Chapter No.2

Research methodology and survey of available literature related to the economic planning in Oman
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Research methodology and survey of available literature related to the economic planning in Oman

2.1 Introduction

The economic planning in Sultanate of Oman started in 1976 during the reign of Sultan Qaboos Bin Said and has recently celebrated Silver Jubilee. During the last three decades of planning, an objective economic development was fulfilled in terms of increase in the gross net product along with the increase in the per capita income. It leads to prosperity and the progress of the country which may rank the country in modern states. The planned economic development of Oman helps to maintain the high rate of economic growth. This results in providing the future generation the substantial resources for its progress his majesty Sultan Qaboos Bin Said had started that “with the grace of God, the present Oman is prosperous and bountiful” He was aware of the responsibility not to forget the future. This was kept by him as the core of thinking and planning.

The topic of the research is “A study of Economic planning in Sultanate of Omen”. The main objective of this research study is to highlight different dimensions of the economic development of Omen along with the relationship of Omen with the rest of the world.

The Geo-physical features and social –economic and political features of Omen are studied in the background of this research. The objectives of economic planning during the last three decades are broadly taken into account. Among them the economic resources, population, the natural resources, utilization of these resources and distribution are main objectives.

The result of successful planned economic development can be measured in terms of Gross National Product, Net National Product and Per Capita Income, which may be the best indicator of economic growth. It can be depicted in the table No( 2.1).

( Table No:( 2.1

Main Cores of Planned Economic Development Of Omen during the period

19
### Table 1: Total Resources, Expenditures, Investments, and Loan

<table>
<thead>
<tr>
<th>Details</th>
<th>Total Resources Mn.R.O</th>
<th>Total Expenditures Mn.R.O</th>
<th>Total Investments Mn.R.O</th>
<th>Total Investments Public Sector Mn.R.O</th>
<th>Total Investments Private Sector Mn.R.O</th>
<th>Public Loan Mn.R.O</th>
<th>D.N.I Per Capita (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Plan 1976-1980</td>
<td>Planned</td>
<td>2797.0</td>
<td>2757.0</td>
<td>936.0</td>
<td>420.0</td>
<td>170.0</td>
<td>1876.0</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>2703.0</td>
<td>3389.0</td>
<td>1203.0</td>
<td>466.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Second Plan 1981-1985</td>
<td>Planned</td>
<td>6947.0</td>
<td>7308.0</td>
<td>2155.0</td>
<td>1168.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>6605.2</td>
<td>7872.2</td>
<td>2755.9</td>
<td>1137.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third Plan 1986-1990</td>
<td>Planned</td>
<td>6490.4</td>
<td>8164.0</td>
<td>2276.0</td>
<td>1017.0</td>
<td>847.0</td>
<td>4629.0</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>16045.0</td>
<td>16043.5</td>
<td>2005.0</td>
<td>920.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fourth Plan 1991-1995</td>
<td>Planned</td>
<td>33091.0</td>
<td>33091.0</td>
<td>2778.0</td>
<td>1319.0</td>
<td>1376.0</td>
<td>2451.0</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>24207.0</td>
<td>18440.0</td>
<td>2387.0</td>
<td>1470.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fifth Plan 1996-2000</td>
<td>Planned</td>
<td>10092.0</td>
<td>10630.0</td>
<td>3421.0</td>
<td>3900.0</td>
<td>1456.8</td>
<td>2698.6</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>10189.7</td>
<td>11707.8</td>
<td>3103.2</td>
<td>1884.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sixth Plan 2001-2005</td>
<td>Planned</td>
<td>37446.5</td>
<td>37446.5</td>
<td>3581.8</td>
<td>3105.9</td>
<td>1018.0</td>
<td>3683.2</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>45233.0</td>
<td>28379.3</td>
<td>5250.7</td>
<td>2107.9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Sixth Five Year Plans, Ministry of National Economy*

It is observed from Table No:( 2.1) that during the period of planning for...
the last three decades (1976-2005) the aggregate resources in the first plan had reached (2703.0) Million Rial Omani and the last five years plan (sixth plan) had reached (45233.0) Million Rial Omani. If we count the differences between them we find out that (42530.0) Million Rial Omani at the growth rate of % 94.1. Where as the public loan had increased from (170.0) Million Rail Omani in the year 1980 i.e. at the end of first plan period to (1018.0) million Rial Omani at the end of the sixth five years plan even though there were fall back in the fifth plan (1456.8) Million Rial Omani.

As far as the Level of the per capita income is concerned it is clear that it has increased during the planning years. It was in the first plan (1876.0) Thousands Rial Omani and it has reached (3683.2) Thousands Rial Omani in the last year of sixth five year plan and by this it is clear the growth percentage of per capita income has reached (49.1%). And as regards to the public expenditure it is clear from table No( 2.1) there were noticeable increases in it. The expenditures in the end of the first plan was (3589.0) Million Rial Omani and in the last plan it has reached to (28379.3) Million Rial Omani and growth rate was (87.4%) . It leads us to state that the planned economic development of Omen has shown positive results.

2.2.Statement of the problem:-

A Study of Economic planning in Sultanate of Oman from 1976 to 2005
A long term economic planning has been initiated by development Council of Oman under the chairmanship of His Majesty Sultan Qaboos Bin Said. In order to promote accelerated economic development the Government of Oman enacted Economics Development Law in 1975 and established inter ministerial development council to look after economic planning of the sultanate of Oman. This council was functioning in the Field of economic development since 1976 divided into different planning period.

Before 1970 Oman was one of the poorest countries of the world in teams of socio – economic progress albeit that the riches of a modest reserves of oil had
been proven in the mid 1960’s.
Almost three decades had been passed since the first planning period we have to review the whole economic planning scenario in all its aspects and sectors and as such it is considered as important and vital issue for conducting a library based research.

2.3. Objectives of the Research:-

The objectives of this research study are as given below :-
1. To study the economy of the Sultanate of Oman with a view to find out potentialities of the development.
2. To study the existing procedures of economic planning in Oman, and its role in the development.
3. To review critically the performance of economic plans implemented in Oman since 1975.
4. To study the impact of past Six Five Year Plans.
5. To suggest measures to make the whole planning process more efficient and effective.

2.4. The Hypotheses of the Study:-

Following Hypotheses are tested in this research work :-
1. Economic planning in Oman has contributed towards economic development of the country. However it has tremendous scope for economic development of the country.
2. There is change in per capita income and growth in Oman economy during the period of sixth five year plans.
3. Economic planning has brought tremendous change in Socio-economic and political conditions in Oman.

2.5. Research Methodology :-
This study depends mostly on the secondary sources where the researcher has searched about the relevant sources. The material was available in Sultanate of Oman. The study topic is about planned economic development of Oman. I have studied the six plans from the Omani National Ministry of Economy. The booklets, publications issued by this Ministry from time to time related to the study topic are also used. Just as I have got the results of 1993 and 2003 Census from books and bulletins. I have also reviewed many general economic books, newspapers, magazine and Internet.

2.6. Chapter Scheme :-

The thesis is divided in seven chapters :-

1) The First Chapter.

First chapter is Introduction. It starts with definition of economy as explained by Economists. This chapter also highlights on the economic dimensions of planned economic development.

2) The Second Chapter .

The second chapter explains the research methodology with description of objectives of the study and hypotheses of the study. It gives collection of primary and secondary data.

3) The Third Chapter .

I have tackled in this chapter the Geo-physical and Socio-economic characteristic of Sultanate of Oman, Nature and climate as well as the population situation based on two census 1993 and 2003. It studies the national economy of Oman before implementation of five years plans. If considers the relationship of Oman with other countries.

4) The Fourth Chapter .

This chapter explains the structure of planning, the formation of
development council, and its authorities and responsibilities of the council. Its roles in economic development of Oman is studied economic development policies in Oman and studied long with the objectives of five year plans, the decision of the development council issued in 9th Feb 1975, is also reviewed.

5) The Fifth Chapter.

This chapter is considered to be one of the important chapters of this study where it deals with the comprehensive study of the six five years plans starting from 1976 till 2005. The objectives, resources utilization, the Government and private investments for each plan are studied in depth. The level of public loan in each plan is taken into account along with per capita income, the aggregate national income. This study consists of comparison between (Income & Expenditure) from both sides the planned and the actual for each plan of six five year plans.

6) The Sixth Chapter.

This chapter discussed the economic vision of the Omani economy (Oman 2020) and carried out presentation of the main cores for this vision whether long term objectives or challenges face the Omani economy.

The study of the fifth and sixth plans considers the vision. The vision objectives started appearing in those plans and that is through increase of per capita income and diversification of income sources...etc.

The economic vision for Omani economy Oman 2020 divided into many cores. The vision is linked with a continuous growth, It is linked with the development of human resources, It is linked to diversification of economic resources, It is linked to the development of the private Sector. These aspects of vision 2020 are taken into account in this Study.

7) The Seventh Chapter.

The last chapter is summary of conclusions and suggestions. This chapter
presents the major findings of this study and makes suggestions for the improvement of Oman Economy.