

Human Capital Development: Nigeria's Greatest Challenge

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Human capital planning is getting wider attention with increasing globalization and also the saturation of the job market due to the recent downturn in the various economies of the world. Developed and developing countries put emphasis on a more human capital development towards accelerating the economic growth by devoting necessary time and efforts. Thus human capital development is one of the fundamental solutions to enter the international arena. This paper therefore, examines arguments for why highly planned and developed human capital will be the source of comparative advantage in the twenty-first century global economy.

INTRODUCTION

The well being of people has traditionally been considered a by-product of growth, rather than the primary objective of economic policy. Within this context, levels of development were measured by the magnitude of national income as measured by economic growth. Countries with high GNPs and/or GDPs were characterized as 'developed' even when the majority of their people were impoverished and excluded from the benefits of development. Countries with low economic growth were considered underdeveloped, even if people had access to the basic necessities of life.

As it became clearer that the use of growth indicators to measure development missed the social aspect of development, economists (Sen, 1973; Todaro & Smith, 2003) and other social researchers began to rethink the purpose and meaning of development. Theorists and practitioners began to accept that the well-being of society depended not only on the growth factor, which is absolutely necessary, but more importantly on the uses of the increased national income for enhancing peoples' livelihoods and overall quality of life. The consensus that emerged was that high levels of income, if not properly managed and equitably distributed, would not necessarily contribute to human development, as was the case with Nigeria (growth without development). The National Human Development Report of Liberia 2006 also mentioned the same in "Development: Growth versus Social Impact", while 2007 Human Resource Development for Accelerated Growth in Ghana by Gordon Wetherell, British High Commissioner to Ghana also captured it.

While increasing aggregate national income might enhance people's security and is necessary, it is not sufficient in fulfilling some important human choices. Individuals and societies might make choices that require no income or wealth at all. For instance, a society does not have to be rich to be able to afford democracy, nor does a family have to be wealthy to respect the rights of each other. A person could be

rich, healthy and well educated, but lack the opportunity to effectively participate in the development process, thus constraining individual choices. Valuable social and cultural traditions can and are maintained at all levels of income (HDR, 1994). While economic growth is an important means to development, the achievement of human outcomes such as participation and gender equality do not depend on economic growth and levels of income alone. They also depend on how these resources are used – whether for buying weapons instead of producing food, or building houses instead of providing health care and educational facilities.

Development can therefore, be seen as the process by which a type of (social) change is introduced into a system in order to produce a better production method and improved social arrangement. It involves a structural transformation of the economy, society, polity and culture of a country. The level and rate of development of any particular society is influenced by so many variables such as the political culture, leadership and corruption. Although there are different perspectives to development, there is a general consensus that development will lead to a good change manifested in increased capacity of people to have control over material assets, intellectual resources and ideology, and obtain physical necessities of life like food, clothing, shelter, employment, etc. This is why some people have argued that the purpose of development is to improve people's lives by expanding their choices, freedom and dignity (Igbuzor, 2005).

However, the world today is very different from the one which experienced the two world wars. During the second half of the twentieth century considerable advancements in science and technology, along with the establishment of broadly-based governments and strengthening of institutions, have led to significant socio-economic progress and improvement in the lives of a large number of people in many countries. The advancement of the developed countries since the end of the Second World War has been through an aggressive development of capacity both human and institutional. Indeed, the globalization phenomenon of the present age could not have been possible without the development and application of knowledge and the institutional capacity to sustain it. The examples of the United States of America and Germany, and of course, other developed countries reveal the critical role that universities, research centers, industries, foundations and government play in the institutionalization of capacity building. Universities and research institutes in Europe and America demonstrate their social relevance not only through their esoteric research, but also through their contribution to meeting the needs of industry. An enabling environment for collaborative capacity building among the community of actors is important and the governments in these countries recognize their important role in this. Even the President of Nigeria in his 50th Anniversary Celebration speech emphasized the importance of human capital development (The Punch, October 2, 2010).

Unfortunately, the underutilization of existing capacity and the loss of same through brain drain have made Africa to remain underdeveloped. The countries of Africa constitute most of the poorest societies in the world as they show the lowest indicators of socio-economic development (World Bank, 1998). While the level of poverty in the continent has been attributed to many interrelated causes by different social science researchers and other scholars, the low level of capacity building indicators has, in the past decades begun to emerge in research as a major cause of Africa's underdevelopment. It is also argued that the recent rapid economic development of the countries of Southeast Asia in the latter part of the 20th century has been due largely to their deliberate policy on capacity building through investment in human capital and institutional building (Oni, 2000).

In contrast, most African countries including Nigeria, Ghana, Liberia and Gambia have displayed lack of attention to the relevance and development of institutional capacity building. However, the problem of development has occupied the attention of scholars, activists, development workers and international organizations for many years with an increased tempo within the last decade. In Africa in general, and Nigeria in particular, corruption has been at the center of development an impediment of true and real development in the society. Nigeria, which was one of the richest 50 countries in the early 1970s, has retrogressed to become one of the 25 poorest counties at threshold of the twenty-first century.

The belief in human capital as a necessity for growth started in Nigeria during the implementation of the 1955-60 development plans and today, with the importance of knowledge in the economy, human

capital has increasingly attracted both academic and public interest. Human capital is getting wider attention with increasing globalization and also the saturation of the job market due to the recent downturn in the various economies of the world. Developed and developing countries put emphasis on a more human capital development towards accelerating the economic growth by devoting necessary time and efforts. Thus human capital development (which includes education and health) is one of the fundamental solutions to enter the international arena.

The notion of education (which is the focus of this paper) as a capital good is rooted in the concept of “human capital”, which attaches a high premium to human skills as a factor of production in the development process. A corollary of this is that human skill or productivity is just as important an input in the process of development as finance, natural wealth and physical plant. Because education plays a most important role in the creation and improvement of human capital, its relevance and importance to economic growth and development are now very well recognized in development planning (Jhingan, 2005). Experiences of developing countries during the past decades have indicated that shortage of talents and skills needed for development can decisively retard economic progress (World Bank, 1995). Therefore, a country like Nigeria cannot afford to leave education to the whims and caprices of individual choice. Since available resources for development are highly limited, public policies in the field of education must take full account of the needs of the country in terms of the development of manpower and skills. In Ghana, according to the British High Commission 2010 report, the primary education enrolment has increased from 69% to 79% while the 2006 report on Liberia indicates some changes are already going on in the country just coming out from crisis and conflicts.

In Nigeria however, the decline in the quality of education at all levels has become a fact of national life. Indeed, the most significant event in the sector in the recent past has been the continuing crisis that besets the educational system. This crisis is rooted in the deteriorating conditions within the citadels of learning, in respect of teaching facilities and other infrastructural facilities, the welfare of those engaged in the teaching profession and the ever increasing cost of education. This has culminated in student strikes and industrial actions by teachers at all levels of the educational system. As observed in the Third National Development Plan, at the primary level the shared responsibility of states and local governments in managing the schools leaves neither of the tiers of government responsible for the upkeep of the system. The result is that infrastructural facilities are not maintained and teachers’ salaries are not paid for months. The same is applicable at the secondary level even though state governments have the sole responsibility for that tier of the educational system. At the tertiary level, the facilities are also rapidly deteriorating.

Several attempts have been made by government to reverse the deteriorating trend in the educational system. For example, in November 1990, the federal government constituted the Longe Commission on the Review of Higher Education in Nigeria with a view to redressing the situation. The recommendations of the Commission were largely left unimplemented by 1993, which gave rise to an industrial action declared by the Academic Staff Union of Universities (ASUU) that lasted for over five months. Since then, industrial actions by ASUU and Nigerian Union of Teachers have become a yearly event. This has disrupted the academic programme at virtually all levels and affected the quality of human capital produced in nation’s higher institutions. This paper therefore examines: first, the place and importance of human capital planning and development in the twenty-first century global economy. Second, the challenges in Nigeria’s human capital development system, with particular reference to current situation in the higher institutions; also, the implications of this for Nigeria’s development and the suggested way out.

CONCEPTUAL ISSUES

Human Capital

The concept of human capital refers to the abilities and skills of human resources of a country, while human capital formation refers to the process of acquiring and increasing the number of persons who have the skills, education and experience that are critical for economic growth and development of a country

(Okojie 1995:44). Human resources are all embracing, that is, it is inclusive of persons who works now, or are likely to be productively employed sooner or later. It is a continuum, a continuing process from childhood to old age, and a must for any society or enterprise that wishes to survive under the complex challenges of a dynamic world.

Yesufu (2000: 321), in agreement with this view, opines that “the essence of human resources development becomes one of ensuring that the workforce is continuously adapted for, and upgraded to meet, the new challenges of its total environment”. This implies that those already on the job require retraining, reorientation or adaptation to meet the new challenges. This special human capacity can be acquired and developed through education, training, health promotion, as well as investment in all social services that influence man’s productive capacities (Adamu, 2003).

Human capital could therefore, be defined as the knowledge, skills, abilities and capabilities possessed by people. Stiglitz and Boadway (1994) define human capital as the stock of accumulated skills and experiences that make workers more productive. Schultz (1993) also defined the term “human capital” as a key element in improving a firm assets and employees in order to increase productivity as well as sustain competitive advantage. Human capitals refer to processes that relate to training, education and other professional initiatives in order to increase the levels of knowledge, skills, abilities, values, and social assets of an employee which will lead to the employee’s satisfaction and performance, and eventually on a firm performance. Rastogi (2000) stated that human capital is an important input for organizations especially for employees’ continuous improvement mainly on knowledge, skills, and abilities. Thus, the definition of human capital is referred to as “the knowledge, skills, competencies, and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being” (OECD, 2001: 18).

Quite clearly, human capital is an all embracing and multi-dimensional concept that cannot be fully captured by mere definition. A synthesis of the most popular attempts at defining human capital expounds the concept as:

- human resources; including knowledge, skills, attitudes and motivation belonging to an enterprise or society and engaged in the development of that enterprise or society to fulfil its objectives and to enhance the quality of life of its members;
- human capability and productivity engendered through knowledge and skills acquired from education, training and experience; and facilitated by' an enabling environment; and
- that intangible factor of the production process that contributes human intellect, skills and competencies in the production and provision of goods and services.

As a result of this, anything that contributes to the improvement of human productivity, stimulate resourcefulness and enhance human dignity and overall quality of human life while refining attitudes, is an integral part of the human capital of any nation. These will include four cardinal aspects namely the education system, health and social services as well as good governance. The more a nation has knowledgeable, skilled and resourceful individuals contributing to national growth and development, the higher the value of the human capital of that nation. The value of the human capital asset of a nation is a function of quantity, quality as well as the operating environment. In any country, there can be no meaningful economic growth without adequate human and natural resources. Human capital is so important that in the Khartoum Declaration of 1988, it was asserted that:

...the human dimension is the *sine qua non* of economic recovery...no SAP or economic recovery programme should be formulated or can be implemented without having at its heart detailed social and human priorities. There can be no real structural adjustment or economic recovery in the absence of the human imperative (Adedeji et.al.1990: 390)

Human Capital Development

Human capital development was described as an end or objective of development. It is a way to fulfill the potential of people by enlarging their capabilities, and this necessarily implies empowerment of people, enabling them to participate actively in their own development. Human capital development is also a means since it enhances the skills, knowledge, productivity and inventiveness of people through a process of human capital formation broadly conceived. Thus, human capital development is a people centered strategy, and not goods centered or production centered strategy of development. What really matters is the empowerment of people to identify their own priorities and to implement programmes and projects of direct benefit to them. This in turn implies the active participation of people in the development process and the consequent need to construct institutions that permit and indeed encourage that participation.

In human capital development, education and health are essential. 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. According to Harbison:

“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 organization, and carry forward national development. Clearly, a country which is unable to develop the skills and knowledge of its people and utilize them effectively in the national economy will be unable to develop anything else” (Harbison, 1973, p.3).

Education occupies an important place in most plans for economic and social development. Whichever way one looks at it, 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. Also, it is the main sector through whose national identity goals and aspirations are given meaning and reality among the people.

LINKS BETWEEN CAPACITY DEVELOPMENT AND HUMAN DEVELOPMENT

Capacity development has direct links with human development. In fact, there are a range of issues where the two are closely intertwined. These include: human capital development through health and nutrition, education and training; the accumulation of physical capital that increases the levels of investment to generate employment opportunities; strengthening governance through institutional and policy reforms; and the application of improved technologies, logistics and systems to enhance organizational performance. The ultimate mission of capacity development is for people to increase their incomes and improve their quality of life.

Capacity building helps create conditions that enable people to derive maximum benefits. It is an ongoing process that involves developing competencies (skills, knowledge, and attitudes) to enable people to make things happen. There are various dimensions of capacity development, which includes; Individual (human), Institutional (organizational) and societal (community) capacities. Since the focus of this paper is on human and institutional, these two will be discussed.

Individual Capacities

Individual capacities relates to the availability of the right quantity and quality of human capital to achieve and sustain national human development. There are two key components needed:

- Planning present and future human capital stock by skills and expertise. Periodic human resources surveys are needed and a human capital plan should be prepared with the aim of mapping current and future capacity development needs, strategies and programmes; and

- Ensuring that there are adequate teachers, school administrators and education planners in place to design, mount and execute specialized training as well as general and professional education to meet the nation's needs in accordance with the human capital mobilization plan.

The process of individual development involves a number of changes in innate resources such as knowledge, practical skills, mindsets, values, perceptions, stamina and relationships. The goal is for the individual to be empowered to live a happy, long and comfortable life. This may include providing general education and vocational training; creating a competent and motivated cadre of people that will guarantee a high level of productivity and growth; and providing good health services and nutritious food to improve health.

Institutional Capacities

Institutional capacities is concerned with institutional and organizational capabilities, both public and private, to attract financial and quality human capital and put it to productive use. Effective national performance is a condition stemming from efficient use of quality human and financial capital through institutions and organizations that enable the delivery of desired results.

Weak institutions are often central to the failure of development efforts. For example, poor management of public resources undermines the state as a guarantor of public welfare and security. Consequently, developing capacity at the organizational or institutional level involves reforming, as and where necessary, the structures, mandates, functions, remuneration, management systems, corporate culture and operational processes of organizations – especially the public sector. Institutions must also be adequately equipped to attract and make the best use of available resources. This involves improving physical facilities and equipment, institution linkages, networking and relations and institutional philosophies.

It should be emphasised at the point that the two components are complementary. For instance, if the institutional setting in a country is not appropriate, the realisation of the full benefits of even the best quality human capacity would be illusory.

HUMAN CAPITAL DEVELOPMENT IN NIGERIA

The importance of investing in education and health is well appreciated and understood in economies that wish to attain sustainable growth. The quality of a nation's development depends on the quality of its workforce. Nigeria is rated by international standards as 'less developed' and thus has economic growth as a major goal. Indeed, the importance of a prime sector such as education has been stressed in Nigeria since the early sixties following the submission of the Ashby report in September 1960. In recent times, during a keynote address by the former governor of the Central Bank - Dr J.O Sanusi (2002), he stressed the importance of human capital development for Nigeria, saying that the Nigerian economy has to be efficient and competitive in the new world order in which national frontiers no longer constitute barriers to human, material, and capital flows. He noted that one of the greatest barriers facing Nigeria in this millennium is the issue of capacity building to enhance productivity in the economy.

The government in Nigeria as explained by Ogujiuba and Adeniyi (2005) primarily controls education. They summarize the breakdown of this control from the federal to the state and the local government level. In Nigeria, the federal government is primarily responsible for the tertiary institutions although some states and private individuals also fund and run this level of education. Secondary education is mainly a state responsibility although there are some federal secondary schools. Primary education is a local government responsibility but there also exists a National Primary Education Commission (NPEC) that draws up the curricular for corporate bodies, individuals, religious organizations, international agencies, non-governmental agencies and community based organizations with the three tiers of government.

Importance of higher education in national development in Nigeria is reflected in the goals for tertiary education as enunciated in the National Policy on education (NPE 1988), which are to:

- Contribute to national development through high-level manpower training.

- Develop and inculcate proper values for the survival of the individual and the society.
- Develop individual's intellectual capacity to understand and appreciate their local and external environments.
- Acquire both physical and intellectual skills, which will enable individuals to be self-reliant and useful members of the society.
- Promote and encourage scholarship and community service.
- Forge and cement national unity.
- Promote national and international understanding and interaction.

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.

Presently, the Federal Government reform agenda is anchored on the National Economic Empowerment Development Strategy (NEEDS) document, it was indicated that adult literacy rate of at least 65% by 2007 would be attained. The NEEDS recognizes the centrality of human capital development in achieving economic growth. It was described as a vital transformational tool. Therefore, the strategy aims at empowering the citizenry to acquire skills and knowledge that would prepare them for the world of work. In order to achieve this, the strategy was designed to address the following crucial issues:

- Faithful implementation of the free, compulsory Universal Basic education law to among others:
 - Improve education Infrastructure.
 - Expand institutional capacity to produce quality manpower.
 - Expand total school enrolment.
- Review of school curricular from primary to tertiary to incorporate vocational and entrepreneurial skills.
- Re-tooling and repositioning of technical schools to be able to address the technical manpower needs of the economy.
- Establishment of more vocational centers to encourage Nigerians to embrace vocational education.
- Review of school curricular at all levels to incorporate the study of information and communication technology (ICT).
- In view of Nigeria's position in, and vision of ECOWAS sub-region, review school curricula to make study of French compulsory from primary through secondary schools.
- Expand existing special education programs including the virtual library project, the distance learning program and the Nomadic education program.
- Sustain existing vocational/on-the-job training programs of the Federal government and encourage the states to do the same.
- The National Youths Service Corps will be reviewed with a view to using a good part of the service year to develop entrepreneurial and basic business skills in corps members. The orientation period will be extended to include a one-month period for formal training on entrepreneurship. Following the training, corps members will be posted mainly to industrial (including small scale enterprises) and agricultural concerns so that the exposure will expose them to consider the possibility of post-service self-employment.

However, despite the importance of educational institutions, Nigeria spends an almost insignificant proportion of her financial resources on education. Aigbokhan, Imahen & Ailemen (2007) note that a cursory look at the magnitude and trend of increases in allocation might be misleading in passing judgment on the budgetary performance until they are placed side by side with their percentage allocations. The characteristic pattern of the government's allocation to education and health in Nigeria as a percentage of the total budget revealed inconsistency. That is, health and education expenditure were not

considered as policy targets in the overall budgeting, or else, they would have maintained an increasing proportion of the yearly budget of the nation. Since the late seventies, budgetary allocations to education have not matched the increasing need for qualitative education for young Nigerians to be globally competitive. Research grants are administered discretionarily instead of systematically, when they are available.

This low priority in budgetary allocation to education by the Nigerian government *vis-a-vis* countries like Ivory Coast, Ghana, Kenya, South Africa and Zimbabwe has caused the problem of brain drain from the universities and lack of motivation for lectureship post among students. Africa as a whole has the resources and market for industrialization but the poor managerial capacity and weak technological institutions constitute major constraints (Oni, 2000). In a country where the education and training systems are not geared to the development of national capability more productive technology cannot be employed. The implication of this is that human resources development institutions must be strengthened to develop the needed capacity for African development. Such a policy should also incorporate a strategy for technological capacity building (TCB) as a continuous social process. To develop this capability a nation therefore needs to have the appropriate policy, build the necessary institutions and structures which must be sustainable.

EDUCATION AS AN INDEX OF HUMAN CAPITAL DEVELOPMENT: NIGERIAN CURRENT SITUATION

Education affects every individual of a country. The general consensus has been that there is a high positive relationship between rise in educational expansion and economic development. The report of Ashby Commission supported this assertion and in fact favored the expansion of the educational sector. The old 6-5-2-4 inherited from the colonial masters was replaced by the 6-3-3-4 education system in 1987. This means that pupils will spend six years to get primary education, six years in secondary school (three years of junior secondary and three years of senior secondary education) and four years of higher education.

In Nigeria, the Federal government is principally responsible for the tertiary institutions. However, several states also fund this level of education. Indeed, with the approval of the eight new universities, the number of the nation's private universities has risen to 20 and they will be funded by private individuals. Secondary education is mainly a state responsibility though there are some federal secondary schools. Primary education is a local government responsibility, but there exist also a National Primary Education Commission (NPEC) that draws up the curricula for the schools in this category. There has also been collaboration by corporate bodies, individuals, religious organizations, international agencies, non-governmental organizations (NGOs) and community-based organizations (CBOs) with the three tiers of government.

According to Ogujiuba & Adeniyi, (2005), the enrolment in primary school was 12.2 million in 1980, declining thereafter to 11.5 million in 1987. Since 1988, both enrolment and number of primary schools have increased progressively to 26.3 million and 52,815 respectively, in 2003. The student-teacher ratio in primary school which stood at 35 in 1980 rose to 44 in 1986 declining thereafter to 36 in 1990. From there it rose to 60 in 1995 declining afterwards to 53 in 2003. When compared to the United Nations stipulated minimum of 25 it is seen that Nigeria has not performed well.

Post-primary enrolment was 1.0 million in 1980, rose further to 3.4 million in 1984. By 1989, enrolment had declined to 2.7 million, rising afterwards to 2.9 million in 1990. From 1990, post-primary enrolment had risen steadily, reaching 7.1 million in 2003. In the same manner, the number of schools rose from 6,001 in 1990 to 11,918 in 2003. The student-teacher ratio increased from 28 in 1980 to 38 in 1984. It rose to 40 in 1995, declined to 37 in 1996. In 2003, the ratio fell to 38 compared to 40 recommended by the National Policy on education. This is a noticeable improvement, which should be sustained.

The number of universities 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. Even the number has increased as at

present. Similarly, total enrolment rose from 219,119 in 1988 to 1,274,772 million in 2003. However, in spite of the expansion in the educational system, it was accompanied by structural defects, inefficiency and ineffectiveness which affect Nigeria's level of human capital development and utilization. Nigeria's educational system tends to produce graduates who lack job skills for employment than those the economy requires to remain vibrant. 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. In fact the level of literacy is low. Available statistics show that adult literacy was 50.1 in 1989, rose to 55 in 1993 and 1994. It remained at 57 from 1995 to 2003. This data indicated that about 43% of Nigerians are illiterate, compared to 40% in China, 33% in Zimbabwe, 23% in Indonesia and less than 20% in Brazil and Mexico (UNESCO, EFA Global Monitoring Report, 2002). Though there is a reported increase from 59% to 69% in primary Net Enrolment Rates (NET) in Ghana.

Also on the issue of gender and human resource, there are gender differences in the allocation of human resources in Africa, although these may be largely confined to education. African women are severely disadvantaged in terms of their education. Only 43% of African women are literate compared to 64% of African men (Appleton & Teal, 1998). Girls in Africa are generally also less likely to be sent to school than boys. Gross primary school enrolments are 85% for boys, but only 73% for girls. The Gender Disparity Index (GPI) for Nigeria also favoured male enrolment. However, a comparison of the gender differences in literacy and enrolment shows that gender inequalities in education are falling over time. What may be of increasing concern is the inferior academic performance of girls in many African countries. This is seldom reported in official statistics, but has been observed in countries such as Cote d'Ivoire, Ethiopia, Kenya and Tanzania. There is no presumption that girls are naturally less able: indeed, in countries such as the UK they outperform boys.

The low educational enrolment and achievement of African girls is of particular concern because there is no strong evidence that the returns to education are lower for women. Most analyses of wages find no systematic gender difference in the effects of education. It is possible that education has higher returns in wage employment, so that the return to female education is lower because of African women's lower formal labour market participation. However, this is difficult to establish because it requires a comparison with the non-wage returns education, some of which are hard to quantify. Indeed, it may be that the non-wage returns are more likely sources of external benefits and thus reasons for government support.

THE CHALLENGE OF HUMAN CAPITAL DEVELOPMENT IN NIGERIA

Nigeria is dismally ranked 151 among the 177 countries rated in the 2004 Human Development Report. Malaysia is ranked 59, Thailand 76, Tunisia 92, South Africa 119, India 127 and Ghana 131. A basic interpretation of this is that, Nigeria is only better off than 26 countries in the measurable human development indices (HDI) and by implication in the quality of life of citizens. The major indices considered in the ranking include: economic performance (Gross Domestic Product (GDP), Gross National Product (GNP), and per capita income), life expectancy, literacy rates, water, nutrition and sanitation status, health risks and technology diffusion and use. It is notorious that life expectancy in Nigeria is as low as 51, that about two-thirds of its citizens are poor; living on under One (1) US Dollar per day, that it is one of the costliest countries to operate industries mainly because of poor infrastructure, that the economy is still largely import dependent and unemployment soar at two digits level; that medical care is at infancy whereas a large number of its citizens are key practitioners in the best health systems abroad, and that confidence in its education system, once among the best in the world, has eroded. The list is on and on. These are symptoms and incontrovertible evidence of the low human capital status of our dear nation, Nigeria.

Nigeria's predicament can be squarely placed on poor human capital development and utilization policies encompassing balanced and progressive educational development and the creation of an enabling environment for the full and useful engagement of products of the education 'system. It should be

emphasized that merely turning out large numbers of graduates is not enough. Products of our educational institutions must be sufficiently skilled, empowered and supported by enabling policies and operating environments to be competent service providers, job and wealth creators. Valuable foreign exchange is expended annually by Nigerians for the education of their children and for medical care in foreign countries which include India and South Africa. In many of these foreign institutions and medical facilities, numerous Nigerians who had their basic training here at home are among the key professionals. These are mainly victims of "Brain-drain" forced either to seek employment or further their careers outside because of the persisting unfavourable harsh working and economic environment in Nigeria.

For comparison, Nigeria, according to estimates has 15 scientists and engineers engaged in research and development (R&D) per million persons; India has 158; Brazil has 168 per million, China has 459, while the United States has 4,103. It is doubtful if Brazil and India graduate as many scientists and engineers annually in proportion to their populations as Nigeria, yet the gap in the number engaged is so wide. According to a National Manpower Board survey, Nigeria lost more than 1,500 professionals to other countries in 1986 alone. In some specialized disciplines, the loss was as much as 70 per cent of the available workforce. UNDP Human Development Report (1996) estimated that more than 21,000 Nigerian doctors are practicing in the United States whereas there is a dearth of medical practitioners in the nation's healthcare system. In fact, the number as of today has increased considerably. This scenario similarly repeats itself in many other disciplines and professions. The gap in the number of professionals trained and produced and the number engaged can be accounted for by "Brain-drain", low capacity utilization and unfavourable working environment. The negative implications and effects of this in Nigeria's development are devastating to say the least.

CHALLENGES FACING NIGERIAN UNIVERSITIES IN COMPARISON WITH OTHER STATES IN THE REGION

The role of universities in human capital development, research and technological innovation cannot be underestimated. All over the world investment in university education is a critical component of national development effort. Nations today depend increasingly on knowledge, ideas and skills which are produced in universities (World Bank, 1998; OECD, 2001). As a nation's knowledge industry, universities increase the productive capacity of the labour force. Since industry and the public sector demand high level manpower the role of the university is to satisfy this demand. However, higher educational institutions in Nigeria are confronted with several challenges.

First is the issue of funding. The funding of Nigerian universities had declined. The effects had been stifling for university administrators, which had led to lack of accountability, misappropriation of public funds, wasteful spending, corruption and misplacement of priorities (Gboyega, 1996; Onyeonuru, 2001, 2002). Compared to other developing countries in Africa with increase in educational spending, Nigeria has maintained a very low percentage of budgetary allocation to education. The percentage proportion of actual to budgeted expenditure was almost 100 percent in Zimbabwe in 1990 and 1993 respectively. This was followed by Kenya with 90.1% in 1990 and little over 94% in 1993 and 1995 respectively. The former apartheid South Africa also increased its actual to budget expenditure from almost 90% in 1990 to 94% in 1995. Nigeria on the contrary performed not only comparatively worse than these other countries but its ratio of actual to budget expenditure on education actually declined from 85% in 1990 to about 77% in 1993 and 1995 respectively (UNESCO, Statistical Yearbook, 1997). In another vein, World Bank (1999), indicated that the educational spending in Botswana, rose from 6.0 in 1980 to 10.4 in 1996; Ivory Coast from 7.2 in 1980 to 7.7 in 1990; Ghana from 3.1 in 1980 to 3.3 in 1995; Kenya from 6.0 in 1980 to 7.1 in 1995; and South Africa from 6.0 in 1980 to 7.9 in 1995. In the case of Nigeria educational spending nose-dived from 6.0 in 1980 to 1.2 in 1985 and subsequently declined steadily to a dismal 0.9 in 1995.

Given the above scenario, it is not a surprise that the problem of brain drain, industrial strikes and decline in enrolment for graduate studies is the rule and not the exception in Nigerian universities today. Today the Nigerian university system continues to suffer from intellectual hemorrhage created by the problem of brain drain (Mbanefoh, 1992). The implication of this development is that because of

emigration of technological know-how, the economy cannot grow. Many good students who probably would have enrolled for graduate courses in the critical disciplines to promote the necessary social capability in Nigeria have no teachers to guide their studies. Thus, the much needed intellectual capacity for the future cannot be built.

Again this problem of declining finances to the universities is pervasive all over the African continent (African Development Bank, (ADB), 1998 p. 149) According to the ADB published report on African Development Indicators, the organization concludes that the achievements of African universities are constrained by poor funding in the context of rising resource requirements and escalating inflation. This situation further explains part of the human capital flight from the continent (African Development Bank (ADB), 1998, p. 114).

Second is the of lecturer/student ratio. According to UNESCO Statistical Yearbook (1997) and Federal Office of Statistics (1995), we have the ratio of 1:8 for Kenya and Zimbabwe, while Ethiopia, (1:18), Nigeria, (1:19) and South Africa (1:28.5). Using the above ratios as indicators of part of the responsibilities of university lecturers in the five African countries, it becomes obvious that the average university lecturer in Ethiopia, Nigeria and South Africa carries much heavier burden than his counterpart in Kenya or Zimbabwe. For example, the case of Nigeria may even be worse because of the constraints under which the academic staff in this country is forced to work (Mbanefoh, 1992; Bangura, 1994, Yesufu, 1996). Consequently Yesufu concludes that the quality of graduates is so poor that their impact on the national economy in terms of productivity is generally below the required standard for a developing economy. As a result of lack of qualified academic staff the enrolment for graduate studies has also declined, concludes Yusufu (1996 p. 208). Some lecturers actually teach two or more courses more than that in a semester. Even worse, many lecturers teach for many years with sub-doctorate degrees. The Nigerians universities can no longer attract young bright minds. This has seen the rein of veterans well-beyond-retirement-age teachers anchoring the system.

Third, the impact of the economic reform programme on the universities has been very grave. The human capital that is lost to the universities has been applied in other sectors of the economy (Bangura, 1994; Yesufu, 1996). The lecturers who left the universities have adopted a number of strategies to adapt to the impact of the reform. As a group of professionals they have, through their trade union the Academic Staff of Union of Universities (ASUU), expressed feelings of alienation and deprivation. They have often embarked on industrial strikes which have affected the lives of their students. These strikes have been over issues of salaries, fringe benefits, job satisfaction and self actualization. The Nigerian university system today is unattractive to any young and ambitious man and woman relative to their counterparts in other West African states.

IMPLICATIONS FOR NIGERIA'S DEVELOPMENT

Nigeria's ambitious aspiration to become one of the world's top twenty economies by the year 2020 (Vision 20: 2020) may not be achievable if the country fails to develop its huge resource of human capital. Nigeria is lagging behind in its human capital development. It is not possible to drive economic and social development when you do not have a literate critical mass as it is the case in Nigeria today. Though we have a large number of educated Nigerians in Nigeria and in Diaspora but to achieve its ambitious economic transformation, the nation has got to identify these folks, educate or re-educate and attract more and finally be able to retain or sustain them.

Also, mere recognition of human capital as a natural resource is meaningless. Natural resource is worthless if it's not harvested. Like in many poor countries, educational constraints or the underdevelopment of human resources with the critical skills often have a substantial negative impact on productivity, managerial effectiveness, firm operations and output. This is the position in which Nigeria is most likely to find herself in this current global economy. With the lack of competitiveness in many economic spheres especially information management, the only asset that Nigeria has and with which she can compete favourably in the global market is its human resources. Unfortunately, many of these are in other countries developing the social capabilities of their host nations. At home, the universities are in a

state of crisis. The analysis of the problems confirms the hypothesis that a structural and dynamic relationship exists between the university system and the political and economic environment. It also further demonstrates the extent to which the use of resource allocation power can affect the performance of an entire system. Brain drain is a product of bad governance. It is also a product of structural inequity in the political economy of African states, where those who control state powers aggregate economic power to themselves through corruption.

While some of these problems are endogenous to the universities, others are caused by exogenous factors. The continuous decline in the performance of the university is pervasive. It runs through absence of critical teaching/research personnel, lack of facilities, lack of textbook, poorly equipped libraries and laboratories. Poor motivation due to inadequate incentive for workers is also a major problem. In this very depressing situation, the process of teaching, research, publication and knowledge development has no relevance to the challenges of the present global market. These are some of the implications of the realities of the present day university education in Nigeria.

RECOMMENDATIONS

For the Nigerian universities to have social relevance in the global market, the entire educational system needs to be overhauled. Beginning from the primary level, the entire citizenry should be exposed to education either formally or informally. For the older generation for whom primary education was too late, special literacy programmes must be organized at the village level and made obligatory by law. The content of the secondary school curriculum should be biased in favour of science. If this is achieved, tertiary education is bound to be similarly biased (Ozoro, 1982).

The success or failure of development policies depend on the quality of people who design the policies and manage the policy environment. Policies for capacity building in the knowledge industry will hinge on the existence of a well-educated labour force in the sector. Hence, to be effective, university education reform requires that the development of human capital through graduate education in science and technology should constitute the core of overall national development strategy (Verspoor, 1990). Through appropriate national economic policy package of incentives the migration stream of intellectuals can be dammed, while return migration of high level manpower can be further enhanced by the government.

Nigerian institutions must develop some specialized capabilities that are now missing: this is consultancy/research and development expertise that meet the needs of the growing oil sector, chemical industry and the machine tools companies. There is an urgent need to redirect the focus of some research institutes so that they can make their research facilities available to the universities in their area of location for the purpose of collaborative research to meet the need of industry. These new developments will require new policy co-ordination strategies between the departments of government concerned with the funding and supervision of the institutes and the universities.

Developing and sustaining the universities can require enormous amounts of financial resources, thus one of the prerequisites for ensuring this development is the adequate budgetary provision targeted at the advancement of knowledge in specific fields, but the government may not be able to provide all the resources required by the universities. This therefore calls for the adoption of specific strategies for exploiting alternative sources of revenue by the institutions themselves.

Increased funding of the universities by the government should be a top priority in budget allocation. This will provide adequate resources for the maintenance of decaying infrastructures, procurement of new equipment, books, journals, chemicals and other learning inputs, the Nigerian government should address and review all the various policies that have triggered the migration stream of academicians from the universities. The frequent harassment, arrest, and dismissal from work of leaders of the Academic Staff Union of Universities which was in vogue under the military government should stop in a civilian dispensation.

The universities themselves should adopt a number of strategies within the campuses. Government alone cannot adequately fund the universities because of the lack of predictability in resource flow. In

other words, the financing of the universities should not be tied solely to the revenue profile of the government. The universities should begin to aggressively market its research and development potentials to industry, government and other bodies. Each university should establish a University-Industry Research and Development Co-ordinating Unit. This unit would serve as a technology transfer link between the university and industry. Departments within the universities should also be encouraged to embark on consultancies in order, not only to generate revenue but also to provide exposure for the students to acquire practical experience. By getting necessary support from its external environment and combining the benefits with internal efforts to help itself the Nigerian university of the next century would be in a much better position to fulfill its statutory and social mandate to the nation, that is, build capacity and motivate its intellectuals to stay within the country.

CONCLUSIONS

On this note, it is wise to admit that there is a big problem. The government's failure to solve this problem will ultimately result in a society full of a seriously diminished quality-of-life stemming from an enormous gap between a minority of haves and a majority of have-nots that will undermine the basis of civil society and our democracy. This can be achieved by building the skills of youth and incumbent workers, and stopping the leakage of people out of the labour market. For education to contribute significantly to development, it must be of high quality to meet the skill-demand needs of the economy. Education is highly instrumental and even necessary to improve the production capacity of any nation, especially Nigeria.

For Nigeria to meet the human capital development challenges of the 21st century and beyond, the gaps and flaws of the education system need to be urgently addressed. This is a prerequisite to revamping and repositioning the system to leverage national development. It calls for drastic and far reaching reforms in educational policies and programmes. Such reform policies and programmes must target attaining increased stake-holding, extended partnerships and collaboration in educational development. Education policy formulation, planning, implementation, funding and quality assurance should as much as possible involve all key stakeholders including the private sector, the communities and the civil society. The planned strategies by the government in the education and health sectors in the NEEDS document should be fully carried out with reports provided of progress made at each stage. Also, government should increase not just the amount of expenditure made on education and health sectors, but also the percentage of its total expenditure accorded to these sectors. The ten percent benchmark proffered by the present national plan should be adopted. Only through well-planned policies, can Nigeria begin to fully benefit from human capital development such that it enhances economic performance and growth.

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