

## ECONOMICS: AN INDISPENSABLE TOOL FOR NATION BUILDING

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### **Abstract**

Nation building is a task that needs urgent attention and requires effective coordination of all factors of production. Building requires land, labour, capital and entrepreneurship. These are basically what economics stand for. Today, it is an undisputable fact that resources for nation building are relatively scarce. This leads us to the problem of allocation of scarce resources. Scale of preference has to be drawn and adequate consideration be given to priorities and urgent needs of the nation, the principle of opportunity cost should be adequately and effectively employed, labour (skilled and unskilled) has to be adequately coordinated and fully utilized, and entrepreneur should be saddled with the responsibility of coordinating other factors of production to achieve this and all important task of building an enviable nation. All these are only available in no other discipline other than economics and until economics is given its adequate and appropriate position in the task of nation building, such a task will only end up as a mirage.

Economics is a universal course of study that cuts across every facet of nation building. All the ingredients necessary for nation building are embodied in Economics. It also cuts across all discipline in the world. There is labour economics, economics of medicine, construction economics, economics of education e.t.c.

Its principle is highly essential for proper consideration and consequent application for nation building. The development of a nation can not be achieved without adequate development: - physically, academically, financially e.t.c. of its citizenry and for any individual to develop, that individual ought not only to be well educated in the principle of economics but must also be able to apply the principle to the maximum.

According to economics, resources are grossly inadequate and these grossly inadequate resources are to be properly managed to achieve maximum utility. This does not only apply to individuals but to all nations of the world. Therefore, a good knowledge of economics is not only necessary for nation building but indispensable.

### **Definitions of Economics**

Economics has very many definitions. It is sometimes said that there are as many definition of economics as there are Economists. The reason for this seem to be that, Economists see the subject from different perspectives. They may be interested in different areas of Economics such as Monetary Economics, Welfare Economics, Economics of Internal Relations and so on. They therefore define Economics to reflect their interest areas. Economics could also be influenced by the conditions prevailing at a particular time, for examples an Economist writing during a period of economic recession may include aspects of Economic recession in his definition of Economics.

Below are some definitions of Economics given by some Economists.

Robbins (1935) defined Economics as the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses. The following are seen in the definition of Robbins.

- i. Ends and wants are numerous
- ii. The reasons for non satisfaction of unlimited wants is scarcity of means at the disposal of mankind.
- iii. The scarce means are capable of alternative uses.

- iv. The ends are of varying importance which lead to the problem of choice.
- v. Economics is related to all kinds of behaviour that involve problem of choice.

Samuelson (1953) provided another comprehensive definition of economics as the study of how man and society choose with or without the use of money to employ scarce productive resources to produce various commodities over time and distribute them for consumption now and in future among various people and groups of society.

Lipsey (1971) sees Economics as the allocation of a society resources among alternative uses and the distribution of the society output among individuals and groups.

Smith (1776) defined Economics as the cause of wealth of nation, whereby he proposes that essence of economics is to enrich both people and state of the nation.

Marshall (1812-1924) defined Economics as a study of mankind into ordinary business life. He examined that part of individual and social action which is most closely connected with the attainment and with the use of material requisite of well-being.

Ademola (1999) defines Economics as a social science which concerns the way the society chooses to employ scarce productive resources in order to achieve certain conditions of living.

Looking at all the definitions given above one could then say that economics is a body of knowledge that deals with human behaviour and its relationship with unlimited wants and shows how to solve the problems of unlimited wants with scarce resources that have alternative uses.

### **Objectives of Economics**

The following could be regarded as the objectives which economics should attempt to achieve:

- i. Knowledge about Nigeria Economic System: This subject should in one way or the other modify the citizens in such a way that, they will be able to understand the economic system in operation in Nigeria and other parts of the world.
- ii. Acknowledging him/herself as a resource in the community: Economics will enable the citizens to be aware that sooner or later he/she is a resource in the society either mentally or physically in order to improve the standard of living of the people.
- iii. Economics enables citizens to know that a large portion of the social problems faced by men and nations have economic origins (Daughtery, 1940).
- iv. Economic knowledge provides an understanding of the interdependency of Nigeria and other countries of the world.

The new National Policy on Education (2004) states the quality of Economic instructions as follows:

- a. Respect for the worth and dignity of the individuals
- b. Faith on man's ability to make rational decisions
- c. Moral and spiritual values in inter-personal and human relationship
- d. Shared responsibility for the common good of the society
- e. Respect for the dignity of labour.

An analysis of the above points reveals that Economics involves decision making between alternative choices; that a citizen should be able to make rational decisions as they affect his welfare and consequently, the nation.

### **Nation Building**

Nation building according to Barbier, (1989) refers to the process of constructing or structuring a national identity using the power of

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the state. This process aims at the unification of the people within the state so that it remains politically stable and viable in the long run. Nation-building can involve the use of propaganda or major infrastructure development to foster social harmony and economic growth.

Originally, nation-building referred to the efforts of newly-independent nations, notably the nations of Africa, to reshape colonial territories that had been carved out by colonial powers without regard to ethnic or other boundaries. These reformed states would then become viable and coherent national entities.

Nation-building that will likely contribute to stable international peace will need to emphasize the democratic participation of people within the nation to demand rights. It will need to build the society, economy and polity which will meet the basic needs of the people, so that they are not driven by poverty, inequality, unemployment and so on. This, thus, means not only producing the formal institutions of democracy, but the underlying culture which recognizes with respect for the identities and needs of others both within and outside. It means development of human rights-political, civil, economic and social, and the rule of law. But it also means development of sewer systems, and roads and jobs. Perhaps most importantly, means the development of education. Nation building must allow the participation of civil society and develop democratic state institutions that promote welfare. Democratic state building is an important part of that. This is a multi-faceted process that will proceed differently in each local context.

#### **Economic Development and Nation-Building in Africa**

We live in a world of unprecedented opulence that would have never been imagined a century or so ago Pierce and Turner (1991). In the field of trade, commerce and communication,

the rise of new players have been witnessed. Countries like Korea, Taiwan, India, Brazil and Mexico are now respected as economic partners by opulent nations. There have also been remarkable changes beyond the economic sphere. The twentieth century has established democratic and participatory and democratic governance as the preeminent model of political organization, with human rights and political liberty as preeminent concepts.

In a world of remarkable deprivation, destitution and political oppression, old problems have taken on new twists. Poverty, hunger, violations of elementary political freedoms as well as of basic liberties, neglect of the interests and agencies of women's worsening threats to our environment and the sustainability of economic development all add to the grim picture. Although these deprivations can be observed in rich as well as poor countries in Asia, Europe and the America, the situation seems even grimmer for Africa countries. Consider the figures from the World Development Report (2000) on human poverty in some selected developing countries. Whether one believes the figures or not, the experience on the ground is worrying. The increase of civil wars and trans-boarder wars has turned Africa into a hotbed of ignominious strife. The last decade has witnessed the collapse of the nation-state in Somalia, Liberia, Rwanda and Congo and the general failure of national development plans throughout the continent.

Why Africa lags behind in economic development is the subject of endless debates. Economic development strategies in Africa have not produced the desired growth-related objectives, so far because of the following (a) the inability on the part of policy/decision makers to establish a meaningful 'fit' between economic progress, power politics and the good of the society (the common good); (b) the lack of

synergy between political and religious institutions. There should be new “partnerships” between states, governments, religious bodies and international institutions as the way forward for meaningful economic development in Africa and effective nation building

### **Economics and Nation Building**

At this stages of the nations history and evolution, Nigeria desperately needs a permutation – a national transformation that will cause the old waste places to be rebuilt and raise the foundation of many generations (Roland, 1996).

The question to ask is “What are the tools necessary for this transformation”? The answer is found in the statement made by Roubin (2001) “economics has the tools to understand the world and not just understand it but change it for the better”. In other words, an understanding and a pragmatic application of the principles and basic concepts of economics serve as veritable tools to shape the socio-economic destinies. However citizens have often failed to benefit from the numerous economic policies and solutions proffered by the so called economics experts and pundits who have tried to cure symptoms (effects) leaving behind the aetiology (cause). Erudition has been shown in the complex aspects of macroeconomics but displayed stark witnesses or rather negligence in the simplest aspects of macroeconomics.

Aggregate and superficial aspects of the socio-economic emancipation have also been addressed. According to Keynes (1955), economics is an apparatus of the mind and a technique for thinking”. It is basically a map that guides ones thinking as it relates to the choices made towards economic development and nation building.

The question to ask again is “how do all these correlate to tackling the Nigerian situation” which we all know is somewhat complex, but here is a rule of life: the most complex problems

can be solved by taking simple steps”. First a close look at Robbins definition of economics can be taken. He defined economics as the science which studies human behaviour in relation to ends and scarce means which have alternatives uses. In other words, from the inside-out approach, it is an enquiry into human behaviour (inside) and how this determines the material prosperity (outside) of a people. Now, a step by step approach will be taken to delineate each of the highlighted phrases above.

### **Human Behaviour**

A critical understanding of the human factor and how it relates to nation building and economic development is crucial in handling a complex but solvable problems. But first it will be made clear that economics being mother of the social sciences embraces several aspects of sociology, anthropology, psychology, philosophy, religious studies etc as this will help get along on this discourse. Sociological theory of economic development believes that economic development is linked to certain characteristics of the people. It emphasizes that countries may become undeveloped due to negative characteristics such as lack of inventiveness, high rate of absenteeism, laziness, poor attitude to work etc. A nation may be classified as being developed if it has positive characteristics mentioned above. In other words, human behaviour is largely controlled by culture which has its core in the value system and patterns of communication of a people. A look at the industrialized or economically developed nations of the world reveals that they are highly capitalized. Capital in essence, is the store of value created by labour. As history reveals, prior to the industrial revolution of the 18<sup>th</sup> century, Europe experienced a cultural revolution. The Reformation/Renaissance which was largely enhanced by the invention of the printing press. Thus, there was a rapid build-up or store of knowledge (value) which changed their belief

system and of course, altered the choices made. Any nation with a value system based on correct principles will surely prosper. This value system of nation building is of great economic importance because it determines how we set our priorities (scale of preference), the alternatives we forgo (opportunity cost) and the ultimate choices we make which determines the results we get.

### **Ends and Scarce Means**

So far it has been established that nations are built by the wealth in capital – that is, the store of value created by labour (man). This store of value becomes economically important when it produces goods and services which satisfy the ends (wants, desires, needs) of the consumer. It is well known that human wants and desires are unlimited and insatiable and the means to meet them are scarce. Therefore, at any given time, there are always unmet needs, new needs and future needs. It is worth mentioning at this point that the wealth of a nation is directly proportional to its cultivated natural resources. Thus, because the needs and desires are unlimited, the capability of a nation to generate wealth is also unlimited because the earth is a closed system in equilibrium. Consequently, a nation becomes relevant by identifying needs and devising the means to meet such needs.

### **Alternative Uses**

A research carried out by George (1988) where he developed over three hundred synthetic products from peanuts including milk, butter, cheese, coffee, ink, dye, soap, wood stains etc. led to so many discoveries that changed entire industries forever. As a result, great wealth was generated from a single resource through processing. One of the major causes of poverty in the Third world nations is the inability to process the resources around them to more useful alternatives.

### **The Role of Economics in Nation Building**

In building a nation, identity must be created to unify the citizens. Amold and Merrifield (2009) Without this, citizen may not be motivated to act and work together to make the nation survive and progress. Today, nations that are torn apart by war, poverty or other disasters must rebuild themselves both structurally and theoretically through a unified identity. Economics or the production, distribution and purchase of goods and services in a nation can play a key role in doing so.

When an economy is doing well, the businesses that form the backbone of that economy can expand, providing more jobs and better products. When jobs are created, people with various skill sets can easily find work. This may cause the poverty gap to decrease until a middle class forms. This economic cohesion promotes social cohesion as citizens become generally satisfied with the jobs they can find and the amount of money they are paid.

### **Conclusion**

The task of nation building is a continuous one in any serious nation of the world. However for Nigeria to record any meaningful success in its efforts for nation building, economics should be made to take its rightful place. It is only economics that talks about effective allocation of scarce resources to solve the problem of unlimited wants. Building requires allocation of scarce resources and nation building is no exception, it requires effective allocation and utilization of all factors of production. Land, labour, capital and entrepreneurship. So for a task of nation building to be successful economics can not be pushed aside. Therefore the task of nation building will not only be unsuccessful, be fruitless but also a mirage if economics is not given a rightful place.

**Recommendation**

In order to use economics as a tool for nation building, the following are hereby recommended;

- Economics as a subject should be made compulsory for all students in secondary schools.
- A credit in Economics should be made mandatory to secure an admission into any of the tertiary institutions in Nigeria.
- Undergraduate in the tertiary institutions in Nigeria should be made to take courses in economics at 100 and final level as for a condition for the award of a certificate.
- In the tertiary institution each discipline should have a course in economics designed for it and made compulsory at both 200 and 300 levels.
- In each ministry, there should be a section created for economic officer, who looks into the resources available to the ministry, the needs of the society, and advice the ministry on the project to embark upon at a point in time.
- In all tertiary institutions department of Economics should be created and all students of such institutions be made to borrow courses and pass at credit level before the award of certificate
- An institution like the Institute of Chartered Accountant to be named Institute of Chartered Economics should be established by law, be empowered to train chartered Economists and be given prominence.

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