

# DEVELOPMENT AND UTILISATION OF HUMAN RESOURCES OF RURAL COMMUNITIES FOR ECONOMIC GROWTH

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## ***Abstract***

*Over the years, philosophers, economists, and political leaders have all recognized the well-being of the people as the main purpose of development. No country has achieved sustained economic development without substantial investment in human capital. Human capital development is a people-centered strategy of development. Several studies have evolved to analyze the channels through which human capital can affect growth. Using the endogenous growth models, which see human resources as a key factor in rural development, this paper identified some constraints to development of human resources and also suggested some strategies for effective human resource development and utilization in rural communities.*

## **Introduction**

The orthodox economic theory draws a distinction between four broad categories of economics resources, namely land, labour, capital and entrepreneurship. Labour is presented as one of the resources at the disposal of the entrepreneur. In the early days, a lot of emphasis was placed on capital as the engine of growth in rural development. But, in recent times, there has been a shift in emphasis from capital

accumulation in the orthodox sense to human capital formation. In other words, there is now a growing interest in human resources *per se*.

If we look at the orthodox classification of resources (land, labour, capital and entrepreneurship), we will observe that two of them derive directly from human beings. They are labour and entrepreneurship. Labour, we know, refers to man's mental and physical effort, directed towards the production of goods and services. It is not the man himself that is referred to as labour, but the effort emanating from him. But, the man is the source of the effort.

In the case of entrepreneurship, we know that it refers to the risk bearing ability with reference to business undertaking. Looking at this closely, we will again see that the man is not the factor called entrepreneurship, but rather the source of this factor. It is in effect man that supplies the factors - labour and entrepreneurship. The quality of any labour effort and of any entrepreneurial exercise depends very much on the quality of man. If the quality of man is raised, then we can be sure that the qualities of these economic resources stand to be raised.

Having gone thus far, we can now say that human resources, refers to those economic resources that are wholly and directly supplied by human beings. It encompasses the suppliers of labour services and those that supply entrepreneurial function. The size depends largely on the population size and the quality depends mainly on education, health services, and environmental factors.

If we say that human resources are those that are supplied wholly and directly by human beings, one can start asking whether capital, which is material resources made and supplied by man, can be regarded as human resources. No doubt, capital is man-made resources are used in the production process. But a difference can be easily observed. First, capital equipment is an inactive resource until life is impacted to it by the human resources. It is the human resource that decides how and when the material capital is to be utilized, otherwise it remains idle. Second, a human resource is embodied in human beings, whereas material capital has its own separate existence.

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However, some observable similarities exist. For instance, the quality of both human resources and material capital is the direct outcome of man's effort. Think of a machine. Its quality depends on the technology embodied in it and this technology is the result of man's mental and physical effort. Effective use of this machine again depends on the skill possessed by its operator. At the same time, the quality of human resources is a direct result of the input of knowledge and health care provided for human being. In effect, the quality of each human resource and material capital determines its utilisation in the development of rural communities. And this is the focus of this paper.

### **Statement of Problem**

In the past, much of the planning in Nigeria was centered on the accumulation of physical capital for rapid growth and development without recognition of the important role played by human resources in the development process. Hence, there was little or no emphasis on human capital development. This has affected economic growth.

### **Theoretical framework**

The neo-classical theory of growth developed by Slow centered macro economists' attention throughout the 1960s and 1970s on tangible (physical) capital formation as the driver of economic growth. However, the theory showed that because of decreasing marginal returns in substituting physical capital for labour, the accumulation of capital would not indefinitely support a steady rate of growth in labour productivity. The recent literature on endogenous economic growth emerged primarily as an attempt to encompass the sources of technological progress and hence of sustained productivity growth within the general equilibrium frame work of neo-classical growth theory.

Harro (1939), Domar (1946) and Slow (1996) explained the long-run growth path of advanced capitalist economies in terms of accumulation of capital and technological progress. The sole concern

was the growth in income. From a development country perspective, the relevance of the model is limited to the extent that increased accumulation of capital is basic condition for the growth of economies. The early development theories accepted the importance of structural transformation in the process of economic development (Levis, 1956; Fei and Ranis, 1996).

The development economics received added thrust with the publication of Sen (1984 and 1985), who divided the whole concept of development in terms of commodities and capacities. He emphasized the importance of human capabilities over commodity approach. He admits that gross national product (GNP) is a measure of the amount of the means of well being that people have, but it does not tell us what people involved are doing to succeed in getting out their means to their ends. From the writings of Sen, one can really make the case that development achievement cannot be a matter of only qualification of the income alone, but has involves the actual achievement themselves.

In the recent developments in the growth theory, Romer (1982) tried to incorporate some of the development variables, like human capital, in economic growth. Others, such as Rannis and Stewart (2001), tried to relate economic growth and human capital development as the central objective of human activity and economic growth, and as potentially very important instrument for advancing it.

This paper rests on the strength of these theories to focus on human resource development and utilization in rural communities.

### **The Role of Human Resources in Economic Growth**

As part of the reaction to an excessive reliance on the accumulation of physical capital, Meier (1971) posited that the acceleration of development may be thwarted by a deficiency in the knowledge and skills embossed in human beings. Material capital, no doubt, assists very much in raising output, but it has to be appreciated that the material capital development, accumulation and utilization cannot be brought about, if there is no significant empowerment in the number and quality of human resources in the rural areas. The quality of any

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factor input matters a lot. The quality of physical capital is the direct product of the quality of the human resources that produces it. The quality of the human resources is represented by amount and level of skill it has acquired as well as the amount of interest and commitment brought in. In essence, intangible human qualities are very significant contribution to material progress and so improvement in these qualities goes a very long to raising the GNP and inducing improvements in other aspects of man's standard of living in community development.

Man is both producer and consumer of goods and services. As a producer, he can act in two capacities: one as a supplier of labour service, and two as an organizer of other resources (entrepreneur). In his supply of labour services, he uses other resources at his disposal to produce different goods and services. The greater the skill he possesses, the more the commitment and dedication to duty he shows and the greater the output per unit time, assuming a state of technology.

As an entrepreneur, he makes up his mind to shoulder all the risks inherent in business ventures and manages investments of his fund in a given time of production and sets to organize the business. The number and success of business ventures depends on the number and quality of entrepreneurs. Progress is more easily recorded in a rural area that has an abundant supply of enterprising men and women who are always ready to put their capital into productive ventures. Careful calculation goes to reduce the risk of failure, and so the more competent the entrepreneurs, the more successful the business venture.

We observe that in most of the less developed nations of the world, government spearheads development efforts. The quality of the policy decisions and their subsequent executions depends very much on the quality of the decision makers and the executors of the policies respectively. A community with highly qualified competent and committed people stands to produce more national policies and get them efficiently executed, all things being equal.

As a consumer, man is the object of all productive activities. It is usually said that production is in anticipation of demand. This

anticipation is to be predicated upon the presented state of affairs. The producer judges the nature of the anticipated consumers before deciding on what to produce and the quality of the production. If he perceives the purchasing capacity as inferior the producer will aim at a limited output. The more sophisticated the consumer, the greater the variety and the higher the quality of the goods and services.

## **Human Resources Constraint on Rural Development**

### ***Population Growth Rate***

The population of any community has serious economic implications. First, it establishes a ceiling for the labour force. In other words, it gives an indication of the highest possible number of workers that the economy can generate, since it is out of the existing population that the labour force will emerge. The larger the population, the larger the labour force, all things being equal (Olaloku *et al*, 1984: 103).

Second, the composition of the population seriously influences again the labour force. For instance, in a situation where a larger proportion of the population is made up of children and elderly people in any community, it means that the labour force will be rather low and there will, thus, be a great pressure on the few people. This is because children and elderly people are not active members of the labour force. They are simply mouths to feed, who contribute little or nothing to the GNP (Olaloku *et al*, 1984: 103).

Furthermore, where female constitutes a large proportion of the population, there will be unsalutary effect on the labour force participation rate. This is because female labour force participation is generally low because of social values and domestic engagement of women. For instance, in 1963, whereas 88 per cent of the male populations in Nigeria were in the labour force, it was only 27.7 per cent of female that were in the labour force (Olaloku *et al*, 1984: 103).

Although the population of a country is the major source of its manpower supply (there can be importation of skills from abroad), we have to note that it forms the major consumer of its national product.

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Since it is not all members of the population that are active members of the labour force, it stands to reason that increasing population can constitute a cog in the wheel of progress of any rural community. The population growth rate in the LDCs is said to be a real problem, since it is found to be greater than what holds in the advanced nations of the world. In this regard, Salvatore and Dowling (1977: 92) say, "Population in developing nations is much greater than in today's developed nations, it is much greater than in most developed nations during their period of development, and far greater than that experienced by the world in the past."

The rapid population growth is a direct result of high birth rate and a declining death rate as a result of improved medicare. For instance, death rate has declined from about 4% to 1%. This means a population growth rate of 2.5% in contrast to the 1% in most of the advanced countries. The high population growth rate means a high dependency ratio, as the number of children increases relative to the labour force. This leads to decline in GNP per person.

Many of the developed nations now appreciate the problem being posed by the high population growth rate, and so are adopting measures to control the situation. For instance, the Nigerian Government in 1988 developed its population policy, which is aimed at providing health for all by the year 2000, and curtailing the birth rate through voluntary fertility regulation. It has embarked upon education of the masses through TV plays and other measures, pointing out the adverse effects of having a large family. It also encourages the populace to undertake birth control measures as allowed by their religions, values and social practices. It is expected that with time many people will see the wisdom in birth control in the communities and this will go a long way to enhancing the economic well being of the populace. One of the reasons why persuasion through propaganda and television jingles is not yielding much result as far as birth control is concerned is that traditionally people have tended to regard children as visible forms of wealth and productive agents. This supports the view that human resource is as good as the engine of growth as capital.

Though this can be accepted, we cannot fail to stress the unsalutary effect of high population growth rate on economic progress.

### ***Slow Growth in Knowledge***

There are a number of miscellaneous issues that can be discerned as contributing to “economic backwardness” in the rural communities. These have been categorized by Merier (1971:599) as:

1. Low labour efficiency;
2. Factor immobility;
3. Limited specialization in occupations;
4. Traditional social institutions that minimize incentives for economic change and
5. A deficient supply of entrepreneurship; and
6. Customary values, a situation brought about by the slow growth of knowledge in LDCs communities.

The economic quality of any nation’s population remains low as long as there is deficiency in knowledge of what natural resources are available and how they can be used to man’s advantage. Deficient knowledge can lead to the people not knowing of possible alternative production techniques, the existing market conditions, institutions that could be created to enhance development in the rural areas. Deficient knowledge, in addition, can lead to deficiency in skill mix. This does not account for the situation whereby one man engages in multiple occupations at the same time instead of being guided by the principle of specialization. Looking at all these, we will come to conclusion that an improvement in the quality of human factors is then as essential as investment in physical capital (Meier, 1971: 599).

### **Strategies for Effective Human Resource Development**

In this last section, we will only highlight the main strategies, which the communities will have to consider if they must tackle the problem of underdevelopment. The strategies are as follows:

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### ***Population Control***

We noted that one of the human resources problems in the rural development is the issue of rapid population growth rate. In dealing with this problem the developing communities would be advised to undertake population control measures. Usually a lot of difficulties would be expected, since the culture and values dominant in these communities seem not to be in consonance with the idea of population control. For instance, in Nigeria, especially among the Igbos, it is deep-rooted in their belief that since it is God that gives children, it is not for man to decide to send a strong protest to the President, after collecting a number of signatures against legalizing abortion in the country. This is on the argument that the fundamental right of man is the infringement on the unborn child's rights to life. No doubt, legalization of abortion will not reduce population growth. But, such is strongly resisted on religious grounds.

### ***Rational development of formal education***

Ukeje (1981: 10) held that "Education is the key agent in the development of human factor - the human personality, human potentials, human talents, human skills and human attitudes." In fact, education is described as the key that unlocks the gate to modernity. As we have already noted, one of the problems facing the rural communities is scarcity of critical skills. The main process of developing and generating these various skills is through formal education and training. The communities have to pay special attention to their educational system and ensure that the knowledge and skills being imparted to the students are functional in the sense of being suited to the manpower needs of the economy.

### ***Provision of Appropriate Incentives***

A lot of money may be spent on education, while there persists critical skills shortage, and even surpluses in certain areas. The reason could be that there have not been enough incentives to attract movement into

the critical areas of shortages. In order to deal with the situation, the community leaders should provide adequate incentives to encourage young men and women to engage in those activities that are critical to the development of the community.

## **Summary and Conclusion**

Human resources development is vital for rural development. Most rural areas are composed of raw population. It is only through human resource development through quality education and improved health programmes that the raw population can be transformed to quality rural labour force. This quality rural labour force to a large extent will contribute positively to the development of the rural communities.

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