

Wealth Creation, Resource Imperatives and National Development

EDEM U. U. EKANEM (PhD)

Department of Management, Ritman University, Ikot Ekpene, Nigeria

Abstract

Wealth is synonymous with abundance of valuable resource/material possessions. An individual, community, region or country is said to be wealthy if there is visible possession in abundance of such resources, especially for the common good. Development is about all-inclusive growth and other stakeholders to work with the advocacy of expert that justifiable national economic processes should culminate in quantitative and qualitative improvement, particularly in material, emotional and spiritual conditions of human existence. It should be and realizable sustainable in ways that are consistent with the promotion and protection of human dignity, as the absence of any advancement component renders the claim of development merely idealistic, if not spurious. The overriding goal of national development, therefore, remains to improve the lives of the citizens in the affected society within the context of a growing economy, which equally underscores the common good of the entire community. For sustainability, therefore, these strategic concerns necessitate efficient and effective reinvention of natural capital for higher income generation, redirection of intangible capital for greater wealth creation, and reduction of adverse emission effects for better industrial impact. Ultimately, national development plans and policies should be well phased and seen to be based on perceived needs of the citizenry. Transformational frameworks should be more economically potent towards generating gainful employment, reducing poverty, ensuring available/affordable housing, accelerating community development, and sustaining the national wealth creation drive over time.

Keywords: Economic Development, National resources, Wealth Creation

1. Introduction:

Wealth creation is of great interest to countries desiring to be vibrant and competitive in the comity of nations. When wealth is created, it could be channeled into meaningful purposes by government, especially in the provision of social amenities/infrastructure or supporting households in meeting their needs, especially as disposable household income or per capita income increases. The innovative framework involves combination of materials, labor, land, and technology in a way that yields profit, which is the excess of revenue cost of production (Wikipedia, 2016). The conceptualization of wealth has varied over time with modern labor-saving inventions and development of the sciences, vastly improving the standard of living of people in modern societies and extending even to the poorest bracket in the land. Adam Smith, in his seminal work, *The Wealth of Nations*, describes wealth as the annual produce of land and labor of the society. The produce, in its simplest form, represents the items of utility which satisfy human needs and wants of utility. In popular parlance, it connotes abundance of items of economic value, or the state of controlling or possessing such items, usually in the form of money, real estate and personal property. Thus, an individual is considered wealthy, affluent, or rich where he is seen to have accumulated substantial economic resources relative to other members in that society or reference group.

There is great concern among stakeholders that the gap between developed and developing countries is not narrowing but rather continually widening. Majority of the world's population in the developing world live in abject poverty, which has worsened the problem of urban population explosion, rural stagnation, unemployment and growing inequalities. These challenges continue to face less developed countries (LDCs), of which the Federal Republic of Nigeria is one. Unfortunately, Nigeria is still grappling with the processes required to engender meaningful development despite her huge national resources endowments. This has intensified the advocacy for policies and commitments towards bringing about sustainable wealth creation in the Nigerian economy. National development is critical to the growth and sustenance of any country; hence Lawal and Oliwatoyin (2011) contend that the attainment of meaningful national development would only be successful if effective wealth creation strategies are evolved. By this, wealth creation is conceptualized as a necessary ingredient for national development. The desire of responsive governments, then, is to attain higher levels of advancement in a manner that affords the citizenry deeper natural attachment to governance. This further enhances confidence in the quest of the leadership to provide the identified needs of the society through efficient management of the nation's wealth so created. In the light of these concerns, the focus of this study is on wealth creation, resource imperatives and actualization of national development targets for macro-economic survival/sustainability.

2. Wealth, Resource Imperatives and Wealth Creation Process

The United Nations (UN) conceptualizes wealth from an all-inclusive perspective. In their context, wealth refers to a monetary measure which includes the sum of natural, human and physical assets. In this regard, natural capital includes land, forests, fossil fuels, and minerals; human capital relates to education and skills acquired by the populace; while physical/manufactured capital includes machinery, buildings, and infrastructure (The Economist, 2012; Inclusive Wealth Report – IHDP, 2012). As a stock phenomenon, which represents large amount of money or valuable possession which could be held in different ways, including forms such as savings held in bank deposit accounts, ownership of shares issued by listed companies, equity stakes in private businesses, ownership of property, holdings in bonds, as well as holdings in occupational pensions schemes and life assurance schemes. From the economic perspective, wealth is construed as net-worth, which is determined when value of liabilities is deducted from the value of assets recorded at a point in time. From this conceptualization, wealth may be categorized into three, namely:

- i. Personal property, including homes or automobiles;
- ii. Monetary savings, such as accumulation of past income; and
- iii. Capital wealth of income-producing assets, including real estate, stocks, bonds, and business.

The above categorizations, indeed, make wealth vitally relevant in the social stratification, especially as it provides a safety net (protection) against unforeseen decline in a person's standard of living in the event of job loss or emergency. Wealth may also be transformed into home ownership, business ownership, or development of other social projects/institutions. The modern concept of wealthy finds expression in key areas of economics, especially growth economics and development economics. Nonetheless, the meaning of wealth is still so much context-dependent. At the general level, economists define wealth as anything of value, which critically captures both the objective nature of the idea and the submission that it is not a fixed or static concept. Various definitions and concepts of wealth have, therefore, been put forward by various individuals in different contexts over the years (Dennis, 1996).

Wealth is also considered as a normative process with various ethical implications; hence wealth maximization is seen as a goal or thought that constitutes a normative principle of its own (Copeland, 1975; Kronman, 1980; Heilbroner, 2008). The World Bank, in its changing Wealth of Nations publication, established a critical link between development outcomes and the level/composition of comprehensive wealth. Grouping countries by income, thus, it's considered useful because it reveals the direct links between wealth, income and development. Among income groups, trends for low-income countries have been of particular interest because of the concentration of the world's poor in such countries. Developing countries are, therefore, expected to make decisions about how much to invest versus how much to consume, and what mix of assets invest in. The middle-income countries are also quite vital on the chain, as they further functionalize and synergize the process of wealth creation during the transition from low to high income.

The high-income countries at the top of the echelon provide insight into the volume and composition of wealth in those countries that have achieved high material standards of living. For instance, between 1995 and 2005, global wealth is reported to have increased in per capita terms by 17%. Wealth grew fastest in the lower middle-income countries, which are dominated by the economy of China; and the per capita wealth of the counties at the time generally increased by nearly 50%. High-income countries in the Organization for Economic Co-operation and Development (OECD) have continued to hold most of the world's wealth estimated at 82%. However, there have been slight gains by low-and middle-income countries, while the world's poorest countries, accounting for 10% of the global population, are reported to hold less than 1% of global wealth.

Intangible wealth is regarded as the largest single component of wealth in all the income groups, and the fastest growing as well. Whether wealth is compared across different income groups for a single year or analyzed under a single income group over time, the comprehensive wealth accounts indicate a clearer relationship between income and wealth. Development, therefore, not only entails building total wealth, but also changing the composition of wealth. Many countries started with relatively high dependence on natural capital (especially agricultural land, subsoil assets, and/or forests), then subsequently used the assets to build more wealth, inducing production capital and intangible (human and institutional) capital. This relationship between development and capital is also clearly seen in the lower-middle-income countries, where the likes of the economy of China are prominent. As natural capital constitutes potentially renewable asset, including forest lands, the appropriate property rights and management regimes are considered quite essential for countries desiring to develop sustainably. Doing otherwise would rather deplete their natural capital and cause them to end up being poorer. Against this backdrop, the strategic issues and resource imperatives to be addressed are expected to underscore the critical inputs for national development, including:

- i. Transformation challenge: This has to do with the resource-rich countries. It involves transforming natural wealth into the capital needed for growth and development. Natural capital constitutes a major component of wealth and a principal source of income for many developing countries. A situation where the outcome is inversely related to the natural resources wealth may be referred to

- as resource curse. This nexus is not contextually deterministic; hence some countries, such as Chile and Botswana, are recognized to have done well with their natural capital endowments.
- ii. Disposition challenge: This requires understanding the intangible imperatives. In recognizing the importance of human and social capital, the intangible qualities of capital encompass productive value inherent in human, social, and institutional capital, as well as other unaccounted-for factors that contribute to human well-being. This is estimated to make up a large share of total wealth, about 60% - 80%, in most countries. However, unless analysts/economy watchers come to terms with the composition of intangible wealth, they and their governmental authority counterparts may hastily conclude that a wide range of public expenditure is relatively yielding intangible benefits. There is also the realization and recognition that education and the rule of law account for most of the intangible capital disposition of national economics (World Bank, 2006).
 - iii. Emission challenge: This has to do with greenhouse gas emissions and the resources imperatives (wealth) of nations. Damages arising from greenhouse gas emission are recognized to have major impact on the future well-being and the overall sustainability of individual countries and the world at large. The high level of global concern towards with climate change calls for a more critical look at greenhouse gas emission, particularly from the wealth-accounting point of view.
 - iv. Decomposition challenge: This is about changes in natural wealth. Changes in the value of natural capital may result from several factors, some relative to price or returns to an asset; while some are relative to the physical quantity of an asset. For instance, the value of total agricultural land in a country may increase when more land is created for cultivation (which is the quantity effect) or when the net price of crops produced on a given amount of land increases (which is the price effect).

3. Development & National Development in Perspective

Development as a concept, indeed, has various meanings. Gboyega (2003) identifies development as an idea that embodies all endeavors towards improving the conditions of human existence in all ramifications. It implies improvement in material well-being of all citizens, from the less privilege to the most powerful and rich, in a sustainable manner such that today's consumption does not jeopardize the prospects of better living in the future. It also requires that poverty and other manifestations of inequality of access to the good things of life be removed or drastically reduced, so that the citizens would enjoy improved personal physical security, livelihood and expansion of life chances. Naomi (1995), thus, argues that development usually involves not only economic growth, but also other critical perspectives such as equitable distribution, provision of health care, education, housing and other essential services. All these are with a view to improving the individual and collective quality of life.

Furthermore, the term, national, according to the Longman Dictionary of Contemporary English, refers to a phenomenon that pertains to a whole nation. Therefore, national development could be identified as the overall enhancement or collective socio-economic, political as well as religious advancement of a nation. This is best achieved through development planning, which describes a country's collection of advancement strategies, as mapped out by the government and its various ministries, departments and agencies (MDAs).

The term national has to do with nation, drawing its meaning from Latin and French words, which mean to be born. Therefore, a nation is a historically and constitutionally born community of people (Iniobong, 1991). However, in modern times, notwithstanding the congruence of interpretation, the term nation has not enjoyed unanimity in definition. In a submission contained in the publication, from Empire to Nation, the meaning of the term, nation, is projected and conveyed as a community of people who construe themselves as belonging together in the dual sense that they share deeply significant elements of a common heritage and that they have a destiny for the future. The term, national, therefore, involves or describes a phenomenon that affects the nation in its entirety; a people of common heritage. It may be regarded as being quite simplistic to illuminate what national development is, without looking at the distinctive contexts of the terms, national and development. This is further justified by the fact that development is a many-sided process and may relate to the affairs of an individual, community, nation state, particularly bordering on politics, culture or the economy. In another conceptualization, national, on the one hand, relates to an entire country; while development, on the other hand, is a continuum, ideally affecting every individual or every society that yearns or craves for holistic advancement of all segments of a nation, society or other phenomenon. By this, national development is a derivative, which is better properly understood when each component is given a clear picture in the context of a whole.

The challenges of defining development still become cumbersome with the quest for new dimensions of national development, even as analysts apparently introduce some teleological elements in the analytical discourse (Jackman 1993). The outcome, in regard, might vary with each user of the word, as it is implied by the user, but it may be sufficient to submit that development, derived from the word develop, pertains to a phenomenon that grows, changes or advances holistically over a period of time into better, more advanced or

complete forms. Extending the above conceptualization to the larger spectrum, national development maybe construed as sustainable improvement in both material and spiritual life of a nation, which is realizable in ways consistent with the advancement and preservation of human dignity. Against this backdrop, many writers in the social sciences tend to equate national development with either economic or political development or both. For instance, associates of the liberal economic laissez-faire school, following the intellectual tradition of Adams Smith identify national development with material economic development which production, industrialization and accumulation of savings engender in a society. Political theorists, on the other hand, argue that this kind of intellectual assumption tend to underestimate the importance and primary of political variables, especially the role the state as controlling/intervening institution under the philosophical superstructure.

Accordingly, they posit that economic growth takes within state boundaries and without the security which nation states enjoy and equally extend to the citizens. Without all these, national development cannot be said to have taken place (Ayobo, 1996). The importance of the state as a political institution, also, reasonably informs the focus and linking of political development with national development, as it is believed that any form of growth existing in a state is mainly politically-driven and directed. Furthermore, national development plans have always majority concentrated on political affairs; more so as it is logical to underscore a combination of the observable economic, social, political and technological indices. These include:

- i. Reduction the absolute poverty, and
- ii. Improvement in literacy, health services, housing condition and political consciousness of the people, etc.

Indeed, the above enumeration comprises the salient ingredients in the critical analysis of national development.

4. Elitism Prevalence and Need for Patriotism

Essentially, for Nigeria to record resounding wealth creation and real national development, there must be genuine effort geared towards promoting basic citizenship ideals. The people should readily substitute love for disharmony, and cooperation for domination. There should be conscientious quest to uphold equity, justice and fairness towards all. In place of dichotomous greed, leaders should strive to instill/engender generosity and mutuality. The elites should be more sensitive and considerate, construing the nation as one big family, thereby furthering the common interest through the intelligent and efficient use of natural resources to achieve greater socio-economic prosperity. They should believe and have higher regard for the worth of the human person, as well as the sanctity of lives above all materialistic and exploitative tendencies (which some citizens of old unfortunately inherited from the colonialists).

From the fore-going, economic transformation initiatives associated with wealth creation will only achieve the desired national development deliverables if it conscientiously transforms people who are apparently deprived of socio-political activity into citizens who are vibrant with socio-political/economic capacity. This is a critical component of the functional framework for massive civilization and sustainable national development. National development, indeed, requires total commitment on the part of the leadership, even as the place of discipline and honesty on the part of project implementers cannot be compromised. To this end, officials are required to show high level discipline, willingness, dedication, and honesty in their bid to create more wealth for national development. Also, stability and continuity of policies need to be upheld to encourage more investment towards wealth creation. This is expected to ultimately propel national development. Managers of national economics should realize that reinvigoration and repositioning of the agricultural sector are fundamental. Nigeria and other developing nations, in particular, need to do more to revamp and reinvent the agricultural sector, as the urgency of meaningfully pursuing economic diversification strategies cannot be over-emphasized. It is note-worthy that agriculture is reckoned with as one strategic sector that has been quite instrumental in the national development schemes of many vibrant nations, including Japan.

Also, for wealth creation to bring about the desired sustainable national development; there is need for attitudinal change among citizens. Nigerians as a matter of expediency have to change the pessimistic attitude towards development, which harbors the idea/belief that things cannot work in the country. What is generally regarded as the Nigerian factor should be discarded and replaced by belief in the possibility of actualizing real national development. National development represents a process generated and sustained by players/forces within a given society. It is propagated and invigorated by concerned active members of that society, and particularly driven by their belief and commitment to the workability of the system. Added to this, constructive citizenship ideals should be promoted far above indigenous tendencies, so as to achieve cooperation and participation of all stakeholders in the national development process.

5. Conclusion

Nigeria, like many nations of the world, is still in dire need of accelerated national development. The slow pace or near lack of sustainable development has kept the country for so long in the bracket of third world countries or underdeveloped nations. The countries fairly described as developing economies seem to suggest that the

countries referred to as developed are no longer developing; but more fundamentally, a lot of the countries listed among the former categorization are still being ravaged by war, socio-political conflict, corruption, nepotism, and poverty; even as many are constantly cap in hand seeking aids from the countries described as advanced/developed. These common features of the third world countries remain a source of great concern to the enlightened stakeholders, both nationally and internationally. However, analysts/commentators on contemporary national issues tend to heap the blame of failure of national development plans in Nigeria on inadequate wealth creation. Wealth creation and national development are critical pursuits identified with most vibrant economies of the world. The inability of many managers to critically come to terms with these concepts remains the bane of progress in the affected countries and their constituent households.

It is noteworthy that the terms wealth and national development have been subjected to constant refinement of concepts, which has played central role in the history of economic thought and evolution of comparative management dynamics. Wealth comprises assets or things of value owned by private individuals or governments. In terms of private wealth, the profile includes property, houses, shares, bonds, savings, superannuation contributions and antiques or collectables. In terms of government or public wealth, the profile includes land, buildings, equipment and other infrastructure associated with the provision of collective services such as power, transport, health and education. For many individuals/institutions, wealth takes years to accumulate, as those with high income may use their surplus income or savings to purchase and expand their assets. Wealth may equally be used to increase the level of unearned income. Although it may take a lifetime for many people to accumulate wealth, considerable wealth is, sometimes, inherited or passed from one generation to the next, usually when well-to-do family members pass on. The inherited assets have the capacity to earn income for the owner; hence the inequality in the income-wealth cycle seemingly continues.

Nonetheless, national development is concerned with the ability and tendency of a nation to improve the lives of its citizens. Measures of improvement may be material, such as an increase in the Gross Domestic Product (GDP), or social, such as literacy rates, availability/accessibility of healthcare, and allied utility effects. Furthermore, many have argued that poor leadership is critical problem hindering national development in Nigeria but leaving the matter at that without further in-depth analysis may leave some concerned stakeholders at the level of naivety. It may be likened to treating a matter without getting at the root which needs to be uprooted before lasting solution (national development) can be struck. In this context, to get at the root is to bring to the fore the character of Nigerian elites which influence the actions of leaders and redirect their passion towards positive/constructive development. The elite group equally molds and sharpens the opinion which the leader is leading a nation. Nigeria like other nations is also elite-driven; hence with all the changes made in leadership over the years, the economy is still being dragged backward in many spheres. This target group must, therefore, be sensitized to a level where they would collectively have subscribed and exhibit true nationalism and patriotism in all its undertakings.

Other conceptual and analytical policy issues which draw attention of developing country governments towards the increasing need to recognize investments in human capitals are critically important parts of the development process. This is obvious as wealth creation is widely regarded as sine qua non to national development, particularly as has been demonstrated in the profiles of countries such as Japan and Korea. Nonetheless, analysts categorically suggest the strengthening of critical institutions and developing the capacity to generate and utilize knowledge to contribute more meaningfully to the wealth creation endeavor. Hinging on the harmonious functional outcomes of massive investment in wealth creation, Nigeria should satisfactorily go forward in building a highly competitive economy with more attractive future national development indices in the comity of nations.

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