

ISSN 1117 - 4110

IBOM

JOURNAL

OF SOCIAL ISSUES

Vol. 6 No. 2

A Multi-disciplinary Journal of the
Department of Sociology/Anthropology
University of Uyo

IBOM JOURNAL OF SOCIAL ISSUES
AN INTERDISCIPLINARY RESEARCH JOURNAL

Volume 6, No. 2

July 2001

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EDUCATION AND TRAINING IN ENHANCING THE PRODUCTIVITY OF LABOUR FOR THE DEVELOPMENT OF THE NIGERIAN ECONOMY

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ABSTRACT

This paper has considered the role of education and training in enhancing the productivity of labour for the development of the Nigerian economy. It shows that for development to be achieved, education and training must be accorded the highest priority. This is based on the argument that education is the pivot for development. So it recommends the revitalisation of the educational system and presents points on how this could be achieved. One of the points is that the government should make education the most important item on its agenda, thus increasing its funding of the various institutions of learning.

1. INTRODUCTION

The development of any economy is a very crucial task, which requires utmost attention for its realisation. But this would be difficult without the availability of a productive labour force, equipped to face the challenges peculiar to the economies transiting from one level of development to the other. This is why education and training of labour is considered highly important in the pursuit of the development of the Nigerian economy.

Ibom Journal of Social Issues Vol.6, No.2 July 2001

From this standpoint, the production of new human capital and the improvement of existing ones are crucial requirements for the growth of output (Begg et al, 1984:272); and output is essential for development. Consequently, by implication, human capital development is essential for the development of the Nigerian economy. This is due to the fact that even when physical capital is available and abundant, its proper management for the attainment of the desired goal is the responsibility of human beings. For instance, no machine can operate itself, neither can money spend itself. There must be people who decide when to spend money and what to buy. Also there must be people to put a machine on when it should be put on and put it off when it should be put off. In fact, this is expressed in the traditional production function that states that output is a function of labour and capital. No matter the level of technology labour remains very important in the production process. This is why education is very important. If a person is illiterate, he would not be able to cope with the challenges of a fast developing world.

For proper discussion of the issue in vogue, the paper has been divided into six sections. The first section introduces the paper, while section two looks at the theoretical perspective of the link between education and development. Section three dwells on the review of relevant literature while Section four considers the effort of Nigeria so far at developing its educational system. Section five looks at the macroeconomic performance of the Nigerian economy while Section six offers some recommendations and concludes the paper.

2. LINKING EDUCATION/TRAINING AND DEVELOPMENT: A THEORETICAL PERSPECTIVE

From earlier discussion, development connotes a general improvement in the standard of living of the people of a nation, which includes the alleviation of poverty. But poverty in broad sense refers to a state of general lack or deprivation, which includes social inferiority, isolation, physical weakness, vulnerability, seasonality, pow-

erlessness and humiliation (NES, 1997: 2). So the alleviation of poverty involves a reversal of those conditions in order to achieve the desired growth and development of the economy. But this is not possible without education and training, as supported by Becker (1974) when he asserted that

"... few, if any, countries have achieved sustained period of economic development without having invested substantial amounts in their labour force. Again, inequality in the distribution of earnings and income is generally positively related to inequality in education and training. To take a final example, unemployment tends to be strongly related, usually inversely, to education."

Furthermore, in his effort to assess the effect of training on earnings, he showed that most on-the-job training and general-training-of-workers presumably increase the marginal productivity of workers in the firm providing it. The implication here is that education/training of workers have the potential of boosting the firm's productivity through the increase of the trained worker(s)' productivity. This was supported by Marshall and Perlman (1972) when they stated that

"Education and welfare policies obviously have an impact on welfare programs. Because basic education is required for the acquisition of most work skills.... Moreover, an effective continuing education system at all levels of education and for all age groups is necessary to meet the education and training needs of a dynamic industrial economy."

Other scholars who shared this view are Chamberlain (1972) and Bowen (1972).

Therefore, as mentioned earlier, education is the development of the mental faculty of man by which he is able to contact the required information/revelation needed for a change of the status quo. This information / revelation triggers discoveries / inventions, which triggers reformation/revolution, which culminates in development. These terms are discussed thus:

2.1 Information and Revelation

Information is the knowledge regarding a phenomenon while revelation connotes the bringing to the limelight what was hitherto hidden. In most cases, the reason why people are poor is because they lack adequate information (which comes through education) required to change their situation. A nation may be endowed with all manner of resources, but the resources would remain latent until it knows what to do with them and how to do it. This is what education offers through the provision of information.

When information is in place, revelation can now be brought to view. In essence, information can be upheld to be the forerunner of revelation. This is because with information, a nation is able to gain insight to what was not known before. For instance, discovering a particular method of doing something better than what used to be, thus making life easier is a product of revealed fact in that aspect. This is why we observed that information and revelation together form the trigger for discoveries and inventions. Since these things come through education, it therefore implies that without education, a nation and its people could remain ignorant, poor and undeveloped.

2.2 Discoveries and Inventions

Discovery involves bringing something that has been existing but not yet known to the limelight, while invention is the creation of something which is considered not in existence before. For instance, finding the solution to a known medical problem is termed discovery because the plants/herbs carrying the healing agent were already in existence, it only takes a finding to locate them. On the

other hand, fabricating a machine that produces something is termed invention because the technology would bring about an entirely new way of doing certain things.

The things that make life easier today are all products of discoveries and inventions, which would not have been possible without education. In fact, the sustenance of the world today can be credited to education. So assuming that there was no education, the survival of man would have been a more difficult task. For instance, it would have been difficult to travel round the world if transportation technology such as airplane was not invented.

Therefore, since the world is where it is today through discoveries and inventions, moving from this point will equally take discoveries and inventions. This is why education (both in quantity and quality) is very important.

Inventions in the world of communication technology, which has turned the world into a very small community today, would not have been possible without education. This is why it is very imperative for Nigeria to place education very high in its priority ranking. The benefits from investment in education always outweighs its cost in the long run; so any wise nation would take the initiative to invest heavily in education. This is the secret of the developed countries (DCs).

2.3 Reformation and Revolution

These involve the creation of a radical and complete change in the status quo of a nation, by taking definite actions, not minding the cost. Great changes are never cheap, rather they are costly, and that is why they are reserved for the few who would be diligent enough to pay the price. Those who want to sit and watch things happen would never see development. But those who are ready to take the bull by the horn, thus exposing their mental faculty to rigorous process of exposure would have their situation turned around easily. This is why education is both crucial and necessary if Nigeria must occupy its place among the comity of nations.

3. LITERATURE REVIEW

Growth is stimulated by investment, as upheld by Schmidt - Hebbel, et al (1996) who argue that the strong association between gross domestic investment ratios and long-term growth performance is well established. They cite, as an example, the East Asian economies which have been able to maintain rates of GDP expansion on the order of 7% - 8% a year, supported by rates of gross capital formation of about 30% of GDP. According to them, high growth, and investment have thus gone hand - in - hand. The implication is that, to boost GDP growth, which is propelled and enhanced by boost in industrial output growth, all that is needed is to raise investment.

However, it should be noted that investment here is not just in terms of physical capital accumulation, but also in terms of human capital and technological know-how. According to Stiglitz (1996), in the bid to achieve a rapid transformation of the economy, the East Asian economies had to plan on how to quickly reduce the technological gap. This was done by encouraging the transfer of technology from foreign investors, investing enormously in human capital, and educating large numbers of skilled engineers who are able to adapt the most advanced technology. This position is supported by Ekpo (1987) when he stated that a country's productive capacity grows through the accumulation of capital, quantitative and qualitative expansion of the labour force and changes in the technique of production. Thus, "investment is essential to the process by which additions to the labour force are accommodated and is the primary means whereby new technology is introduced" (Ackley, 1978: 608). It is on this premise that Mankiw, Romer and Weil (1992) extend the Solow model to include human capital. They assume that the accumulation of human capital is guided by that of physical capital, finding that investment performance can account directly and indirectly (through the parallel accumulation of human capital). This is in part the endogenous growth model. Solow model assumes movements in the supply of hours of work (labour hours) as given; hence the volume of investment in new capital equipment is taken as the most determinants of output growth (see Solow, R.M., 1962).

The point we are making here is that the educational system needs to be properly developed in such a way that people could obtain the kind of training that would enable them contribute positively and optimally to the development of the economy. Otherwise, the investment in education would amount to effort in futility. This was the line of thinking of Hanushek (1995) when he exposes the incidence of paying too much for the performance obtained from schools. This is why it is very important and necessary to study the economy very well in order to know the exact path to follow in the development of labour and training for the purpose of achieving the development of the economy. It is to this end that we would now assess the effort made by Nigeria so far in the bid to developing the Nigerian educational sector for the purpose of realising the developmental goal of the economy through the breeding of the required labour force.

4. ASSESSING NIGERIA'S EFFORT AT EDUCATIONAL DEVELOPMENT

There is no doubt that the government has made some effort in funding education from primary to tertiary level for the purpose of producing the required work force for the economy. This is reflected in the inclusion of education estimates in the annual budget estimates. But the provision seems insufficient, as the educational system is still suffering the dearth of training equipment/facilities in the various institutions of learning, without which the system would not be able to meet with the challenges of a goal oriented system needed to produce the required workforce to move the nation forward.

A look at Table 1 reveals that out of the N26 billion budget estimate for 1980, the sum of N1.5 billion, representing 5.9% of the total budget was estimated for spending on education. In 1981, the percentage spent rose to 8.6%. But the amount (N984.6 million) was lower when

TABLE 1: Nigeria's Ratio of Education Estimates to Total Budget Estimates

Year	Total Budget Estimates (N million)	Education Budget Estimates (N million)	Percentage of Education Estimate to Total Budget
1980	26315.1	1549.8	5.9
1981	11410.9	984.6	8.6
1982	12857.5	1135.1	8.8
1983	12086.1	967.4	8.0
1984	15966.3	861.2	5.4
1985	17754.2	850.2	4.8
1986	11081.8	1094.8	9.9
1987	15508.6	653.5	4.2
1988	4297.2	1084.1	4.5
1989	10107.1	1941.8	6.4
1990	9764.0	2294.3	5.8
1991	8665.9	1554.2	4.0
1992	1035.9	2060.4	4.0
1993	12100.5	7999.1	7.1
1994	10200.0	10283.8	9.3
1995	13495.6	12728.7	8.3
1996	15420.2	15351.8	8.6

Source: CBN Statistical Bulletin, 1996, Vol. 7 NO. 2

compared to the 1980 figure. This was as a result of a fall in the value of the budget, which was N11.4 billion.

On a general note, for the period under review (1980 - 1996), the picture follows similar trend, as the ratio of education estimate to total budget remains below 10%. This could explain why the system has been unable to catch up with events at the frontier of knowledge globally, thus pushing the nation farther away from the realisation of its developmental objectives.

Therefore, while it is proper to recognise the fact that the government has made some effort towards the development of the educational system, it is equally important to note that the effort is not enough. This is because of the fact that the Nigerian education

system seems to be in need of more fund than what is being put to it at the moment. Therefore, the government needs to expand its spending on education and training by providing the proper atmosphere and facilities for learning. Also, serious effort should be expended at developing vocational skills in order to raise people who would be more useful at promoting the development of the nation's economy through self-dependence. Private individuals who are rich could also complement the effort of government by contributing to the funding of the educational system. This would generally improve the macro-economic performance of the economy, which hitherto still leaves much to be desired as presented in the next section.

5. MACROECONOMIC PERFORMANCE OF THE NIGERIAN ECONOMY

The performance of the economy has not really been very impressive, the introduction and administration of SAP notwithstanding. For instance, inflation rate has been on the increase mostly. In Table 2 the inflation rate, which was 7.5 in 1990 rose continually to 72.8 in 1995. It later fell to 29.0 in 1996, 8.5 in 1997 and rose slightly to 9.8 in 1998.

The Gross Domestic Product (GDP) has been growing very slowly and undulatingly. As shown from Table 2, the GDP growth rate which was 4.7 in 1991 fell to 1.3 in 1994, rose to 3.8 in 1997, and fell again to 2.4 in 1998. Basically, the GDP growth has been characterized with instability, maintaining its low ebb on a more general note. Also, from Table 3, GDP per capita

TABLE 2: SELECTED MACROECONOMIC INDICATORS FOR NIGERIA.

Year	Unemployment	GDP (%)	Capacity Utilization	Inflation Rate
1990	3.5	-	39.0	7.5
1991	3.1	4.7	39.4	13.0
1992	3.4	3.0	39.0	44.5
1993	2.7	2.3	36.2	54.2
1994	2.0	1.3	29.0	57.0
1995	1.8	2.2	27.2	72.8
1996	3.8	3.2	32.5	29.0
1997	3.6	3.8	34.0	8.5
1998		2.4	28.0	9.8

SOURCE: Central Bank of Nigeria: Annual Report and Statement of Account, various issues.

TABLE 3: SELECTED SOCIAL INDICATORS FOR NIGERIA

Year	GDP Per Capita (N)	Population Growth rates	Life Expectancy at Birth (Year)	Adult Literacy Rate (Year)	Human Development Index
1991	1069	2.1	51	54	0.328
1992	1066	3.2	52	54	0.348
1993	1069	2.1	52	55	0.389
1994	1060	2.1	52	55	0.384
1995	1073.6	2.1	52	55	0.384
1996	1090.7	2.1	52	55	0.384

SOURCE: Central Bank of Nigeria: Annual Report and Statement of Account, various issues.

has been generally low. It only rose marginally between 1991 and 1996. Life expectancy at birth is 52 years on the average, while the human development index of 0.384, for most of the years presented, shows that the nation is one of the poorest nations of the world.

The poor performance of the economy, as reflected by the indices presented above could be linked to the productive growth rate of the economy, which is very low, which may not be unconnected

with the low level of technological development in the economy, its high level of endowment notwithstanding. This is why the clamour for training and education development has become very high. A look at Table 4 shows that poverty headcount has been rising over the years. For instance from 27.2% in 1980, the poverty headcount for the nation rose to 46.3% in 1985. It fell slightly to 42.7% in 1992 and then rose to 65.6% in 1996.

TABLE 4: Poverty Headcount (in %) by Educational Level of Household Heads

Educational Level of Household Head	Poverty Headcount			
	1980	1985	1992	1996
No. Education	50.2	51.3	46.4	72.6
Primary	21.3	40.6	43.3	54.4
Secondary	7.6	27.2	30.3	52.0
Post Secondary	24.3	24.2	25.8	49.2
All Nigeria	27.2	46.3	42.7	65.6

Source: Federal Office of Statistics, Profile for Nigeria, 1980 - 1996, April, 1999. p. 11

Generally however, it is also clear from the table that poverty headcount (for all the years) falls with the rise in educational attainment. In 1985 for instance, the poverty headcount which was 51.3% for those without education showed 40.6% for those with primary education, 27.2% for those with secondary education, and 24.2% for those with post secondary education. Also, the poverty headcount which was 72.6% for those without education in 1996 showed 54.4% for those with primary education, 52.0% for those with secondary education, and 49.2% for those with post secondary education. This information shows the importance of education and training in the development of the economy.

Over the years, education in Nigeria has been stripped of its value, given the decadence in the educational system. As a result, we are faced with the situation where many people go to school mainly to

obtain paper qualification but not to learn, thus making the graduates less capable to handle the challenges of modern economic development. This is manifested in the way our graduates of Nigerian institutions are treated both at home and abroad. Some firms operating here in Nigeria could only claim efficiency on the fact that they are staffed with foreign trained scholars. Until this is changed, the developmental effort of the nation would continue to be a mirage. The attitude to education and the educational system must change. To this effect, the educational sector needs to be properly equipped to produce such work force that would make the nation proud.

6. CONCLUSION AND RECOMMENDATIONS

This paper has looked at the role of education and training in the development of the Nigerian economy. It is argued that education is the foundation for development. For the developmental goals of the Nigerian economy to be realised, education should be revitalised. To achieve this therefore, the following recommendations are considered necessary:

- (i) The government should make education and educational development the most important item on its agenda.
- (ii) For the achievement of the points above, and, for the maintenance of standard and efficiency, the government should reduce the number of schools under its control and funding. The decision by some State Governments to return some secondary schools to the missionaries or private organisations who were the initial owners is a step in the right direction.
- (iii) The government should monitor standard in each of the institutions of learning by setting up a body for that purpose. The body would report regularly to government on the performance of the various institu-

tions of learning in meeting the educational need of the country. This would enable the government to know what policy to make from time to time for the purpose of advancing knowledge in the country. The Education Ministry can perform such duty.

- (iv) The development of technological skills should be encouraged by the establishment of more technical schools and improved funding/equipping of the existing ones.
- (v) Higher learning should be improved by properly funding and equipping the universities. Scholarship should be encouraged by rewarding excellence.
- (vi) As a way of complementing the effort of government in funding educational development in the country, moderate tuition could be paid by students. This would provide the institutions with sufficient funding to run their programmes. The universities should also be allowed to run consultancy programmes to further generate funds.
- (vii) Given the recommendation on the payment of tuition for acquiring education, both the government and the institutions should put in place scholarship facilities, which would help to assist bright students who may not have the financial support to proceed.

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