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## Higher Education: An Investment in Human and Social Capital in Nigeria

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### **Abstract:**

*Investment in higher education is a key contributor to the nation's economic growth, national development, as well as global competitiveness. It is against this backdrop that this paper critically examines higher education as investment in human and social capital in Nigeria. Higher education which involves institutions like universities, polytechnics, colleges of education, Monotechnics and other various bodies offering correspondence courses, contributes immensely to national development and inculcation of proper values for the survival of individual and society. The concepts of human and social capital are reviewed. The development and economic roles of higher education, types of social capital and social capital development roles of higher education are examined. However, the challenges affecting the investment in higher education are adumbrated. The paper concludes that high-level human capacity building economic success and the social progress of any nation like Nigeria is directly determined by the quality of higher education which is the only hope for national development. It therefore, suggests among others, that higher education in Nigeria should be adequately funded to strengthen the investment in human and social developments.*

**Keywords:** Higher education, investment, human and social capital, Nigeria

### **1. Introduction**

Higher education otherwise called tertiary education is that education offered after secondary school education which could be received in such institution like universities, polytechnics, colleges of education, monotechnics as well as other various bodies offering correspondence courses. The term 'higher' generally implies that something of the same kind exists in a lower level which higher education supplies in a better higher form. In order words, higher education involves the education given at a higher level which is mainly post-secondary education.

The Federal Republic of Nigeria (2014:36), in her National policy on Education adumbrated the following as goals of higher education in Nigeria, thus: to contribute to national development through high level relevant manpower training, to develop and inculcate proper values for the survival of the individual and society, to develop intellectual capability of individuals to understand and appreciate their local and external environments, to acquire both physical and intellectual skills which will enable individuals to be self-reliant and useful members of the society, to promote and encourage scholarship and community service, to forge and cement national unity, and to promote national and international understanding and interaction. Higher education is meant for training high level manpower that is relevant in managing the economy. Thus it is very important in national development.

In furtherance to the above, Peretomode (2008) puts forward a more concise and apt goals of higher education which is stated as follows; teaching people to think further, broader and deeper than they have been so far brought up to do, giving each student training of mind and cultivation of independent mind to enable the individual think more critically and rationally, understand how conclusions are reached and make informed choice, developing in students positive attitudes, emotional integrity and interpersonal skill, providing an ethical education, that is, a person who is not just a thinking creature, but one who is refined and knows the difference between right and wrong, and finally, developing in students a capacity and interest in serving others.

There cannot be any gainsaying that from every indication, the core purpose of higher education as revealed from these two positions is to transform lives for the benefit of the individual and society at large. It is also responsible for human resource development as well as the provision of the much needed manpower; higher education is regarded as an instrument of social change and economic development (Amaehule & Williams, 2016).

Specifically, higher education in Nigeria is an investment in human and social capital developments and a key contributor to the country's economic growth. Higher institutions in the country have been saddled with the main responsibility for training the nation's professional personnel such as managers, scientists, engineers and technicians who participate in the development, adaptation and diffusion of innovations in the country. Infact, the development of higher education in the country is correlated with economic development. The economic development occasioned by higher education include human capacity building, skilled manpower development, sustainable economic development, growth in GDP, high level productivity, and increased wages or income. Similarly, higher educational institutions play significant

roles in social capital development especially, as they serve as viable tools, instruments or vehicles for positive acculturation, societal change, value consensus and social solidarity (Okebukola, 2011). It has also improved our social interaction processes thereby making the world a global village via the social media and even the use of computers and projectors to facilitate the knowledge generation and dissemination processes.

Higher education therefore, is an economically and socially productive investment and not expenditure. It is against this backdrop and in the light of the foregoing that this paper critically examines higher education as investment in human and social capital in Nigeria.

## 2. Concept of Human Capital

The human capital theory was first propounded by Adams Smith as far back as 1776. The theory according to the proponent focuses on the skills and knowledge possessed by man and the efficient application of it in the production economics. This theory states that education, or training imparts useful and desirable skills and knowledge in the workers for enhanced productivity. Schultz in Giami (2017) emphasized that the training of human capital through education brings about economic growth as a result of the skills and knowledge acquired by the individual to enhance their value in the labour market. In his publication titled 'Human Capital' a theoretical and empirical analysis, Becker (1964) viewed human capital as the physical means of production whereby an additional investment (input) guarantees additional output.

Agabi (2002) sees human capital as both the mental and physical abilities (i.e. skills, acquired knowledge and dexterity) of the human populace of a society, which enhances productivity. Investing in human capital can be seen as human capital development. Undoubtedly, this increases the number of persons or individuals with requisite skills, education and experience that are critical to the socio-economic development of a country. Human capital is also the most essential element for the success of any given organization. Hence, it involves employees' mental and physical abilities, skills, knowledge and attitude acquired through quality education and training for the actualization of self and organizational goals respectively.

Schultz in Agabi (2002) identified five investment activities that constitute the process of human capital formation. These activities include;

(1) Expenditure on health facilities and service that improves the life expectancy, strength, stamina, vitality and vigour of the people (as a workforce). (2) Expenditure on formal education and training at all levels. (3) Non-formal education and training in form of on-the-job training, industrial work experience or internship scheme and the old type apprenticeship systems provided by firms. (4) Study programmes for adults, not organized by firms (adult education or mass literacy programmes) including extension service programmes. (5) Expenditure on career information and guidance and other related components that enhances both the geographical and occupational mobility (and migration) of the work force to adjust to changing job opportunities, (p. 69).

The avalanche of scientific postulations and principles that emerged to establish and explain the nature of relationship between the development of human resources and the growth in productivity defines the theory of human resources and the growth in productivity defines the theory of human capital. Thus, when societies consciously invest in human capital with a view to acquiring and increasing the number of the persons who have the skills, education and experience which are critical for the economic and social development of a country, they are said to be engaged in a process of human capital formation or human resources development, or human capital accumulation.

Higher education unarguably produces a labour force that is more skilled, more adaptable to the needs of a changing economy, and more likely to develop the imaginative ideas, techniques and products, which are critical to the process of economic expansion and social adaptation to change. Therefore, it is considered an investment good. Consequently, any resources out-lay meant to create, develop or improve on the human productive qualities constitute an investment in human capital.

## 3. Higher Education and Development Roles

No doubt, higher education involves all types of studies, training or training for research at the post-secondary level, provided by universities or other educational establishments that are approved as institutions of higher education by the component state authorities. The contributions of higher education to development in the words of Okebukola (2011) include;

### 3.1. Production of Skilled Human Resource

Higher education has an important role to play in developing and delivering the human power needed to attain national (e.g. NEEDS) and global development agenda (e.g. MDGs). For example, teachers and educational administrators are needed to improve education, health workers to improve the health care delivery system and engineers to design and build the infrastructure needed for development. Higher education institutions have the production of such human resources as their goal.

### 3.2. Stimulating Economic Growth and Reducing Poverty and Hunger

Human capital in the form of knowledge and skills is a basic input in any production process. Investments in higher education and training are crucial for socio-economic development, which in turn is a prerequisite for sustained poverty reduction. The question whether public investments yield better returns in primary, secondary or tertiary levels of education has been hotly debated over the last twenty years. The emerging consensus is that in a growing economy,

investments in higher education provide very good economic returns; often better than investment in lower levels of education. Therefore, investments in education help to stimulate economic growth, and economic growth stimulates parents and students to invest in education. This is not only logical, but it reflects the historical experience in Nigeria and sub-Saharan Africa at large.

### *3.3. Significant Return on Investment*

In the last ten years, however, the vital role of higher education and research in attaining the MDGs is increasingly recognised. Economic returns to investments in higher education are much higher when compared to other levels of education. Knowledge is the key production factor in a global economy. Therefore, developing countries that do not invest in higher education and research will be marginalized. There is an obvious emphasis on the need to invest more in post-secondary education and specifically in science and technology especially, because of the immeasurable returns on investment.

### *3.4. Contributions to Development through Research*

Research is a vital part of the role of higher education if not its hallmark. Research has contributed immensely to development. Improved scientific knowledge will be indispensable for monitoring and managing complex ecosystems, for predicting the impact of climate change and biodiversity loss. Access to water and sanitation will require continuous improvements in water delivery, treatment and sanitation systems. Many health interventions including treatment and prevention of malaria, HIV/AIDs and drug resistant tuberculosis require new treatment and vaccines. Science and technology policy needs to be oriented towards finding vaccines and cures for these diseases, while simultaneously creating new institutional frameworks from which new research collaborations can spring. ICT can improve the entire continuum of education from primary to tertiary stages by providing remote access to educational resources and expertise, and facilitating distance education.

## **4. Higher Education and Economic Development Roles in Nigeria**

The economic development roles of higher education cannot be overemphasized or quantified in any form. Higher education raises recipient level of productivity, creativity, initiative and innovation. It provides the skills and techniques required to improve competencies. It also provides the required manpower to meet the economic needs of the society. The educated man provides society with human capital as a result of his income which represents not only but also his potential for further achievements. It contributes to human resource development.

Investment in higher education is a key contributor to economic growth. Uche (2013) observed that though investing in education at any level in any country is cost intensive especially in developing nations like Nigeria, investing in higher education is more demanding because it is seen as a base for knowledge production, high-level human capacity building for globally competitive research, innovation, development and production of well prepared-personnel to fill the labour market. Nations have also realized that the economic success of the states is directly determined by the quality of their higher education system and that the most effective factor of production is human capital expressed in knowledge, skills, creative abilities and moral qualities of individuals in society, (Ajienka, 2017).

In the past decade, higher education institutions have been facing serious pressure because of these expectations from it especially, in concerns like knowledge-based economy, knowledge driven society and information and communication technologies. Policy makers are therefore viewing higher education institutions as the only hope for national development through research and innovation and the continuous education of the workforce. The widespread recognition that higher education is a major driver of economic competitiveness in an increasingly knowledge-driven global economy has made the need for investing in it more paramount, (Uche & Osaat, 2018). Who should invest in higher education is determined by the level of returns or benefits expected from the education through the life of the educated, the individual's contributions to development and productivity of the workforce (Uche, 2013).

In sum, higher education is responsible for the training of the nation's professional personnel needed to man the intricate apparatus of the modern society. They participate in the development, adaptation and diffusion of innovations in the country. These professionals include; managers, scientist, engineers, educationists, lawyers, medical personnel, agriculturists, security experts, environmental specialists, technicians, and so on. In fact, the development of higher education has a strong and positive relationship to economic development of any nation like Nigeria.

## **5. Concept of Social Capital**

The concept of social capital became fashionable only recently, but the term has been in use for almost a century. James Coleman is widely accepted as the initial theoretical developer of the social capital theory in 1988, though the concept may first have appeared in a book published in 1961 in the United States that discussed how neighbours could work together. The author of the book, Lyda Hanifan referred to social capital as those tangible assets that count for most in the daily lives of people, namely goodwill, fellowship, sympathy and social intercourse among the individuals and families who make up a social unit.

Social capital is a concept that aims at emphasizing the importance of social contacts between groups and within groups. To Briggs (2004), social capital is the collective value of all social networks (who people know) and the inclinations that arise from these networks to do things for each other (norms of reciprocity). This, in the opinions of Adler and Kwon (2002) implies that social contacts can lead to increase in confidence and fulfilment by fostering positive relationships. The essence being that just like any other capital form (human, physical and financial), social capital is also

beneficial to the sustenance of society. Thus, it has been used to explain the improved performance of diverse groups, the growth of entrepreneurial firms, superior managerial performance, enhanced supply chain relations, the value derived from strategic alliances and the evaluation of communities.

Putnam (2000) sees social capital as a concept that greases the wheels that allow communities to advance smoothly. When social capital exists in a society in the form of norms, sanctions or trust and trustworthiness, everyday business and social interactions becomes less costly.

Furthermore, social capital improves people's knowledge and perspective by raising and widening their awareness. The strong bonds and links that people have with other individuals and organizations maintain certain character traits such as tolerance, empathy, reciprocal respect and eagerness to engage in dialogue with other members in a society. In contrast, people with less connection or interconnectedness with others find themselves less able to test the accuracy of their own views and opinions. Without such an opportunity, people grow less tolerance, more cynical and more likely to be swayed by negative or unhealthy impulses.

Also, associational and relation networks that comprise social capital serve as channels for the flow of helpful information amongst people, and this facilitates the pursuit of individual and collective interests. Put succinctly, social capital in the words of Bankston (2004) is an essential component for a healthy, safer, developed and modern society. Generally, social capital refers to resources (the value of these resources), both tangible (public spaces, private property) and intangible (actors, human capital, people), the relationships among these resources and the impact that these relationships have on the resources involved in each relationship and on larger groups (Briggs, 2004). It is therefore the aggregate of the actual or potential resources which are linked to the possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition.

Laconically, social capital involves the institutions, relationships and norms that shape the quality and quantity of a society's social interactions. It is however not just the sum of institutions which underpin a society but it is also the glue that hold them together. This also enables economic factors to work towards the prosperity of societies, thus, referring to relations with colleagues, acquaintance or contacts which can provide opportunities to access financial and human resources. There is increasing evidence which shows that social cohesion is critical for societies to prosper economically and for development to be sustainable.

## 6. Types of Social Capital

Halpern (2005) identified three main types of social capital, viz;

### 6.1. Bonding Social Capital

This type of social capital is horizontal in nature. This form of relationship commonly exists in the communities where people have intimate relationship with one another. Similarly, there is a high level of trust among the members of the group as a result of continuous interaction among group members. Bonding is known as connection within the group. This type of relationship brings people with shared demographic variables among who are family, relatives and kinship together. Bonding who exists among people in a homogenous environment. Woolcock and Sweetser (2002) pointed out that bonding exists among family members, friends and other close allies. Conclusively, it is a type of relationship among people with a strong and close tie.

### 6.2. Bridging Social Capital

The concept of bringing as a type of social capital is used to refer to a form of relationship that exists between people who have varying demographic attributes. Bridging is known to be a form of relationship which is vertical in nature and forms a hierarchy with no related norms. It is known as a type of social capital which brings people who exist across diverse social divisions together with a thin line of trust. On his part, Field (2003) pointed out that this type of social capital focuses on relationship between people who are loosely connected with diverse identities among who are neighbours, colleagues, and so on. This type of relationship also exists across race, religion and class. It is an open relationship that is outward looking and vertical in nature. It usually exists among people who do not share the same demographic variables but they coexist in the same environment.

### 6.3. Linking Social Capital

This is a type of social capital that connects people in power together, (Woolcock, 2001). This includes those who are in politically or financially advantaged position. Linking exists among people who are in an explicit, formal or institutionalized power and authority setting. This type of relationship is one that is characterized by power differences. This type of relationship mostly exists with those in the position of power such as the government or those acting on behalf of the government as well as those who have a high level of power and influence more than the other members of the society.

## 7. Higher Education and Social Capital Development in Nigeria

Higher education is sine qua non in promoting social capital development in Nigeria. The contributions of higher education to social capital development are multi-fold. This is especially true as a result of the norms, values, attitudes, ethics and knowledge that higher education institutions impart to their customers (students and researchers) which constitute the social capital necessary to construct healthy civil societies and socially cohesive culture (Hopper, Salmi &

Basset, 2008). Investments in higher education generate major external benefits that are crucial for knowledge-driven economic and social developments.

Practically, higher education which is a fundamental tool for social capital development facilitates nation building by promoting greater social cohesion; trust in social institutions, democratic participation, good governance and open debate, appreciation of diversity in gender, ethnicity, religion and social class. The ultimate responsibility of higher education institutions is to contribute meaningfully to the total development of the society. It also plays a vital role in group, occupational effectiveness and development of individual self-confidence. It brings about changes in attitude, invention, motivation and technological innovations.

Higher education modifies our belief system, life style and structural composition. It instils discipline, hardwork and morality. These variables determine the value system and the occupational orientation and therefore have implications for the educational and training needs, demands, constraints and problems vis-à-vis serving as a viable and veritable instrument as well as vehicle for societal change, value consensus and social solidarity. Higher education has also improved upon our social interaction processes thereby making the world a social/global village via social media i.e. Facebook, WhatsApp, Instagram, Twitter, blogs, even the use of computers and projectors in teaching and learning, among others.

Hopstede (2000), concludes that higher education as investment in social capital enriches the individual through; (1) The inculcation of the right type of values and ideologies for personal development and progress. (2) The acquisition of skills needed to fit neatly into one's immediate society. (3) Acculturation and progressive exposure to outside influence from which one can intelligently borrow to expand the horizons provided by one's immediate society. (4) Intellectual skills acquisition of knowledge in a variety of forms and by a variety of means. (5) Affective traits development, progressively improving on the capacity to imbibe attitudes, values and other behavioural traits that facilitates one's relationship with fellow human beings as well as one's capacity for continuous self-development. (6) Progressively, awakening the physical prowess of the individual and progressively working towards a perfect coordination of the activities of the body with those of the mind. (7) Inculcation of lifelong learning skills (also learning to learn skills), a constellation which helps one to develop the spirit of inquiry and perpetual thirst for knowledge. (8) Improved civic participation and democracy. (9) Improved social interaction processes thereby making the world a global village, (p. 89).

## 8. Challenges to Human and Social Capital Development in Higher Institutions in Nigeria

As vital as higher institutions are in development of human and social capital in Nigeria, it is bedevilled with the following challenges;

- Lack of adequate funding; this affects the provision of quality higher education which hampers human and social capital development in Nigeria.
- Insufficiency in human capacity or capital development.
- Poor planning and implementation of needed policies and programmes that are critical to improving quality and expansion in higher education.
- Brain drain syndrome and insufficient staff/human resource development necessary to transform curricula and pedagogy.
- Negative influences of the social media; intrusion of unwanted western culture and ideologies and its effects on the citizenry.
- Weak institutional capacities in addressing complex sustainable development issues in Nigeria.

## 9. Conclusion

It is incontrovertible that higher education is the most vital tool for the economic and social transformation of any nation like Nigeria. Investment in human and social capital involves the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic wellbeing. Therefore, high-level human capacity building, economic success and the social progress of Nigeria is directly determined by the quality of higher education which is the only hope for national development.

## 10. Suggestions

In the midst of these consuming challenges facing higher education institutions in Nigeria, the following ways forward are presented as suggestions, viz;

- There should be innovative and adequate funding of higher education to ensure quality as well as strengthening the investment in human and social capital development in Nigeria.
- Sufficient investment in high-level human capacity building.
- Proper planning and implementation of useful policies and programmes in higher education.
- Adequate staff or human resource development.
- Stringent measures to contain the negative influences of the social media and national value re-orientation.
- Stronger institutional capacities for sustainable development in Nigeria.

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