

---

## Human Capital Development in Nigeria: Implications for Nation Building

**Oyewole, T. G. (Ph.D)**  
Department of Accounting,  
Bowen University,  
Iwo, Nigeria.  
oyewoletg@yahoo.com

**Adegoke, J. A. (Ph.D)**  
Department of Banking and Finance,  
Bowen University,  
Iwo, Nigeria.

---

### **Abstract**

*The need for human capital development as an essential component of nation building is getting wider attention with increasing globalization in the world economy and the increasing wave of unemployment among the youths especially in African countries due to the downturn in their various economies. Human capital development is considered to be one of the fundamental solutions to the challenges facing nation building in Africa. This paper therefore looks at the direct impacts human capital development has on nation building from various critical perspectives with a view to making necessary policy recommendations. It also examines why highly developed human capital will be the source of comparative advantage in the twenty-first century global economy and nation building. The paper concludes by arguing that Nigerian educational system should adopt rigorous academic standards, benchmarked against standards in developed countries as a strategic intervention that would permeate the entire human capital development system.*

---

**Keywords:** *human capital development; nation building; academic standards; comparative advantage; strategic intervention.*

---

### **1. Introduction**

Nation-building is a term used world-wide by politicians, international organizations, and in news and scholarly publications, and yet it has not been possible to give it a single definition. This is probably the reason why the United Nations, though involved in many nation-building activities, is still reluctant to use the term “nation-building”, and preferring to categorize its missions under the heading of peace keeping operations. For the purpose of this paper the following definition of nation-building is provided: Nation-building is the intervention in the affairs of a nation-state for the purpose of changing the state’s method of government. Nation-building can be compared to building a house or a family. To be successful in this project, a builder needs several resources that will be properly managed. What are these resources necessary for building a nation? These resources can be classified into two: material and human. The material resources are the natural resources the proposed nation is endowed with, while the human resources are the values, knowledge, skills and competencies that the people of the nation possess. These values, knowledge, skills and competencies are God-given but can be improved upon through training, self-development and observations. The purpose of nation-building is to ensure that the resources of the nation are properly harnessed, managed by its people and utilised for the sustainable development of

the nation and to enable its people to leave together in harmony and to allow peaceful co-existence with other neighbouring nations. Nation-building takes time to be achieved and it is a continuous process which has to be constantly reviewed depending on the changes in the immediate and global environments. These changes can be spurred on by socio-cultural, economic, political or technological factors. Those who believe that nation-building is the intervention in the affairs of a nation-state are of the opinion that it is for the purpose of establishing democratic governments that would be representative of the populace (Carson, 2003). It is however noteworthy that in the process of nation building, successes can be recorded like the case of transformation of post-World War II Germany and Japan, while failures can be encountered such as in Somalia and Haiti. Nation building efforts are still ongoing in some other countries such as in Bosnia, Kosovo and Afghanistan. Building an acceptable Nigerian Nation is not only for the sake of the Nigerian people alone but also to ensure that there is security of lives and property and to prevent terrorism. Nation-building will include efforts to promote institutions which will provide for economic well-being and social equity. Providing economic support and humanitarian aid are generally important components of nation-building. The two most notable objectives of nation-building are establishing a representative government and setting conditions which will allow for economic growth and individual prosperity. Security must be established in order to achieve these objectives. Security is most often achieved by using the Army to fight and win war or through peace-making, peace-keeping, or peace-enforcement operations. Reconstructing the infrastructure is one of the most visible outcomes of nation-building. Another style of nation-building also tends to try to infuse desired values. In nation-building, high value is placed on education and therefore great efforts are expended on establishing compulsory education. Human and labour rights, including those of women and children, are also important values that nation-building stresses to instil. A precondition to nation-building is security and this can only be achieved with a standing army and capable police force. Therefore training a professional army and a national police force are of high priority in nation-building. Nation-building, as it is commonly referred to in the United States, involves the use of armed force as part of a broader effort to promote political and economic reforms with the objective of transforming a society emerging from conflict into one at peace with itself and its neighbours.

## **2. Objective of the Paper**

The main objective of this paper is to develop a critical appreciation of the strategic role of human capital development in nation building. This comprises both the private and the public sectors of the economy and within the overall constraints of different political, cultural and institutional environments. This is with a view to promoting a more professional approach to nation-building. The paper therefore identifies the most important components of nation-building operations; describes how these components are interrelated; establishes the best practices, size, and costs associated with each component; and draws upon national, international, and non-governmental sources of expertise and capacity in each of these fields.

## **3. Concept of Human Capital Development**

Human capital and human resources are used in literature interchangeably. Loosely speaking, human capital development corresponds to the development of any stock of knowledge or characteristics the worker has (either innate or acquired) that contributes to his or her productivity. For any organisation to function efficiently and effectively, it requires human intervention in one form or the other either as managers or as operators. Human capital or human resources refer to employees or owners of businesses in profit making organisations. In non-profit making organisations, they can be viewed purely as employees at all the various levels. When these employees are considered as human capital, it connotes that they can be

used to develop the organisation they work for, for further growth and development; whereas if looked at as human resource, it means they can be considered as an asset that needs to be properly managed to enhance the performance of other resources. According to human capital theory, as observed by Dike (2012), economic prosperity and progress of a nation depends precariously on the stock of its physical and human capital. Furthermore, human capital theory posits that formal education is greatly instrumental to improving the productive capacity of an individual worker.

The focal point in human capital and human resources is that people are involved and people are the life-blood of all organisations. Without them, according to Okojie (2014), there is no need for computer systems, compensation plans, mission statements, programmes, or procedures.

### **3.1 Human capital**

Having consolidating the concepts of human resources and human capital, human capital can then be defined as the skills, general or specific, acquired by an individual in the cause of vocational and technical education and on-the-job training in the industrial work place (Enyekit, Amaehule & Teerah, 2011). To corroborate this definition, Becker (1992) argued that investments in education and training are the most relevant types of investments in human capital. He further opined that human capital is linked to economic growth, from individual to national levels. It therefore follows that human capital development has to do with the education, skill levels, and problem-solving abilities that will enable an individual to be a productive worker in the global economy of the twenty-first century. The concept of human capital refers to the abilities and skills of human resources of a country, while human capital development refers to the process of acquiring and increasing the number of persons who have the skills, education and experience that are critical for economic growth and development of a country's economy (Okojie, 2014). Also, Ejere (2011) posited that human capital refers to the human factor in the production process; and consists of the combined knowledge, skills or competencies and abilities of the workforce. Of all factors of production, only human beings are capable of learning, adapting or changing, innovative and creative (Boztosun, Aksoylu & Ulucak, 2016). Human capital formation or development, following Harbison (1973), can be seen as the deliberate and continuous process of acquiring requisite knowledge, skills and experiences that are applied to produce economic value for driving sustainable national development. The significance and relevance of human capital development in the achievement of meaningful and sustainable economic growth and development have been widely acknowledged in various studies. In the absence of substantial investment in the development of human capital in any country, sustained economic growth and development would only be a mere wish, never a reality. Therefore, the place of human capital development in economic growth cannot be overemphasized. Human capital development is a key prerequisite for a country's socio-economic and political transformation. Among the generally agreed causal factors responsible for the impressive performance of the economy of most of the developed and the newly industrializing countries is an impressive commitment to human capital formation (Adedeji & Bamidele, 2003; Barro, 1991).

Furthermore, It has been stressed that the differences in the level of socio-economic development across nations is attributed not so much to natural resources and endowments and the stock of physical capital but to the quality and quantity of human resources (Dauda, 2010). Oladeji and Adebayo (1996) opined that human resources are a critical variable in the growth process and worthy of development. They are not only means but, more importantly, the ends that must be served to achieve economic progress. In addition, the wealth and

prosperity of nations rest ultimately upon the development of people and the effective commitment of their energies and talents. Capital and natural resources are passive agents. The active agents of modernization are human beings, for they alone can accumulate capital, exploit natural resources and build political and social organizations (Sankay, Ismail & Shaari, 2010). Harbinson (1973) aptly summarized the importance of human capital to economic and development by stating that human resources constitute the ultimate basis for the wealth of nations. Capital and natural resources are passive factors of production whereas, human beings are the active agents who accumulate capital, exploit natural resources, build social, economic, and political organizations, and carry forward national development. This then implies that a country which is unable to develop the skills and knowledge of its people and utilize them effectively in the national economy, will be unable to develop other resources.

#### **4. Concept of Nation Building**

##### **4.1 Nation and State**

It is important to first clarify the difference between a state and a nation even though in some climes the two are used interchangeably.

###### **4.1.1 Nation**

A nation is a group of people who share common cultural heritage and bonded together because of shared history and geographical boundaries. The people of the nation may or may not share the same traditions, values, language, and religion. Multicultural nations have people with different traditions and customs and even speak different languages. India and Nigeria are multicultural nations with several languages. Nigeria for instance has several languages out of which three are dominant: Hausa, Igbo and Yoruba. We can say these nations have unity in diversity. In any nation, there is a common thread of nationalism that binds the people together. Sometimes people define a nation as without the requirement of having the same boundaries. For example, the Kurdish people who do not live inside the same boundaries (they live in Iran, Iraq and Turkey) but consider themselves as members of the Kurdish nation. Similarly, the Yoruba's and Hausas can be regarded as belonging to the Yoruba and Hausa nations.

###### **4.1.2 State**

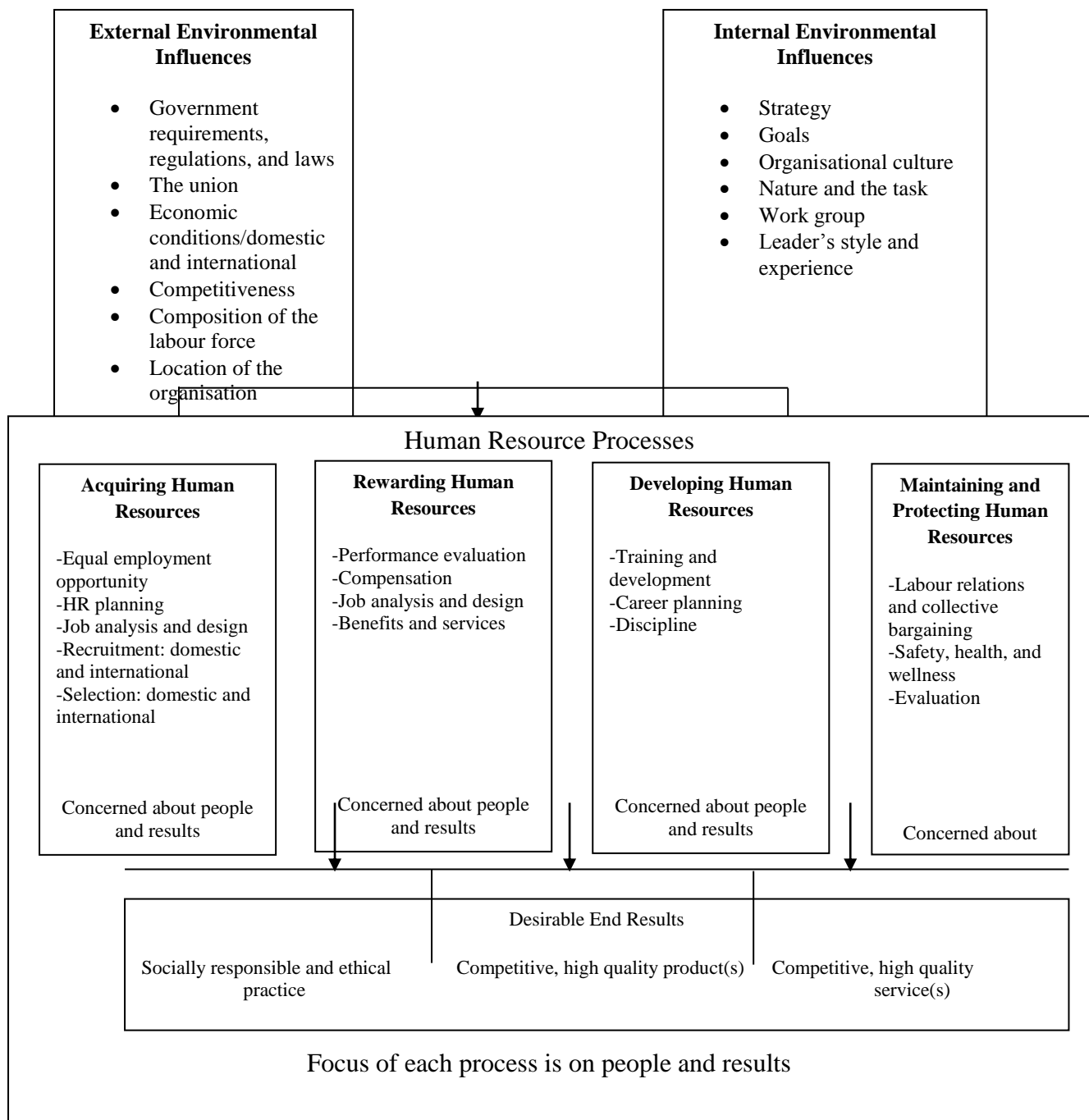
On the other hand, a State is defined in political science as a patch of land with a sovereign government. A State is the political unit that has the sovereign power over a piece of land. A State can also be defined as a community that lives under the power of the government. This State is also an organized community in a particular area. There are States that are also nations and in such circumstances they are called nation-states. A State that is recognized as sovereign by outside countries is regarded as a nation.

#### **5. Human Capital Development in Nigeria**

Human Capital Development consists of numerous activities, including:

- (i) Equal employment opportunity
- (ii) Job analysis
- (iii) Human resource planning
- (iv) Employee recruitment, selection, motivation, and orientation
- (v) Performance evaluation and compensation
- (vi) Training and development
- (vii) Labour relations
- (viii) Safety, health, and wellness

The above can be further illustrated by the following framework:



## 6. Challenges of Human Capital Development in Nigeria

In the global environment, Nigeria also inclusive, several strategic challenges have been identified over the years among which the following are the major ones:

### (i) Global competition among organisations.

Global competition is now so intense that requisition is now being made for the optimization of the skills, talents, and creativity of all employees at all levels. This is because each organisation has to go extra mile to maintain its leading position among its contemporaries as a result of global competitive environment. There is greater demand now on human capital development (HCD) practitioners to utilize the human assets of the firm more effectively for

such firm to compete in the globally interconnected world.

**(ii) Technology and the information age.**

The latest developments in information technology have heralded the much awaited information age, and whose arrival has impacted jobs, the way business is conducted, and the need for more knowledge workers. This revolution in information technology has come in the form of: growth in knowledge needs, shift in human competencies, global market connection, business streamlining, rapid response, quicker innovation, quality improvement, and industrial revolution.

**(iii) Diversity in the composition of the workforce today.**

The workforce is more diversified today than what it used to be several years ago when the workforce was predominantly men. Education of girls has been taken more seriously and gender discrimination is now being considered as anti-social. Workforce diversity has become a reality that influences every HCD area and issue from strategic planning to recruitment to training to health. In other parts of the world, there is a steady growing body of empirical evidence that managing diversity is becoming a necessary part of the job responsibilities of managers. However, there is no one best way or best formula available with regard to managing the increasing diversity of the workforce.

**(iv) Calibre of the workforce**

Recruiting and developing skilled labour are important for any company concerned about competitiveness, productivity, quality, and managing a diverse workforce effectively. However, there is a shortage of skilled talents and this development can damage a firm's competitive position. This 'skills gap' will have to be faced by the entire society in the global economy. Serious strategic planning therefore has to be done to reduce the skills gap in a firm's workforce.

**(v) Organisational restructuring and downsizing.**

Restructuring means changing the reporting and authority relationships within a firm. In restructuring, a layer of a firm's hierarchy may be completely eliminated, reporting relationships may be changed, or a new subsidiary may be created to conduct business in a new market location. Downsizing is a term used to designate a reduction in a company's workforce. Downsizing has sociological and psychological implications in that people are laid off, friends and colleagues are given new job responsibilities, and feelings of trust and job security are threatened. The emotional impact of being laid off or having a colleague laid off can result in stress-related health problems.

**(vi) Contingent workers.**

Another category of workers springing up today are contingent employees. This set of employees includes temporary workers, part-timers, contract or leased workers (outsources), and other individuals who are hired to handle ad-hoc job tasks or workloads. They are now becoming widespread and part of the workforce of many companies. They are most noticeable with health services, residential care, data processing and other computer services. Such employees, if not properly managed, could threaten the survival of firms through union activities.

**7. Strategies involved in Nation Building**

The act of nation building is akin to peace building since a nation is not well recognized until there is relative peace in the nation. The various strategies for nation building will recognize

the manner in which peace can be consolidated. Peace building is therefore a multidimensional task that requires a comprehensive and coherent approach. The various strategies involved are as follows:

**(i) Peace consolidation efforts.**

This is the commencement of nation building through efforts to consolidate peace namely, bringing in humanitarian aid such as assistance to refugees and internally displaced persons, restoration of domestic security, and enthronement of justice and reconciliation. This was the strategy adopted by Japan after the cold war (MFAJ, 2007).

**(ii) Respect for local communities and their ownership**

This is another strategy for nation building which involves human capital development. Nation building is a task that relies heavily on the commitment and efforts by local people to eschew conflict and create a state and society where peace can be sustained. It is important, therefore, that peace building support should be provided with deep respect for local communities in order to gain the understanding of the local people.

**(iii) People-oriented constitution**

The constitution of a state being developed to become a true nation should be people-oriented. In this case, the constitution will guarantee the equality of all nationalities and languages and designates no official language as was the case in Eritrea (Andebrhan, 2010). Under this arrangement, each nationality has a right to use and develop its language, culture and traditions. The emergent state would be a secular state with the separation of politics and religion and freedom of religion and belief guaranteed under the constitution; a unitary state with significant power devolved to the regions; a democratic state with participatory politics at the national, regional and local levels to advance unity in diversity; a developmental state committed to rapid, sustainable and balanced economic growth; and a pluralist state with a multiparty system to foster healthy political competition and ensure accountable and transparent government. Secularism would be the hallmark of the state and this will significantly contribute to strong cohesion, unity and convergence of purpose among the people.

**(iv) Secular education system**

The education system to be encouraged in a multi-ethnic and multi-religion state like Nigeria according to Andebrhan (2010), should be secular in nature. The separation of education and politics would help promote a shared civic secular culture of mutual respect and tolerance among the citizenry of all religions. This form of education would eradicate ignorance as a cause of prejudice, cultivate harmony and strengthen solidarity. The rapid expansion of countrywide opportunities for secular education at the primary, secondary and tertiary levels would nurture literate and enlightened citizens for whom the country belongs, while religion and politics will be taken as a private affair.

**(v) National development charter**

For the purpose of nation building, it is often necessary to draw up a charter that will be holistic in nature and visionary on future development. It will encapsulate basic goals and guiding principles that are relevant to the overall development of the country. These goals could include national harmony, political democracy, economic and social development, social justice, cultural revival, and regional and international cooperation while the basic principles are national unity, active participation of the people, the decisive role of the human factor, the struggle for social justice, self-reliance, and a strong relationship between people

and leadership.

**(vi) Sustenance and strengthening of existing national service for youths**

Another strategy for nation building is the sustenance and strengthening of the existing national youth service corps programme for youths in the country. The introduction of a national service, designed to complement national security, development and integration objectives, initially enjoyed massive support among the people and youth in particular until the recent invasion of certain states in the country by the Boko-Haram militant Islamic religious sect. Hitherto, the scheme had resulted into several inter-ethnic marriages among youths thereby consolidating peaceful co-existence among the various ethnic groups in the country. It has equally served, and still serving as significant transformative and integrative functions among the youths.

**(vii) National defence and security issues**

There must be evidence of quick intervention of government in national defence and security issues in the course of nation building. The issue of Boko-Haram was treated with levity and considered as a mere sectional strife when it began some years ago before it blossomed into an uncontrollable national calamity. The initial agitation of the group centred around the type of education being provided in the country, which they termed as western-oriented before religious colouration was added with some other demands. Similar militant groups that are still on ground include the Niger-delta militia and the MASSOB in the south-east. The task of nation building may be jeopardized with the presence of these various groups of militant agitators if not properly kept at bay.

**(viii) Transparency and accountability in governance**

Another strategy that can be deployed for nation building is that of ensuring that there is transparency and accountability in governance. This is tantamount to leading and living by example by people in government at the local, state and federal levels. Where the resources of a country are judiciously and transparently utilised with proper accountability, the level of public agitations will be minimized. This in turn will minimize the level of corrupt practices among the citizenry. This will equally extend to the private sector of the economy where the chieftains of various economic entities will have to lead and live by example to curtail unwholesome practices that may be detrimental to the national economy. The implication of this is that the issue of good corporate governance should be further strengthened.

**8. Implications of Human Capital Development for Nation Building**

Policies on human capital development will address vital areas that are relevant to the holistic development of human capital to ensure that the country's workforce is adequately engaged. If this is achieved, the task of nation building will become light to handle. The need to incorporate global best practices into educational and professional training at various levels and acceptable work ethics is very sacrosanct to nation building. Where this is the case, there will be remarkable economic growth with low inflation and full employment. The nation will also be able to come out of impoverishment into prosperity; overcome communal strife and attain domestic tranquillity; and maintain improved relations with its neighbours and foster regional peace and solidarity. The economy in turn will continue to grow, providing the population with a very high standard of living.

**9. Strategic Recommendations**

From the above it will be realised that human capital development and nation building are closely intertwined if a peaceful nation is to be built. The following recommendations are



therefore considered very prominent.

- (i) There is the need to anchor state construction on the historical development and prevailing reality of each society;
- (ii) There is the need for a living constitutional order;
- (iii) Political pluralism should be encouraged;
- (iv) Democratic governance should be embraced;
- (v) The quality of leadership should be measured in terms of transparency and accountability;
- (vi) There should be a correlation between organisational democracy and democratic governance;
- (vii) Congruence must be established between human capital development policy and practice.

## 10. Conclusion

This paper concluded that the construction of an inclusive, democratic and developmental state dedicated to the interests and wellbeing of the people is a dynamic and continuous process involving appropriate human capital development programmes. It has also been noted that nation-building is more successful if the state has had an experience in self-government for several years amidst a viable economy.

## References:

- Adedeji, S.O. & Bamidele R.O. (2003). Economic Impact of Tertiary Education on Human Capital Development in Nigeria in.: Human Resource Development in Africa. *Selected Papers for 2002 Annual Conference, Nigerian Economic Society, Ibadan*, 499-522.
- Andebrhan, W. G. (2010). Nation Building, State Construction and Development in Africa. The Case of Eritrea. [http://library.fes.de/pdf-files/iez/08268.pdf\(08268\)](http://library.fes.de/pdf-files/iez/08268.pdf(08268)) Date retrieved 21/12/2015.
- Barro, R. (1991). Economic Growth in a Cross-section of Countries. *The Quarterly Journal of Economics*, (2), 407-43.
- Becker, G. S. (1992). The economic way of looking at life [Nobel Prize Lecture]. Retrieved March 29, 2007, from [http://nobelprize.org/nobel\\_prizes/economics/laureates/1992/becker-lecture.pdf](http://nobelprize.org/nobel_prizes/economics/laureates/1992/becker-lecture.pdf).
- Becker, G. S. (1993). *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education (3rd edition)*: Chicago, University of Chicago Press.
- Boztosun, D.; Aksoylu, S. & Ulucak, Z. S. (2016). The Role of Human Capital in Economic Growth. *Economics World*, May-June 2016, Vol. 4, No. 3, 101-110  
doi: 10.17265/2328-7144/2016.03.001
- Carson, J. A. (2003). *Nation-Building, The American Way*. USAWC Strategy Research Project.
- Dauda, R.O. (2010). Role of Human Capital in Economic Development: An Empirical Study of Nigerian Case. Oxford: *Oxford Business and Economics Conference Program*.
- Dike, V. E. (2012). Human Capital Development, Technological Capabilities, and Economic Transformation: A Critical Review of the Issues Facing Nigeria in her Quest for National Development.
- Ejere, S. I. (2011). Human Capital Formation as Catalyst for National Development: Nigeria in Perspective. *International Business and Management*, 2(2), 98-104.
- Enyekit, E.O; Amaehule, S; & Teerah, L.E. (2011). Achieving Human Capital Development in Nigeria through Vocational Education for Nation Building
- Harbison, F.H. (1973). *Human Resources as the Wealth of Nations*. New York: Oxford

University Press.

- MFAJ, (2007) Human Resource Development for Peace building. Ministry of Foreign Affairs of Japan. Retrieved from <http://www.mfao> on 21/12/2015
- Okojie, J. A. (2014). Welcome Address Delivered By Prof. Julius A. Okojie, OON, Executive Secretary, National Universities Commission at the Opening Ceremony of the 1<sup>st</sup> National Conference of Educators in Banking And Finance in Nigeria Organised by The National Universities Commission (NUC) in Collaboration with the Chartered Institute of Bankers of Nigeria (CIBN)
- Oladeji, S. I., & Adebayo, A. A. (1996). The Scope for Human Resource Development under The Adjustment Programme in Nigeria. *Nigerian Economic Society Annual Conference Ibadan*, NES, 441-460.
- Sankay, O. J., Ismail., R. & Shaari, A. H. (2010). The impact of human capital development on the economic Growth of Nigeria. *Prosiding Perkem V, Jilid, 1, 63 – 72.*