



## **Pol 412: State and the Economy**

**Credit Unit: 3**

**Gabriel O. Igechi**

### **Course Aims**

The broad aim of this course is to help students have the basic knowledge of the state as a driver of economic development and appreciate its usefulness in the socio-economic growth of Nigeria and other states in the African continent.

### **Expected Learning Outcomes**

- On successful completion of the course, students should be able to:
- a) Discuss concepts relating to the state and economy
- b) Explain the relationship between the state and the private sector
- c) Understand the importance and limitations of the state in the pursuit of economic development
- d) Discuss Poverty and Healthcare issues in Nigeria
- e) Explain the concepts of Money politics and Democracy in Nigeria
- f) Explain in Historical context the various Economic Reforms in Nigeria
- g) Comprehend Oil politics and Petroleum Refining in the Nigeria State.
- h) Understand Economic and Security challenges in Nigeria

### **CONCEPTUAL AND THEORETICAL OVERVIEW**

- The State
- Economy

The State

- It is important at the beginning to put in clear terms the meaning of the concept of state. Although there is a dispute among scholars about the exact definition of the concept, we can nevertheless point out those common features that give the state its uniqueness.
- A state is a basic political unit with a population organised within a defined territory and whose affairs is conducted by a government.



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- Weber (1924) provides the most commonly used conceptualization of the state. He defines the state as ‘that human community which lays claim to the monopoly of legitimate physical violence within a certain territory’. This perspective places the state in a position of authority above and over every other institution within society. On the basis of this analysis, the state thus has certain features:
  - Territory
  - population
  - Government
  - Sovereignty
- Every state is located in a particular space within the earth and has a boundary that does not interfere with the area of other states. This space is known as ‘**Territory**’.
- A state is constituted by a group of individuals or citizens collectively called a ‘**Population**’.
- The agency of the state through which the will of the people is formulated, expressed and realized is called ‘**Government**’.
- The supreme and overarching legal authority of the state is known as ‘**sovereignty**’.

#### Economy

The economy of a nation is that system through which people get a living. The primary objective of every economy is to use limited or scarce resources to satisfy human wants.

The foundation of every economy is built on the interaction of the various factors of production- land, labour, capital, entrepreneur and technology- to create wealth and societal values.

During the ancient times and the medieval era, to ‘get a living’ was fairly easy. However, with the growth of civilization it has become more complex for people to meet their daily needs. Different countries have thus adopted different ways of arranging their economies by creating institutions that will be useful.



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As a result we have capitalist or free market economy; socialist or centrally-planned economy; and the modern mixed economy. These economic ideologies have been competing among themselves in the last few centuries.

- In summary, the economy has been conceptualised as a social domain that emphasises the practices, discourses, and material expressions associated with the production, use, and management of resources (James et al, 2015).
- The units or agents that engage in economic activities can be individuals, groups, business organizations and governments. These entities are the core drivers of the processes that make up the economy of states.
- The economy is very much influenced by certain factors like culture, available technology, education, history, political and legal system, geography and the natural endowment of the nation.
- These factors may sometimes account for the differences in developmental and growth process of states. When a good leader is able to strategically combine these various factors the economy will blossom.
- The economy is perhaps the most important aspect of the state, because it determines the extent to which the citizens are able to live a good life.

Reflections/Questions

- Critically discuss the concept of state in the context of developing countries.
- Explain, in detail, the term Economy



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