

ECONOMIC ISSUES AND NATIONAL DEVELOPMENT

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Abstract

This paper attempts to outline and discuss economic issues and national development. It identifies the roles of economic development such as improvement in technology, greater emphasis on nuclear and reduced family size, increase in output, modernization ..and changes in social structure. It goes further to explain strategies for effective development which include appropriate creation of efficient environment, increase in investment, development of industries, banking, development in energy sector and creation of employment opportunities for the people. Furthermore summary and recommendations were made which include provision of appropriate efficient environment, investment, industries, agricultural production, marketing, energy sector, banking industries and creation of employment opportunities for people in Nigeria.

Introduction

The place of economic issues and national development in Nigeria has been a subject of discussion since the 60s. This is due to the inestimable value attached to it in the process of growth and development.

In light of this, the greatest concern of every nation in the world today is a rapid development in all aspects of its existence. To achieve this depends on several factors, first and foremost, its leadership and followership syndromes, rational utilization of a nation's resources endowment, the acquisition of technological expertise through science and technology, honesty and discipline, and above all, unity and stability of the nation. Stability indeed is the bedrock of development of any nation.

In view of this, Rogers (1969) saw the concept as:

A type of social change in which new¹ ideas are introduced into a social system in order to produce higher per capita income and levels of living through modern production methods and improved social organisation.

Dudley Seers (1969) equated economic issues and development, with the level of prevalent poverty, employment level and the degree of societal inequality as its indicators. He argued that a society characterised by decreasing percentage of the poor, the unemployed and a high level of social and economic equality will be said to be developing. Eight years later, Seers (1977) added self-reliance as an important element of development.

Todaro (1977) saw economic issues and development as: -

The sustained elevation of an entire society and social system toward a better or more human life. The core values are life - sustenance, self-esteem and freedom, representing common goals sought by all individuals and society.

Development is nothing if not a revolutionary process. As Baron (1974) noted ... The mere notion of development and growth suggest a transition to something that is new from something that is old, that has outlived itself. It can only be achieved through a determined struggle against the conservative retrograde forces, through a change in a social, political and economic structure of a backward, stagnant society. Since the ruling class, however parasitic, never yields power unless compelled to do so, by overwhelming pressures, development and progress can only be obtained if all the energies and abilities of a people that were politically, socially and economically disenfranchised under the old system, are thrown into battle against the fortress of the ancient regime.

Economic issues and development in our context here will therefore denote an act of ensuring that: The quality of life of the people reaches an acceptable minimum standard through structural and role differentiation, cultural secularization, equality and capacity (Ake, 1982). Thus, the objectives of this paper are to:

- (i) Outline and discuss economic issues and national development,
- (ii) Identify the roles of economic issues and development,
- (iii) Propose various strategies for enhancing effective development in Nigeria.

The Concept of Economic Issues and National Development

The concept of economic issues and sustainable development is not new. It was coined by the governing council of UNEP 18 years ago, when in one of its decisions in 1975, it stated:

Environmental management implies sustainable development" Mostapha T. (1993) during that same period - 1974 - 1975. They were also talking of eco development, development without destruction and environment sound development.

All these cover the same understanding, the same concept. The concept of economic issues and sustainable development recognizes that economic growth and environmental protection are inextricably linked, and that the quality of present and future life rests on meeting basic human needs. without destroying the environment on which all life depend. Mostapha (1993) also recognizes the basic obligations of current generation for future ones: intergenerational responsibility.

The relationship between the two concepts have been debated and clarified over the past 20 years, through, for instance, the Stockholm declaration in 1972; the report of WCED — one common future - in 1987; and even much earlier, a message from Theodore Roosevelt to the US Congress in 1907. And U. Thant, the UN Secretary general in 1969 said:

I do not wish to seem overdramatic, but I can only conclude that the members of the United Nation have perhaps ten years left in which to subordinate and launch a global partnership to curb the arms race, and to supply the required momentum to development efforts.

How far did we move to heed this warning at the global level? Specially, how much have we improved, the human environment since it was given?

However, taking Nigeria into consideration, in the area of nationality and mortality, between 1990 and 1995 the birth rate was 43.3; death rate was 14.2, while rate of net increase was 2.91. For between 1995 and 2000 corresponding figures were 40.7, 13.0; and 2.77 showing behaviour in a positive and desirable direction, (World Bank, 1994b). For growth rate, total fertility and dependency ratio were 2.91%; 5.855% and 96.6% for 1990 -1995 and for 1995 to 2000 respective figures were 2,77; 5.310 and 91.10. Although dependency ratio has gone down the figures was still alarming.

For GNP annual growth rate was 0.4 in 1992, while average annual rate of inflation was 15.2% from 1970 - 80 and 19.4% for 1980 - 1992. This reflection on an economy in distress showing a worsening standard of living. Life expectancy at birth was 52 by 1992 while adult illiteracy was 61% for the female segment of the population as at 1990 as against the total adult illiteracy of 49%.

In the statistic for growth and development of production, the percentage growth of GDP fell from 4.6% in 1970 - 80 to 2.6% in 1990 - 92. For the agricultural sector there was a growth improvement from 0.1% in 1990 - 80 to 3.6% in 1980 - 92. Annual growth rate for industrial production fell from 7.3% to 0.2%, while in the manufacturing sector, corresponding figures were 5.2% for 1970 - 80 while there was no figure for 1980 - 92 except agriculture, growth declined appreciably.

With regard to the structure of production, GDP stood at US\$ 11.594 million in 1970 and USS 29, 667m in 1992. The distribution of GDP was 41% in 1970 and 37% in 1992 for the agricultural sector, 14% (1970) and 38% (1992) for the industrial sector. For the manufacturing sector it was 4% in 1970 and no figure for 1992. For the service sector the share fell from 45% in 1970 to 25% in 1992. For both the agricultural and services sector it was a dismal picture.

In health and nutrition there was a prevailing malnutrition of children under 5 years of 35.7% from 1987 - 92 while the mortality rate for children under 5 years was 174 (female) and 192 (male) for 1000 live birth as at 1992 (World Bank, 1994a). In the infrastructure area, the density of paved road was 376km/ 1 million people or 1 km/266 opp, while the percentage of paved roads in good condition was 67 as at 1988 (World Bank, 1994c).

In the political area the picture was irredeemably disappointing. The World Bank (1993)

described the area of governance for economic issues and development in sub-Saharan Africa in various ways. It listed the crisis of governance as one of the persisting problems of African development. It defines governance as the exercise of political power to manage the nation's affairs. In the absence of countervailing power, state officials have served their own interest without fear of being called to account. In self defence individuals have built up network of influence rather than hold the all powerful state accountable for its systematic failure. Politics is personalised and patronage become essential to maintain power, The leadership assumes broad discretionary authority and loses its legitimacy. Information is controlled and voluntary associations are co-opted or disbanded. This environment cannot support a dynamic economy and development. At the worst the state become coercive or arbitrary. The economy is pillaged and parceled out to sycophants and supporters. Corruption is life especially where the leadership has perpetuated bad habits. In many cases foreign aid has greatly expanded the opportunities for corruption, exacerbated by the venality of foreign contractors and suppliers. Hundreds of millions of dollars have been stashed away into private bank accounts outside Africa. The World Bank 1993 concludes that the cost is just the waste of funds, but also more seriously there is a profound demoralisation of society at large.

In this regard the economists generated a global consensus about the linkage between sustained economic and social development, conservation of our planet's natural resources and protection of its environment, Muoghalu (1991) stated that the guiding principles adopted, social equity and human development and the preservation of ecological resources and the environment are integrated in a comprehensive package for sustainable development.

No where are the linkage between development and the environment stronger than in Africa. Nowhere is the cry for human centred sustainable development more urgent than in the region of the world where the roots of poverty are deeply entrenched, and the vast majority of the population are still deprived of elemental basic needs (Mostapha, 1993).

In this regard, a generation after independence and Nigeria is still not free from poverty and illiteracy, and not free from the economic chains that bound her since colonial time.

Roles of Economic and National Development

The roles of economic issues and development is known as a rapid and sustained rise in real output per head and attendant shifts in technological, economic and demographic characteristics of a society. In other words, economic issues and development are accompanied by improved technology, greater emphasis on nuclear and reduced emphasis on family size, increased output - oriented social organisation and a reduction in the number of dependents.

The more radical development thinkers have contended that focus should be socio-economic transformation. Nevertheless, all the groups agree that economic transformation issues and development is concerned with man's welfare, his belief, attitude and institutions, etc.

In this regard, the capitalist economists see economic issues and development as a way in which a country is developed to this group, a country is developed when it can sustain itself by its own efforts, and after having reached a per capita GNP level of \$500 - \$1,000 and an annual growth rate ranging from 5 - 7% (Goulet, 3975). The fault with this is emphasis on gross and macro-structural indicators in measuring growth as GNP and GDP to the neglect of the individuals involved ' in producing growth in terms of attitudinal, institutional and technological changes people must -undergo to produce wealth (Lewis, 1955).

The second role views economic issues and development as modernization (Goulet, 1975). . Modernization theology makes a shift from commodity to a human oriented pattern of development -thinking that inculcates wealth oriented behaviour in people in terms of the ultimate reshaping and resharing of all social values, such as power, respect, rectitude, affection, well-being, skill and enlightenment (Leoner, 1968). Modernization thus investments and resource allocation which are a function of population growth, urbanization rates, family structure, youth socialization, education and ' . mass media.

Thirdly, Todaro (1977) has maintained that development is a multidimensional process involving major changes in the social structure, popular attitudes and national institutions as well as the acceleration of economic growth, the reduction of inequality and the eradication of absolute poverty. To him, it represents the gamut of change by which an entire social system turned to the diverse basic needs

of individuals and social groups, is moved from a condition of life widely perceived as unsatisfactory to a situation of life regarded as materially and spiritually better

Lastly, the roles of economic issues and development focused on three principal ways. The type of goods and services provided by government for the people, the accessibility of these goods and services to the different social classes and the problem of how to share the burden of development among the various social classes (Muoghalu, 1991). Harvey (1973) viewed development as a socio-economic transformation, that is transformation of the mode of production, activities and social relationship which are necessary to produce real wealth of life.

In conclusion, economic issues and development provide a linear scale on which countries can be plotted based on their output as indicated by their GNP. In this way it serves as a comparative measure of achievement level along a continuum of economic development as well as an aspirational continuum of economic development for the less developed countries (LDC) (Lewis, 1965).

Strategies for Enhancing National Development

To ensure effective development in Nigeria, the appropriate enabling environment must be created. This could be done through capacity building in the private sector and by giving the public sector clear mandates, managerial autonomy, insisting on monitorable performance indicators and giving local government greater roles in national development. Secondly, investment in people must be stepped up, while deliberate attempt must be made to slow population. Thirdly, a start must be made in the industrial sector through creating demand for manufactured goods through changes in agricultural production and marketing and through unlocking Nigeria's mineral wealth. Fourthly, the energy sector has to be addressed through creating a sustainable environment for energy through the mobilisation of public and private savings. To achieve these there must be a reorientation of development expenditure through raising, while the demographic transition must be achieved.

Moreso, emphasised future development strategies need to recognize that far from impeding development, many indigenous African values and institution can support it (World Bank, 1993). An example is that primary group loyalties, which are scorned by westerners, hold significant promise for development, communal culture, expressed in community-self—help development projects (Muoghalu, 1986). The participation of women in the economy and respect for nature provide viable options for development.

Opportunities must be created for the poor to participate in economic development. To ensure sustainability, the content of growth must be changed by less material-oriented and more equitable, on its distribution.

Employment creation strategies must incorporate education and an adequate system of incentives for private investment. Others include access to means of production (credit and information), emphasizing labour intensive technologies, creating jobs through public works, especially in the construction industry, state intervention through affirmative action aimed at ending discrimination against targeted groups and regions in Nigeria.

Summary and Recommendations

The paper has examined the definitional perspectives of economic issues and national development, the roles of economic issues and development, strategies for enhancing effective development. The paper also applied the indices of definition to Nigerian development endeavour with appropriate recommendations; for effective national development such as appropriate enabling environment, investment, industries, agricultural production, marketing, energy sector, banking industries and creating of employment opportunities for people in Nigeria.

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