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Economics as a catalyst for national development in Nigeria: The 21st century experience

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Abstract. Economics as a discipline has been envisaged as an engine of development. This is because it imbibes on the learners the spirit of patriotism which engenders national development. It also imbibes in a man an apparatus of change in mind and a technique of thinking which reposition him to a clearer understanding of Economic problems and proffers solution to such problem in line with Economic situation in the society. This study therefore takes a critical review of the benefits such as, economic empowerment, private sector production, and diversification of production base, economic virtues, self-reliance, and self-dependence associated with economics as a discipline. The prevailing atmosphere conducive for enhance economic development such as good political environment, creative of dynamic entrepreneur, economic and social infrastructure, was highlighted. The study is anchored on development theory and functionalist theory as the theoretical framework. An x-ray of some of the hindrances of development such as poverty, fraud, infrastructural decay, high business taxes, and frequent power failure were discussed. Finally, recommendations that are capable of reducing poverty to tackle the issue of fraudulent activities such as forgery, 419, embezzlement, money laundering was proffered. It was also recommended that the issue of frequent power failure in the country should be re-positioned while the infrastructural development such as road construction and rehabilitation be treated as a matter of urgency. Business taxes are also to be streamlined to follow the proceedings of other taxes in the country. This will encourage the entrepreneurs to invest and expand already existing investment that can boost productivity and enhance national development.

Keywords: financial systems, growth driver, state progress, West Africa

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Экономика как катализатор национального развития в Нигерии: опыт XXI в.

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Аннотация. Экономика как дисциплина рассматривается в качестве двигателя развития. Это объясняется тем, что она формирует у обучающихся дух патриотизма, способствующий национальному развитию, а установки к внутренним преобразованиям и технику мышления, которые нацеливают их на более глубокое понимание экономических проблем и выработку решений в соответствии с экономическими реалиями общества. В данном исследовании выделены факторы, способствующие ускорению экономического развития Нигерии, такие как благоприятная политическая среда, создание динамичного предпринимательства, экономическая и социальная инфраструктура. Исследование опирается на теорию развития и функционалистскую теорию как теоретические основания. Представлен анализ ряда препятствий на пути экономического развития страны, включая бедность, мошенничество, деградацию инфраструктуры, высокие налоги на бизнес и частые перебои с подачей электроэнергии. В заключение предложены рекомендации, направленные на снижение уровня бедности и решение проблемы мошеннической деятельности, включая подделку документов, мошенничество «419», присвоение средств и отмывание денег. Также рекомендовано устранение частых перебоев в электроснабжении, а развитие инфраструктуры, включая строительство и реконструкцию дорог, рассматривать как задачу первоочередной важности. Налогообложение бизнеса предлагается упорядочить в соответствии с общей системой налогообложения страны. Это будет стимулировать предпринимателей к инвестициям и расширению уже существующих вложений, что, в свою очередь, способно повысить производительность и ускорить национальное развитие.

Ключевые слова: финансовые системы, драйвер роста, прогресс государства, Западная Африка

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Introduction

Man is a complex nature living in a complex society. So, to achieve the needed objectives in live, man needs hard work and dedication to succeed. This calls for different types of struggle. He struggles to eat, drink, produce, distribute and exchange goods and services to attain maximum satisfaction in live. Usually, economics as a discipline help individuals in the society to build up a body of principles which equips him with the tools of economic analysis. These principles enable him to understand current issues and problems confronting the society. Economics provides training in techniques of thinking. It develops individuals to acquire powers of critical thinking which will necessitate him to the bases of other development. Even from the time of creation, man is regarded as an economic man because of his ideas and values concerning things that were created. He thought of right values and names to things created and apportioned them according to its economic values. In line with this, Onah [1] points out that economics as a subject imbites in a man the spirit of initiation by influencing him to apportion values to various economic activities. He maintains that these economic activities influence on ailing individuals in the society to achieve its desired objective in life through judicious use of scare resources. To him, the problem of choice, scale of preference and opportunity cost always arises in our daily life but the problems of how to use the scare resources in the economy to produce goods and services are very prominent. Therefore, economics as a discipline inculcate in a man the right way on how best to use the limited resources with minimum waste in terms of production and exchange.

In the same vein, Okereke [2] opines that economics is very vital in man's life because it is an instrument of social transformation and social change. This is because economics helps in bringing up members of the society in different professional endeavor needed to fit into adult hood that could be used to reflect economic needs of the society. These systems exert a change in overall economic development since it creates in individuals certain desired attitudes and behavior required for rapid economic transformation and development. Accordingly, Anyanwuocha [3] is of view that economic insight derivable from economics as a discipline does not only free the mind of the individuals from the shackles of destiny and choice but also equips him with knowledge and skills with which to appreciate the numerous economic problems of the society. Thus, the solution to different economic problems such as what to produce, how to produce and for whom will the goods and services be produced are usually resolved through

critical thinking required for making logical contribution towards economic growth and development.

In general term therefore, economics imbues in a man an apparatus of change in mind and a technique of thinking which repositions him to a clearer understanding of economic problems and proffers solution to such problems in line with economic situation in the society. Therefore, **the aim of the study** is to explain various approaches through which economics as a discipline can be directed to achieve the desired economic growth and development of Nigeria.

Concepts of Economic Development

Economic development according to Idoko [4] refers to economic growth plus improvement in the distribution of wealth that leads to a higher quality of life that crosses a wider spectrum of the society. This involves an improvement in nutrition, health, and education of the lowest income group(s) with attendant reduction in infant mortality. Accordingly, Todaro [5], sees economic development to involve all the complex consequences of growth whether planned or unplanned, positive or negative or neutral arising from the changes in production methods, employment pattern, population growth, foreign trade and urbanization to mention but a few. He stressed that both physical and human resources play a crucial role in the process of development which benefits accruing from economics as a discipline is unveiled. Such benefits according to Ojo [6] include the following:

Economic Empowerment

Economic empowerment according to NEEDS [7] involves different ways through which an individual could be exposed to better his/her life and the life of the society. This is achieved through different productive opportunities for empowerment and wealth creation which empowers individuals to take advantage of these opportunities through investment to curtail the rate of poverty in our society. Economics as a discipline exposes one to different opportunities in life and make such individuals to be self-contented, dedicated, and initiate ideas which will be useful in terms of growth and development.

Private Sector Promotion

Economics as a discipline enhances individual initiative and creativity resulting to private sector promotion. This according to Okereke [2] makes most enterprising entrepreneurs with proper education to invest in private sector which in turn creates job and wealth in the economy leading to sustainable economic growth and development.

Diversification of production Base

Economics as a discipline imbibe in individuals in the society the spirit of creative thinking, while creative thinking is an outcome of economic diversification [1]. Therefore, through creative thinking in the economy, individual firms develop the spirit of how to channel their limited resources to different productive ventures in the economy to make them productive. This according to Ikpeze (1988) makes the economy to grow and develop in all areas of productive ability.

Economic virtues

Virtues according to Okpanachi [8] are the act of being patriotic and discipline in all areas of human endeavor. Therefore, economic virtues expose individuals to selfless services and makes them honest and dedicated to their duty by transmitting in them the spirit of change in behavior and attitude needed for rapid economic growth and development.

Theoretical framework

The theoretical framework is drawn on several development theories and economic strategies that explain how economic policies and structures can drive sustainable national growth and transformation.

Key Theoretical Foundations

I. Development Theory and Functionalist Theory

These theories underpin the understanding that economic development leads to the improvement of human lives and societal structures. Development theory focuses on how economies evolve and grow, while functionalist theory emphasizes the role of institutions and structures in maintaining societal stability and progress. This framework is often used to analyze Nigeria's development challenges and potentials.

II. New Structuralist Economics and Growth Identification and Facilitation Framework (GIFF)

The New Structuralist approach, applied through the GIFF, is pivotal in Nigeria's recent economic development discourse. It stresses structural transformation through economic diversification, technological innovation, infrastructure development, institutional reforms, and industrial upgrading. The GIFF helps identify sectors with latent comparative advantages-such as agriculture, light manufacturing, and agro-industrialization-that can catalyze inclusive growth and job creation in Nigeria.

III. Human Capital Theory

Investing in human capital, particularly education and health, is recognized as essential for sustainable economic development. This theory posits that improving the skills and health of the workforce enhances productivity and innovation capacity, which in turn drives economic growth and national development.

IV. Modernization, Dependency, World Systems, and Globalization Theories

Post-World War II economic development theories offer perspectives on Nigeria's underdevelopment and the paths to progress. Modernization theory advocates for adopting Western-style economic and social systems; dependency theory critiques the exploitative global economic order; world systems theory situates Nigeria within a global capitalist system; and globalization theory considers the opportunities and challenges of global economic integration. These theories collectively highlight the need for Nigeria to diversify away from oil dependency and develop indigenous, people-centered economic policies.

Application in Nigeria's 21st Century Experience

- Nigeria's Economic Recovery and Growth Plan (ERGP, 2017–2020) embodies these theoretical insights by aiming for structural transformation through tackling growth constraints, leveraging private sector dynamism, promoting social inclusion, and fostering innovation and youth empowerment.
- The focus on agro-led industrialization and light manufacturing is a practical application of the New Structuralist approach, aiming to move Nigeria up the agricultural value chain and create jobs.
- The emphasis on institutional reforms and better governance reflects functionalist theory's concern with stable and effective institutions for development.
- Human capital investment is prioritized to address skill shortages that currently limit technological advancement and industrial growth.

The theoretical framework integrates development and functionalist theories with New Structuralist economics and human capital theory, enriched by insights from classical and contemporary development theories. It underscores economic diversification, structural transformation, institutional reform, and human capital development as critical levers for Nigeria's national development in the 21st century. This framework explains why economic policies focusing solely on oil revenue have been insufficient and highlights the need for a broad-based, inclusive growth strategy to realize Nigeria's development aspirations.

Self-Reliance and Self Dependence

Economics as a discipline helps individuals to be trained in the field of self-contentment through hard work, and dedication. It also spurs individuals to be self-enterprising in different field of endeavor and makes them to be self-dependent and

self-reliance in the production of goods and services with least cost combination. This eventually leads to overall economic growth and development. However, even though economics as a discipline is regarded as an engine of development, it is pertinent to note that the workability of it in any economy is determined by the prevailing economic situation capable of engendering rapid growth and development. Such prevailing economic situation as proposed by Idoko [4] in Tordoro [5] include the followings

Good political Environment

Usually, for any economic development to be harnessed in any economy, good political environment conducive for economic development must be provided. This means that the political leaders must possess a clear sense of direction that is capable of gearing the economy into sustainable economic development. Consequently, it has been noted that existence of political stability will not only enhance rapid investment in different sectors of the economy but will foster rapid growth and development.

Creative and Dynamic Entrepreneur

Entrepreneurship has a major role to play in promoting economic development. Apart from coordinating and controlling factors of production to make them productive, a creative and dynamic entrepreneurship tries out new production methods out of the existing ones for a wider profit. Accordingly, a dynamic entrepreneurship is expected to take risks and introduce innovations to various business opportunities with the hope of enhanced growth and development.

Economic and Social Infrastructure

According to Ojo [6], economic and social infrastructures are bases of economic development. This is because economic infrastructures such as: road, railways, and airports, and other communication systems to mention but a few are very crucial in any economy if development is to take place. Hence, for any meaningful development to be embarked upon, necessary economic and social infrastructures have to be put in place to enhance efficient distribution of goods and services in the economy.

Nationalism

Nationalism has a positive influence on economic developments [1]. This is because nationalism engenders self-reliance and makes a country increasingly impendent of foreign aids. It provides in a country and individuals an ideological indigenization and other economic measures required for economic development. It is expected to make Nigerians to patronize Nigerian made goods instead

of foreign goods. Having examined critically the bases of economics as a discipline in fostering economic development through conducive atmosphere, it will be imperative to pinpoint some of the hindrance that militates against achieving the said desired objectives.

Such hindrances among other things includes:

Poverty

Poverty is the state of being poor. It is a state of material limitations which is due to insufficient food, inadequate clothing, or shelter. It is defined as lack of income or resources to satisfy one's minimum needs. It is regarded as a situation of low income or low per capita consumption. According to Obadan [9], poverty leads to deprivation of one's opportunity in life. It makes an individual who is enterprising to feel that he or she is cheated. Therefore, poverty negates individual productivity and encourages social devices such as bribery and corruption, embezzlement of public funds and money laundering which can destabilize the economic activities of the country.

Fraud

Closely related to poverty is fraud. Fraud means the kind of swindle, forgery, smuggle, trickery and deceit which makes individuals in the economy to involve him/her-self in money making venture. Fraud according to Osuagwu [10] is the worst social problem that negates economic development. This is because fraud often diverts resources meant for national development into private pockets by means of looting.

Frequent power failure

Power such as electricity is usually the power point of development. This is because investment is encouraged in areas where power supply is adequate. More often than not, most people who are enterprising feels discouraged in investing in an area where power supply is not readily available. This according to Osuagwu [10] discourages investment and other economic activities in the country.

Infrastructural decay

Infrastructural developments such as roads, railways, airways, pipe born water, communication to mention but a few are essential attribute for national development [11]. But when most infrastructural amenities are lacking or are in deplorable condition, people are discouraged to invest, and this brings down the pace of development.

Business taxes

Usually, government of various countries of the world imposes taxes on profit of the firms. These taxes are called business or corporate taxes. Such taxes are high in Nigeria and so it discourages many firms from investing in new plants which would have led to increase in growth and economic development of the country.

Findings and Discussions

Findings and results highlight several key themes and insights:

Economic Growth and Structural Transformation

- Nigeria experienced high economic growth averaging 6.8 % per annum before the 2016 recession, but this growth was narrow based, largely dependent on oil and imports, and not inclusive.
- The Economic Recovery and Growth Plan (ERGP) 2017–2020 aimed to address structural challenges by promoting diversification, technological innovation, infrastructure development, and institutional reforms to achieve sustainable and inclusive growth.
- Structural transformation focusing on agro-industrialization and light manufacturing can create jobs, add value to agriculture, and diversify exports beyond oil

Human Capital and Productivity

- Human capital formation is critical for national development, but Nigeria's current labor skills base is insufficient to support the innovation and technology needed for high-skilled industrial transformation.
- Education investment positively impacts economic growth, with studies showing that increasing budget allocation to education significantly enhances growth in both the short and long run.
- Productivity growth remains low compared to peer countries, limiting job creation and living standards; boosting productivity is essential to reduce poverty and harness Nigeria's demographic dividend.

Infrastructure and Economic Integration

- Infrastructure development, especially in power, transportation, and communication, has a positive long-term effect on economic growth. However, some sectors like communication technology showed insignificant or negative impacts, indicating the need for targeted improvements.
- Nigeria's largest capital spending in recent years has been directed at reducing infrastructure deficits, including major power, road, and rail projects, which are expected to catalyze economic activities and integration within the country.

- Economic integration at regional and international levels is crucial for Nigeria's development. While integration has contributed positively, Nigeria is not fully ready for complete economic integration and needs reforms to enhance private sector productivity and trade facilitation.

- Accelerating economic growth and structural transformation requires leveraging Nigeria's natural resources, investing in human capital, and improving governance and coordination across government agencies.

- Bold reforms to boost productivity, diversify the economy, and create jobs are necessary to prevent worsening poverty and to capitalize on a rapidly growing population.

- Focus on sectors with latent comparative advantage such as milled rice, palm oil, apparel, electronics, and vehicle parts can drive export growth and industrial upgrading.

Economics acts as a catalyst for Nigeria's national development in the 21st century by driving structural transformation, improving human capital, expanding infrastructure, and fostering economic integration. However, challenges remain in skills development, productivity, and institutional capacity, which must be addressed through coordinated policy actions to realize sustainable and inclusive growth.

Recommendations

In as much as economics as a discipline is regarded as an engine of development, it is not devoid of hindrances. Such hindrances are expected to be handled with cushions and cares if national development is to be attained. In view of this therefore, the following recommendations are deemed appropriate. Firstly, appropriate measures should be designed and adopted by government of this country to make sure that poverty is reduced to the barest minimum. When this is done, it will reduce fraudulent activities such as, forgery, 419, kidnapping, embezzlement, money laundering, and a host of others. Such monies which would have been diverted to private pockets because of greed could now be channeled to other productive activities in the country thereby resulting to national development. Thus, the current government effort at eradicating poverty is a right step in the right direction and should pursue with vigor. Secondly, the measures adopted by government at present in tackling the issue of fraudulent activities in the country is commendable but should be strengthened in such a way that those involved in such act will live to smell the riot of the law throughout their lifetime. This if properly followed, will act as deterrents to others. Thirdly, government should realize that power supply especially electricity is the major source of any development in the country. For this to succeed, enough budgetary allocation to revitalize this sector should be enforced to make sure that the issue of power as a source of energy is tackled once and for all. Fourthly, infrastructural development such as road construction and rehabilitation, water supply and other infrastructural needs in the country should be treated as a matter of urgency. This if given priority will enhance development especially to the grassroots in the country. Fifthly, business taxes should be streamlined to follow the proceeding of the tax law elsewhere in the world. This will encourage the entrepreneurs to invest and expand already existing investment that can boost productivity and enhance national development.

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