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**Abstract**

Economics literacy is key to sustainable development. This paper tries to examine how knowledge of Economics as a subject empower the recipient in making rational decisions that would be fundamental to the creation of wealth, alleviation of poverty and advancement of national economy. Three questions guided the study and the design of the study was correlational survey. The sample size used for the study were 270 respondents who were purposively selected from five departments from College Education, Michael Okpara University of Agriculture, Umudike, Abia state. Questionnaire was the instrument for data collection, the instrument was face validation by three experts to ascertain its adequacy for the study and Cronbach alpha was used to establish the reliability of the instrument which was 0.83. The data analysis was computed with Pearson Product Moment Correlation coefficient  $\otimes$  and the test of significance of r-value. The study revealed a significant difference between Economics literacy and Poverty alleviation, creation of wealth and advancement national economy. Recommendations were that Economics should be made compulsory at all level of education and Economics teachers should be regularly trained and retrained on innovative strategies to help simplify the teaching of Economics concepts

**Keywords:** Economics literacy, sustainable development, poverty alleviation, creation of wealth, advancement of national economy

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## **Introduction**

It is a well-known fact that resources are scarce compared to means available and the sustainability of resources of a nation depends on how the scarce resources are appropriated. Therefore, there is need for everyone to be Economics literate; having the knowledge on how to proportion their means of sustainability.

Economics is very important to the growth and development of any nation. It plays an important role in the development of the human and natural resources of a country. A good knowledge of Economics can help an individual in a good decision making. For instance, an entrepreneur with the knowledge of Economics is bound to make more rational and rewarding business decision than his counterpart without such knowledge. In view of this Okeke in Oleabhiele (2015) averred that the study of Economics enhances good citizenship in the sense that most of government policies today are economic in nature. For instance, issues like inflation, unemployment, income, inequality, population explosion, external debts, balance of payments disequilibrium and so on are the things that dominate government policy today. This is the more reason while Economic literacy is very importance for sustainable development of any society.

Economics literacy according to Ikwumelu (2015), is the process of transmitting the principle of Economics judgement in making rational decision. That is the application of Economics knowledge acquired by an individual in making choices among competitive demand for greater satisfaction. More so, it involves the utilization of Economics theories, law and principles to solve problems, issues affecting a nation or society such as inflation, unemployment among others (Oleabhiele & Oko, 2018). More so, Economics literacy helps to improve the quality of good and services and contribute to the economic growth and development of a country. Economics literacy includes the ability to discern choices, and financial issues without discomfort, plan for the future, and respond competently to life events that affect every day financial decisions, including events in the general working of the economy (Anyanwu, 2017)

In modern society, the ability to achieve social, political and economic development is anchored on how individuals or citizens are able to put into use the intellectual, vocational and Economics literacy skills acquired. The knowledge of Economics helps the learners to create wealth, transform raw materials into finished

goods and make logical decisions on economic issues affecting them as individual as well as the nations. In addition, Economics literacy is a key in achieving sustainable development (Oleabhie, 2015). It is a necessary precondition for alleviation of poverty, wealth creation, attainment of national economic development. According to Ikwumelu and Oyibe (2015), economic literacy is vital because it is helpful for understand the world economies, provide the individual the basic background to discuss economic problems as well proffer possible solutions.

In this respect, it can be emphasized that the economic literacy has individual and social impacts. Consequently, decision-making in the economic world requires assessing the causality of relationships within economic activities properly. When considered from this point, it is fair to claim that there is a direct relationship between the level of economic literacy and economic efficiency. In other words, existence of the economic rationality depends on the existence of the economic literacy.

Social impacts of the economic literacy also have remarkable importance. As mentioned above, a low level of economic literacy may cause an individual to make wrong decision and lower the economic efficiency. Consequently, the problem that commences with an individual might affect an entire country and even the world due to globalization. Furthermore, the economic policies of the government might influence the economic decisions of an individual or vice-versa (Anyanwu, 2015). Therefore, it is not expected to see to the positive and negative impacts of the economic policies on the societies where the level of economic literacy is low. Seeing the outcome of these policies as an increase of economic welfare level depends on the level of acceptance and understanding of these policies and this mainly depends on the economic literacy level in the society (Chamber, 2011). Thus, it is obvious to say that the level of Economics literacy possesses by the workforce of nation is a function of the technological and economic development of such a nation.

Furthermore, the literacy and knowledge obtained through the study of Economics in schools is pivotal to the achievement of sustainable development. Hence, Gidden (2010) asserted that Economics knowledge is the foundation or bed rock upon which nations thrust into attainment of sustainable development. In the same vein Lasbry and Ebomuche (2019) affirmed that maximalization of available resource, (material and human) advancement of small and medium enterprises, which are indicators of sustainable development depends on the economics literacy level of the managers. Similarly, the knowledge of Economics and the application of its principles are ingredient for poverty reduction as well as wealth creation which empower individual to be self-valiance and create employment that are sustainable. In support of this assertion, Oleabhie, Oleabhie, and Ariya (2015) opined that Economics literacy is a veritable tool for addressing the socio-economics as well as political crisis that are

ravaging and creating youth unrest across the geo-political zones of our nation in recent times.

Sustainable development which is a terminology that connect a better and equitable distribution of available resources to meet the need of all and sundry without anyone feelings neglected or derive what is done to him/her. According to Ikwumelu and Oyibe and Oketa (2015), sustainable development involves meeting the needs of the present generations without compromising the needs of the future generations. Therefore, the Economics literacy which is the knowledge obtained through the study of Economics principles and practical provide a rich background to sustain scare resource and ensure that wastage of resources is avoided, poverty is alleviated and employment are created. Sustainable development is therefore concerned with the creation and sustenance of the conditions for current and future generations of human to live well on this planet. This therefore means that Economics literacy could pave a good path way toward ensuring sustainable development in any society.

However, sustainable development is synagogue with poverty reduction and wealth creation. Poverty could be expressed as the inability to secure or provide essential needs to meet the demand for oneself in terms of basic necessities of life. Clark in Oduma (2002) opined that poverty is a condition of inadequacy, deprivation, one's inability to provide basic need of life substance. More so, poverty is a situation of not having sufficient to live on, poor state of well- being, lack of production in the decision-making process, either as it affects an individual or national.

In addition, poverty according to Oduma (2012), it is a deprivation symbolising a state of penury and painful lack of common of survivals. In line with the above, Chinguta in Oduma (2012) noted that despites the level of poverty and the dimensions of unemployment, the acquisition of the knowledge of Economics remains a panacea to this fundamental problem of every society. The thrust of this study is to the inculcation of Economics skills and literacy for the survival of the individual. Chinguta in Oduma further stressed that for one to make any meaningful impact on youth employment, wealth creation and poverty reduction, the youth needs to change the narrative by acquiring the basic knowledge, principle of Economics accompanying with entrepreneurial skills. The thrust therefore, should be to train people to go into wealth creation on their own as opposed to go and search for unavailable paid employment.

Economics literacy cannot be separated from wealth creation. Today, it is a well-known fact that most cottage industries collapse before maturation due to the entrepreneur not have the required Economics literacy knowledge to manage both the human and material resources. Wealth creation involves providing opportunities for business to strive as well as creating the enabling environment for individual to be productive by means of engaging themselves creating utility and rendering of services for a profitable reward. Specifically, the study aimed at determining the relationship between

1. Economics literacy and poverty reduction.
2. Economics literacy and wealth creation.
3. Economics literacy and national development.

In line with the specific objectives, the following research questions were raised;

1. What is the relationship between Economics literacy and poverty reduction?
2. What is the relationship between Economics literacy and wealth creation?
3. What is the relationship between Economics literacy and national development?

The corresponding hypotheses were;

Ho<sub>1</sub>: Economics literacy does not significantly correlate to poverty alleviation

Ho<sub>2</sub>: Economics literacy does not significantly relate to wealth creation

Ho<sub>3</sub>: There is no significant relationship between Economics literacy and national development

### **Methodology**

The design of the study was correlational research design because it aims at establishing the relationship between two phenomena by correlating the variables (Abonyi, 2011). The researcher has no direct control of the independent variables. The population of the study was 115 senior secondary II students offering Economics in Umuahia Education zone and were purposively selected to constitute the sample size for the study.

The instrument for data collection was a questionnaire titled; Economics Literacy and Sustainable Development Questionnaire (ELSDQ) containing 15 items in three cluster with five items in each cluster addressing the three research questions that were answered in this study with a response format of four-point rating; strongly agreed, agreed, disagreed and strongly disagreed. The instrument was face validated by three experts in terms of clarity, language structure, and content coverage and the reliability of the instrument was established using Cronbach alpha in order to ascertain the internal consistency of the instrument which was .89 which the researcher considered high enough to consider the instrument reliable to be employed for the study.

The data collected were analyzed using Pearson Product Moment Correlation (PPMC) coefficient to answer the research questions while the t-test of significance was used to test the null hypotheses at 0.05 level of significance. The decision rule for the interpretation of correlation coefficient (r) value for all the research questions are as follows:  $\pm 1.00$  Perfect relationship,  $\pm 0.70- 0.99$  very high relationship  $\pm 0.60- 0.69$

High relationship,  $\pm 0.50- 0.59$  moderate relationship  $\pm 0.30- 0.49$  weak relationship,  $\pm 0.10- 0.29$  low relationship and  $\pm 0.00$  No relationship (Rumsey, 2016)

The null hypotheses stated for the study would be rejected or accepted based on the following established decision rule; if t-calculated is greater than t-critical, the null hypotheses were to be rejected but if the t-calculated is less than the t-critical, the null hypotheses were not rejected.

## Results

### Research Question One

What is the relationship between Economics literacy and poverty reduction?

**Table 1: Correlation Matrix of Relationship between Economics literacy and Poverty Alleviation**

		Economic s literacy	Poverty Alleviation
<b>Economics literacy</b>	Pearson Correlation	1	.75*
	N	115	115
<b>Poverty Alleviation</b>	Pearson Correlation	.75*	1
	R <sup>2</sup>	0.56 (56%)	
	N	115	115

Data in table one indicates a correlation coefficient of .75 indicating a positive relationship between Economics literacy and poverty alleviation. The coefficient of determination (R<sup>2</sup>) of 0.56 indicates that 56% of the variance in the dependent variable (poverty alleviation) was attributed to the independent variable (Economics literacy).

**Hypothesis 1**

HO<sub>1</sub>: Economics literacy does not significantly correlate to poverty alleviation.

Data for testing hypothesis 1 are presented in Table 2.

**Table 2: Test for significance of r-value between Economics literacy and poverty reduction**

Variables	N	r	df	tcal	tcrit	Remark
Economics literacy						
	115	.75	113	12..05	1.96	reject H <sub>0</sub>
Poverty reduction						
	df N-2	p< 0.05				

The analysis in table 1 indicates that the calculated t-value of 12.05 is greater than the critical t-value of 1.96 at 0.05 level of significance and 113 degree of freedom. The null hypothesis Economics literacy does not significantly correlate to poverty alleviation was rejected. Therefore, Economics literacy significantly correlate to poverty alleviation

**Research Question Two**

What is the relationship between Economics literacy and wealth creation?

**Table 3: Correlation Matrix of relationship between Economics literacy and wealth creation**

		Economics literacy	Wealth creation
<b>Economics literacy</b>	Pearson Correlation	1	.83*
	N	115	115
<b>Wealth creation</b>	Pearson Correlation	.83*	1
	R <sup>2</sup>	0.69 (69%)	
	N	115	115

Table 2 indicates a correlation coefficient of .83 indicating a positive relationship between Economics literacy and wealth creation. The coefficient of determination ( $R^2$ ) of 0.69 indicates that 69% of the variance in the dependent variable (wealth creation) was attributed to the independent variable (Economics literacy).

### Hypothesis 2

Ho<sub>2</sub>: Economics literacy does not significantly relate to wealth creation

**Table 4: Test for significance of r-value between Economics literacy and wealth creation**

Variables	N	r	df	tcal	tcrit	Remark
Economics literacy						
Wealth creation	115	.83	113	15.85	1.96	reject H <sub>0</sub>
df N-2		p < 0.05				

The analysis in table 4 indicates that the calculated t-value of 15.85 is greater than the critical t-value of 1.96 at 0.05 level of significance with a degree of freedom of 113. The null hypothesis Economics literacy does not significantly correlate to poverty alleviation was rejected. Therefore, Economics literacy significantly correlate to wealth creation

### Research Question Three

What is the relationship between Economics literacy and national development?

**Table 5: Correlation Matrix of Relationship between Economics literacy and National development**

		Economics literacy	National development
Economics literacy	Pearson Correlation	1	.64*
	N	115	115
National development	Pearson Correlation	.64*	1
	R <sup>2</sup>	0.41 (41%)	
	N	115	115



Data in table 5 shows a correlation coefficient of .64 revealing a positive relationship between Economics literacy and National development. The coefficient of determination ( $R^2$ ) of 0.41 indicates that 41% of the variance in the dependent variable (national development) was attributed to the independent variable (Economics literacy).

**Hypothesis 3**

HO<sub>3</sub>: Economics literacy does not significantly relate to National development.

Data for testing hypothesis 3 are presented in Table 6.

**Table 6: Test for significance of r-value between Economics literacy and wealth creation**

Variables	N	r	df	tcal	tcrit
Remarks	Remark				
Economics literacy					
	115	.83	113	8.86	1.96
National development					H <sub>0</sub>
	df N-2	p< 0.05			

Data in table 6 reveals that the calculated t-value of 8.86 is greater than the critical t-value of 1.96 at 0.05 level of significance with a degree of freedom of 113. The null hypothesis Economics literacy does not significantly correlate to poverty alleviation was rejected. Therefore, Economics literacy significantly correlate to national development.

**Discussion of the findings**

The study revealed that there is a high positive relationship between Economics literacy and poverty reduction. This is to say that the more Economics knowledge and information an individual possesses can significantly help to reeducation the level of poverty. This finding is in line with Chinguta in Oduma (2012) noted that despite the level of poverty and the dimensions of unemployment, the acquisition of the knowledge of Economics remains a panacea to this fundamental problem of every society. Collaborating the above finding Ikwumelu, Oyibe and Oketa (2011) affirmed that despite the abundant human and material resources of the country, effort at creating a vibrant and sustainable real sector growth and development have prove abortive hence economic development has been disappointingly low while poverty level has increased tremendously.

The study also revealed that Economics literacy significantly correlates with wealth creation. One of the objectives of teaching the subject (Economics) is to enable students acquire knowledge for the practical solution of the economic problems of

society which translate to the saying that knowledge is for self- empowerment and wealth creation through making rational economic decision and making alternative choices. The finding is support Oleabhiele and Oko (2018) when they affirmed that the application of Economics knowledge acquired by an individual in making choices among competitive demand for greater satisfaction which involves the utilization of Economics theories, law and principles to solve problems, issues ranging from inflation, unemployment, wealth creation among others. Similarly, Chinguta in Oduma (2012) noted that despite the degree of poverty, and dimension of unemployment, the acquisition basic Economic literacy remains a panacea for breakthrough via economic upliftment, self-reliance and wealth creation.

This result of this study equally exposed relationship between Economics literacy and national development. In this study, it was revealed that there positive as well as significant relationship between Economics literacy and national development. This finding is cannot be disassociated from that of Federal Republic of Nigeria, FRN, (2014) that Economics literacy is very important to the growth and development of any nation, it terms human capacity enhancement and effective allocation of scarce material resources and making rational choice among competitive demands. More so, Adediran (2014) affirmed that the importance of Economics literacy to the individual and society at large can be deduced from the various economic activities engaged upon by the citizenry which in turn drive the economy towards growth and national development and improve the standard of living of the people.

### **Conclusion**

The objective of every nation is to grow her economy, through wealth creation and employment generation in order to improve the welfare of her citizenry. In this study, it has been revealed that there is a positive relationship between Economics literacy and sustainable development. Therefore, it become necessary that Economics should not been give lesser attention in the schools' curriculum but calls for the need for its place in the school curriculum to be revised by making it a compulsory subject just like English and mathematics. Hence, it is recommended that Economics literacy should be an integral and compulsory aspect of Nigeria education system just like Entrepreneurial studies rather than limiting it to General studies curriculum

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