

Assessing the Role of Education for Nigeria's Sustainable Economic Growth

Uchechi Bel-Ann Ordu & Chinyere Uchenna Ordu

Uchechi Bel-Ann Ordu, Dr., Ernst & Young LLP, United Kingdom

Chinyere Uchenna Ordu, Dr., Archdeacon Crowther Memorial Girls' School, Elelenwo, Port Harcourt, Nigeria

Abstract

Education is a cornerstone of human capital development and a vital driver of Nigeria's sustainable economic growth (SEG). This exploratory research using endogenous economic growth theories examines the extent to which education providers in Nigeria align with the Sustainable Development Goal of ensuring quality education and equitable access. A well-functioning education system requires a relevant curriculum, adequately trained teachers, and alignment with labour market demands. However, Nigeria's education sector faces critical challenges, including a lack of basic skills, inadequate funding, poor infrastructure, unqualified teachers, outdated curricula, and inconsistent government policies. These challenges contribute to a growing number of unemployable graduates and a widening skills gap. This study uses an empirical model to explore the intricate relationship between education, human capital formation, and economic development. A mixed-methods approach, incorporating triangulated quantitative and qualitative data, was used to comprehensively understand school management policies and their impact on SEG. Findings reveal that Nigeria has immense potential for sustained economic growth if strategic investments are made in education. A whole-school approach to quality education, emphasizing student-centred learning, updated assessment methods, and continuous teacher training, is crucial for preparing graduates to meet evolving labour market demands. Furthermore, insights from Finland's education system suggest adaptable strategies that could improve Nigeria's education policies and practices. This study contributes to knowledge by highlighting effective school management practices that enhance educational quality and drive economic progress. It recommends further empirical validation of the proposed model to develop actionable strategies for education reform, ensuring Nigeria's successful transition to a knowledge-driven economy.

Keywords: SEG, labour market, school management practices, quality education, mixed methods, Nigeria

Introduction

Education is a dynamic instrument for achieving economic growth, leading to national development (Ordu, 2024). Goal 4 of the Sustainable Development Goals is to 'ensure inclusive and equitable quality education and promote lifelong learning

opportunities for all' (United Nations, 2019). However, Nigeria's systemic challenges in the education sector have limited the nation's ability to leverage education for SEG. Drawing from SDG 8, which is to 'promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all' (United Nations, 2019), young people serve as a medium to achieve SEG in their countries. SEG attempts to satisfy humans' needs without jeopardizing the resources needed by future generations (Armeanu et al., 2018).

Countries with developed human capital enjoy reduced poverty, increased employment opportunities, and sustainable economic growth rates. But Nigeria is still far from fully achieving any of the SDGs since its independence in 1960 (Dansabo, 2018), despite its abundant resources. UNESCO recommends a 26% budgetary allocation to the education sector; unfortunately, the budgetary allocation to education in Nigeria has been on a downward trend and is at 7.3% (Agwulonu & Akanji, 2025), which is far below UNESCO's recommendation. Conflicting regulations and a lack of a clear vision for the education sector reflect in an unstable political climate affecting policies on education, corporate governance failures in schools (NESG, 2018), a high number of graduates who cannot compete globally regardless of their high-level talent and effort, and unfavourable business environments. This study investigates the relationship between education and SEG in Nigeria, emphasizing the role of middle/low-income secondary schools, which have significant untapped potential to improve educational outcomes, serve a large proportion of Nigeria's student population, and have the potential to foster SEG.

Research objectives

This research aims to explore the relationship between education and Nigeria's SEG with a particular focus on middle/low-income private secondary schools. The study's objectives are:

- To explore how middle/low-income private secondary schools in Nigeria obtain and use funding to influence SEG.
- To examine how management practices within these schools impact educational quality and workforce readiness.
- To investigate how school management practices influence labour market demand and SEG.
- To identify teaching and learning methods that can prepare students to become active contributors to economic growth in Nigeria.

Literature review

Role of education for SEG

Education provides the necessary human resources to develop and transform any economy. Nigeria lacks quality education which affects SEG, but the government has continued to make efforts to improve the quality of education in schools through the implementation of UBE Act 2004, National Policy on Education, TRCN Act of 2008, increase in number of students' enrolment in schools, inauguration of the Presidential Task Force on education in 2011 and the USAID (Babalola, 2018). Re(education) is a

continuous process that happens throughout a person's life. Formal, non-formal, and informal education sectors should collaborate to enlighten the younger generation, provide opportunities for global diversity, and empower them to develop skills to play their roles in society. Civic Education, a subject in the Nigerian curriculum, teaches responsible citizenship, critical thinking, and contributes to Nigeria's economic development and a sustainable world. Many students graduate from formal education without basic literacy and numeracy skills. Moreover, quality education goes beyond the individual's years of schooling. Most countries now offer knowledge-intensive products and services, expand education, and emphasize skills and competencies. Schools are responsible for developing teaching and research methodology to disseminate information through qualified teachers to improve students' skills and involvement in socio-economic issues.

Economic growth as a basis for Nigeria's development policy

Quick and sustained economic growth is the pathway to achieving Sustainable Development Goals and improving the conditions of people living on less than \$1.90 a day (United Nations, 2019). Economic growth creates continuous circles of prosperity and opportunity and is a basis for further economic growth. A successful strategy to reduce poverty is determined by a nation's leadership, policies, and educational institutions that put measures to allow the poor to participate in opportunities that lead to economic growth through better labour markets, gender equality, and financial and educational inclusion.

Education and entrepreneurship push for economic growth and serve as strategies against poverty. However, Nigeria lacks this because 85 million people live in extreme poverty (United Nations, 2019), and UN SDG 1, which states 'eradicating poverty in all its forms', has become a challenge. People are empowered to be confident and self-reliant when given a good education to prepare for and create jobs. Nigeria's government must prioritise sectors that contribute to GDP growth, meet market demands, and absorb a significant number of the labour force (NESG, 2018). Nigeria's private sector could bridge the job deficit gap, but it cannot proffer a solution to the increasing rate of unemployment unless the government establishes sectors strategically for job creation. Entrepreneurship education creates a shift from the traditional to the new economy. The Nigerian economy has not transformed the capital, labour, land, and other inputs into goods and services compared to other countries. This has hindered productivity, economic growth, living standards, and job creation, fearing that people living in poverty will continue to rise. Nigeria may not experience the immediate benefits of economic growth because of extreme poverty (NESG, 2018), but in the long run, this growth will bring higher participation in the workforce and job opportunities.

Endogenous economic growth theories

In the endogenous growth theory developed by Paul Romer (1989) and Robert Lucas (1988), economic growth is tied to innovation, knowledge creation, investments in human capital development, and accumulation from the government and private sector. In Romer's theory, economic growth rate depends on the value of human capital, focused on knowledge creation and human capital accumulation through employment, purchasing power, and production (Soyer et al., 2020).

Countries with greater accumulation of human capital will have higher economic growth rates. However, countries may experience brain drain if products (human capital) are constantly taken out without being replenished. In the Nigerian context, students are sent abroad because of the poor education system and do not return after completion to contribute to the nation's development (Olaniran, 2020). In Lucas's theory, public resources are needed to accumulate human capital through investments in education. Students' human capital increases when knowledge is imparted by the teachers, but it does not create new knowledge for society. However, successful research by teachers leads to knowledge capital that everyone can share on a nonrival basis (Ndofirepi & Cross, 2017). Lucas does not state how human capital formation brings endogenous growth, whether from education or research, and may be unsustainable for growth. However, to achieve a sustained economic growth, a shift is suggested from Lucas's model to Romer's model. Romer represents an endogenous growth process driven by physical capital investments in education to generate new ideas. Investments in research generate new ideas that can be reused by different people. The availability of more public funds and the ideas gathered produce goods and/or services for the economy, innovations, and higher economic growth rates.

Conceptual framework

This section illustrates factors that contribute to education for Nigeria's SEG, using education and human capital as the antecedents and SEG as the outcome. The research constructs discussed are funding, government policies, teaching and learning aids/methods, labour market demand, and quality of education.

Funding

Financial streams to achieve quality education in any economy are domestic private, domestic public, and foreign aid. Education was a 'free good', but the Nigerian government could not cope with the demand by the end of the 1980s (Ubogu & Veronica, 2018). Although the quantity of education providers increased, the quality deteriorated to a very low standard. The Nigerian education sector has not received sufficient funding despite its great influence on economic growth. To solve this problem, the private sector and NGOs should contribute to the education sector through bilateral agreements and monitoring of the funds allocated. Although funding is important for SEG, Nigeria has not reached its 20% expectation for funding education because the government has not allocated more than 10% of its national budget to education in any given year (Agwulonu & Akanji, 2025). This explains the shortage of infrastructural facilities, poor teachers' salaries, misappropriation of funds, lack of teaching materials, outdated curriculum, lack of research, and other co-curricular activities, which have led to low standards of education in some schools and irrelevance of the curriculum to meet the socio-economic needs. This calls for an urgent need to develop national governance strategies to effectively manage budget allocation.

Government policies

The government's responsibility is to implement, manage, and finance effective national education systems. However, Nigeria's poor government leadership has

negatively affected the education system. Education is capital-intensive, but because of unstable government policies, it has been left in the hands of private individuals and organisations, making it expensive for the middle and lower classes. Nigerian leaders lack the political will to formulate sustainable policies. The lack of human capital makes it difficult to implement and sustain policies when tenures of specific governments come to an end. Furthermore, policymakers fail to formulate feasible strategies considering the short time spent in political positions (Babalola, 2018). Corruption impedes the development of education and leads to a continuous scarcity of resources. Government policies like the National Policy on Education are stalled because lawmakers have other motives when they present budgets, the executive arm is often unwilling to release funds for implementation, and the funds released are not fully utilised to promote the cause of education. As a result, millions of children are denied access to basic education because of poor funding allocation and diversion of funds meant for the education sector (Samuel, 2018). To unlock the pathway to SEG, government policies must be geared toward educating the human capital.

Teaching and learning aids/methods

The input factors – teaching and learning process, such as facilities, curriculum, instructional materials, finance, internal stakeholders – are merged in the research and teaching process, leadership, and quality assurance systems. These factors produce the output seen in skilled and employable graduates, knowledge creation, and economic growth. Teaching and learning aids like classrooms, laboratories, and well-stocked libraries are key factors for education (Ordu, 2021). However, due to a total absence of government funding, most middle/low-income private secondary schools lack the necessary teaching and learning aids for students. Teachers are responsible for transferring knowledge and must be trained to use teaching/learning aids and methodology (NESG, 2018). Teachers are expected to have a good understanding and full grasp of their subject to promote quality delivery and students' learning outcomes. An enabling environment is important to achieve effective learning skills, with abundant government investment in infrastructure to provide a better learning environment for students and job opportunities to those providing such service (NESG, 2018). The objectives of education, as drawn from the National Policy on Education, help students think outside the box, explore real-life opportunities for career growth, develop practical skills for the labour market, and enable them to have a smart understanding of the increasing need and changes in technology.

Labour market demand

The future of the labour market is linked to the structure of the economy. Economic policies and systems are set up to ensure that workers have jobs to alleviate poverty. However, there will be no guarantee for poverty alleviation if wages are low. The G20 has committed to SDG 4 of providing inclusive, quality education for all by 2030. Therefore, individuals should be equipped with basic literacy skills for the labour market and to learn further skills. There is a rising demand for cognitive skills in emerging sectors in Nigeria, whereas people still use manual skills. Learning further skills is important to adapt to technological changes, and for entrants from different sectors to fit in and learn on the job. Basic literacy skills are important to provide a solid base for

people to succeed in education and the labour market. Individuals with poor skills experience a greater risk of unemployment, leading to economic disadvantage. However, the higher skills an individual has, the better their chances of gainful employment and higher earnings. Education aims for people to gain employment and contribute to developing society. It also creates a balance between skill acquisition and labour market demand. The issue with the Nigerian labour market remains that while employers struggle to find sufficiently skilled workers, those working are often underemployed. The labour market can only be functional when education produces the needed workforce.

Quality of education

Education for SEG is a lifelong learning process in which individuals acquire the necessary knowledge and skills to contribute to a sustainable society. The quality of education has a significant influence on lifetime earnings, regardless of the nation's development level. Education for SEG as a whole-school approach adopts sustainability into the curriculum, teaching and learning process, corporate social responsibility, school ethos and events, management, decision-making process, and ensures that young people are taught skills relevant to different industries. Nigeria's Ministry of Education has responded to the new global SDGs by integrating subjects like Climate Change, Peace and Conflict Resolution Education, Disaster Reduction Education, Consumer Education, and Civic Education. Using examination as the only criterion to measure academic ability has led to examination malpractice in some schools (Yunus, 2019), making them less innovative in solving academic puzzles. The World Economic Forum (2015) notes skills needed for today's innovation-driven economy: problem solving, collaboration, curiosity, creativity, and initiative. However, a shortage of these skills hinders students' ability to think critically.

Research methodology

The study was conducted in four phases: the foundation, pre-field, field, and reporting phases. The case study research method was adopted to explain, understand, and explore 'how' and 'why' a phenomenon, within a particular context, is what it is. Case studies were also used to explain the context of SEG, which is happening in the present and therefore, affecting the future (Schoch, 2020).

The foundation phase outlined the research philosophy and showed that the study was carried out based on the researcher's and participants' objective views to reveal the nature of Nigeria's education system.

The pre-field phase explained research decisions made before the field phase, case study protocol, and case themes developed based on the research questions and data findings. The case study themes gathered are quality of education, problems facing education, government policies, labour market demand, teaching and learning aids, access to education, and problems facing human capital availability.

The field phase explained the sample size, procedures used to recruit participants, and data collection methods – questionnaires, interviews, observations, and documents to provide a reliable source of information based on strong evidence. Three secondary schools in Port Harcourt, Nigeria, were used for this study, with questionnaires distributed to 98 teachers and 31 management staff. 15 teachers, 19 management staff,

and 9 board members participated in the semi-structured interviews, and 12 students and teachers each participated in the focus groups. The researcher's in-the-moment thoughts and experiences were captured using field notes to add richness to the research context.

The reporting phase outlined how quantitative and qualitative data were analysed using descriptive tests and thematic analysis, respectively. Codes were extracted from the data and generated into themes using the procedures of Braun and Clarke (2020).

Key findings

This section discusses key findings from the study based on the research objectives.

Objective 1: To explore how middle/low-income private secondary schools in Nigeria obtain and use funding to influence SEG.

The study revealed that a greater accumulation of human capital in Nigeria will impact the economic growth rate, and that education systems must encourage entrepreneurship and problem-solving. An accumulation of human capital is only possible by adequately funding the schools, and these schools have a responsibility to manage funds to ensure quality and infrastructural development.

Objective 2: To examine how management practices within middle/low-income private secondary schools in Nigeria impact educational quality and workforce readiness.

The study revealed that Nigeria's education is mainly theory-based, with an outdated curriculum making it low quality and unable to produce employable graduates who can meet labour market needs. To solve this challenge, schools must ensure infrastructure, apprenticeship opportunities, human capital, and that graduates are employable and entrepreneurial-minded to create opportunities. A shift is necessary from an emphasis on certificates to actual learning outcomes. From the survey data, apart from examinations, the schools use talent hunts, debates, research projects, quizzes, and seminars to examine students' skills and practical knowledge.

Objective 3: To investigate how school management practices influence labour market demand and SEG.

The study showed that corporate governance strategies are important to ensure that the joint schools' governing board is comprised of members who have experience in educational management to develop policies that are tailored to the schools' needs to ensure quality outcomes. Teachers' incentives are not equal to those in other professions, which has demotivated them and discouraged graduates from going into the profession. The study further revealed that school management practices are seen in resource management, leadership styles, talent management, and teaching methodology that improve the quality of education and prepare students to impact society for economic growth.

Objective 4: To identify teaching and learning methods that can prepare students to become active contributors to economic growth in Nigeria.

The study revealed that a futuristic curriculum is important to prepare students for jobs that do not exist presently. School policies can ensure that students' skills are developed in their areas of interest, apart from their career choices. The study showed that proper investments are needed in the Nigerian education system to enhance students' employability and labour productivity for the 21st-century technology-driven world. Attempts should be made to discourage memorization, while participatory learning should be encouraged.

Conclusion

A sustainable economy is resilient and provides good education and quality of living for its citizens. Nigeria's economy can become more robust and productive when there is an increase in the proportion of educated people because they can effortlessly carry out tasks that require literacy and critical thinking. (Re)Skilling students and human capital for future jobs means a total overhaul of the entire Nigerian education system and society. It is the responsibility of the government and private sector to redesign the education systems and models in line with Finland's models for better funding, qualified and well-paid teachers, upgraded facilities, and a flexible curriculum relevant to the future labour market. The Nigerian education system should be futuristic, giving importance to the nation's development, students' training, skills, and professional qualities (Ordu, 2021). According to a student, '...with good education, I can achieve anything I wish to'.

References

- Agwulonu, C. & Akanji, M. (2025). Analysing the impact of low education budget allocations on future generations. <https://businessday.ng/analysis/article/analysing-the-impact-of-low-education-budget-allocations-on-future-generations/> (Accessed 6 April 2025).
- Armeanu, D., Vintila, G. & Gherghina, S. (2018). Empirical Study towards the Drivers of Sustainable Economic Growth in EU-28 Countries. *Sustainability*, 10(4), 1-22.
- Babalola, J. (2018). *Policy Somersault and Accountability in Nigerian Education*. Ibadan: NAE Publication.
- Braun, V. & Clarke, V. (2020). One size fits all? What counts as quality practice in (reflexive) thematic analysis? *Qualitative Research in Psychology*, 18(3), 328-352.
- Dansabo, M. (2018). Prospects of Sustainable Development Goals (SDGs) in Nigeria. Paper presented at the Nigerian Anthropological and Sociological Practitioners Association (NASA). Kaduna.
- Lucas, R. (1988). On the mechanics of economic development. *Journal of Monetary Economics*, 22(1), 3-42.
- Ndofirepi, A. & Cross, M. (2017). Knowledge as a Public Good: A Critical Gaze at the African University. In M. Cross & A. Ndofirepi (Eds.) *Knowledge and Change in African Universities* (pp. 41-57). African Higher Education: Developments and Perspectives. Rotterdam: Sense Publishers.
- Nigerian Economic Summit Group (NESG) (2018). *Growing an Inclusive Economy: Job Creation and Nigeria's Future*. Lagos: NESG.
- Olaniran, O. (2020). Brain drain and the Nigerian economy. *Vanguard*. <https://www.vanguardngr.com/2020/02/brain-drain-and-the-nigerian-economy/> (Accessed 27 March 2025).

- Ordu, C. (2024). Quality assurance mechanisms and the management of mission secondary schools for service delivery in Rivers State. Unpublished Ph.D. dissertation. University of Port Harcourt.
- Ordu, U. (2021). The Role of Teaching and Learning Aids/Methods in a Changing World. In *New Challenges to Education: Lessons from Around the World* (pp. 210-216). BCES Conference Books, Vol. 19. Sofia: BCES.
- Romer, P. (1989). Capital accumulation in the theory of long run growth. In J. Barro (Ed.) *Modern Business Cycle Theory* (pp. 51-127). New York: Harvard University Press.
- Samuel, G. (2018). How Corruption is Affecting Basic Education in Nigeria. International Anti-Corruption Conference. Busan, Republic of Korea.
- Schoch, K. (2020). Case Study Research. In G. J. Burkholder et al. (Eds.) *Research Design and Methods: An Applied Guide for the Scholar-Practitioner* (pp. 245-258). London: SAGE Publications.
- Soyer, K., Ozgit, H. & Rjoub, H. (2020). Applying an Evolutionary Growth Theory for Sustainable Economic Development: The Effect of International Students as Tourists. *Sustainability*, 12(1), Art. No. 418.
- Ubogu, R. E. & Veronica, M. O. (2018). Financing Education in Nigeria: Implications and Options for National Development. *World Journal of Educational Research*, 5(3), 227-235.
- United Nations, Department of Economic and Social Affairs (2019). *Monthly Briefing on the World Economic Situation and Prospects*. No. 131, October 2019.
- World Economic Forum (2015). *New Vision for Education. Unlocking the Potential of Technology*. <https://widgets.weforum.org/nve-2015/index.html> (Accessed 3 April 2025).
- Yunus, S. (2019). Causes and solutions to the problem of examination malpractice. *The Guardian*. <https://guardian.ng/opinion/causes-and-solutions-to-the-problem-of-examination-malpractice/> (Accessed 5 April 2025).