

# Human Capital Development and Economic Growth in Nigeria: An Empirical Investigation

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**Abstract:** *Human capital development has been identified as bedrock of any nation's economic development. Therefore, this study intends to investigate the impact of human capital development on economic growth in Nigeria. The data used in this study was derived from secondary data only. The data included capital expenditure on education, recurrent expenditure on education and total number of students' enrolments in tertiary institutions for the period of 2000 to 2013. These were collated from the Central Bank of Nigeria Statistical Bulletin. Inferential statistics such as Pearson Product Moment Correlation Coefficient (PPMCC) and Ordinary Least Square (OLS) were used to analyse the data. Result shows that human capital development indicators jointly ( $R^2 = 0.9739$ ,  $P = 0.000$ ) have positive and significant impact on Nigeria economic growth. The study concludes that human capital development is a strong predictor of economic growth in Nigeria. Subsequently, the study recommends that government should be determined to make provision for effective funding of education by earmarking 26% of the total budget for educational development as recommended in the United Nations Organization. Also, government at all levels must commit vast resources towards the school infrastructures and education manpower to the extent that the propagation of worthwhile knowledge can be guaranteed.*

**Keywords:** *Human Capital Development, Economic Growth, Tertiary Institutions, Capital Expenditure.*

## 1. Introduction

Nigeria as a country is immensely endowed both in natural and human resources with a population of over one hundred and seventy (170) million, and GDP of about US\$415 billion, it is the largest economy in Africa. Nigeria holds the record for being the largest oil producer on the continent and the sixth in OPEC. The country is well endowed with petroleum, gas and yet-untapped mineral resources. In spite of all these abundant resources, Nigeria has failed to realize its full development potential with the topmost priority currently given to sustainable human capital development. Nigeria has been experiencing political violence, social insecurity and crimes which are traceable to a high rate of unemployment among youths who constitute the economically active groups, political machinery and the largest population of every nation (Eso, 2015).

Human capital development has been documented in the literatures and recognized by scholars, educationalists, and professionals as an alternative paradigm for economic growth and sustainable development globally. According to Okojie (1995), human capital development is associated with investment in man and his development as a creative and productive person. Odusola (1998) notes that the concept of human capital development refers to a conscious and continuous process of acquiring and increasing the number of people with requisite knowledge, education, and skill and experience that are crucial for the economic development of a country. Ogujiuba (2013) describes human capital development as an end or objective of achieving development. It is a way to fulfil peoples' potentials by enlarging their capabilities, and this necessarily implies empowering them and enabling them to participate actively in their own development. Obasanjo (2012) states that education trains individuals to relate and interact meaningfully with others in the society and to appreciate the importance of effective organization for human progress. This implies that education trains an individual to be useful in the society and to meet up the need of the society for national development. Therefore, it should be clear that without education, no positive transformation can take place. Studies confirm that substantial investment in human capital development would lead to economic growth and development (Kidanemariam, 2014; Atoyebi, Olaleye, Ishola, Adekunjo & Kadiri, 2013; Adedokun, 2011; Oluwatobi & Ogunrinola, 2011).









