

Nigeria's development process, methodology and milestones planned for VISION 20:2020 - 13 years after

How has Nigeria performed in the area of human resource development and a knowledge-based economy?

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Abstract

Amidst various reforms agenda, policies, development plans and programmes, Vision 2010, Seven-Point Agenda and a host of others, Nigerian leaders have articulated the Vision 20:2020, which targets to catapult Nigeria into the league of the first global 20 economies by the year 2020. This article focuses only on the second pillar of Nigerian vision 2020 which is "Human resources development and knowledge-based economy" and compare recent development indicators for Nigeria with those of advanced countries, the first 20 of which Nigeria aspired to join this year (2020). In contrast to the situation in high-income OECD nations, the vast majority of Nigerians are ill-fed, ill-clothed, ill-housed and ill-educated. They live in the rural areas characterized by massive underdevelopment. Poverty is the basic malady of Nigeria which is involved in misery-go-round, as part of the slum of the world economy. Nigeria's Vision 20:2020 is, therefore, too ambitious. Furthermore, against the backdrop of the antecedents of policy reversals, summersaults and failures in Nigeria, the Vision is utopian. Recommendations include commitment of the leadership to sufficient discipline and political will to enforce development policies and programmes.

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INTRODUCTION

The Vision 20:2020 is a dream statement that Nigeria will become one of the first 20 economies in the world by the year 2020. Abdulhamid (2008) traced the history of the dream to a research conducted by economists at an American Investment Bank, a fall-out of which was a prediction that Nigeria would be in the league of 20 top economies by year 2025. This was based on assessment of its abundant human and material resources and on the assumption that the country's resources would be properly managed and channeled to set economic goals. The then President, Chief Olusegun Obasanjo, next muted the dream as Vision 2020 (Onyekakeyah, 2008).

According to Nigeria Vision 2020 (2008), the National Council on Vision 2020 (NCV2020) is the apex body of the operational and institutional arrangements for Nigeria's Vision 2020. The President and Commander-in-Chief of the Federal Republic of Nigeria is the Chairman. It is to provide leadership and direction to galvanize the nation. The process involves a bottom-up strategic planning to ensure ownership by all stakeholders. Other terms of reference for the NCV2020 have been clearly spelt out to include approving the core national priorities to guide the process; ensuring the quality of plan document, appropriateness of targets and practicality of strategies; review of progress and giving further direction; ensuring the active involvement of all stakeholders in the visioning process; approving the framework for resource mobilization from private and other stakeholders; approving a comprehensive planning framework for annual budgets and medium-term plans and issuing of any other directives considered desirable by the Council.

The National Steering Committee on Vision 2020 (NSC2020) has been put in place. It is the engine for the visioning process. The Honourable Minister/Deputy Chairman of the National Planning Commission as the Chairman heads it. Its terms of reference have been marshaled out as developing methodology and guidelines for all MDAs (Ministries, Departments and Agencies), private sector and other stakeholders to facilitate the Vision; proposing a comprehensive plan; proposing appropriate goals, targets and strategies; identifying and recommending overall national goals and priorities; guiding and assisting all States and MDAs; arranging nationwide dissemination of programme for widest buy-in by stakeholders; developing a template for the

preparation of a result-oriented communication strategy and monitoring of annual progress at national, MDAs and State levels; undertaking comparative studies of best practices; examining the linkages among perspective plan, medium-term plan and annual budget; recommending an inclusive monitoring and evaluation (M and E) mechanism; commissioning in-depth research; undertaking any other assignments from NCV2020 and making any other recommendations (Nigeria Vision 2020, 2008).

The State NV2020 Stakeholders Committee, the MDAs and other stakeholder visioning development committee consists of 20-25 groups of about 25 eminent persons with interest and knowledge on the subject area. The V2020 Development Committees serve as fora for building consensus on issues. The Committees are also responsible for preparing sectoral inputs for the V2020 Plan. In particular, the major stakeholders include (1) State Governments, (2) MDAs and (3) key institutions. Each stakeholder has an inclusive competent committee involving the public sector and non state representatives. The terms of reference for the Stakeholder V2020 Development Committees have been spelt out to include examining background papers on thematic areas from National Technical Working Groups (NTWGs); in-depth review of position papers; preparing feedback reports to NSC; generating sectoral and other related inputs and undertaking any other assignment from NSC (Nigeria Vision 2020, 2008).

The NTWGs comprises of maximum of 25 groups of experts for the identified area drawn from both public and private practitioners with responsibility, expertise and passion for the area. It provides technical support to the NSC. The report of NTWGs serves as input to the work of NSC and the stakeholder visioning groups. Other terms of reference of NTWGs have been clearly spelt out to include developing background papers; articulating key economic issues; defining proposed policy targets, objectives and priorities; preparing guidelines and template for communication on progress (COP); working with and assisting stakeholder groups in preparing their documents and COPs; reviewing and evaluating COPs of stakeholder groups; receiving assistance from consultants for specific study research works; providing regular technical briefing on progress by NSC and undertaking any other assignment from NSC.

The National Planning Commission (NPC) under the auspices of the National Council

on Development and Planning (NCDP) held 25-26th June, 2008 a joint meeting at the Concorde Hotel, Owerri, Imo State capital with the theme, Vision 2020, 2008: Harnessing Nigeria's Potential for Wealth Creation and Poverty Reduction (Abdulhamid, 2008). The Israeli Ambassador to Nigeria, Moshe Ram, has made suggestions on how to actualize Nigeria's Vision 20:2020. According to the Israeli envoy, Nigeria's dream of becoming one of the 20 leading economies by the year 2020 is not a pie in the sky. For this dream to become a reality, the country must go back to the basics agriculture (Adepetun, 2008). Similarly, the Mayor of London, Mr. Alderman David Lewis, has offered his opinion on how to achieve the Vision. The Mayor said that for the country to achieve its Vision 2020 objectives, due attention must be given to human capital development issues. He added that Nigeria's Vision 2020 would be a mirage if there was absence of sound and qualitative education, training and re-training. He stressed that Nigeria was a financial hub of healthy, skilled and creative experts who, if well articulated and motivated and with the right atmosphere, would be able to turn things around for the country (Vision 2020, 2008). Debates have been raging as to whether Nigeria's Vision 20:2020 will be actualized. Other people that contributed their opinions on the issue were Cecelia Ibru (former Chief Executive Officer, CEO, of Oceanic Bank International Plc), Peter Upton (Director, British Council, Nigeria) and Mark Bickerton (Director, Metropolitan University) (Adepetun, 2008).

There is the need to contribute to these debates based on development indicators. This study is, therefore, a feasibility comparative analytical critique of Nigeria's Vision 20:2020 based on some recent development indicators from literature on Nigeria and the high-income Organisation for Economic Co-operation and Development (OECD) countries, which Nigeria aspires to join. The work is justified on the curious ground of the non-performance of the numerous policies, perspective and medium-term development plans as well as reforms in Nigeria. These include the civil service reforms, education reforms, judicial reforms, local government reforms, integrated rural development programme, four National Development Plans covering the 1962-1985 period, poverty alleviation programmes spanning 1970s to date, industrial policies from the 1960s to date, Vision 2010, Seven-Point Agenda and a host of others.

HUMAN RESOURCES DEVELOPMENT IN NIGERIA

The major source of per capita output in any country; whether developing or developed, with a market economy or centrally planned is an increase in productivity. Per capita output growth is however an important component of economic welfare, (Abramowitz, 1981). From experience, it has been revealed that human beings are the most important and promising source of growth in productivity and economic growth. Equipment and technology are products of human minds and can only be made productive by people. The success of any productive program depends on human innovative ideas and creativity. The impact of human capital development and economic growth in recent times emphasized the growth theory (Lucas, 1988). An interesting idea in their work was that in the long run, output per unit of input could increase even when inputs were exhaustively accounted for. Technically advanced human capital and a growing knowledge base appear to be part of this wellspring of growth. An implication of Lucas' hypothesis on human capital is thus associated with investment in man and his development as creative and productive resources (Harbison, 1962).

As the global economy shifts towards more knowledge-based sectors (e.g. the manufacture of ICT devices, pharmaceuticals, telecommunications and other ICT based services, R&D), skills and human capital development becomes a central issue for policy makers and practitioners engaged in economic development both at the national and regional level (OECD, 1996); yet the impact education and vocational training activities exert upon changing national and regional economies remain less than thoroughly explained and analyzed. Since the introduction of human capital theory in the 1960s, a number of studies have attempted to address this and related issues. Today, the global economy is divided into two parts comprising of a few rich nations regarded as the developed countries (DCs) and many poor nations regarded as the less developed countries (LDCs). DCs are characterized by high productivity while the LDCs are characterized by low productivity.

According to the level of human capital development and per capita income, Nigeria is classified under the LDCs. Nigeria as a country is immensely endowed both in natural and human resources. The pool of resources from one end to the other is unquantifiable to such extent that, given a dynamic leadership, economic prosperity

would have been achieved in late 20th century. The primary focus of Nigeria has been finding a way to accelerate the growth rate of national income and to engage in structural transformation of her subsistence and resource-based economy to a production and consumption-based economy in order to break the cycle of poverty, low productivity and stagnation. In spite of all these abundant resources, Nigeria has failed to realize her full development potential with the topmost priority currently given to sustainable human capital development or people-oriented development by many countries and multilateral organizations, e.g. UNDP. A review of the Nigerian economy has become quite appropriate as a way of understanding more comprehensively her human capital development. Human capital refers to the abilities and skills of human resources and human capital development refers to the process of acquiring and increasing the number of persons who have the skills, education and experience which are critical for the economic growth of the country (Harbison, 1962). Therefore, what really matters in Nigeria is the empowerment of people and the mobilization of economic surplus into productive investment channels. There is also the need for the Nigerian economy to eliminate or minimize those constraints towards human capital development so as to enhance rapid economic growth.

PILLARS OF THE KNOWLEDGE-BASED ECONOMY

There is a wide spectrum of factors which are relevant to the knowledge economy. The World Bank Institute. Ayobami (2020) identifies four key aspects of an economy, which are regarded as the pillars of the knowledge economy. It is expected that these pillars would help countries articulate strategies for their transition to a knowledge economy.

1. *Economic and Institutional Regime (EIR)*: This comprises incentives that stimulate and promote enterprise development via knowledge creation, dissemination and use. The process of knowledge creation and diffusion in a knowledge-based economy heavily depends on appropriate government policies that are usually the outcome of economic incentives and institutional regimes. By implication, addressing tariff and non tariff barriers, improving regulatory quality, and improving the rule of law will influence how quickly individuals can

identify and exploit market opportunities to create wealth, jobs, and economic growth. In addition, improving the policy and business environments to create conditions favorable to trade is one of the most important ways for countries to obtain knowledge from abroad

2. *An educated and skilled population*: highly-skilled and flexible human capital is essential to compete effectively in today's world and is a key building block of a knowledge-based economy. Access to basic education, number of years of schooling and exposure to tertiary level of education determine the proportion of the economy that is literate.
3. *A dynamic information infrastructure*: Access to ICT infrastructure facilitates the effective communication, dissemination, and processing of information. The infrastructure strength and coverage of the telecommunications sector is revealed in the number of people with ability to use computers, with access to internet and the mobile telephony subscriber base. Number of internet users serves as an indication of how well a population has advanced to the level of adapting and using advanced communication channels to serve its priorities.
4. *An effective innovation system*: This allows for close relations among knowledge institutions (research centres, universities) and firms with which they can tap into the growing stock of global knowledge, adapt it to local needs, and create new technological solutions. Effective use of knowledge in any country requires appropriate policies, institutions, investments and coordination across these four pillars. In a full-fledged knowledge-based economy, one can expect to find the following:
 - Full recognition of the role of knowledge and technology in economic growth
 - Increase in the contribution of knowledge-intensive sectors and the service sector to GDP
 - Investments are directed towards high-technology goods and services (particularly information and communications technologies), R&D and human capital development (education and training)
 - Highly-skilled labour is in highest demand
 - Strong University-Industry collaborations (Efficient National Innovation System).

NIGERIA'S KNOWLEDGE PERFORMANCE IN HUMAN RESOURCES DEVELOPMENT AND KNOWLEDGE-BASED ECONOMY

As a factor-driven economy which is based on exploiting the abundance of crude-oil, Nigeria is highly sensitive to world economic cycles, commodity price trends and exchange rate fluctuations. This signifies a great need to diversify the economy, particularly away from crude oil and the need to begin to generate wealth and employment via knowledge creation, use and diffusion. In spite of Nigeria's vast natural resources which range from crude oil, copper, gold and tin, to arable soil, abundant water resources and a large population, its Global Competitiveness Index Rank is 127th out of 144 countries. This corroborates the assertion that a nation's competitiveness and prosperity depend on the capacity of its industries to innovate and upgrade and not just on its natural endowments. In transiting to a knowledge-based economy, Nigeria appears to have a long distance to cover. The 2012 Knowledge Economy Ranking places Nigeria in the 119th position out of 145 countries, with a Knowledge Economy Index of 2.2.

The economic incentives and regulations required for a dynamically functioning business environment in Nigeria are quite inadequate. The ease of doing business in Nigeria is ranked 170 out of 189 economies this is lower than the 2013 ranking of 147. As displayed in Table II, the regulatory quality of the business climate in Nigeria is low. An adverse business environment can add substantial production costs to firms and stifle innovation and entrepreneurship. Business obstacles in Nigeria include poor access to and the high cost of finance, poor electricity supply, poor transport system, weak macroeconomic environment, difficulty in trading across borders, corruption, and crime. Communal disputes and religious clashes also pose as major constraints to doing business in Nigeria.

Furthermore, there is need to strengthen the capacity of legal provisions to ensure transparency and accountability in the business environment. Nigeria, according to the 2014-2015 Global Competitiveness Report, is still at the factor-driven stage of development. By implication, companies in Nigeria compete on the basis of price and are yet to compete by producing new and different goods using the most sophisticated production processes and by innovating new ones. Firm-level capacity to absorb technology in Nigeria is weak and this is a

key area in which a knowledge economy can outperform a traditional economy.

KNOWLEDGE ECONOMY STRATEGIES FOR NIGERIA

Although Nigeria made progress in its knowledge economy ratings between 2000 and 2012, the current position among the least 30 economies leaves much to be desired. Between 2000 till date, the formulation of certain policies, programmes and projects of the Nigerian government, such as the National Policy on Science, Technology and Innovation (2011), the UBE Programme (Act 2004), and the liberalization of the Telecom Sector (2001), amongst others, reveals the attached importance to the key factors contribution to the creation of a knowledge economy. Nevertheless, the current knowledge economy ratings of the country point to the fact that the four pillars of the knowledge economy in Nigeria still require significant interventions, investments and reforms. To improve Nigeria's KEI, what is simply required is to strengthen each of the four pillars:

1. Economic and Institutional Regime: Given that the MSME sector contributes significantly to GDP (46%) [31], this sector should be well developed via the creation of a conducive environment. Borrowing a leaf from Singapore, it is crucial to ensure continuity in economic and industrial policies and make the business environment secure enough to increase private sector participation and attract foreign direct investments. Setting up a commission to monitor the country's transition into a knowledge economy is also an important strategy.
2. Innovation: To build capabilities for technological adoption, Nigeria can tow the path of emerging economies such as India, to exploit reverse engineering techniques. To do this however, there is great need to improve the engineering design capacity and the technology absorption capacity of the country. In addition, fostering a culture of respect for Intellectual Property Rights must not be underplayed. The new STI policy offers opportunities for commercialization of research outputs. Hence, adequate attention and supervision should be given to its implementation.
3. Education: The strength (in numbers) and entrepreneurial spirit of the youth population in Nigeria should be optimized. This can be done through adequate investments in education and training. In particular, incentives to encourage undergraduate study in science and

engineering fields should be introduced. The needs of the education sector may be addressed by establishing educational centres for the development of knowledge intensive skills.

4. ICT: The noticeable productivity in the ICT sector has been enabled by high-level competition among private firms, leading to creativity and innovation. Given its sustained growth rate of the ICT sector, Nigeria can leverage on her ICT sector, especially mobile telephony services to significantly improve her KE ranking in the next few years. In addition, adequate investments should be made to extend ICT services to rural areas and improve the national level of computer literacy.

In addition to the four pillars identified by the World Bank, Nigeria has other sectors in which increased creativity and innovation is being observed. One of such is the entertainment industry (Nollywood) which has risen to prominence within and beyond Nigeria and is now ranked alongside America's Hollywood and India's Bollywood. The appropriate exploitation of the role of digital technology in the creation and dissemination of entertainment works in Nigeria has the potential of increasing the overall knowledge performance of the economy.

HUMAN CAPITAL DEVELOPMENT STRATEGIES IN NIGERIA: AN APPRAISAL

This is to assess the extent to which the government in ensuring human capital development in Nigeria. Although there are many ways to assess the development, however, only a few important ones that are readily measurable shall be considered in this project they include: Poverty reduction and empowerment of Nigerians in rural and urban areas to be economically productive. Under the poverty reduction program, the government states that the strategy to be employed will be to empower Nigerians both in rural and urban areas to be economically productive with a view of improving their quality of life.

To avoid the mistakes of the past, projects and measures to be implemented will be people oriented. The people concerned as stakeholders will take ownership significant improvement in the supply of water, basic educational facilities, (both under the universal basic education (UBE) scheme and mass adult literacy program) and basic health facilities will be embarked upon immediately on nationwide basis (FGN, 1999). Education: on the basis of the above statement, looking at the scorecard with

respect to education, it is discovered that under education: (i) Adult literacy did not improve by any margin. (ii) The number of pupils per primary school increased and the number of pupils per teacher also increased. (iii) The number of pupils per secondary school increased while the number of pupils per teacher is stagnated. National poverty eradication program (NAPEP): considering NAPEP as one of the national poverty eradication programs, nothing very serious has taken shape as it is yet to identify any tangible project undertaken under this program. Most of the programs under the NAPEP remain on paper. Again, some of the preliminary studies on the content, nature and coverage of the NAPEP show that contrary to the government's pledge to fully involve the stakeholders in determining the projects and to take ownership, the poor were not in any way part of the decision making, as their opinion was neither sought nor their inputs observed.

CONCLUSION

Nigerian leaders have added Vision 20:2020 to the numerous, past and present policies, development visions, plans and programmes and reforms agenda that should guide development in the country. Vision 20:2020 seeks to catapult Nigeria into the league of the first 20 developed economies by the year 2020. To actualize this lofty dream, Nigeria's GDP per capita must grow at an incalculable rate (different from the present 0.8%) from US\$752 to \$30,000 at least and the GDP of those countries (over US\$29,000) Nigeria wishes to displace and/or join must stop growing (now they grow at 2%). HIV/AIDS must flee Nigeria. Its rural areas must be transformed from age-long poverty and misery centres to urban status of world standard. Nigeria's education, health, power, agriculture, manufacturing and other sectors must receive such miraculous boosts that in 10 years' time the country will compare with the high-income OECD nations in all development respects. Nigeria must move from its 158th (2007) position in the UNDP human development ranking to the first 20 position in the world.

Nigeria's Vision 20:2020, like most other development visions, programmes and plans (perspective, medium- and short-term), policies and reforms agenda in Nigeria, remains a vision until it is actualized - not by mere touting, but by commitment to discipline and political will on the part of the leadership. Meanwhile, the vast majority of Nigerians are ill-fed, ill-clothed, ill-housed and ill-educated. They live in the rural

areas characterized by massive underdevelopment. Poverty is the basic malady of Nigeria which is involved in misery-go-round, as part of the slum of the world economy. Nigeria's Vision 20:2020 is, therefore, too ambitious. And, against the backdrop of historical antecedents of policy reversals, summersaults and failures in Nigeria, the Vision is utopian.

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