

# The Impact of Strategic Planning and Effective Policy on Rural Industrialization of Anambra State of Nigeria

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## Abstract

This work sought to X-ray the impact of strategic planning and effective policy in rural industrialization. The need for rural industrialization is to improve economic activities in order to create wealth within rural communities. It means more employment and increasing standard of living of rural populace thereby narrowing the gap in economic and social life between the rural and urban dwellers which leads to reversal of rural urban migration. The objectives of the study were to determine the impact of strategic planning and effective policy on rural industrialization of Anambra State and to ascertain ways of harnessing rural resources to promote economic activities. The work concluded that strategic planning and effective policy create a detailed plan; they also facilitates rural industrialization; they make rural industries to be adaptable to technological changes; they guide implementation of rural industrialization programme; they maintain the nature of education and training that are required; they state the direction rural industrialization should go; and the work also recommended that strategic planning and effective policy should be inculcated in rural industrialization project.

**Keywords:** strategic planning, policy, rural, industrialization, Anambra State.

## 1. Introduction

The end of the Second World War witnessed the emergence of revolutionary ideas that swept the African nations as they threw off the colonial yoke. The desire on the part of the new leaders in these countries is to promote rapid economic development coupled with the realization that poverty anywhere is a threat to prosperity everywhere. And also knowing it will be difficult for wealthy ones to enjoy their wealth in the midst of wide spread poverty (Jhingan, 2007:1).

Hence the need for strategic planning and effective policy to improve or facilitate rural industrialization in order to boost economic activities to create wealth. This narrows the gap in the economic and social lives between rural and urban dwellers. Rural industrialization means more employment for rural dwellers and more importantly improvement in their livelihood. It also relates to economic and social structures in which not only farming, forestry, and handcraft but also small, middle and large companies produce and trade, where services from the most local to the most international are provided. This of course affects urban centres in terms of reduction of pressure on social infrastructure as a result of reversal in rural urban migration. Beyond that, rural areas provide living scope, not only for the people who work there, but also for many people who work in the city. Rural areas offer flora and fauna and fulfill important balancing functions for over loaded centres of dense population, particularly through the preservation of ecological balance, as buffer zones and recreation areas (Greeven, 2011:8).

Strategic planning and effective policy lay a clear vision backed by definite plans of action to make realization of rural industrialization possible. It sets programmes, procedures, schedules as well as standard of performance to attain in order to achieve intended objectives that are measurable. It also gives a tremendous feeling of confidences to adapt to changing technological, economical, social and political situation, prevalent in the environment. Although higher technical standards of manufacturing is still lacking in some manufacturing processes in the rural areas and this has isolated them from competition, from imported goods which are cheaper in terms of prices and of a better quality. This is because some of rural industries lack appropriate investment programmes to install up to date machine and plants to hygienically process their products to attain their full potential.

Most atimes rural industrialists are shot out from making inputs for the formulation and development of local and international investment, trade and business plans for government's national development plans ( Fubara , 2002:125). Increasingly, strategic planning and effective policy for rural industrialization have some hindrances. It is recognized that most rural areas have poor communication network, poor electricity and water supplies, inadequate health care system and low skills in technology, research and development and in vocational and

technological education, etc. This situation affects the performance of industries by increasing their cost of production. Most rural industry are too small or too poor to embark on providing mentioned social infrastructure for themselves. And this results in manufacture of low quality but high priced goods and services.

### **1.1 PROFILE OF ANAMBRA STATE:**

Anambra state presently is one of the 36 states in Nigeria. It was first created in 1976 with Enugu as the state capital by the then Head of States General Muritala Ramat Mohammed. In 1991 Enugu state was carved out of Anambra by another Head of State General Ibrahim Babangida. This action changed the capital of Anambra from Enugu to Awka.

Anambra State is among the five states that make up South East region of Nigeria viz; Imo, Abia, Enugu, Ebony, and Anambra state. It has twenty one local government areas with a population of about 4 million. Something according to 2006 Nigerian population census. The census result is still subject of controversy. Anambra state shares boundaries with Delta State in the North, Imo State in the West, Enugu State in the East and South.

Anambra state is inhabited by single ethnic group known as the Igbos. They are predominantly Christians with few traditional religionists. They engage mainly in farming and trading. And remain the most traveled set of people within the country. They are known for their industry and determination and today are regarded as the state with the lowest level of poverty in the country. Their, "I can do spirit" seem to be the underlying factor of their successes. Beyond that they accepted western education which was introduced by the colonial masters. Education to them is a thing of pride and parents are ready to go extra miles to ensure that their wards acquired quality education.

In another development, Anambra state is housing important markets, Onitsha and Nnewi. Onitsha market is reputed to be the largest market in West Africa in terms of general goods. While Nnewi is the largest auto-spare parts in Nigeria. Both have also boosted concentration of industries that manufacture diverse products. These two towns are the foundation of rural industrialization in the state.

### **1.2 Objectives Of The Study**

- To determine the impact of strategic planning and effective policy on rural industrialization of Anambra State.
- To ascertain ways of harnessing rural resources to promote economic activities in the state.

## **2. Literature Review**

Strategic planning has been defined by as the continuous process of making present entrepreneurial risk-taking decision systematically and with the best possible knowledge by their futurity, organizing systematically the efforts needed to carryout these decisions and measuring the result of these decisions against the expectation through organized systematic feedback. It gives a clear vision and direction built into set of programmes, procedures and processes of achieving rural industrialization. It also sets objectives that are measurable with time of its realization. It is a plan that gears towards tackling a specific targets or problems, and maintains standards of operation that guarantee success in rural industrialization.

Strategic planning is a detailed and an integrated plan that is both long range and short range (Dess,et al 2009:68). And also inclusive to accommodate all other opinions most especially beneficiary participation in its formulation. The participation of beneficiaries, the rural communities and rural investors in the planning and execution of rural industrialization projects is important for any meaningful attempt towards industrialization of rural areas. This privilege creates an intrinsic and psychological satisfaction and also sense of pride among the rural populace. Besides, communities are better placed to protect and maintain both social and economic infrastructure located in their areas. It is a hardly disputed fact that the rural community knows their needs and problems and are in a better position to identify or itemize them (Ituma, 1984:30).

Flexibility of strategic planning enables rural industrialization programmes to adapt to technological, social, economic and political changes in the environment to ensure survival.

Rural industrialization makes sense or has chances of success only when an integrated plan is put in place to include all other aspects of rural development projects such as electricity, pipe borne water, or Borehole, schools, hospitals, roads etc., to serve as foundation upon which industries are built. It is the factor that arouses the interest of the rural populace to stay at home and work in the industries set in their locality. Aside people staying at home, rural industries stand no chance of surviving let alone grow if these social and economic infrastructure are lacking within their locality. Provision of infrastructure enables rural industries to produce at full capacity, which of course lowers their cost of production. This ensures growth and expansion of rural business. The results are increase in business activities and employment and ultimately improvement in the standard of living of rural populace (Okeke, 2000:7).

## **2.1 Rural Industrialization**

Rural industrialization is a process associated with a continuous improvement on the capacity of rural populace and their society to control and manipulate their physical environment as well as themselves for their own benefit and those of other humanity (Garba, 1996:4). Objectives of rural industrialization is to mobilize and harness the human and material resources of the rural area with a view to improving their economic and social conditions and to improve productivity, increase employment and thus high income for target group as well as improve qualities in the basic needs of which include food, shelter, job opportunities, health services, education, improved attitude like political behaviour and so on. Rural industrialization is a means of ensuring that poorer section of the population has some share in the fruits of economic activity. It is a means by which provision of social services for the rural population should be combined with the promotion of economic growth. ( Bello-Imam, 1982).

Rural industrialization is a strategy designed to improve the economic and social life of the rural populace through the setting up of small and medium enterprises. The main concern in the rural industrialization is supposed to be the modernization of rural society through a transitional isolation to integration with the national economy for equitable and balanced development of the nation. Rural industrialization constitutes a process of planned change for which one approach or the other is adopted for improvement and transformation of the lot of the rural populace. It is the most pragmatic and long over due means of bringing government facilities and services to the doorsteps of impoverished rural populace.

Proposals and programmes for rural industrialization had not been lacking over the years. Actually, there were excess of them, but as soon as the rural industrialization programmes were initiated at times, they went awry and got buried in bureaucratic inertia, mismanagement and corruption. The World Bank assisted rural development were no exception. Though they have recorded modest achievement by raising the well being of rural people in their respective areas of operations, their overall impact is grossly disproportionate to the large investment on them ( Olisa and Obiukwu, 1992:204).

## **2.2 Effective Policy**

Effective Policy is a standing rule and also the philosophy of an organization as well as general statements or understandings that guide managers' thinking in decision making. The strategy for rural industrialization is a matter of deliberate policy. For rural industrialization programme to succeed, it must be integrated into the policy of the government of the day and beyond. This makes the rural industrialization sustainable. Policy ensures that decisions fall within certain boundaries. They usually do require action for it to be effective, and are intended to guide managers and governments in their commitment to decision making in respect of rural industrialization ( Weirich et al, 2010:117).

The essence of policy is discretion. Strategy, on the other hand, concerns the direction in which human and material resources will be applied in order to increase the chances of achieving selected rural industrialization projects. Policy therefore signifies commitment or the desire towards implementing strategy. This is because it simply explained the "how" of an action taken to attain objectives (Akpala, 1991:55). Policy serves to direct future action and is also important in facilitating the achievement of co-ordination, in economizing managers time. This is achieved by being a standing rule. It also helps in stating the position of government or managers on certain issue and this helps rural industrialization participants to inter-relate so that they can work with one another rather than at cross purposes. It also restrain freedom and authority of every member of rural industrialization project by specifying action that can or cannot be taken ( Trewartha and New port, 1976: 150).

Policy affected by environmental conditions and by the internal resources of rural industry. And since an organization's environment is constantly changing, policies must be renewed continually, if they are to remain current and dynamic.

### **2.3 Government**

The burden of rural development in developing countries such as Nigeria lies on the government not on account of ideological considerations but because of scarcity of capital funds. Government involvement takes various forms, direct investment in social and development projects and provision of long and short credit facilities for rural investors. Government also sponsored industrial credit scheme generally organized through executive agencies.

Government and business inter-relate with each other. The question has always been how can government act most effectively to help rural industrialization in particular and the economy as a whole? Government has a profound effect on all firms, particularly rural industries, operate and their opportunities grow. Indeed, government policy and its influence on institutional environment of a country, region or locality has become a key focus of efforts to help improve how rural industry develop and economies compete. Government creates the rules within which rural industries operate within. They regulate the activities of all businesses and set the dos and donts and also influences regulation on conditions at work, consumer protection, food, health, safety, environmental planning regulation and licensing ( Carter and Jones-Evans: 2006:49).

Provision of social and economic infrastructure in the rural areas to support growth and expansion of rural industrialization is the responsibility of the government. There are the need for good roads, health care system, schools, rail system, pipe borne water, electricity etc., that quicken exchange of goods and services and makes rural areas habitable. Government can offer grants, subsidies, loans or information and advisory support to rural industries. The provision of all these infrastructure are what makes up conducive business environment. Conducive environment provides least cost of production with protection of life and property. It also include where enforcement of contract is possible and rule of law is uphold. National governments are best placed to observe what is happening in other nations and in facilitating exchange of experience and ideas.

### **2.4 Education and Training:**

This involves improving education and work force development, providing existing rural business owners with technical assistance, teach youth in rural areas business management skills and teach adult entrepreneurs how to start and manage businesses. There is the need for capacity building through entrepreneurship development programme. Human resource skill development is crucial for ensuring the survival and growth of rural industries. Entrepreneurship development is a critical aspect of skills development and key corner stone for economic revival and growth (Obitayo in CBN, 2001:12).

Rural industrialization development policy has been structured more in terms of helping places and sectors, with little attention to development of rural people. By ensuring that people have appropriate skills one ensures that they have best chance to lead a productive life, and by doing so, they can contribute to rural industrialization. The set of skills a person has determine how well they will live. The level of education achieved by the potential rural business owner has long been seen as a crucial factor in determining both the actual entry into self-employment and, therefore after, the longer-term success of the venture, it has been recognized that one of the reasons for the failure of some rural industries has been poor general level of education and training. Poor education and training skills are crucial constraints on rural firm growth. Deficient education also undermines the more general scope of entrepreneurship, the culture of enterprise and spirit of risk taking (Carter and Jones – Evans, 2006:65).

Apprenticeship scheme and other vocational studies to acquire skills are made available to most rural dwellers. This helps them to engage in one form of vocation or the other. Indeed it is increasingly been recognized that the most important investment needed by rural populace are in this basic skill areas. Government has set up various agencies to help achieve this objectives. And these agencies include institutions like National Directorate of Employment (NDE), Small and Medium Scale Enterprises Scheme (SMES) and Industrial Training Fund (NDE, 1993).

## 2.5 Research and Development

Gathering information from public and private organization as well as understanding perspective from residents provides new information which is presently being used to develop new ways to organize resources within. This is aimed at strengthening community development in rural areas. Rural development research involves providing a set of suggested priorities for research and extension programming. Again rural research becomes increasingly more relevant, timely and focused on the most important community development needs. The rural entrepreneurs will have to be able to leverage resources more effectively when collaborating with other institutions like Universities, Polytechnic and research institutions both private and public. Similar collaboration on roundtable discussion will be conducted through the area in order to identify to priorities for rural development research extension programming in other areas. The result of the diversion can be used in a systematic way to identify other areas with similar problems and cooperatively develop projects which address common community rural development problem (Gill, 2002:144).

If rural industries will survive and prosper in contemporary time, their managers must learn to cope with unprecedented level of change. The origins of such change are multi-sourced, deriving from factors such as increasing globalization associated with emergence of new sources of production, development in information and communication technology; and the emergence of better educated and more discerning consumers in mature market economies. The rural business owners are therefore encouraged to take advantage of research findings to be ready at all times for the changes in business environment. Rural industries are the worst hit in the emergent trend of constant change. This is partly because they more often than not cling to their old ways of doing things. But mainly they lack information. Research is of utmost importance in today's rural business.

## 2.6 Management:

Management is the life wire of every organization. It is the factor of production that give effect to other factors. Good management is the hope of survival and growth of rural industrialization. Rural industrialization can exist or can manage to exist, without other factors, but will surely fail without management. Good management works miracles. This is because management can turn things around for failing organization. They set direction for organizations. Managers are judged by their actions, and not by their words. Their action set example for others to follow ( Peeling, 2008:XIV).

Besides, the manager has to demonstrate the qualities of leadership and integrity, and play the roles of friends, mentor and coach. Management critical move in business today is to achieve just in time marketing in addition to just in time manufacturing – when the customer wants it, with the quality, features and the price the customer wants it.. They get high expectations of people's performance and behaviour; set clear boundaries of acceptable behaviour; imposing discipline and where necessary, punish when behaviour is unacceptable; they behave in a way that wins the respect of their organization ; setting clear boundaries of acceptable performance; working with under performing staff to improve their performance etc.

Management creates or established environment in which people can accomplish group goals with the least amount of time, money, materials, and personal dissatisfaction or in which they can achieve as much as possible of a desired goal with available resources. They make it possible for people to exhibit their full potential. And at every point trying to reconcile the objectives of the organization with the objectives of their employees in order to maintain balance of interest within the organization. Management bears the burden of creating and maintaining harmonious relationship between the organization and its publics, (Wehrich, 2010:7).

## 3. Research Design and Methodology

The chapter gives an introduction to the methodology that was adopted and used in the study. This study centred on the impact of strategic planning and effective policy on rural industrialization of Anambra State of Nigeria. A descriptive research design was used in the study. The target population of 6000 was selected from 6 Local government cheas of the state viz Njikoka, Aniocha, Idemili North, Idemili South. Aguata South, Oyi and Anyamelumo . From the questionnaire distributed 5660 were returned.

### 3.1 Impact of Strategic Planning On Rural Industrialization

The table below shows the impact of strategic planning on rural industrialization

Table 1: Impact of Strategic Planning on Rural Industrialization

Impact of strategic planning on rural industrialization	Frequency	Percentage (%)
Yes	4870	86%
No	790	14%
<b>Total</b>	<b>5660</b>	<b>100</b>

4870 respondents representing 86% agree that there is a significant impact of strategic planning on rural industrialization of Anambra State, while 790 respondents representing 14% percent believe that there is no impact of strategic planning on rural industrialization of the state.

### 3.2 Extent Of Impact of Strategic Planning Rural Industrialization Growth

The figure below shows to what extent the rural industrialization growth based on application of strategic planning.

Extent of influence of Strategic Planning on rural industrialization

High	37%
Very High	54%
Low	9%
Very low	0%

**Figure 1: extent of impact of strategic planning on rural industrialization.**

From the figure above, 32% of respondent agree that strategic planning has high impact on rural industrialization and 54% believe that strategic planning has very high impact on rural industrialization. But 9% disagree on the impact of strategic planning. Those who believe on the impact of strategic planning maintain that is a detailed plan that states the direction, programmes, procedures etc. that are necessary for rural industrialization growth and expansion.

### 3.3 Effective Policy and Rural Industrialization

Table 2: Impact of Effective Policy on Rural Industrialization

Impact of policy on rural industrialization	Frequency	Percentage (%)
Yes	4686	82%
No	974	17%
<b>Total</b>	<b>5660</b>	<b>100</b>

4686 respondents representing 82% agree that policy has impact on the rural industrialization, while 74 respondent representing 17% was of the view that policy has no impact on rural industrialization.

### 3.4 Extent of Impact of Effective Policy on Rural Industrialization

The figure below shows the extent of impact of effective policy on rural industrialization.

Extent of Impact of Policy on rural industrialization

Often	14%
Frequent	28%
Very Frequent	45%
Hardly	13%

**Figure 2: Effect of Policy on rural industrialization**

The data analyzed shows that rural industrialization development growth and expansion is a matter of deliberate policy for formulation and implementation of programme. Policy by itself in the 'how' of rural industrialization. Policy is needed at every stage of rural industrialization development strategy in order to give effects to planned programme.

#### 4. Conclusion

Strategic planning and effective policy create a detailed plan with a set of programmes, procedures, objectives etc., for rural industrialization.

Strategic planning and effective policy facilitates rural industrialization development, growth and expansion.

Adaptation of rural industrialization to changing technological, economic and social changes is made possible through strategic planning and effective policy.

Strategic planning and effective policy provides the guide to implementation of rural industrialization project to keep every activity within or in line with intended objectives.

Strategic planning and effective policy operate within the laws prevalent in their environment.

#### 5. Recommendations

- 1) Strategic planning should be based on proper study of the environment in which it is to be implemented.
- 2) Rural communities and investors should be part of strategic planning and implementation process.
- 3) Rural industrialization programme should be planned in such a way that it will be sustainable.
- 4) Rural industrialization strategy should be adaptable to technological changes.
- 5) Government should make rural industrialization environment conducive by providing social infrastructure like electricity, pipe borne water, hospitals, good roads etc.
- 6) Funds should be made available and affordable for rural industries.
- 7) Rural industries should be protected from unwholesome competition and also supported through awards of contracts.

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