



---

## **CHALLENGES OF HIGHER EDUCATION FOR HUMAN CAPITAL DEVELOPMENT IN NIGERIA**

**GIDEON, VICTOR OLORUNFEMI Ph. D**

*Human Capital Policy Department, (Niser)*

---

### **Abstract**

*A major factor for explaining Nigeria's predicaments is her inability to develop the right human capital mixes is the focus of this article. Nigeria's efforts at developing formidable human capital are challenged by certain inadequacies in the education sectors such as underfunding, dearth of infrastructures, corruption, examination malpractice. This study examined the major challenges hampering the development of human capital in Nigeria. Education which constitutes the arch-pillars in the human capital development is in moribund conditions in Nigeria because the governments in Nigeria have not made well-articulated attempts, nor demonstrated strong and genuine commitment to improving the quality of educational services in the country. Some of the identified problems include underfunding of the education sector leading to dearth of learning and operational infrastructures; the issue of highly entrenched corruption; examination malpractice in the sector leading to undertraining and production of poor-quality manpower which exacerbates the scarcity of highly skilled professionals in all fields. The study recommended that Nigeria should prioritize human capital development in its national development plan by reviewing its education policies and increase budgetary allocation to this critical sector to meet UNESCO and WHO specifications, government to provide genuine political will and sincere commitment, to resuscitate the dilapidated educational facilities across the country, drastic measures must be taken to tackle corruption among stakeholders in all the sub-sectors of Nigerian educational institutions. Nigerian National Assembly*

*should legislate improvement in skilled professionals in the interest of the nation's overall development.*

**Keywords:** *Challenges, Higher education, Human capital, Development, Nigeria.*

---

## **Introduction**

Nigeria is endowed with enormous human resources as evident in its large population of more than 200 million people. However, the country has continued to battle with serious development crises over the years. A major factor for explaining Nigeria's predicaments is her inability to develop the right human capital mixes is the focus of this project. Nigeria's efforts at developing formidable human capital are challenged by certain inadequacies in the education sectors such as underfunding, dearth of infrastructures, corruption, examination malpractice, "Brain Drain, among other factors. Nigeria needs to prioritize human capital development in its national development plan, and thus review its education policies and increase budgetary allocation to this critical sector to meet UNESCO and WHO specifications. Investment in human capital through quality education system has been widely recognized by different countries as the most potent strategy for concretizing human capital development. Human capital, a component of development consists of various ingredients including knowledge, talents, skills, abilities, experience, intelligence, training possessed by a country's human population which formed the foundation upon which every other aspect of development such as social, economic, technological, etc rests.

The quality of human population constitutes an important factor in development and education is the most realistic means of achieving this. Schultz (1992) posits that population quality is the decisive factor of production, and emphasized the merits of investing in education. The UNESCO unequivocally states that developing countries ought to invest a minimum of 26% of their yearly budgetary allocation on education (Jaiyeoba, 2015). Developing countries including Nigeria have the most urgent need for high-grade human resources in order to enable them engender real and enduring transformation in their societies. Many developing countries have made pragmatic effort at improving the quality of education in a bid to ensure accumulation of valuable human

capital. Attempts at growing human capital in Nigeria have been plagued by numerous societal challenges which make the quality human capital development a mere dream rather a reality in Nigeria.

### **Statement of the Problem**

Though Nigeria is known for its abundance of human resources that could have been converted and transformed into huge socio-economic development fortunes for the nation, the development of economically worthwhile pool of human resources will remain a mirage unless the nation's human capital development is given the priority it deserves. This study therefore aims at examining the major challenges hampering the development of human capital in Nigeria. What are the challenges of human capital development in Nigeria? What are the effects of non-qualitative human capital development in Nigeria? How can the human capital development problems be solved in Nigeria?

### **Research Methodology**

This study is basically a theoretical and qualitative research. The study used secondary data derived from library research. This involved content analysis of relevant materials such as; books, journals, newspapers, periodicals, reports and governments' publications from where useful and valid data for the research were retrieved. The descriptive method of qualitative data analysis was employed for the study.

### **Literature Review**

#### **Human Capital**

According to Aluko and Aluko (2012), human capital is the abilities and skills of human resources of a country. Barney et al (1995) opines that the term refers to all the experience, skills, judgments, abilities, knowledge, contacts, risk-taking and wisdom of individuals and associates within an organization. Harbison (1973) in his views also conceived of the term in a closely related manner as he defines it as the energies, skills, and knowledge which potentially can be applied to the production of goods and services. In view of the foregoing definitions, the term 'human capital' simply implies the aggregate economically productive human population available in a country. It refers to the wealth of manpower or human resources with requisite skills, knowledge and training that

can be transformed into factor of production for the purpose of accomplishing the goals of a nation in terms of meeting its steady demands for developmental goods and services.

The concept of human capital hence connotes the actual right quality and quantity of human population available for economic productive activities in a country and not the magnitude of its labour force. Human capital is the product of accumulated investment in humans. Ojo (1997) corroborates this assertion as he argues that human capital represents the present value of past investments in the skills of people. It becomes plausible therefore to conclude that education is a decisive factor for human capital (Asaju, 2012)

### **Human Capital Development**

Human capital development is described as the most effective strategy for transforming the development dreams and aspirations of a nation into reality. Scholars and policy makers agree that investments in human beings through education produce immense benefits both to the individual and the society at large. Harbison (1973) sees it as, “the process of acquiring and increasing the numbers of people who have the skills, education and experiences that are critical for socio-economic development of a country”. Okojie (1995) says the term is associated with investment in man and his development as creative and productive resources. According to Ojo (1997), human capital development encapsulates not only the expenditure on education and training, but also the development of attitudes towards productive activities.

The most possible means of ensuring development and wellbeing of individuals are through purported investment in education as well as other social welfare services capable of improving the quality of human population. Healthy and well-informed (literate) workforce is a major determinant of the pace of social and economic growth and development in any nation. As Awe and Ajayi (2010) argue, “well-educated population is an objective in itself as well as the conduct to accelerate social and economic development”. Human capital development can therefore be rightly regarded as an end or objective of development (Aluko & Aluko, 2012). “Human capital development is also a means since it enhances the skills, knowledge and productivity of people through a process of human capital formation broadly conceived” (Aluko & Aluko, 2012). The development successes recorded by the advance countries of Europe and America as well as

the evolving industrialized nations of Asia can be attributed to long-term investment in human resources. These countries provide empirical evidences for justifying the imperative of deliberate investment in human beings as a road-map to national development.

The success story of many developed nations can be attributed to their investment in human capital development. Moreover, “in recent years, the economic success of countries referred to as the Asian Tigers has been attributed to the priority given to human resource development” (Asaju, 2012). Central to human capital development are education (Aluko & Aluko, 2012). Education is concerned with the cultivation of “the whole person” including intellectual, character and psychomotor development. It is the human resources of any nation, rather than its physical capital and material resources, which ultimately determine the character and pace of its economic and social development (Aluko & Aluko, 2012). Human resources constitute 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 organizations and carry forward national development. Any country that is unable to develop the skills and knowledge of its people and utilize them effectively in the national economy will not be able to develop anything else (Harbison, (1973) avers that education is a major factor in the formation of human capital. Aluko and Aluko states that education occupies an important place in most plans for economic and social development. The education sector is important in human development as a supplier of the trained manpower and it is a prerequisite for the accomplishment of other development goals.

Investing in education has increasingly become a major focus and concern of most countries due to the realization of its immense contribution to the actualization of the social and economic growth and development objectives of nations. Burneth et al. (1995) explains that investing in education raises per capita GNP, reduces poverty and supports the expansion of knowledge. Education increases employment opportunities which in-turn reduce poverty and encourages investment, thereby engaging more individuals in economic activities and thus creating favourable environment for growth and development to take-off. The returns from education are partly the fortunes of the acquirers’ and that of their societies (Asaju, 2012). Human capital development through

education is a ‘people –focused’ measure aimed at developing the human beings to serve as building blocks for a country’s overall national development. Based on its assessment of 192 countries, on the average, human capital accounts for 64% of the total wealth, while physical and natural capitals respectively account for only 16 and 29% of the total wealth (Awe & Ajayi, 2010). This further reveals the contribution of human capital to national growth and development. Any country that fails to develop its human capital would not record any meaningful development progress. “Of all the contributory factors to economic development, human resources stand out as the major factor that determines the manner in which all other factors should be combined and spur the development process” (Awe & Ajayi, 2010). Investment in human capital is enduring and it holds huge benefits for the future. Some economists believe that human capital does not depreciate because knowledge and skills are ever increasing and not declining and can always be bequeathed to future generations (Awe & Ajayi, 2010). This buttresses the point by the United Nations Report (1996) that education facilitates the process of development of any nation. The United Nations Report (1996) puts it clear that education is a fundamental factor for improving the quality of life and engendering social and economic progress. “Education plays a key role in the ability of a developing country to absorb modern technology and to develop the capacity for self-sustaining growth and development (Awe & Ajayi, 2010).

### **Challenges to Human Capital Development in Nigeria**

Nigeria is rich in human and material resources. Its solid and oil mineral wealth ought to have elevated it far and above many developing nations of the world in terms of development achievements. Failure on the part of Nigeria to harness and develop its abundant human resources has set it behind majority of the countries which shared almost the same GDP and per capita income rates with her between early 1960s and 1970s. Some notable problems or challenges in Nigeria’s education sector are responsible for this undesirable development. Particularly, Asaju (2013) attributes the bulk of the problem of human capital development to the following factors:

State of the country’s education sector: The policy inconsistency, poor policy implementation, inadequate infrastructural facilities, poor funding, among other issues. Successive governments in Nigeria have largely neglected the prime

issue of investing in education as being central to the country's development. Budgetary allocation to the education sector has continued to decrease without meeting the recommendation of the UNESCO that all countries, especially the developing nation should allocate the minimum of 26% of their annual budgets to the educational sector (Asaju, 2012). Since the late seventies, budgetary allocations to education have not matched the increasing need for qualitative education for young Nigerians to be globally competitive (Aluko & Aluko, 2012).

Critical examination of the Federal Government's educational allocation over the last decade shows that Nigeria is yet to appreciate the role of quality education in manpower building vis-à-vis the attainment of national development objectives. For example, Asaju recounts that: In 2000, the allocation was 8.36 percent, it decreased to 7 percent in 2001, and it increased to 8 percent in 2002. In 2003, it went down again to 7 percent, only to rise sharply to 12 percent in 2004. The fluctuation continued in 2005, as it fell to 11 percent, but stabilized in 2006, and fell again to 8 percent in 2007. It increased for the first time in the history of Nigeria to 13 percent in 2008, it decreased to 10 percent in 2009 (Asaju, 2012). Even in 2012, the budgetary allocation to education was 8.4% of the country's total annual budget (Jaiyeoba, 2015). Nigeria's poor commitment and investment in the educational sector explains why the country has greatly derailed in meeting some of the important international specifications on education which are meant to make education available to all and sundry globally. Indeed, the United Nations specifies that basic education should be made free, universal and compulsory in all countries, but due to poor funding of education, this target has never been met.

Infrastructure deficits in the educational institutions: This problem also has roots in the poor pattern of government expenditure on education. A more disturbing fact is that large proportion of the allocations to the educational sector in Nigeria goes into recurrent expenditure, that is, payment of salaries, allowances, emoluments, personnel welfare among others, without substantive attention to infrastructural development and related important capital-intensive projects. Out of the N210 billion monetary allocation to the education sector in the year 2008 budget, 77.3 percent went into recurrent expenditure, while only 22.7 percent was left for capital expenditure (Asaju, 2013).

Lack of adequate learning facilities: This constitutes the most major challenge to the capacity of Nigeria's educational institutions to groom and produce valuable manpower, especially at the tertiary levels. This is in spite of the wide acknowledgement of the strategic importance of higher education in the achievement of the goal of national development of Nigeria. This is manifest in the aims and objectives for tertiary education which is codified in the National Policy on Education of 2004. Based on the policy document these aims and objectives include: 1) Contribution to national development through high-level manpower training. 2) Developing and inculcating proper values for the survival of the individual and society. 3) Developing individual's intellectual capacity to understand and appreciate their local and external environments. 4) Acquiring both physical and intellectual skills, which will enable individuals to be self-reliant and useful members of the society. 5) Promoting and encouraging scholarship and community service. 6) Forging and cementing national unity. 7) Promoting national and international understanding and interaction (Aluko & Aluko, 2012).

The Challenges of Human Capital Development explain that, "these set goals are expected to be achieved by tertiary institutions through teaching, research and development, sustainable staff development programs, generation and dissemination of knowledge and a variety of modes of programs". But one would wonder how Nigeria hopes to actualize these lofty goals in the face of utter absence of important learning amenities in the country's higher educational institutions. Undeniably, "in a country where the education and training systems are not geared to the development of national capacity more productive technology cannot be employed" (Aluko & Aluko, 2012), in favour of economic and industrial activities.

Lack of infrastructural facilities for manpower development: Nigeria possesses immense potential in terms of human and material resources for industrialization, but infrastructural facilities for manpower development and training in science and technology are lacking in the higher institutions of learning which is expected to supply the human resource need of the nation. It is for this reason that continuous increase in the number of universities and the rate of enrolment in Nigeria has not impacted positively on human capital building in the country. Aluko and Aluko have it that; The number of universities in Nigeria was 13 in 1980, rose to 16 in 1981 and 28 in 1987. In all,



the number of tertiary institutions increased from 104 in 1988 to 202 in 2003 and the number keep on increasing for both private and public universities. Similarly, total enrolment rose from 219, 119 in 1988 to 1,274,772 million in 2003. However, in spite of the expansion in the education system, it was accompanied by structural defects, inefficiency and ineffectiveness which affect Nigeria's level of human capital development and utilization (Aluko & Aluko, 2012).

Production of unemployable graduates: Aluko and Aluko further explain that: Nigeria's educational system tends to produce graduates who lack job skills for employment. This inadequacy resulted in decreasing industrial capacity utilization, rising unemployment, threats of social insecurity by jobless youths. Other problems include inadequate resource input and consequent low output and overdependence on government as an employer of labour (Aluko & Aluko, 2012). The above submissions by Aluko and Aluko aptly summarize both the challenge and the multi-faceted effects of infrastructural deficit on the human resources development capacities of the Nigerian tertiary institutions as well as on the country's socio-economic betterment.

Corruption: There is high level corruption in all educational subsectors in Nigeria. The phenomenon of corruption is another debilitating force on the formation of required quality and quantity of human capital in Nigeria. The prevalence of corruption in every facet of Nigeria's national life has earned it the status of one of the most corrupt countries in the world. Ordinarily, one would expect that the Nigerian educational sector is not a partaker in this vice; the surprising fact, however, is that corruption and its related sharp practices occupy more an exalted position in the educational system at all levels. The cankerworm is responsible for the apparent institutional defects and gross ineffectiveness of the educational sector. Since the late 1980, corruption has been a major impediment to the development of the educational system in Nigeria. The evil manifest in various forms at all the educational levels. The three tiers of government that often reduce or cut funds meant for academic enhancement, capacity building, infrastructural development, modernization, and rehabilitation of educational institutions.

Educational policymakers, bureaucrats in various educational ministries, and school officials responsible for administering the schools at various levels are also involved in this colossal looting. As a result, school buildings are

crumbling, teachers are rarely paid in some states, the value of teaching has been reduced to a point of irrelevant, so much so that teachers and others are forced to engage in other business activities in order to put food on the table. Teachers and lecturers also extort students in various ways to enrich themselves. Some lecturers often compelled students to buy their hand-outs or run the risk of failing their courses. Many female students in the tertiary institutions have turned to commercial sex workers in a bid to support their education. Majority of them from poor homes either sleep with the lecturers for grades or walk the streets in search of customers in order to get money to pay the unscrupulous lecturers who invent financial schemes to extort money one way or another from students. Corruption has devalued education in Nigeria.

Examination malpractice: Examination malpractice constitute another dimension of corruption in Nigeria's educational system, it is another key challenge to the formation of productive manpower resources for the nation's wellbeing. It has become a general perception that Nigerian tertiary institutions are producing unemployable graduates. One begins to express surprise about how these graduates passed through the various levels of education and learning from primary, secondary and tertiary. Education everywhere in the world is meant to train and make manpower available to both public and private organizations to accomplish their aims. All societies require sound educational training to enable their citizens not only to fit into their roles in the world of work, but also to satisfy the labour market requirement of their nations.

The alarming rate of examination malpractice and frauds in Nigeria has compromised this sacred and noble vision. Examination malpractice has created undue scarcity of required quality of workforce for private and public organizations in the midst of Nigeria's large human population. According to Paul et al (2013), "to be regarded as an educated person, an individual is expected to pass through the whole process of examination conducted by a competent and recognized body or agency". Paul et al stress further that, "adequate and effective acquisition of vital knowledge and skills in school subjects and disciplines of study is invariably a function of quality and sound education" (Paul, et al, 2013). The stakeholders in examination malpractice includes examination administrators, teachers, parents or students that has the tendency to influence the original outcome of the assessment exercise or render it ineffective. Widespread examination malpractice in Nigerian educational

system is one of the hurdles to the development of human capital in the country (Paul et al, 2013).

**Brain Drain:** Nigeria has continued to lose the few highly skilled or well-trained experts and professionals in various fields of endeavour to Europe and America. Prominent causes of this brain drain includes; poor service conditions and environment, inadequate infrastructure, professional disrespect, government distrust, corruption, political instability and others. The popular attraction to the advanced countries therefore is due to the fact that the systems over there hold better future for the Nigerian professionals than the Nigerian system itself. On the whole, “Brain Drain has cost the African continent over \$4 billion in the employment of 150,000 expatriate professionals annually” (Mba & Ekeokpara, 2012). The National Manpower Board survey shows that Nigeria lost more than 1,500 professionals to other countries in 1986 alone. The loss was as much as 70 percent of the available workforce in some specialized disciplines (Aluko & Aluko, 2012). In the medical field, Clements and Petterson (2007) argue that 14 percent of physicians trained in Nigeria work abroad and, 90 percent of these health practitioners reside and work in the United States and the United Kingdom. UNDP (1996) reveals that more than 21,000 Nigerian medical doctors practice in the United States of America whereas the nation’s healthcare system is in dearth of medical personnel (Aluko & Aluko, 2012).

### **Conclusion**

The study examined the prime challenges to human capital development in Nigeria. Nigeria’s development crises are largely as a result of her neglect and inability to build formidable and robust pool of human resources to accomplish development objectives. Education which constitutes the arch-pillars in the human capital development in every nation is in moribund conditions in Nigeria. Successive governments in Nigeria have not made well-articulated attempts, nor demonstrated strong and genuine commitment to improving the quality of educational services in the country; they have merely paid lip service to the sorry state of affairs in this critical sector. As a result of the gross neglect, the education sector of the economy has been overwhelmed by a plethora of problems which have rendered it ineffective and inefficient, thereby retarding the pace of human resources development in the country.

Some of the identified problems include underfunding of the education sector leading to dearth of learning and operational infrastructures, the issue of highly entrenched corruption, examination malpractice in the sector leading to undertraining and production of poor-quality manpower, the phenomenon of “Brain Drain” which exacerbates the scarcity of highly skilled professionals in all fields. These inadequacies invariably make it difficult for Nigeria to achieve her set socio-economic development goals and objectives. Until drastic measures are taken to ameliorate these shortcomings, Nigeria will continue to face the consequences of lack of appropriate combination of skilled manpower and her development would continue to be hindered.

### **Recommendations**

1. Nigeria should prioritize human capital development in its national development plan by reviewing its education policies and increase budgetary allocation to this critical sector to meet UNESCO and WHO specifications.
2. There must be genuine political will and sincere commitment on the part of the three tiers of governments (local, state and federal) to develop human capital by regarding education as an important concern in development policies and programs.
3. There is the need to resuscitate the dilapidated educational facilities across the country and build and acquire new ones in order to improve the institutional capacities of the sector for efficient and effective service delivery.
4. Drastic measures must be taken to tackle corruption and related practices among stakeholders in all the sub-sectors of Nigerian educational institutions.
5. Nigeria’s constitution should regard examination malpractice as a criminal offence with serious punishments, and a special court should be established and designated for prosecuting examination malpractice related issues.
6. There should be considerable improvement in the general working conditions and environments in both public and private sectors so as to reduce the rate of human capital flight from Nigeria.

7. There should be improvement in the country's capacity to retain appreciable numbers of her skilled professionals in the interest of the nation's overall development.

## References

- Aluko, Y. A., & Aluko, O. (2012). Human Capital Development: Nigeria's Greatest Challenge. *Journal of Management Policy and Practice*, 13(1), 162-177.
- Asaju, K. (2012). Human Capital Development and Poverty Alleviation in Nigeria: A Symbiotic Overview. *Journal of Public Administration and Governance*, 2(4), 110-118.
- Awe, A. A., & Ajayi, S. O. (2010). The Nexus between Human Capital Investment and Economic Growth in Nigeria. *Pakistan Journal of Social Sciences* 7(1), 1-7.
- Barney et al (1995) Information Technology and Sustained Competitive advantage: A Resource-based analysis. Management Information Systems Research Centre, University of Minnesota.
- Burneth, N., Marble, K., & Patrinos, H. A. (1995). Setting Investment Priorities in Education. *Finance and Development*, December.
- Clemens, M. A., & Petterson, G. (2007). New Data on African Health Professionals Abroad. Centre for Global Development Working Paper No. 95.
- Harbison, F. H. (1973). Human Resources Development in Modernizing Economics. *International Labour Review*, 5.
- Harbison, F. (1973). *Human Resources as the Wealth of Nations*. New York: Oxford University Press.
- Jaiyeoba, S. V. (2015). Human Capital Investment and Economic Growth in Nigeria. *International Multidisciplinary Journal*, Ethiopia, 9(1), 30-46.
- Mba, P. N., & Ekeokpara, C. (2012). Brain Drain: Implication for Economic Growth in Nigeria. *American Journal of Social Issues and Humanities*, 2(2), 41-47.
- Okojie, C. C. E. (1995). Human Capital Formation for Productivity in Nigeria. *Nigerian Economic and Financial Review*, 1, 61-82.
- Ojo, F. (1997). *Human Resource Management: Theory and Practice*. Lagos: Panaf Publishing Inc.
- Paul, S. O., Wada, E., Audu, E., & Omisore, O. (2013). Examination Malpractice: Challenges to Human Resource Development in Nigeria. *International Journal of Capacity Building in Education and Management*, 2(1), 91-101.
- Schultz, T. P. (1992). The Role of Education and Human Capital in Economic Development: An Empirical Assessment. Yale Economic Growth Center Discussion Papers Series, 670.
- UNDP, (1996). *Human Development Report*. Oxford University Press. UNDP, (1997). *Economic Growth, Human Capital and Population Growth in Sub-Saharan*. Oxford: Oxford University Press.
- United Nations Report. (1996). *Education and Investment in Human Capital*. New York: Oxford University Press.
- World Bank. (1995). *Investing in Health*. Oxford: Oxford University Press. Yesufu, T. M. (2010). *The Human Factor in National Development*. Ibadan: Spectrum Books Ltd.