic Growth and a spontaneous change that leads to the improvement in the macroeconomic variables. With Economic Development there is a movement of the emphasis of the people to remain in the Agricultural sector in the Rural Economy to a change to be in the industrial sector such as the manufacturing sector and service sector mostly found in the Urban Economy.

So there is a shift from looking at Development in the economy in terms of an increase in the Gross National Income (GNI) over time to an increase in such macroeconomic variables as income, employment and economic prosperity. Economic Development is one of the pillars of Sustainable Development. It means that Development should be on going, dynamic and continuous. Development entails an increase in the socio-economic condition of the society from a low state to a higher state due to the education and training of the people. Sustainable Development is defined as meeting the needs of the present generation without jeopardizing the needs of the future generations. So Financial Management Research has had a positive effective on Sustainable Development of the Third World.

6. Conclusion

Financial Management was the process of procurement and disbursement of funds, and remuneration of the owners of the enterprise. The function of procurement of the funds was called the financing function, while that of the control of the utilization of the funds was called the investment function. The function of remunerating the shareholders of the corporations was called the dividend function. The manager who performed the financial management function is called the Financial Manager.

The modern day Financial Manager was instrumental to the success of the organization. As cash flows pulsated through the organization this individual was at the heart of what was happening. If finance was to play a General Management Role in the organisation, the Financial Manager had to be a team player who was constructively involved in the operations, financing and liaising with the other functional areas of the enterprise such as Marketing, Production, Human Resource Management, Innovation, Research and Development, Materials Management and Accounting. The effect of Financial Management was the improvement in the financial performance of the firm which at the macro level leads to Economic Growth. Economic Growth as a concept was the rise in the output of a country from a given year taking the previous year as the base year. It did not however take recognition of the material well-being of the masses that would culminate in a change in the Economic Arrangement that would cause a increase in such macroeconomic variables as poverty alleviation, employment, income especially of people in the low income bracket and improvement in the human development index to result in a higher standard of living, education for all and longevity up to 85 years. The concept of Economic Development which started with Economic Growth and added the distribution of the proceeds from Growth and the Spontaneous change that galvanized the improvement in the macroeconomic variable is more encompassing than the concept of Economic Growth. It is also one of the pillars of Sustainable Development. Sustainable Development entails meeting the needs of the present generation without jeopardizing the needs of the future generations. The needs include the eight needs of Maslow namely: the physiological needs, esteem needs, safety needs, love needs self-actualization needs and the needs for beauty and aesthetics, knowledge and understanding and transcendence.

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