

# The Role of Statistics in Transformative Development

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# 1. Introduction

- ❑ The current global economic architecture is complex, but ripe with opportunities and challenges for individual countries.
- ❑ The quest to grow and develop cannot easily be achieved with single equation expositions as in the earlier growth models.
- ❑ Economic growth and development are important because they foster better standard of living for the citizenry.

# Introduction

- ❑ Growth and development are related but separated by the fact that growth is often measured as quantitative additions to material output over time.
- ❑ In addition to growth, development accounts for qualitative changes in welfare.
- ❑ Development can be viewed from different perspectives:
  - Economic (Good infrastructure, income distribution, reduction in poverty, better nutrition etc.);
  - Social (Security, better healthcare, access to higher literacy, and green environment).

# Introduction

## ❑ Universal growth indicator :

**Table 1: Nigeria's GDP growth rates (2009-2013)**

YEAR	GDP GROWTH
2009	7.0
2010	8.0
2011	5.3
2012	4.2
2013	5.5

**Source: CBN**

## ❑ Some indicators of development:

**Table 2: Development Indicators**

YEAR	HEALTH EXPENDITURE (% OF GDP)	LIFE EXPECTANCY AT BIRTH	GDP PER CAPITA (US\$)	RURAL POPULATION
2009	6.80	51.00	1091.00	89,207,351
2010	5.60	51.00	2311.00	90,266,837
2011	5.70	52.00	2508.00	91,353,660
2012	6.10	52.00	2742.00	92,463,506

**Source: World Bank**

## 2. Transformative Development

- ❑ Transformative development aims to alter the organic pattern of development with a view to harness resources and utilize current innovations to place the economy on a sustainable path.
- ❑ The concept of transformative development is multidimensional but the main considerations include:
  - Evaluating the current state of development;
  - Setting future goals;
  - Positioning Development Plans;
  - Evaluating resource availability;

# Transformative Development

- Identifying measurable targets;
  - Developing programme path/strategy;
  - Project implementation, monitoring and evaluation.
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- The Transformation Agenda (TA) of the Federal Government is a typical transformative development programme.
  - It aims at developing the Nigerian economy by:
    - Bridging infrastructural deficits;
    - Taming high rates of unemployment and poverty;

# Transformative Development

- Closing the income inequality gap;
- Channeling more resources to capital development.
- The TA complements the Nigeria Vision 20:2020 designed to make Nigeria one of the 20 largest economies in the world with a minimum GDP of \$900 billion and per capita income of not less than \$4000 per annum.
- The TA also aims to achieve:
  - Fiscal prudence;
  - Fiscal balance; and
  - Low inflation.
- The targets of TA are summarized in Table 3:

# Transformative Development

**Table 3: Aspirations of the Transformation Agenda**

	2011	2012	2013	2014	2015
CRUDE OIL PRODUCTION	2.30	2.48	2.50	2.50	2.50
CRUDE OIL PRICE (US\$)	75.00	72.00	72.00	74.00	75.00
REAL GDP GROWTH RATE (%)	7.36	7.61	7.65	7.84	7.93
CPI INFLATION (%)	10.80	9.50	9.44	9.35	9.16
NOMINAL EXCHANGE RATE (N/US\$)	153.90	155.00	159.50	157.00	154.00
POPULATION GROWTH RATE (PER CENT)	3.20	3.00	2.80	2.80	2.80
GROWTH IN NON-OIL EXPORTS	21.34	30.50	31.00	31.50	32.00
EXTERNAL DEBT (% ANNUAL CHANGE)	23.76	54.58	33.88	23.73	19.33
MONETARY POLICY RATE	12.00	12.50	12.13	12.00	11.64
FISCAL DEFICITS (% OF GDP)	3.11	2.85	2.95	2.97	3.00

**Source: 2011-2013 Mid-term Report of the Transformation Agenda**



### 3. Statistics and Developmental Planning

- ❑ The reasons why development plans fail are many but 'improper' planning is one major reason often mentioned.
- ❑ Some other reasons for plan failure include:
  - Non-availability of accurate and timely statistical data affects planning;
  - Unrealistic targets;
  - Non synchronization of available resources in relation to plan objectives.
- ❑ Unavailability of data underlies the little success of policies in developing countries.

# Statistics and Developmental Planning

- ❑ These issues point to the fact that statistics is indispensable for transformative development.
- ❑ The importance of Statistics in facilitating society development cannot be over emphasized as:
  - It provides useful information for development planning;
  - It is essential for allocating resources among competing needs;
  - It encourages peer review;
  - It enhances the country's image in the comity of nations;
  - It endears the country as an investment destination.

# 4. Imperatives of Statistics in Development

- ❑ The foregoing suggests the existence of positive correlation between statistics and development.
- ❑ Development is predicated on a good management of the macro economy which in turn depends on the availability of accurate statistical data. For instance:
  - Sound monetary policy management is based on quality statistical data about money supply, interest rates, domestic price level, etc;
  - Also, statistics is used in monetary programming such as baseline assumptions and forecasts, mapping of instruments to growth path, identification of deviations from targets and provision of alternative targets.

# Imperatives of Statistics in Development

- ❑ Good Fiscal management utilizes expenditure and revenue data, among others for:
  - Projection of Revenue and Expenditure for effective budgeting;
  - Targeted Sectoral Capital Expenditure;
  - Adequate Project monitoring and evaluation;
  - Monitoring progress on provision of Social amenities.
- ❑ There are a plethora of sophisticated statistical and econometric analysis that promotes macroeconomic management.
- ❑ Apart from the beneficial use of statistics in government fiscal and monetary policy management, statistics promotes development by facilitating private sector investment planning.

## 5. Features of Good Statistics

- ❑ The quality of data underlies its effectiveness in supporting national development.
- ❑ Quality data commands confidence among stakeholders.
- ❑ To ensure data integrity, most countries grant statutory powers for the management of the National Statistical System.
- ❑ However, International standards and best practices must be followed by statistical agencies, especially, to ensure comparability across demographics of information.
- ❑ The National Bureau of Statistics (NBS) has the mandate to ensure production of reliable Statistics in Nigeria.

## 6. Challenges of Statistical Data Collection for Development

- ❑ Collection of data is costly.
  - Requires huge outlay of resources.
- ❑ It takes time.
- ❑ Surveys typically cover vast geographical areas.
- ❑ Low stakeholder buy-in.
- ❑ Infrequent surveys.
- ❑ Security problems.
- ❑ Respondent apathy.

## 7. Way Forward

- ❑ Increased funding of data collection/statistical agencies.
- ❑ Appropriate training should be provided for enumerators and other personnel associated with data collection.
- ❑ Need for proper sensitization of stakeholders and the general public for more cooperation.
- ❑ There is the need for more frequent surveys for data generation.
- ❑ Modern methods should be deployed to data collection and analysis as it is done in advanced countries.

# 7. Conclusion

- ❑ Statistics is invaluable for transformative development.
- ❑ There is need for producer-user collaboration for statistics to be appreciated and put to utmost advantage for the economy.