

**KEYNOTE ADDRESS BY CHIEF (DR.) J.O. SANUSI, GOVERNOR,
CENTRAL BANK OF NIGERIA, PRESENTED AT THE PGDPA
AND CPA GRADUATION CEREMONY OF THE
ADMINISTRATIVE STAFF COLLEGE OF NIGERIA,
ON 13TH DECEMBER, 2002**

The Chairman,

Director General, Administrative Staff College of Nigeria,

Graduands,

Distinguished Ladies and Gentlemen,

It gives me great pleasure to witness this graduation ceremony for the Post-Graduate Diploma (PGDPA) and Certificate (CPA) courses, both in Public Administration, of the Administrative Staff College of Nigeria (ASCON). I have been told that the PGDPA programme is run in conjunction with the University of Lagos, which attests to its high standard. These programmes have become more relevant than ever before, given government's current drive on building human capacity, with a view to enhancing productivity growth in the country. I therefore commend the two institutions for this collaborative effort.

It has been my earnest desire to share my vision on the need for effective human resource development, which is central to economic growth and development of any nation, and the imperative of according it the priority attention it deserves. The efficiency of the workforce can only be enhanced and sustained through continuous training and re-training.

Consequently, I have opted to focus on the topic "Capacity Building for Economic Management in Nigeria: The Role of Tertiary Institutions." My objective is to share with you my ideas on the role of tertiary institutions in

effective capacity building for efficient economic management in Nigeria. This should not come as a surprise, given that I have been pre-occupied with economic management for over four decades of my public and private service.

Capacity building is central to sustain economic growth and development because human capital is the greatest asset of any organization. This explains why most developed and emerging economics focus on building human capital, as only those countries and enterprises that possess what it takes to be competitive will survive in the current global economy. The Nigerian economy has to be efficient and competitive in the new world order in which national frontiers no longer constitute barriers to human, material and capital flows. One of the greatest challenges facing Nigeria in this millennium is, therefore, the issue of capacity building to enhance productivity in the economy.

Attempts shall, therefore, be made in this address to discuss the roles of tertiary institutions in capacity building for economic management. To accomplish this objective, I shall discuss the concept of capacity building, its role in economic development, the role of tertiary institutions, challenges and conclusion.

II. The Concept of Capacity Building

Capacity building has been defined in several ways. Generally, it entails the development of a workforce through the acquisition of technical and managerial efficiency and effectiveness in the overall performance of an organization. Indeed, the efficiency of a workforce can only be enhanced and sustained through continuous capacity building. It could also be defined as the internalization of the knowledge, skills and processes that enable the

formulation, implementation, monitoring and evaluation of set goals in an efficient manner . Yet, it could be viewed as a series of activities, which an organization, enterprise or even a nation needs to undertake to provide for itself, on a continuous basis, as well as the regular supply of skilled manpower to meet its present and future needs.

Capacity building entails investment in human capital, institutions and practices necessary to enhance human skills, overhaul institutions and improve procedures and systems. This requires forecast of the manpower needs and other requirements of the economy over a period of time in respect of each industrial and occupational group, supported with policies and programmes that guarantee their sustainability. Capacity building, thus enhances the ability of human resources and institutions to perform or produce. It can be likened to an industrial processing by which basic “ores and raw metals are converted into useful tools, through heating, molding, tempering, shaping and sharpening for some ultimate purposes”⁽¹⁾. In the same manner, human beings can be fashioned to lead useful and happy lives and contribute to societal goals, through education and training.

Capacity building could be through any or a combination of the following:

- On-the-job training;
- Off-the-job training;
- Formal apprenticeship programmes combined with either or both of the above;

(1) U.O. Anyanwu: “Productivity and Capacity Building” Proceedings of the Ninth Annual Conference of the Zonal Research Units – Gateway Hotel, Abeokuta 12 – 16 June, 2002.

- Rotation among a series of jobs, either as part of job enlargement or an enrichment programme;
- Tuition aid programmes to assist staff to become better qualified in their present assignments or for promotion; and
- Correspondence courses.

Indeed, what we are celebrating here today, represents a victory for capacity building for which ASCON must be congratulated.

III. The Role of Capacity Building in Economic Development

Economic development has traditionally meant the capacity of a national economy to generate and sustain an annual increase in its gross national product (GNP), at rates significantly higher than the population growth rate. It implies not only an increase in real output but growth accompanied by changes in the structure of the economy, including its social and political elements. Indeed, changes in both the technical and institutional arrangements by which output is produced and distributed are part of economic development. It is thus, a phenomenon, in which rapid gains in overall and per capita GNP growth would either “trickle down” to the people in the form of jobs and other economic opportunities or, create the necessary conditions for a better distribution of the economic and social benefits of growth.

The pace at which a country generates the processes, which lead to sustainable economic growth and development, depends largely on the quantum, quality and diversity of its human resource endowment, which to a large extent, determines technological change. The engine of growth of the East Asian countries, for instance has been powered by sustained and productive high levels of investment in human capital, which resulted in

highly skilled labour force and impacted positively on growth and development. Human capital investment has multiplier effects, which engender long-term economic growth and increases in the standard of living. Thus, any country that desires to enhance and accelerate its development process, must take capacity building seriously, and execute it methodically and comprehensively.

IV. The Role of Tertiary Institutions in Capacity Building

The enterprise of human capacity building is practicalised on the transfer of knowledge and skills to the trainee through education and training. Higher education and research are essential components of cultural, socio-economic and environmentally sustainable development or individuals, communities and nations. It has never been in doubt that investment in university education and other tertiary institutions such as ASCON is core to the development of high level manpower. During the early decades of the 21st century, such investment becomes a priority as the world steers in the direction of a knowledge-based economy.

The planks on which a knowledge-driven economy rests are provided by tertiary institutions. The more people can attend these institutions and benefit from advanced studies, the better for the individual and the society. However, it should be noted that while higher education leads the way to gainful employment (including self-employment) and an appreciable standard of living, the relationship between education and employment is not one-to-one. It depends on the extent to which educational attributes are congruent with the labour market and also, the extent to which education is adaptable to the emerging dynamics in the economy. The relationship also depends on the

volume of investments and the efficiency with which applicants and employers sort out their demands and expectations, resulting in job offers.

It is indisputable that government recognizes the importance of higher education in national development, as reflected in the goals for tertiary education enunciated in the National Policy on Education (NPE 1998), which are to:

- a) Contribute to national development through high-level manpower training.
- b) Develop and inculcate proper values for the survival of the individual and society.
- c) Develop individual's intellectual capabilities to understand and appreciate their local and external environments.
- d) Acquire both physical and intellectual skills, which will enable individuals to be self-reliant and useful members of the society.
- e) Promote and encourage scholarship and community service.
- f) Forge and cement national unity.
- g) Promote national and international understanding and interaction.

Tertiary institutions are expected to achieve the se goals through teaching, research and development; sustainable staff development programmes; generation and dissemination of knowledge; a variety of modes of programmes including full-time, part-time, block release, day-release, sandwich, etc; access to training funds such as those provided by the Industrial Training Fund (ITF); students industrial work experience; maintenance of minimum educational standards; inter- institutional

cooperation and dedicated service to the community through extra-mural and extension services⁽¹⁾.

Over the years, our educational institutions, especially the tertiary institutions, have rapidly multiplied and expanded. For instance, in 1972 there were only 5 universities in Nigeria. By 1982, the number had jumped to 27. In spite of the problem of under-funding, today there are 46 Polytechnics, 63 Colleges of Education, 55 Universities and 6 other degree awarding institutions in Nigeria.

There are negative developments as well. Experience, as revealed by members of the Nigerian Employers Consultative Association (NECA), with respect to the recruitment of new employees, has revealed that there are increasing problems in the educational system, especially at the tertiary level. Some of these problems include:

- A sharp deterioration in communicative abilities, especially with respect to the use of English Language, both oral and written.
- Inadequate practical exposure for science related and engineering graduates.
- The brain-drain phenomenon resulting in loss of teaching and non-teaching staff to local private companies, foreign tertiary institutions and international agencies.
- Inadequate funding and poor disbursement pattern.
- Irregularities in access to education and admission policies.
- Poor administration.
- Cultism.
- Examination malpractices

(1) NPE, 1998

These deficiencies and problems have continued to create pitfalls in the molding of people in the tertiary institutions.

V. Challenges and Conclusion

There is great need for the pursuit of capacity building that can equip people with the skills and competences required both for gaining employment and job creation. In charting a new way forward, we are faced with the challenge of refocusing our formal educational system, especially, the tertiary institutions for a paradigm shift in curricula towards entrepreneurial skill development. This shift will lead to the production of graduates imbued with the requisite skills, knowledge and abilities to become entrepreneurs and to function properly in society. There should also be an effective linkage between the tertiary institutions and industries in undergraduate training, and in research and development. Our tertiary institutions should be guided strictly by a credible admission policy on course basis with a view to checking the imbalance in the system and reflecting national development needs. They should be adequately funded and equipped to compete favourably with those in developed countries.

The challenge for capacity building was expressed by Dr. Kofi Anan, the United Nations Secretary General, when he said “The day will come when nations will be judged not by their military or economic strength, nor by the splendor of their capital cities and public buildings, but by the well-being of their peoples: by their opportunities to earn a fair reward for their labours; by their ability to participate in the decisions that affect their lives; by the respect that is shown for their civil and political liberties; by the provision that is made for those who are vulnerable and disadvantaged; and by the protection that is afforded to the growing minds and bodies of their children.”⁽¹⁾

I thank you and with those words, I wish the graduands a fruitful future in their various disciplines.

Merry Christmas and New Year in advance

⁽¹⁾ U.O. Anyanwu: “Productivity and Capacity Building” Proceedings of the Ninth Annual Conference of the Zonal Research Units – Gateway Hotel, Abeokuta 12 - 16 June, 2002