ECONOMIC IMPACT OF TERTIARY EDUCATION ON MANPOWER RESOURCE DEVELOPMENT IN NIGERIA

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ABSTRACT

This paper highlights economic impact of Tertiary Education on manpower resource development in Nigeria. Nigeria has witnessed accelerated growth in educational attainment since independence, but the developmental impact of tertiary education on economic growth has been comatose and uninspiring, and this has been traced to a number of factors such as; brain drain, disequilibrium in education demand and supply, and inadequate funding. The paper argues that education is a public good, and it provision is not and need not be seen on economic output alone. That tertiary education has a lot of direct beneficial effects and can raise cognitive skills and all that it implies. The paper concludes that if Nigeria is to experience rapid economic growth in the near future, adequate steps should be taken to improve the quality of education in the country. It was recommended among others that federal government should provide stabilization fund to make up for the short falls in the budgetary allocation to tertiary institutions in recent past.

Key words: Human Development, Human Capital, Manpower Resource

1. INTRODUCTION

It is a general accepted view that education of the people especially at the tertiary level is the first step toward their socio-economic development. This implies that sustainable development cannot take place if the human capital (skilled person) required to bring about progressive change in the economy is not available. The history of higher education in Nigeria is actually the history of Yaba Higher College in Lagos in 1932, which gave birth to University College, Ibadan in 1948. Precisely, at the end of world war II when Elliot Commission set up to report on the facilities of the existing centres of higher education in British West Africa and to make recommendations regarding future university development in Nigeria. The setting up of the commission marked a new era in the history of higher education in West Africa, because its recommendations had breathed new life into the anaemic colleges of West Africa with the result that the new University College, Ibadan (a college of the University of London) was established on the sound footing with conducive learning environments.

The university college started with 104 students, which rose to 1,136 at independence in 1960. In a country with estimated population of 40,000,000, many qualified Nigerians had no opportunity to get admission to this college. In the same year of 1960, the University of Nigeria, Nsukka (UNN) – an indigenous full fledged university opened its doors to an initial intake of 263 students. The establishment of this university ushered in subsequent universities. Thus, by 1962 there were four universities in Nigeria, namely:

i) University of Nigeria Nsukka
ii) University of Ibadan
iii) Ahmadu Bello University, Zaria
iv) University of Lagos.

In 1975, following the oil boom and the geopolitical restructuring of Nigeria into twelve states; the demands for more universities in the newly created states become an urgent read. The federal government acceded to this demand by establishing seven additional universities, which become the second-generation universities. So that one can at a glance know what constitutes premier universities. Presently, Nigeria has ninety four universities. Twenty seven (27) of which are owned by federal government and thirty two (32) by the state governments and thirty-five (35) by the private individuals. The university system has a total enrolment figure of 3,000,000 students over 1,079,021 academic staff, over 3,000 academic programmes and vast physical facilities spread across the campus throughout the nation. Form the foregoing, it is obvious that Nigeria is committed to invest in Education based on human capital formation which stems from the fact that people are social indices via adequate and proper investment.

There is symbiotic nexus between human capital and the overall national development (Harbison, 1973). Schultz, Mincer, Edward and Denison in Umo (2005) provided new information on the link between education and economic growth. Ginzberg (2000) observes that the contribution of education to economic growth occurs through two mechanisms. The first is the creation of knowledge which is growth attributed to increase in human capital and more highly educated individuals translated into more scientists, analysts, technicians and investors working to increase the stock of human knowledge through the development of new processes and technologies. The second way in which education affects economic growth is that it leads to innovation and invention to meet the needs of the society. The discourse so far set the stage for this paper.

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2. EDUCATION IN MANPOWER DEVELOPMENT

Human development (HUD) revolves around the notion of human welfare and hinges on components of human capital such as health and education. Uwatt (2002) observes that there are five ways of developing manpower resources:

i) Health facilities and services should be broadly conceived to include all expenditure that affect life expectancy, strength and stamina, and the vigour and vitality of the people;
ii) Formally organized education at primary, secondary and tertiary levels;
iii) Study programmes for adults that are not organized by firms;
iv) Migration of individuals and families to adjust to changing job opportunities.

Specifically, economic benefits of manpower resource development arise from making people more productive by improving their health, education, and other social indices through adequate and proper investment (Odusola, 1998). Harbison in Etuk (1993) posited that:

Human resource constitutes the ultimate basis for the wealth of nations. Capital and natural resources are passive factors of production; human beings are the active agents who accumulate capital, exploit natural resources, build social, economic and political organization, and carry toward national development (p.40).

The thesis of Harbison (1973) reinforced the earlier thesis by John and Morphet (1965) as reported in Nyara (2002) to the effect that “modern civilization demands knowledge, understanding and technological skills. Development of these through education provides the opportunities for progress. Neglect invites misery, exploitation and eventual disaster”.

Tertiary education, precisely, universities all over the world, are accepted as the citadel of knowledge education and human resource development. It is the hope of the people that tertiary education should produce the right type of manpower in sufficient quantity and quality for the transformation of the nation from a developing country to a developed one (Fadipe, 2000). By implication, any country that neglects an effective human capital formation is doing that at its own peril. It is, therefore, in line with the above that the writer attempt to look at the economic impact of tertiary education on manpower development in Nigeria.

3. INVESTMENT IN TERTIARY EDUCATION

Education differs in a basic way from other major social or public services in that it constitutes an investment in knowledge and skills which can yield economic and social benefits in the future. While it is true that payment of health bills for the needy may help heal and return them to the workforce or that welfare payments for food (food stamp) preserve human capital, it is nevertheless important to note that neither of these public programs actually increases the worth of human capital. This is not to infer that public expenditures for health and welfare are not desirable and necessary on humanitarian grounds, but it is important to observe that education should be considered in a different context – as a remedy to the problems and not as a problem itself. As an investment (higher education), there should be returns and for stakeholders, it is assumed that this would be in form of the enhanced contribution made by those who have received the education and hence the economic growth that it leads to. The objective of any investment is to make profit and where this is impossible, the investment would be unattractive. This is where people believe that adequate investment by the government is required to ensure adequate and qualitative education. Be that as it may, one has to pause, as some vital questions need to be raised, such as, how has this massive educational expansion turned out in meeting national objectives for human capacity building and economic development? To what extent has the educational industry contributed to intellectual growth, and ensured rapid development in Nigeria? Specifically, according to Etuk (1993) in Longe (1999), stakeholders want to know, which type of education benefits society by:

- providing greater earning power;
- enriching the quality of life;
- promoting equal opportunity;
- maintaining a free market economy.

Longe (1999), opined that structural changes in economy, changes in policy, and shifts in demographics could adversely affect the nexus between education and development. This paper supports the argument that a well developed human capital base of a nation plays an important role in economic development, this leads to some developing countries being far ahead of others.

4. ECONOMIC IMPACT OF TERTIARY EDUCATION AND MANPOWER RESOURCE DEVELOPMENT

Manpower resource development refers to the process by which a nation develops and increases its human resources capacities through the inculcation of the relevant general and technical knowledge, skills and effectiveness to realize set goals efficiently (Umo, 2005). Manpower resource development in pre-independence date according to Adedeji and Bamidele (2000) was directed towards maintenance of law, order and general
administration. Today, its scope has been broadened to capture the challenges in economic, social and political spheres of the country. Indeed, manpower resource development today has taken a new dimension, for capacity gap to management in the area of good governance. Regrettably, the quality of education at all levels is on the decline (Idris, 1999). This calls for a serious attention because of its harmful effects on national development. Drawing from the study done by Schultz and Dension on the method of measuring the contribution of education to economic growth (Ginzbergy, 2000) found that a substantial proportion of the rate of growth of output in the United States was attributed to investment in education. Our history is full with examples of “self-made”, persons, who without formal education become economically independent. Actually, though, the odds are much better for one to become economically successfully if he or she has more education than less. Babalola (1995) in supporting this view, observed that some of the economic benefits that education generates to the society include – financial options, non-market returns, and employment-related benefits. In Umo’s (2005) words, education is expected to generate new knowledge in various fields of learning, to accelerate economic growth, to equalize income distribution, to forge national unit and to enhance cultural and social development.

5. CHALLENGES ASSOCIATED WITH LINKING EDUCATION TO ECONOMIC DEVELOPMENT

The major challenges associated with the belief that education is good for economic development is linked with how to maintain an equilibrium position. Babalola (1995) has indicated that a shortage of educated people might limit economic growth, while over-supply of output of higher education would lead to high unemployment among university graduate and the brain drain syndrome. Brain drain is the migration of professional people from one country to another for higher salaries or better living conditions. This is gross waste of human resources and a colossal loss to the nation considering the investment made in the higher education.

6. ISSUES OF FUNDING

It is well known that poor funding of universities in Nigeria, especially as from the 1980s, is a problem of enormous gravity. For instance, it has been calculated that the Babangida regime spent a whooping N6.2 billion on defence between 1987 and 1990, while only half the amount (N3.7 billion) was spend on education. This was a period we were not at war with anybody. No wonder many of the infrastructure of our tertiary institutions have remained in analogue in a digital age. The little funds available are grossly inadequate to maintain the infrastructure of the institutions. Otoyo (2004), affirmed that the main source of funds for funding federal universities is federal grant. In order to be able to provide better quality higher education of greater relevance to a larger number of students, it is necessary to increase and to diversify sources of funding and ensured that they are used more efficiently. Given the poor state of public sector accountability, donor agencies could consider rolling plan type funding arrangement, based on performance appraisal rather than ad-hoc measures.

7. SOCIO-POLITICAL FACTORS

The political climate in the country over the years has stifled some academic activities at the universities. The civil war in 1966 and the political impasse in the aftermath of the June 12, 1993 presidential elections have led to serious disruptions in calendar of many tertiary institutions in the country. Other events include the incessant disruption of academic programmes due to strikes action embarked upon by Academic and Non-Academic Staff Unions. This has induced a lot of anxiety about the quality of university education in Nigeria in recent times (Idris, 1999).

8. IMPLICATIONS

The stability of society depends to a great extent on the degree of solidarity. Haralmbos and Holborn (2004) informed us that education at the tertiary level teaches individuals specific skills necessary for their future occupations. In capitalist economy such as Nigeria social solidarity is such largely on the interdependence of specialized skills where in the production activities, the combination of a variety of specialists produces cooperation and social solidarity. This has strong influence on the socio-economic activities of the global world. For instance, global industrial societies are Knitted and United by valve consensus and a specialized division of labour, as specialists combine to produce goods and services.

Against this background, Parsons cited in Harolambos (2004) noted that tertiary or university education acts as focal socialization agency mediating between the kinship ties (of the family) and society as children are prepared for their economic role. This is made possible as individual is treated and judged in terms of universalistic standards which are applied to all members locally and internationally. Tertiary education therefore, becomes a crèche for economic, social and political development and a panacea to redress all social ills of the society (Otte, 1994). In similar line of argument Umo (2005) is quoted to have said that:

“There is need for universities to be centres for the promotion of national unity, self reliance, evolution of egalitarian society, industrialization and improvement of the standard of living of the people” (p.4)

Arising from the above remarks, universities should function to allocate human resources within the role structure of the capitalist society. This should be achieved through the testing and evaluating of students, match their skills and capacities to the job which they are best suited. Thus, make university to be the major mechanism
for role allocation for socio-economic development. This is in line with the focus of globalization. For instance, a globalized world creates knowledge through reflective research and training in such areas as economics, politics, health, technology and human development. The centre of diffusing the desired knowledge in the aforementioned areas is the university education.

In Nigeria there is the existence of inter-state and intra-state imbalance in terms of educational development. This experience originates from the geographical, historical, social and religious heterogeneity and diversity. Accordingly, the state of the university education becomes problematic because of the lack of criteria for the needed unity in the Nigerian society. This is seen by critics and stakeholders as the reason for the failure of tertiary education in Nigeria. Ojo (2010) summarized this phenomenon thus:

"Parents knew the process tertiary as a means of providing their children with better life regardless of their own social position; children soon become aware that tertiary education is a stepping stone to a job; administrators and politicians see tertiary education as a vehicle to perpetuate a form of government; churches look on it as a means of inculcating ethical and spiritual values; international agencies regard education as a source of manpower for development and modernization” (p.20).

These different motions of the purpose of tertiary education in Nigeria also affect policy formulation and implementation to the extent of denying the right of individual to education and equality of opportunity, hence under development of human capacity.

9. CONCLUSION AND RECOMMENDATIONS

Based on the issues raised in this paper it is concluded that for economic growth of any nation, adequate priority must be devoted to human capital building because it is the one way through which life fulfillment could be achieved. It observes that for educational financing mechanism to be sustainable there is need for cooperation between all stakeholders including private sector. Consequently, the following recommendations were made: That federal government should provide stabilization fund to make up for the short falls in the budgetary allocation to tertiary institutions in the past two decades. That both states and federal government for the rehabilitation of the decay infrastructure in tertiary institutions in the country.

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