An Evaluation of Literacy Level on Human Capital Development in Ogbomoso Area of Oyo State, Nigeria

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Abstract
This study examined an evaluation of literacy level on human capital development in Ogbomoso area of Oyo state, Nigeria. Structured questionnaire was used for data collection from 100 respondents chosen through stratified sampling techniques. In analyzing, regression analysis was used and the results revealed that evaluation of literacy level on human capital development can be influenced by gender, age, household size and marital status. Also, coefficients of the intercept and years of experience were -0.143 and -0.111 respectively. These revealed that variables with negative signs indicate that if efforts were not directed toward stimulation of labour productivity in the study area, labour productivity will definitely fall by 14.3% and 11.1% respectively. The coefficients of educational background, access to training workshop and seminars, workers' use of technology were 0.024, 0.866 and 0.816 respectively. This shows that an increase in the literacy level will increase human capital development. It is against this background that these recommendations were made that, educational policy that will pave ways for human capital development should be embarked upon and, Governments should invest in trainings to boost workers productivity. Moreso, informal and non -formal education should be embraced to increase the level of literacy.
Keywords: Literacy, Human Capital Development, Ogbomoso Areas, Nigeria.

Introduction

Human capital is recognized as a core element of national development in all countries of the world. Provision of education, health, labour, employment and women affairs services to people is one of the major ways of improving the quality of human resources. Hence, investing in human capital development is critical in that it is targeted at ensuring that the nation's human resource endowment is knowledgeable, skilled, productive and healthy to enhance the optimal exploitation and utilization of other resources to stimulate growth and development. Therefore, for economies to function effectively, there must be capable human resources to support the production process. For-instance, countries such as Taiwan, China, Malaysia and South-Korea which have grown rapidly and are now among the leading economies of the world, give increasing evidence of the need to invest in human capital.

However, disparity still exists between the developed and underdeveloped countries such as Nigeria. The slow pace of development witnessed in these countries can be attributed to some factors such as cultural background, geographical location and lack of infrastructure. In Nigeria, even where the best machinery were put in place, they had a dismal result showing that these reasons do not fully account for low development (Todaro and Stephen, 2007). The best reason can be seen from the Human Development Report of 2010 by the United Nation Development Program which ranked Nigeria 142 out of 160 least prosperous country in the world. The country was also listed 15 among 42 countries considered to belong in the 'least human development' category. This points to the fact that besides other problems faced by the country, its poor performance is greatly fueled by insufficient human capital to effectively carry out the production process.

In order to put an end to this in Nigeria, emphasis has been placed on investment in education and health to enhanced developed human capital. For-instance, the Fourth National Development Plan (1981) lays emphasis on human resources development with reference to vital role of human labour in the development process and to increase the nation's stock of trained manpower through the expansion of existing educational and trained facilities. This is because education, literacy skills have been seen as a catalyst in individual development which assists productivity. Despite these efforts, the educational system in developing human capital has been slowed and this therefore shows the extent to which literacy skills can affect human capital development. It is against this background, that it is therefore pertinent to look into the effect of literacy level on human capital development in Ogbomoso area of Oyo state, Nigeria.

2. Literature Review

Many studies have shown the importance of human capital accumulation in terms of basic education, research, training, learning – by doing and capacity building. Education enriches people's understanding of themselves and the world. It improves the quality of their lives and leads to broad social benefit to individual and society. Education raises people's productivity and creativity and promotes entrepreneurship and technological advances, demonstrated in several countries such as Malaysia, Bolivia, China (World Bank, 1998).

Education affects every individual of a country (Chukwuemeka, 2009). He believed that there is a high positive relationship between rise in educational expansion and economic development. This assertion has been supported by the report of Ashby Commission which in fact favoured the expansion of the educational sector. Yesufu (2000) observed that without labour all the factors of production are passive and human capital formation which determines the ability of an economy to develop will be affected drastically.

In 1947, UNESCO has given a recognition to a wide range of skills, including the acquisition of literacy, as fundamental aspects of individuals development and human right. Apart from the fact that, it is an important aspect of human rights, a significant relationship exist between the rate of literacy and human capital development. This has provided an opportunity to the policy makers in Nigeria to include literacy and community education on its priority list as part of development strategy (Bakare, 2006).

Isola (2002) observed that the acquisition of knowledge and information is critical to economic growth just as science and engineering is of importance in production of goods and services. This may perhaps be the need to investigate the link between education and economic growth. UNESCO (2006) reported that creating literate environments and literate societies is an important factor for achieving the goals for eradicating poverty, reducing child mortality, curbing an increase in population growth rate, achieving gender equality proving an avenue for sustainable development, peace and democracy.

Many developing countries have made remarkable progress in ensuring better access to education through improved literacy and effective distribution of education services. But the returns from the investment in education differ from one country to the other. Thomas and Wang (1996) argued that education alone is not a guarantee for sustainable economic growth. They observed that Sri Lanka had higher per capital income than the Republic of Korea in the 1960s and its social indicators outstripped those in many low- income countries. But its income growth rate stagnated in the 1970s and 1980s.

Willims (2003) remarked that literacy had effect on initial post-primary participation, giving the relationship which exist between high school completion and post secondary participation. Based on the findings, he concluded that adults with low literacy skills face large lifetime consequences.

Dauda (2010) stressed that education is an important factor in transition program, it embraces human resources with the required knowledge, skills and competencies which will enhance their functionality and contribute to the all round development of the country. This does not only assist to provide the essential human capital which stands as a necessary condition for sustained economic growth but it is a key to poverty reduction and vehicle for stimulating equity, fairness and social justice.

3. Materials and Methods

This study was carried out in Ogbomoso areas of Oyo state, Nigeria. The areas include
the five local government areas and they are; Ogbomoso - North, Ogbomoso - south, Ogo oluwa, Orire and Surulere. The study area was chosen because there were five local governments in the area servicing diverse interest of the people in the study area. Both questionnaire and interviewed techniques were used for data collection from 100 respondents chosen through stratified sampling techniques. In analyzing this data, regression model was employed in addition to conventional descriptive statistics such as tables, frequency distribution and percentages.

The regression model specified in this study to analyze literacy level on human capital development in Ogbomoso area of Oyo state, Nigeria can be expressed as follows:

$LP_i = \alpha_0 + \beta_1 HHC + \beta_2 EBW + \beta_3 TWS + \beta_4 WUT + \beta_5 YEX + \mu_1$

Where:

LP = Labour productivity

HHC = Household characteristics (age, gender, marital status and household size)

EBW = Educational background of each workers (formal (1) informal (0))

TWS = Access to trainings, workshops and seminars (Dummy variable, Yes (1) No (0))

WUT = Individual workers' use of information and communication technology (Dummy variable, Yes (1) No (0))

YEX = Years of experience (years spent in current employment)

μ_1 = error term

4. Results and Discussion

A summary of the distribution of these variables that are expected to have important implications for analysis of literacy level on human capital development is presented in Table 1.1. About 54% of the respondents were male while 46% were female. This shows that male were more than the female. This reveals that male significantly have higher education intention than females. Hence, there is the need to encourage women to invest more on education.

The Table 1.1, also shows that 30% of the respondents were less than age of 26years. 40% were within 26 – 35 age group, while 18% where between 36 – 45 years age cohort, 7% were between 46 – 55 years of age, and just about 5% were more than 55 years old. This revealed that the population sampled was predominantly middle aged. This age – groups are known to be energetic and therefore expected to be conscious of education and active in exploring avenue for academic opportunities. More so, the middle-aged groups with an ambition to earn higher incomes are expected to be up and doing in terms of their education to accumulate wealth. Therefore, the young are expected to investment on education than the old.

In respect of their marital status, about 46% were married while 54% were single. This implies that, the married are more likely to be relatively stable, and have little intention to invest any longer on education compared to the unmarried. Also, an increase in the number of single respondents revealing that human capital investment through education and capacity building in form of training has an impact on economic growth because low investments in human capital may impinge on already low growth rates of income. Nigeria should strive for a rapid growth of main aspects of human capital - particularly in the expansion of education - despite starting from a low level of income.

In terms of household size, 40% were between 1 - 4 while 60% were between 5 - 8 in the family. This can explain why it is difficult to invest on education, where per capital income is low, the process of human capital accumulation is low, ability to innovate and to use innovations have been drastically reduced.

4.2 Regression Result

From the results, all the parameters satisfy the a priori expectation and the theoretical frame work with the exception of years of experience with a negative sign. The coefficients of the intercept and years of experience were -0.143 and -0.111 respectively. These results revealed that variables with negative signs indicate that if efforts were not directed toward stimulation of labour productivity in Ogbomoso area of Oyo state, Nigeria, labour productivity will definitely fall by 14.3% and 11.1% respectively. The coefficients of educational background, access to training workshop and seminars, workers' use of technology were 0.024, 0.866 and 0.816 respectively. This shows that the variables with positive signs indicate that the higher values increase the chance of high level of labour productivity in the study area. Hence, an increase in the literacy level will increase human capital development. Also, the results show the economic importance of acquiring literacy skills.

5. Conclusion

 In summary, the study showed that (i) literacy level affects human capital development in Ogbomoso area of Oyo state, Nigeria, (ii) increase in literacy level leads to a significant increase in literacy skills and human capital development, (iii) variables with negative signs indicate that if efforts were not directed toward stimulation of labour productivity in Ogbomoso area of Oyo state, Nigeria, labour productivity will definitely fall, and (iv) literacy level on human capital development can be influenced by educational background, access to training workshop and seminars, workers' use of technology and years of experience. It is against these background that the following recommendations were made that, educational policy that will pave ways for human capital development should be embarked upon to sustain and improve their capacity, Government at all levels, employers and individuals should invest in trainings to boost workers productivity. Equally important, informal and non - formal education should be embraced to increase the level of literacy and productivity of an individual.

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Table 4.1: *Frequency and Percentage Distribution of Respondents by their socio-demographic characteristics N = 100*

Socio-Demographic characteristics	Frequency	Percentage %	Cumulative
Gender			
Male	54	54	54
Female	46	46	100.0
Age			
Less than 26	30	30	30
26 – 35	40	40	70
36 – 45	18	18	88
46 – 55	7	7	95
56 above	5	5	100.0
Household size			
1 - 4	40	40	40
5 - 8	60	60	100
Marital status			
Single	54	54	54
Married	46	46	100.0

Source*:* Field Survey, 2014

Table 4. 2.: Analysis of Regression Result

MODEL	Sum of Squaers	Degree of Freedom	Mean Square	F	Significance Level
REGRESSION	19.729	4	4.932	16.057	.000
RESIDUAL	29.181	95	.307		
TOTAL	48.910	99			
MODEL	B	Standard Error	t- values	Significance Level	
Constant	-143	.275	-.519	.605	
EBW	.024	.087	.273	.786	
TWS	.866	.175	4.946	.000	
WUT	.816	.254	3.208	.002	
YEX	-.111	.046	-2.409	.018	
R R Square Adjusted R Square Std. Error of Estimates		**.**635 .403 .378 .554			

Source: Field survey, 2014

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