

THE ROLE OF HUMAN CAPITAL DEVELOPMENT ON GOOD GOVERNANCE IN NIGERIA

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ABSTRACT

Human capital development consists of all the attributes, values, knowledge, skills and health that people accumulate throughout their lives, to enable them realize their potentials as productive members of the society. Education, training, experience and health are important to invest in human capital as it is one of the most important aspects of business. If humans are equipped with the necessary life gadgets that they require to function well, it will create enabling society, with increased human resources, political, social, cultural and economic growth. Human capital development plays an important role in good governance, for a well-equipped citizen can create a better society for all. The overall aim of this paper is to demonstrate, drawing from many studies, that human capital development plays a vital role in good governance. Hence this paper attempts to highlight and appreciate the role and necessity for human capital development on Good Governance in Nigeria economy. The study therefore made some recommendations to improve on human capital development on good governance.

Keywords: Human Capital Development, Good Governance, Nigeria

1.0 INTRODUCTION

Manpower development or rather human capital formation refers to the process of acquiring and increasing the number of persons who have skills, education and experience which are critical for the economic and political developments of a country. Human capital formation is thus associated with investment in man and his development as a creative and productive resource" (Harbison, 1962) Sequel to this definition, the complementary aspects of manpower development can be identified.

The first aspect involved is the acquisition of skills and knowledge while the second aspect relates to the motivation of experts to apply the acquired knowledge and skill more effectively for the development of the country.

Empirical evidence has shown that policy makers have approached the manpower problem, from the stand point of increasing the supply of graduates of educational institutions. Thus this official perception of the Federal Government laid the major defects of Nigeria's manpower development performance. This paper contains nine sections including abstract introduction, theoretical frame work, literature review, problems and prospects of manpower resources, role and necessity of man power resources, strategy options of improving the manpower resources, principle of good governance, summary and conclusion.

2.0 THEORETICAL FRAME WORK

The theory of investment in human capital is of a recent origin. Though the classical economists were the first to analyze the problem of labor's share in national income. Adam Smith in his wealth of nations analyzed the problems of growth and showed that profit and rent were deductions from labor's produce. The new-classical approach to the share of wages in national income is generally split up into the marginal productivity theory and Kaleck's theory.

3.0 LITERATURE REVIEW

Studies carried about by Schuktz, Harbison, Denison, Kendrick, Abramovitz, Becker, Brownman, Kuznets and a host of other economists reveal that one of the important factors responsible for rapid growth of the American economy has been the relatively increasing outlays on Education. They told us that a dollar invested on education brings a greater increase in national income than a dollar spent on dams, roads, factories or other tangible capital goods. In Galbraith's words, " we now get the larger part of our industrial growth not from more capital investment but from investment on men and improvements brought about by improved men". Even the earlier economists like Adam Smith, Veblen and Marshall stressed the importance of human capital in production. Adam Smith included in a country's stock of fixed capital the acquired and useful abilities of the inhabitant. To Veblen, technological knowledge and skills formed the community's immaterial equipment or intangible assets without which physical capital could not be utilized productively.

Marshall regarded education as national investment and the most valuable of all capital is that "invested in human being". Economists are generally of the view that it is the lack of investment in human capital that has been responsible for the slow growth of less developed countries. Nigeria is a good example of such a country where human capital development has been neglected. It is on record that tertiary institutions were on strike during the military dictatorship and civilian democracy in Nigeria. 2022 strike action by ASUU which lasted for 9 months is a disservice to Nigeria's educational system and economy. And this virtually brought the country backward. It is also very necessary to invest in human capital to raise the general living standard of the people in less developed countries. To achieve this objective, education and training should make appropriate and rational utilization of surplus manpower by providing larger and better job opportunities in both rural and urban areas. These in turn will raise income and living standard of the people. In Nigeria the transformation of human beings to contribute more effectively to economic and social progress is seen in two different angles or aspects. The first is the acquisition of skills and knowledge while the second relates to the motivation of people to apply the acquired knowledge and skill more effectively. The official perception of, and strategy towards the man power problem in Nigeria can be summed

up by the following statement from the Fourth National Development Plan. "Our development planning efforts are laying increasing emphasis on human resources in appreciation of the vital role of the latter in the development process..." (Federal Republic of Nigeria, 1981:421).

This policy resulted in the establishment of a federal university and other tertiary institutions in each of the states of the Federation. According to Harbison (1972), "human resources... constitute the ultimate basis for wealth of Nations. Capital and natural resources are passive factors of production while human beings are the active agents that accumulate capital, exploit natural resources, build social, economic and political organizations and carry forward national development. Clearly this statement is true but Nigeria's approach, going by her official perception in the statement of the fourth national development plan is a mismatch between supply and demand of trained manpower. This point will be expatiated later.

3.1 Problems And Prospects of Human Capital Resources Development In Nigeria.

The major defects of Nigeria's manpower development have been identified as

- (a) The mismatch between the supply of, and the demand for, trained manpower and
- (b) The related problem of unemployment (Yesufu, 1974: Okorafor and Iwuji, 1977; Diejomoah, 1978).

One of the manpower development problems highlighted is the fact that the national manpower board's "rule of thumb" guideline that university enrolment should be shared in the ration of 60:40 between the science and technology group of disciplines (that is, natural and physical sciences, engineering and survey, environmental studies, medicine and pharmacy, agriculture and veterinary medicine), and the liberal arts group (that is, humanities, administration, social sciences and law) has remained persistently unachieved.

3.4 Environmental Constraints of Manpower

One of the major constraints of manpower performance and development in Nigeria is reflected on the implementation of the concept of "federal character" which is embedded in the 1979 constitution. Section 14 of this constitution specifies that "the composition of the Government of the federation or any of it agencies and the conduct of it affairs shall be carried in such manner as to reflect the federal character of Nigeria and the need to promote national unity thereby ensuring that there shall be no predominance of persons from a few states or from a few ethnic or other sectional group in Government of any of its Agencies, (Federal Republic of Nigeria: 1979:8) When we analyse this above statement, there is no doubt that the framers of the constitution meant well by this provision, at least as a way of moderating intense inter-ethnic competition for scarce national resources.

Needless to say that ethnic competition for scarce resources become more formidable and chaotic in the post - colonial era when Nigerians assumed the responsibility of making policies that affected the distribution of the national wealth. However, another added dimension to this competition was the mutual fear of domination by the various ethnic groups. Viewed in this light of domination, the federal character provision in the constitution can be viewed as a welcome measure aimed at reducing an obviously destabilizing situation. However, the faulty

implementation of this measure has been unsatisfactory, at least from consideration of its implications for manpower development. In negation to the principle of federal character, appointments to posts in the civil service, parastatals and even commercial companies in which the federal government has equity interest, have been done on political representation rather than competence. This practice of "Federal Character affects productivity adversely in two ways i.e. expertise is unduly sacrificed where a job is given to unqualified persons, resulting in low performance, and in the second place it dampens the morale of those unjustly by-passed in such appointment resulting in frustration and diminished productivity. Federal character method of employment of labor in Nigeria has relegated merit system to the background.

3.5 The Role and Necessity of Human Capital Resources Development In The Economy

The need for investment in human capital formation is more obvious from the fact that despite the massive imports of physical capital in the underdeveloped economies, they have not been able to accelerate their growth rates because of the underdeveloped human resources. Human capital is needed to staff new and expanding government services, to develop new means of communication, to carry forward industrialization. Innovation of the productivity system requires very large doses of strategic human capital. Physical capital can only be productive if the country possesses sufficient human capital. Nigeria like any other underdeveloped countries is strongly committed to the programmes of construction of roads, dams, power houses, factories of light and heavy industries, hospital, schools, colleges and loss of other activities of development. But for these to take place it needs engineers, technicians, technical supervisors, managerial and administrative personnel, scientists, doctors, nurses, economists, statisticians etc.

In the dearth of this varied type of human capital, physical capital cannot be productively utilized. Under - developed countries usually import huge physical capital for development but cannot utilize them due to lack of the "critical skills" required for its operation. The economies of the world power as America, Britain, Germany, Russia, Japan etc are booming as a result of their expertise manpower training and patriotism. Trained manpower is the life wire of any economy and so the role of human capital is unqualifiable.

3.6 The Strategy Options to Enhance The Environment of Manpower Development

The fear of domination by one or two ethnic groups over the others in the distribution of jobs, whether of state or commercial organization, is a sensitive issue and it justifies the federal character somehow. To achieve the principle of federal character, jobs could be classified into two types i.e those that require decision - making and those that require operational skills. The federal character principle could be applied to decision - making types while those jobs that should be short - listed and from this set of competent people, jobs should be respectively assigned. A system of governance that will ensure that the activities of the leaders are not at variance with the interest of the generality of the people's need. In other words it necessary to achieve and maintain public probity and prudence so as to prevent the demoralization of workers and to make hard work and initiative as precondition for acquiring jobs, wealth and fame. There is need to restructure the reward structure of our economy. This has been advocated by many manpower resources economists (Onyemelukwe, 1966: 287-288, Okorafor and Iwuji 1977:108). Such advocacy has been a means of encouraging people to take up certain

technical carrier so as to achieve a more optimal mix. Furthermore this paper suggests that one of the important aspects of manpower development, the reward structure should be encouraged and modified in such a way as to motivate all occupations starting from cleaners, messengers, clerks, typists etc.

Emphasis should be placed on students at all levels of education to undertake real production activities as part of their programme. This will make the school population to cease being parasitic on the rest of the society. This type of productive activities programme carried out in Cuba achieved a tremendous success (Huberman and Sweezy 1969:42). This scheme if introduced in Nigeria will ensure that graduating students will readily continue with some sort of jobs such as farming, automobile maintenance, typing etc rather than looking for the scarce white collar jobs.

Manpower planning is another good strategic option to get rid of waste of manpower resources. Harbison in his work points toward a three - pronged strategy for human resource development to overcome the manpower shortages and surpluses in Less Developed Countries (LDC). These strategy options include:

(1) the building of appropriate incentives; (2) the effective training of employed manpower and (3) manpower development are interdependent and progress in one is dependent upon progress in the other two.

Building of incentives involves according to various skills as doctors, economists, administrative personnel, scientists etc encouragement and according to them the due status by good salary structure to boost up their morale and enthusiasm. In Nigeria incentives are not given to the skilled professionals and this explains the reasons for the brain drain. This equally applies to university teachers, nurses, and technicians. The second aspect, i.e training of employed manpower is aimed at upgrading the qualifications and improving their performance. This can be achieved by in-service training, on-the-job training and short seminar programmes and workshops. The third aspect involves the restructuring of the education programme to be result and production oriented. Students should be encouraged to learn trades while in school. This will help solve the unemployment problem and will accelerate economic growth.

Another strategy option is that the Government should make poverty alleviation more result oriented by making the participants to learn various trades rather than paying them a definite amount monthly. Effective utilization of human resources is another important strategy option in human resources development. The effective development of the labour force entails employing people according to their specialty and not by ethnicity or political affiliation. This if done will enhance productivity and growth in the economy.

3.7 What is Good Governance

Recently the term "governance" and "good governance" are being increasingly used in development literature. Bad governance is being increasingly regarded as one of the root causes of all evil within our societies. Major donors and international financial institutions are increasingly basing their aid and loans on the condition that reforms that ensure "good governance" are undertaken, (UNESCAP 2012).

4.0 GOVERNANCE

The concept of "governance" is not new. It is as old as human civilization. Simply put "governance" means. the process of decision-making and the process by which decisions are implemented.

Since governance is the process of decision-making and the process by which decisions are implemented, an analysis of governance focuses on the formal and informal actors involved in decision-making and implementing the decisions made and the formal and informal structures that have been set in place to arrive at and implement the decision.

4.1 Good Governance

Good governance has assumed an entrenched position as an indicator for measuring the development progress of any nation as well as a central factor for development. As Oberota (2003) in Obinna Ukhurebor and Nwosu (2019) argues that: "Politically, people may disagree about the best means of achieving good governance, but they quite agreed that good governance is absolutely imperative for social and economic progress". That is why many nations are striving to be seen to offer good governance to its citizenry. According to the World Bank, Good governance consist of :

A public service that is efficient, a Judicial system that is reliable, and administration that is accountable to the public. The key components of good governance include effective and efficiency in public sector management, accountability and responsiveness of public officials to the citizenry, rule of law and public access to information and transparency, (World Bank 1992:81).

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society, (UNESCAP, 2012).



Sources: UNESCAP 2012, Characteristics of good governance

4.2 Participation

Participation by both men and women is a key cornerstone of governance. Participation could be either direct or through legitimate intermediate institutions or representatives. It is important to point out that representative democracy does not necessarily mean that the concerns of the most vulnerable in society would be taken into consideration in decision making. Participation needs to be informed and organized. This means freedom of association and expression on the one hand and an organized civil society on the other hand.

4.3 Rule of Law

Good governance requires fair legal frameworks that are enforced impartially. It also requires full protection of human rights, particularly those of minorities. Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force.

4.4 Transparency

Transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. It also means that enough information is provided and that it is provided in easily understandable forms and media.

4.5 Responsiveness

Good governance requires that institutions and process try to serve all stakeholders within a reasonable timeframe.

4.6 Consensus Oriented

There are several actors and as many viewpoints in a given society. Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved. It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development. This can only result from an understanding of the historical, cultural and social contexts of a given society or community.

4.7 Equity and Inclusiveness

A society's wellbeing depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups, but particularly the most vulnerable, have opportunities to improve or maintain their wellbeing.

4.8 Effectiveness and Efficiency

Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal. The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment.

4.9 Accountability

Accountability is a key required of good governance. Not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders. Who is accountable to whom varies depending on whether decisions or actions taken are internal or external to an organization or institution is accountable to those who will be affected by its decisions or actions. Accountability cannot be enforced without transparency and the rule of law. From the above discussion it should be clear that good governance is an ideal which is difficult to achieve in its totality. Very few countries and societies have come close to achieving good governance in its totality. However, to ensure sustainable human capital development, actions must be taken to work towards this ideal with the aim of making it a reality.

4.10 Human Capital Development and Good Governance in Nigeria

On one hand capital development has to do with recruiting, supporting and investing in people, using training, coaching, mentoring, internship, organizational development and human resource management for eventual realization of desired goals. Improvement in educational levels of man is of paramount in human capital development. This is in view of the fact that education will develop the skills, judgment, abilities, knowledge, wisdom and competences of individual for the production of goods and services that are needed for the rapid socio-economic transformation, development as well as effective and efficient service delivery.

Good governance on the other hand is seen as the efficient management of nation's resources and affairs such that it is participatory, equitable, accountable, transparent and responsive to people's needs. Good governance ensures that political, social and economic priorities are based on broad consensus in the society and that the voices of the poorest and the most vulnerable are heard in the decision making over the allocation of development resources. Good governance is the term that symbolizes the paradigm shift of the role of government.

Human capital development thus provide education and skills that helps to acquire adequate knowledge and technical knowhow of the social, political, and economic conditions that enhances good governance. Good governance also accomplishes the public good in a manner essentially free of abuse and corruption and with the regard for the rule of law.

5.0 CONCLUSION

This paper has revealed problems of manpower development and the principles of good governance. The role and need for human capital development on good governance in Nigeria has been highlighted in this paper. Without the active participation of the human capital on good governance, the billions of naira worth of capital stock cannot achieve much industrial growth in Nigeria. There should be enthronement of good governance and justice at all levels of government in order to address the current problems in Nigeria. The government should

provide incentives to motivate and reward patriotic workers. Prudence and accountability should be the watch-word of the government. The faulty educational system in Nigeria must be restructured i.e. the standard of education must be improved and the right type of students admitted in the universities. The government must ensure political stability, absence of violence, regulatory quality, responsiveness, effective security control of corruption and conscientious oriented. The universities which are the major producers of the skilled manpower must be properly funded and the lecturers should be well remunerated and provided with conducive and enabling research environment. This will reduce the brain drain syndrome in the universities.

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