

# Higher Education and Economic Growth in Nigeria: The Nexus

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**Abstract**—Higher education in many countries including Nigeria had experienced reform and development in the recent times. For instance, several reform initiatives have been introduced in Nigeria to meet the global competitiveness, challenges, and the most recent Sustainable Development Goals (SDGs). The paper has a linear correlation between higher education and economic growth. If Nigeria is to compete in today’s global economy and ensure that students develop the skills, they need to take them from the classroom to the market there is the need to take higher education to higher level. The paper explains how higher education could be used to bring about economic growth in Nigeria while a model that links higher education with economic growth was developed. Finally, recommendations that would help Nigeria be an economic giant nation in the nearest future through higher education are proposed.

**Keywords:** Higher education, economic growth, sustainable development goals, reform, global competitiveness, nexus.

## INTRODUCTION

Education is an important agent of bringing about transformation and development to any nation no wonder, many countries all over the world particularly, Third World Countries have realized the need to bring about reform initiatives into their higher education systems. Apart from this, higher education has been recognized as agent of increasing national income and individual earnings. Human capital development would remain a mirage and not accumulated if there is no reform in the structure and operation of higher education institutions to meet the global best practices. Many developed countries achieve their feet today because of this fact and the expenditures on higher education but this is not always the case in most developing countries hence, the current state of their higher education institutions. The ancient concept of the roles of Nigerian women began to change in the 1960s with the consideration of education as the most important weapon for rapid economic and social development of the nation. In this respect, the human

capital concept made a significant impact on women education. Human capital theory also argues that increased educational attainments of people as well as their commitment to wage employment work in fewer part-time jobs and have more continuous employment histories. Research findings [1]- [2] have shown that the propensity for normal urban migration in less-developed countries (Nigeria inclusive) is especially high among the more educated and among the young.

## The Link between Higher Education and Economic Growth

Higher education and economic growth are two sides of the same coins. This is in essence to say that the two variables are significantly correlated. An effort to strengthened higher education would no doubt have positive and multiplier effects on economic growth and development in any nation.

From the above argument, it can be expressed that effective higher education is a key variable towards realizing economic growth using the functional notation thus;

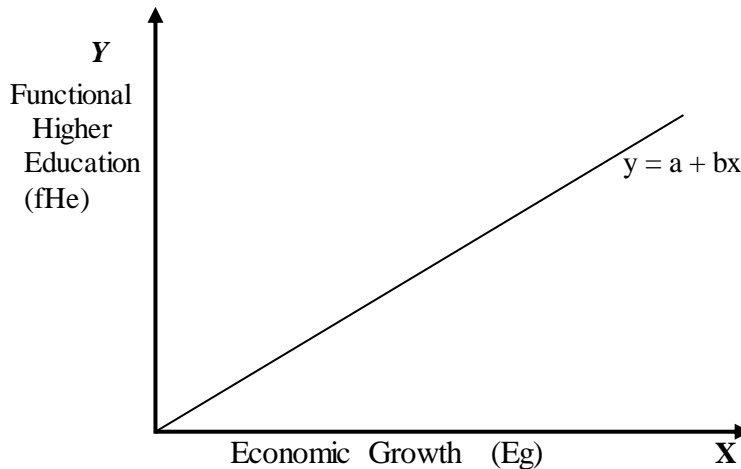
$$Eg = f(fHe) \text{-----} 1$$

Where:

- Eg = Economic growth
- fHe = Functional Higher education
- f = functional notation

From equation 1, while 'fHe' is an independent variable, 'Eg' is a dependent variable.

It can also be presented in a linear curve thus;



The figure 1 shows that a linear correlation exists between the two variables under consideration “He” and “Eg”. In other words, the simple linear equation ( $y = a + bx$ ) and curvilinear regression have shown that the more functional the higher education is, the higher the level of economic growth and sustainable development to be recorded in the country.

Figure 1: Variable functionality Curve

Table 1: Percent of the Economic Growth Rate (by Country) Explained by Education

Country	Growth Rate Explained (Until 1970s)	Country	Growth Rate Explained (Until 1970s)
<b>Europe</b>		<b>North America</b>	
Belgium	14	Canada	25
Denmark	4	<b>United States</b>	15
United Kingdom	12		
Germany	2		
<b>Latin America</b>		<b>Asia</b>	
Argentina	16.5	Japan	3.3
Brazil	3.3	Malaysia	14.7
Chile	4.5	South Korea	15.9
Colombia	4.1		
Ecuador	4.9	<b>Africa</b>	
Honduras	6.5	Ghana	23.2
Peru	2.5	Kenya	12.4
Mexico	0.8	<b>Nigeria</b>	16.0
Venezuela	2.4		

Source: [3], pp. 893-921.

Table 1 explains education as a significant factor for economic growth but this is also a function of the level of development of the countries in focus. Of course, there are still exceptions to this in some countries where an inverse correlation could be observed (the United States in this context)

**Higher Education in Nigeria: The Challenges**

There are several challenges facing higher education in Nigeria, particularly, the university system includes enrollment growth which has made it very difficult for public institutions to absorb all the intending candidates and allows private institutions to

spring up in the country, long-term brain drain which has resulted in competent academic staffs left the country and results in staffing problems. Other problems include high cost of running federal universities by government thereby making it difficult for the government to meet the requests from the institutions and the labour unions. This is partly caused by enrolment growth and carrying capacity. Apart from the problems identified above other problems facing higher education in Nigeria include lack of autonomy, poor content of curriculum in terms of entrepreneurial education, poor access to higher education, preference of university education by

candidates to Colleges of Education and Polytechnics. It needs also to be stressed here, the mismatched between the graduates of tertiary education system in Nigeria and the absorptive capacities of the labour market.

### **Current Reform Initiatives in Higher Education in Nigeria**

Higher education has experienced reforms in Nigeria in the recent times. For instance, an attempt has been made by government at various levels to bridge the historical gaps between Polytechnic and University graduates. Entrepreneurial education has also been integrated into the scheme of technology education in the country. Governments all over the world are making increasing efforts towards modeling their educational systems to meet the global challenges and international competitions. This is imperative such that the new global challenges of that predicated by modern technologies, globalization and the need to be economically independent by countries particularly, the developing ones could be realized. Also, most countries have witnessed significant transformation and reforms in their higher education systems. These transformation according to Okebukola [4], are driven by a multitude of factors chiefly, the changing role of the state and societal perception of education, changing demand for and relevance of university education, the forces of globalization; the ICT revolution and evolution of knowledge as the major driver and determinant of economic growth [5].

Modern trends of higher education all over the world and particularly in Nigeria have raised two important issues and implications for the operations of higher institutions apart from the issue of access and equity with respect to the MDGs [6]. In Nigeria for instance, globalization issue has compelled the respective education agencies to recently review their respective minimum standards and provide benchmarks in consonance with the MDGs. Several innovative approaches have been introduced particularly, by the NUC under its past Executive Secretary, Professor Peter Okebukola to improve the operation of the university system in Nigeria [6].

There are other major policy innovations introduced by the federal government to empower the youth for employment opportunities. For instance, between 1999 through 2008, 30 more private universities were licensed to operate by the National Universities Commission (NUC) in the country in addition to the 3 universities before 1999. An examination of the curriculum contents of the private universities revealed

that they tend toward entrepreneurial education which is almost lacking in the curricular of most public universities.

Federal government directive to education agencies to ensure that the ratio of admission of science /technology and Arts /humanities into higher institutions in Nigeria is 60:40. This attempt is to ensure that higher education in Nigeria meets technological challenges that have pervaded the world all over [7]- [8]. The reforms in higher institutions have taken different forms which are occasioned by rising demand by an upwardly mobile population and the needs for a globalized economy [4] cited in [6]. Specifically, the following reforms were introduced with respect to university education, teacher education and polytechnic education in Nigeria since 1999 [9]. These reforms were done with a view to ensuring that higher education systems in Nigeria aid economic growth and national development.

### **Reforms and development in university education**

Specifically, Adedipe [10] and FME [11] as cited by Babalola [12] highlighted the reforms and development in University education in Nigeria to include the following;

- Government enacted the Autonomy Act.
- Nigeria allows Polytechnics, Colleges of Education and Universities as degree awarding institutions with the Universities taking care of the high-level manpower requirements.
- The National Open Universities of Nigeria, is now reviewed and currently in full operation.
- There are also a number of State and Private Universities in the country. By 2005, Nigeria had 75 universities comprising 26 Federal, 25 State and 23 Private universities [10] cited in [12].
- Government has embarked on efforts to synchronize the university calendar to bring sanity to an otherwise untidy situation whereby all the universities have different calendars.
- Government has noticeably reduced the incidences of militant labour crises and cult activities on campuses.
- Government has brought significant communication and ICT improvements, which have positively influenced teaching and research technologies in higher education.
- Government has impressively improved remuneration and therefore, the motivation to work among academic and non-academic staff of Nigerian higher education institutions [11]-[12].

**Reforms in Teacher Education / Colleges of Education**

In the same token, the reform in Teacher Education Colleges of education as highlighted by FME [11] and Babalola [12] include the following;

- Government enforced the minimum qualification (the NCE) for teachers in Nigeria and mandated the National Commission for Colleges of Education (NCCE) and National Teachers Institute (NTI) to control the training.
- Government created the Teachers Registration Council (TRC) to handle registration of teachers.
- Government initiated teacher reforms, such as comprehensive capacity building programmes for teachers and enhancement of the status and working conditions of teachers [11]-[13].

**Reforms in Technology Education / Polytechnic Education**

In respect to Technology education and Polytechnic education, the reforms include

- Government renamed the technical schools to become science and technical schools
- Government included vocational training in technical centers and Applied Science and Technology in Polytechnics and Universities [11]-[13].

In general, Okojie [14] also highlighted the following as the reforms in respect to higher education in Nigeria to include.

- Increase access (i.e. numbers of candidates able to access higher education)

- address current low admission capacity (funnel effect)
- eliminate existing prejudice against vocational and technical education.
- Improve and maintain academic standards/depth and quality of infrastructure.
  - (curriculum, staff, facilities/infrastructure, teaching/learning aids)
- Address the systemic rot (exam malpractice, cults)
- Improve on the carrying capacity of the universities, particularly given their inability to accommodate a vast number of applicants;
- Eliminate the desperate desire for university education as against other tertiary institutions;
- Eliminate the perception that certain tertiary institutions are superior to others;
- Reduce huge overhead cost by consolidating the supervisory agencies (NUC, NBTE and NCCE); the Boards of the three parastatals and governing Councils, Chief Executives, Registrars and other principal officers;
- Improve funding to universities in area of infrastructural and instructional facilities, research, scholarly publications and staff training and development through the consolidation of Education Tax Fund intervention; and
- Facilitate the creative use of underutilized physical assets by converting under populated tertiary institutions into campuses of innovative Alternative Institutes.

**Table 2.** Trends in the contribution of higher education to economic growth and national development in Nigeria

Year	Education’s Contribution to national GDP		University’s Contribution to National Productivity	Non-University’s
	Actual	% Contribution	% Contribution	% Contribution
1990/91	4955.15	1.33	0.12	1.21
1991/92	4979.64	1.33	0.20	1.13
1992/93	5046.82	1.33	0.17	1.16
1993/94	5116.40	1.33	0.08	1.25
1994/95	5151.69	1.34	0.06	1.28
1995/96	5150.22	1.31	0.06	1.25
1996/97	5222.77	1.28	0.13	1.15
1997/98	5267.37	1.26	0.08	1.18
1998/99	5311.97	1.24	0.09	1.15
1999/2000	5356.57	1.24	N.A	N.A
2000/2001	5401.18	1.20	N.A	N.A
2001/2002	5445.78	1.13	N.A	N.A
2002/2003	5490.38	1.12	N.A	N.A

Sources: [12:15].

### Performance of Higher Education to Economic Growth in Nigeria

From the Table 2, except in 1991/92, when the percentage contribution of higher education to national productivity rose to 0.20, the succeeding years recorded downward trends. In 1996/97, the contribution rose again to 0.13 from 0.06 in the preceding year. The story in the case of the percentage contribution of non-university was different. Throughout the period under consideration, there seemed to be predominant increased in the percentage contribution of this sector over that of the university sector. While that of the university contribution is less than 1 (<1), non-university recorded more than 1 (>1).

Tables 3 and 4 showed the impacts of higher education on youth preparation for labour market in Nigeria in recent times. For instance, estimated numbers of 635 and 170 University and Polytechnic graduates were planned to be employed (This represents 1: 5 ratio) by GSM operators between 2005

and 2007 but 2022 University graduates and 1426 Polytechnic graduates were employed (This also represents 1.4 ratio).

The import from the discussion above is that Administration/Accounting graduates (58.33%) form the bulk of university graduates employed by GSM operators. This is followed by Engineering/Technology (13.75%) and Social Sciences related disciplines (12.96%) respectively. In the case of the Polytechnic, graduates of Computer and Science Technology form the bulk of those preferred by the GSM operators with 31.91%. This is followed by Business/Management and Accounting/Insurance/Finance graduates with 24.65% and 19.48% respectively [16]. The picture of the types of the university graduates employed where those in service-related subjects (administrator, accounting, finance, education, law and social sciences) were more favoured runs contrary to the government policy of 60:40 science – arts admission ratio [16].

**Table 3:** University Graduates required and employed by GSM providers; dealers and agents 2005-2007.

Discipline	Anticipated employment		Actual employment	
	N	%	N	%
Administration/Accounting	433	68.19	139	58.33
Agriculture	6	0.94	42	2.08
Arts	17	2.68	79	3.91
Education	14	2.20	82	4.06
Engineering/Technology	77	12.13	278	13.75
Law	2	0.32	37	1.83
Medical and Pharmaceutical	6	0.94	26	1.29
Sciences	12	1.89	77	3.81
Social Sciences	68	10.71	262	12.96
Total	635	100.00	2022	100.00

Sources: [12]-[15]

**Table 4:** Polytechnic graduates required and employed by Global System of Mobile Communication (GSM) Provider and dealers

Discipline	Anticipated employment		Actual employment	
	N	%	N	%
Environmental Studies	2	1.18	41	9.62
Computer and Science Technology	25	14.71	170	31.91
Food Science and Technology	1	0.59	7	1.64
Engineering and Technology	82	48.24	5	1.17
Business/Management	31	18.24	105	24.65
Accounting/Insurance/Finance	22	12.94	83	19.48
Secretarial Studies	6	3.53	14	3.29
Islamic and Legal Studies	1	0.59	1426	0.23
Total	170	100.00		100.00

Sources: [12]-[15]

## CONCLUSION AND RECOMMENDATION

Higher education institutions (HEIs) accumulate human capital more than any other levels of education. It is no longer a news that higher education is an agent of economic development and growth. This has been established in this paper. In the paper, it has shown that there is a marked correlation between higher education and economic growth and development in Nigeria. Based on this fact, it is expedient for the government to increase her funding on education in the country particularly, higher education institutions because reduction in the funding of higher education can prevent tertiary education from achieving economic growth and adequate preparation of youth for labour market. For this reason, the need for the federal government to adequately finance higher education is very imperative. Government is aware of the need to make the higher institutions' curricular more relevant. Graduates of Nigeria's institutions should also be prepared such that their programmes would be practical oriented in line with the demand of the labour market.

Entrepreneurial education should be incorporated into the curriculum of higher education institutions in Nigeria. This will allow graduates of the institutions to be self-employed and create jobs for themselves. Okojie [17] confirms this when he stated that entrepreneurialship is the issue for university graduates in Nigeria today. Restructuring and remodeling higher education institutions is highly imperative, this will correct the observed labour market mismatch. Since it plays an important and multifaceted role in the new global development agenda, which strives to eradicate poverty while addressing social needs such as education, health, social protection, job opportunities, climate change and environmental sustainability [18], higher education institutions should therefore, make sure their inputs – students, teachers, equipment are of the right and relevant types. This will engender good transformation process and good quality of graduates that will be relevant to the labour market.

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