

***THE SOCIO-ECONOMIC DIMENSIONS OF HUMAN CAPITAL INVESTMENTS IN
NIGERIA***

BY

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CUPG030005

**Being Ph.D Thesis Submitted in Partial Fulfilment of the Requirements
For the Award of the Degree of Doctor of Philosophy (Ph.D) in Economics
of Covenant University, Ota, Nigeria.**

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DECLARATION

I, **Adeolu Musiliu ADEWOLE**, declare that this thesis is my own original work and that no portion of the work referred to in the thesis has been or will be submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.

Signature

Date

Adeolu Musiliu ADEWOLE

DEDICATION

I dedicate this thesis to my dear mother, Adewole Ayinke Salamotu, who introduced me into the world of rigorous academic study early enough, my sister, Mrs. Adekemi Cole, who steered me unconsciously along the path of Economics and Teaching, my adorable wife, Adewole Oluwemimo Oyesola, who provide valuable home support, and provided able home leadership in my absence, my three wonderful kids (Esther, Paul and Joel) who fired up my creativity and to all who lived and died for a better Nigeria.

ACKNOWLEDGEMENTS

Individual achievements are hardly possible in the absence of network of people whose intelligence and efforts are valuable inputs into the production process. This intellectual enterprise is no exception. There is a long list of visible and invisible persons whose contributions have made valued additions to the completion of this thesis.

For a start, I am extremely grateful to God who has given the wisdom and energy to start and complete this work. He alone supplied the persons whose assistance is vital to the completion of this assignment. He offered opportunities for participation in many international conferences and help secure funding for this dissertation. He protected me as I spend several hours flying from one part of the world to the other and used conference participants to improve the final output of this dissertation. He protected my family in my presence and the days I was away. He made me win the First Prize in the Annual Global Development Network (GDN) Medal Competition for 2011. By this achievement, I became the fourth Nigerian to win the Prize and the second Nigerian to win the First Prize. The praise is His.

I am grateful to the Chancellor of Covenant University and members of the Board of Regent, whose vision remains a prime mover of Covenant University landmark achievements since it was established. I acknowledge the able leadership and invaluable contributions of the former Vice Chancellor; Prof. (Mrs.) Aize Obayan, former Deputy Vice Chancellor; Prof. Charles Ogbulogo, Current Vice Chancellor Prof. C.K. Ayo, Deputy Vice Chancellor (Administration) Professor Taiwo Olubunmi Abioye, Deputy Vice Chancellor (Academic), Professor A.A.A Atayero, former Registrar; Dr. Obong Ntai, Vice-Chancellor of Landmark University; Prof. Mathew Ajayi; Professor Soremekun Kayode and previous Dean of Postgraduate Studies; Prof. C.O. Awonuga. I am profoundly grateful to Professor Olurinola Isaiah (my main supervisor) and Dr. Philip Alege (My Co-Supervisor) who helped the process of completing this thesis. I am equally grateful to Professor T.O. Fadayomi, who was my co-supervisor for the better part of the years I spent on this thesis, whose moral and financial supports assisted in the completion of this work. The current Dean of the College of Development Studies; Professor I.O. Olurinola and Professor T.O. Fadayomi have not only offered excellent supervision of this dissertation, they have given unparalleled moral, material and spiritual supports. They build my confidence and help clear my doubts about some aspect of my thesis. They worked beyond their briefs as supervisors of this dissertation,

meticulously working through every page of this work. Professor T.O. Fadayomi has been a father figure, not only to me but to all in the department and beyond.

My appreciation also goes to Faculty and Staff of the Department of Economics & Development Studies and other concerned colleagues in the College of Development Studies, whose words of encouragements and advice and practical inputs have made the final output better than what it would have been. These persons include Prof. D.N. Ike, Dr. D. Azuh, Dr. H. Okodua, Dr. Lloyd Amaghionyeodiwe, Dr. P. Omoke, Dr. O. Wusu, Dr. R.O. Dauda, Dr. E. Urhie, Dr. O.O. Ewetan, Mrs. A.O. Matthew, Mr. J. Odebiyi, Miss O. Sodipe, Miss T. Adeoye, Dr. E. Amoo, Mr. M. Akanbi, Mr. F.F. Fashina, Mr. S. Awolaja, Mr. A. Ogundipe, Mr. A. Alejo A, Miss A. Ajayi, and Miss Beecroft. Dr. H. Okodua and Dr. S. Osabuohien were available to take me through long hours of practical training in the use of Stata Software and spent valuable hours in honing my skills in applied econometrics. Dr. O.O. Ewetan prayers are acknowledged, whose family willingly took me in when I needed a shelter to work on Campus. Mrs. Agboola never ceased to pray for me even when she resigned her membership of this great faculty of learning and we lost physical contact. I am grateful for this and many more.

Efforts of visiting faculty from University of Benin, Obafemi Awolowo University and University of Ilorin in laying the appropriate foundation upon which this dissertation house was erected are acknowledged. The persons involved include Professor Taiwo, Professor Oladeji, Professor Olomola, Professor Adebayo and Dr. Dr. O.T. Ekanem. I must acknowledge the direct and indirect contributions of Professor Faleye Olubunmi of NorthEastern University Boston USA, who twice opened his doors to give me warm reception at his Boston home and gave useful advice on this dissertation. I must thank Professor James Robinson of Harvard University whose friendship since June 2009 has reshaped the way I think about research generally. Private discussions with Bhalotra Sonia, Professor of Economics Bristol University, and once a visiting Professor of Economics at Oxford University and Professor Pravin Trivedi, Ruddy Professor of Economics Indiana University and world class theoretical micro econometrician, have added value to this study. I gratefully acknowledge the comments of Simon Quinn (Professor of Economics, University of Oxford) at the 2013 Royal Economic Society conference at Royal Holloway University of London. Valuable comments which improve this study have come from several conference participants from five countries and three continents.

I acknowledge the PhD grant given by Covenant University Centre for Research and Development (CUCERD) and the financial grant support of African Economic Research Consortium (AERC). I am acknowledging the numerous financial travel and conference support grants from the Centre for the Study of the African Economics (CSAE) Oxford University, Royal Economic Society (RES), Network of Networks of Impact Evaluators (NONIE), Global Development Network, African Econometric Society (AES) and International Association for Research in Income & Wealth (IARIW).

This appreciation will be incomplete if I do not mention my General Overseer, Reverend Olatunde Shoyemi, many senior pastors of The Truth Christian Mission (T.T.C.M) including Pastors Segun Akinfesola, Yemisi Akinfesola, Supo Atobatele, Dele Badmus, Wale Omolaju, Kunle Sorinolu, Adetoyinbo, Ademola, Bernard Jemilohun, Sadare, late Oke and Evangelists Omojefe, Ekpa, Ogundele, Zamenu, Obasun, and Adeleye. Prayer supports of deacons and deaconesses such as Sobowale, Bayowa, Balogun, Salako, Owolade, Ede and their families have been most helpful.

I am grateful to members of The Truth Christian Mission (T.T.C.M) in general and Ota Branch members in particular. Great gratitude to my dad Elder Adewole Rufai and my brothers (Adelani, Taiwo, Samson, Odewale, Idowu) and other members of my family.

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LIST OF ABBREVIATIONS

LGA:	Local Government Area
UPE:	Universal Primary Education
OLS:	Ordinary Least Squares
IV:	Instrumental Variable
NDHS:	Nigerian Demographic & Health Survey.
SCD:	School Census Data.
DID:	Differences-in-Differences Technique
UBE:	Universal Basic Education
GDP:	Gross Domestic Product
CWIQ:	Core Welfare Indicator Questionnaire
NBS:	National Bureau of Statistics
NPC:	National Population Commission
GHS:	General Household Survey
ANOVA:	Analysis of Variance

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ABSTRACT

This study evaluates the contemporary socio-economic effects of 1976 large-scale construction of over 21,000 new primary schools by the federal government of Nigeria and the considerable investments in human capital by early Christian missionaries between 1843 and 1925. Both OLS and Instrumental Variable (IV) methods were adopted as identification strategies in combination with research design methods such as Differences-in-Differences (DID) and Regression Discontinuity Design (RDD) techniques. Exposure to UPE programme raised schooling attainment by 0.94 year or by 16.7 percent. Furthermore, study established the UPE had considerable impact on individual and social wellbeing. OLS results show that a year of education increases well-being by 5.5 per cent. On the average, IV results show that a year of schooling increases wellbeing by 30 percent, which is nearly six times the magnitude of OLS estimate. OLS externality results show LGA average year of schooling generate 7.75 percent and LGA average year of primary schooling generates 18.14 percent. It is 16.95 percent for LGA average year of secondary schooling and 20.58 percent for LGA year of tertiary education. Econometric test of selection on both observed and unobserved variables indicate that OLS results are not driven by omitted variable bias. Our IV results reveal the UPE programme has significant labour market consequences. OLS and IV results indicate that UPE had significant social benefits. Our estimates are robust to a number of tests such as specification test, exogeneity or over-identification test, falsification tests, addition of a number of control variables, state fixed effects and cohort fixed effects. Inter-personal interactions and the availability of public goods are important sources of schooling externalities. In the third part of this work, we explore the empirical relationship between contemporary housing quality and long term indicator of missionary human capital investment. Though the study will encourage massive public sector investment in education to enhance private and social benefits, complementary policies that foster investments in physical infrastructure and social harmony will be maximise public sector social returns to schooling investment.