

THE ROLE OF HIGHER INSTITUTIONS IN ECONOMIC DEVELOPMENT OF NIGERIA

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Abstract

Tertiary institutions are among the major drivers of the global economies. Apart from the primary objective of providing higher educational learning and skill training, tertiary institutions can through research and development provide possible innovations with positive and valuable commercial relevance. In Nigeria, tertiary institutions have lost their key role of driving innovations through research with the vision of finding lasting solutions to national and global challenges in important areas like healthcare, security, environmental degradation, and economic development. Using qualitative method of research and relevant data from secondary sources, this paper identifies that the failure of tertiary institutions in Nigeria in the areas of research and development rests heavily on government neglect on the pertinence of education in policy making and economic development. It thus recommends that Nigerian government should adopt an inward approach towards economic development through the provision of heavy funding for innovative based researches as a catalyst for solving economic developmental problems as well as other national issues.

Keywords: Higher education, Economic development, Innovation, Research, Productivity.

Introduction

It has become more glaring in the present dispensation that education is the most important tool for man's socio-economic and political progress. From the beginning of the present century, the demand for education has proliferated not just for the primary and secondary education, but up to the tertiary level¹. However, the increased demand for tertiary education as well as the increased number of tertiary institutions in Nigeria is yet to attract any significant change to the value of education and its contributions to economic development of the country. This leads Adeniji to state that:

Nations have risen and fallen depending upon how seriously they have perceived the role of education in the society. The trial of human history is marked by the wreckage of those nations which

have used their education merely to perpetuate what existed. Dynamics and progressive nation demand more of their education than mere perpetuation of the status quo ante²

Adeniji's words portray the true situation of Nigeria as regards her education system which simply shows the slovenliness of the nation towards exploring and exploiting the precedence of education for the achievement of economic development in the country.

The Concept of Economic Development

According to Sen, economic development is defined as the expansion of capacities that contributes to the advancement of society through the realization of individual, firms, and community's potential³.

The challenges of economic development in Nigeria is no more a novelty in scholarly discourses. It has become so cumbersome that low standard of living in the country seems to have become normal. In the 1960s, when Nigeria was still measured in agriculture for economic survival, it was able to provide and maintain 95% food needs for the country and about 70% for export. Agriculture also contributed up to 60% of the GDP within this period. From the oil boom era the 1970s, Nigeria has continued to experience plethora of economic problem without lasting solutions to them. Despite the various mineral resources in Nigeria like natural gas, coal, limestone, lead, zinc, iron ore, gold, tin, and bauxite⁴.

Development of a country is only achieved through strict economic programmes and policies. Nigeria has over the years experienced a lot of development plans introduced by different leaders namely: the first, second, third and the fourth development plans, the 14-point agenda, the seven-point agenda, vision 2010, vision 2015, vision 2020, SAP, and the MDGs. All these plans were set out as mechanism for development, but they ended up failing without achieving their goals. From the assessment of the mentioned programmes and development plans, it was realized that they all had peculiar objectives which ranges from poverty alleviation, employment, equitable distribution of income, diversification of the economy, infrastructural development and achieving self-sufficiency in agriculture. The programmes and their implementation were however torn apart due to massive rate of corruption, mismanagement, and misappropriation of fund and lack of checks and balances on the side of the government. Apart from this, education

which is the main driver for industrializations and economic development was also avoided or given very less attention during the implementation of the programmes. Nigeria so to say is rather maintaining poverty through these programmes instead of fighting it to the extent that an estimate of over 70% of the nation's population is still rated as poor, while about 35% are extremely poor; and to say the least, there is extreme infrastructural decay⁵.

Walt Rostow, a renowned economist outlined stages of economic development which countries must pass through as follows:

- **Traditional Society:** This explains a society that is based on agriculture and primitive extraction industries such as mining. It is subsistent in nature and is characterized by unskilled labour and highly primitive science and technology.
- **Preconditions to take off:** This is the era of more progressive science and technology towards economic development. This is where the economy begins to show characteristics of a capitalistic attributes. There is also more savings to be invested into infrastructural development.
- **Take off stage:** This is where economic growth becomes more sustaining in development. Key industries begin to emerge, most times based on the available raw material; for example, establishing a steel industry where there is available iron ore. It can also be in the form of technological breakthrough just as the British during the industrial revolution. There is expansion of the secondary industry, increased urbanization, focus on textile production; all leading to a more self-sustaining economy.
- **Drive to maturity:** This is the stage of diversification and expansion into more sophisticated technological industries. At this stage, the economy has transformed into a more productive economy, with more skilled workforce, and less dependence on imported goods.
- **The age of high mass consumption:** This final stage marks the height of development with a high standard of living. The service and consumer good industries replaces/overtakes the productive industries as the driver of economic growth and development⁶.

Although Rostow has been criticized by scholars who disagree with his theory, the major world economies seem to be consciously or unconsciously adopting these stages towards economic development. From Rostow's view, Nigeria seems to be in the second stage of "preconditions to take off" or perhaps not even up to the stage yet. This stage is where there should be a rise in the quality of skilled labour which would pioneer and drive the economy towards sustainable development, technological innovations and economic

expansion which ushers in the next stage. Where there is no investment towards education that ensures skilled labour, the economy could face retardation, lack of expansion and growth, dependence on imported goods, low standard of living and poverty.

From Independence, the only thing that has changed is the shift in export product from agricultural export produce to oil. In fact, the agricultural era was more sustaining than the oil economy because the oil era has been characterized by a lot of mind-blowing problems like extreme North-South dichotomy, ethnic crisis, militancy, insurgency, extreme corruption and a huge gap between the rich and the poor.

The fact still remains that there is no sustained economic development without industrial growth, economy diversification, and a reasonable economic self-sufficiency. These can only be achieved by the involvement of higher institutions of learning from where all the relevant knowledge abounds. The government can through improved higher institutions and their co-operations/collaborations provide sustainable solutions through research and development for an improved economy.

Higher Education in Perspective

Higher institutions according to UNESCO means all types of studies or training for research at the post-secondary level provided by universities or other educational establishments that are approved as institutions of high education by the competent state authorities⁷. Higher institutions have three important functions: education, research and contributions to society. The last listed function makes the institution relevant to growth and development as it avails the opportunity to give back to the society the accumulated knowledge acquired through research that aids development.

Higher education is the only level of education that has other functions other than “education”. The primary and secondary education only functions as education systems, while the higher education involves creation of new knowledge as well as its application to form a knowledge-based society that drives economic growth and development⁸. To support the above fact, UNESCO professed thus:

without adequate higher education and research institutions providing a critical mass of skilled and educated people, no country can ensure genuine endogenous and sustainable development and, in particular, developing and the least developed countries cannot reduce the gap separating them from the industrially developed ones⁹.

Again, higher education is so to say the first step towards a nation's economic development. This is why developed and even transitioning countries of the world have invested a lot on their education system, which has resulted into greater progress of their economy. Investing in education is investing in human capital¹⁰; this would be utterly useless if the knowledge is not invested in the competitive market as a means to yield economic growth.

In Nigeria, the rate of enrollment into the higher institutions has increased without a corresponding increase in the utilization of the knowledge acquired from higher education. This has made the available human resources to be redundant and lack the relevance of providing appropriate solutions to national issues and challenges. Generally, the primary impacts of higher education include: self-knowledge, employment opportunities and civic participation. However, higher education goes further to

- Provide evidence-based information that could inform public policies and would critically assess issues and proffer working solutions.
- Higher institutions in partnership with the government or businesses help to drive essential industries while the knowledge obtained is put into proper use for greater output¹¹.

Higher education on their own capacity could promote strong institutions by building a stage for democratic dialogue and sharing of ideas through events, reports and publications with policy makers¹². This would go a long way to bring to the fore intellectual ideas into governance to build a better socio-political environment.

Challenges of Nigerian Universities

Nigerian universities seem to be among the worst according to world university ranking. In 2018, the only Nigerian university that came up in Webometric Annual University ranking was the University of Ibadan, which occupied the 1099th position in the world¹³. This says a lot about the other universities in the country which were not even ranked at all. For a higher institution to lead or contribute to the socio-economic wellbeing of any country, it must be duly equipped with the right infrastructures that would enable the inculcation of the right knowledge that would drive the economy.

One of the major challenges of the Nigerian higher institutions is funding and management of fund. UNESCO has recommended 26% of the total national budget to be allocated to be allotted to education. This is in view of the relevance of education to national development. The total allocation for education in Nigeria has never exceeded

10% of its GDP, which is a far cry from UNESCO's recommendation¹⁴. This is the reason why the Nigeria higher institutions have been faced with gross financial crisis which has resulted in poor learning environment, inadequate classrooms, analogue teaching facilities and poor laboratories. These have hindered the performance of higher institutions over the years and has also created incessant crisis between the government and the unions such as the ASUU has engaged in series of strike actions over the years due to lack of infrastructure in the universities as well as for inadequate payment of benefits accrued to academic staff all over the country. Some strike actions have lasted over 3-6 months in a particular academic year; thus, impeding the rate of students' performance in academics. On the other hand, there should be adequate monitoring of the allocated funds usage in order to achieve maximum utility from the available fund. The institutions also could seek funds through cooperate bodies, philanthropists, and alumni association¹⁵ to enhance their infrastructural facilities and improve teaching and learning process.

Another important point is the rate of infrastructural decay in the Nigerian universities especially the first generational universities. For instance, in the University of Nigeria Nsukka, there exist not less than fifteen (15) gigantic buildings which are not in use and had become dilapidated. Yet, more buildings are being erected, many of which had been under construction for many years. The problem perhaps is that every new administration tries to do something new instead of completing the predecessor's infrastructural ventures. This has however led to waste of resources which would have been diverted to other relevant areas like providing ultra-modern technologies for teaching and research and for laboratories.

In addition, there has been quite an increase in the migration of lectures and students alike to other countries of the world, including African countries. Some academic staff travel to other parts of the world giving the impression of engaging in further studies, but never returns even after their studies. The students on the other hand have an ever-growing intention of migrating to foreign countries immediately after higher education. A case in point is that of a graduating student of medicine in Nnamdi Azikiwe University, who during their induction ceremony disclosed that about 60% of the graduates already have prepared plans to travel abroad for further studies and for employment¹⁶. This goes a long way to ascertain the level of dissatisfaction of both the staff and students of the higher institutions on the education system of Nigeria. More so, the dwindling security issues in the country have in no small measure contributed to the growth level of migrations among graduates.

Efforts in Research and Development

Spending on education could be varied. It could be calculated by the percentage of the country's GDP by the actual amount spent. In other words, a country spend a higher percentage of her GDP on education which may total a smaller amount of money compared to another country that spends a smaller percentage of her GDP but totals a greater amount. This implies that percentage of GDP does not determine the actual money spent on a particular sector of the economy. Also, population as well as the revenue derivation of a country is very paramount in the determination of the ranking of a country's dedication to a particular sector.

Expenditure on research and development (R&D) is the total efforts made by the government and the private sector towards achieving a competitive advantage in science and technology¹⁷. Many countries of the world are making great efforts to improve their economy through investing in research and development. The United States of America is said to be the highest spender on education with \$600 Billion which is equivalent to 6.1% of her GDP. This is above the average of 5.0% recommendation made by the Organization for Economic Cooperation and Development (OECD). South Korea on the other hand is the world leading spender on R&D based on GDP percentage terms with 4.36%, which is above the OECD average of 2.4%; while the US, followed by China and Japan are highest spenders on R&D in dollar terms¹⁸. Moreover, China has invested a lot on R&D. About 1.16 million people were fully engaged in R&D, of which 920,000 of them were scientists and engineers. China's prospect is to invest up to 2.5% of its GDP on R&D by 2020¹⁹. In China, merit and skill acquisition are paramount, while acquisition of knowledge, skills, qualifications and achievements are very essential²⁰.

Conclusion and Recommendations

Government spending on education is the most important factor that increases the literacy rate of a country. Attainment of basic education in most part of the world has turned from being a right to being a duty. Meanwhile, the world has entered into a new era guided by knowledge. The old form of education which is just information transfer is no longer complete by itself in today's world. Thus, collaboration with industries and government is intensely required in order to meet up with the future world²¹.

Let me borrow Rebecca Winthrop and Priya Shankar's idea on innovation where they stated the top five innovations needed to keep up the economy, they include:

Skills: this goes beyond crafty skills but skills like critical thinking and communication which should be imbedded on the students to be able to think ahead of the current

situations. Education should thus go above the old pattern of learning and involve more of brain work.

Teachers: the education workforce should be expanded and strengthened by providing the teachers facilities that would provide easy access for teaching and learning while encouraging critical thinking. This would turn the teachers from being “transmitters of content to facilitators of learning”²².

Technology: students should be provided access to basic technologies that would enhance their learning process and spur them to action

Partnership: the government should partner with the educators and the non-state actors and also provide appropriate regulations and policies to meet the challenges ahead.

Flexible accreditation system: higher education systems are encouraged to support online training, and employment to enable flexible opportunities and maximum production²³.

From the foregoing, the nexus between economic development and higher education has become clearer. Higher education mostly hindered by technological and infrastructural challenges which can only be resolve by the willingness of the government to show interest in using institutions as tool for solving socio-economic and political challenges militating against economic development.

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