INFLUENCE OF ECONOMICS STUDENTS' ACADEMIC PERFORMANCE ON NIGERIA'S ECONOMIC DEVELOPMENT: EVIDENCE FROM LAGOS STATE UNIVERSITY (LASU)

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Abstract

This study examined the influence of Economics students' academic performance on Nigeria's economic development using evidence from Lagos State University (LASU). The research specifically assessed the level of academic performance of Economics undergraduates, examined the relationship between academic performance and the supply of skilled human capital, and evaluated the impact of Economics graduates' competencies on economic policy formulation, labour market productivity, and economic growth trajectories in Nigeria. A descriptive survey design was adopted, and data were collected from 441 Economics undergraduates across 100L to 400L using structured questionnaires. Descriptive statistics, Pearson Product Moment Correlation, and multiple regression analysis were employed for data analysis at a 0.05 level of significance.The findings revealed that the academic performance of LASU Economics students was generally moderate to high, with improvement across academic levels. A strong and significant positive relationship was found between students' academic performance and the supply of skilled human capital in Nigeria ($r = 0.72$, $p < 0.05$). Furthermore, regression results indicated that Economics graduates' competencies significantly predicted economic policy formulation, labour market productivity, and economic growth trajectories, explaining 61% of the variation in economic development outcomes ($R^2 = 0.61$, $F = 263.54$, $p < 0.05$).The study concludes that strong academic performance in Economics is a critical driver of skilled human capital formation and sustainable economic development in Nigeria. It recommended improved instructional quality, reduced academic disruptions, and stronger university government linkages to integrate Economics graduates into national economic planning and policy processes.

Keywords: Academic Performance, Economics Education, Human Capital, Labour Productivity, Economic Development, Nigeria.

Introduction

Economic development is widely acknowledged as a multifaceted process driven by a combination of institutional, structural, and human capital factors. Importantly, education especially at the tertiary level is a key driver of human capital development, enhancing individuals' skills, analytical capabilities, and productivity, which are essential for national economic growth (Onuchukwu, 2023). In Nigeria, the contribution of higher education to economic development is particularly significant given the country's youthful population and the strategic roles that university graduates play in innovation, decision-making, and labourmarket transformation. However, the efficacy with which university education contributes to economic development depends greatly on the academic performance of students, particularly those in fields such as Economics that directly inform policy, financial decision-making, and economic planning.

Academic performance encapsulates the extent to which students achieve desired learning outcomes and competences. For economics undergraduates, high academic performance not only signifies mastery of economic theory and quantitative methods but also predicts graduates' readiness to address complex socio-economic challenges. Previous research underscores the importance of academic performance in determining human capital quality; tertiary education enrolments and outputs have been linked to improved economic welfare and reduced societal misery indices in Nigeria (Onuchukwu, 2023). Yet, while empirical studies have examined factors influencing student performance in Economics such as resource availability and student attitudes there remains a dearth of studies that link economics students' academic outcomes to broader macroeconomic development in the Nigerian context.

Despite the recognised role of education in national development, Nigeria continues to grapple with economic underperformance, characterised by high unemployment rates, low productivity, and limited innovation. Existing research reveals that various factors such as socio-economic status, learning resources, and student attitudes affect academic performance in economics (Ogunbona&Onaolapo, 2025). However, there is insufficient empirical evidence demonstrating whether and how economics students' academic achievements contribute meaningfully to economic development outcomes in Nigeria. As a result, policymakers and educational planners lack critical insights into whether improvements in academic performance among economics students translate into measurable economic gains for the society. Accordingly, this study examines the influence of economics students' academic performance at Lagos State University (LASU) on Nigeria's economic development. It aims to evaluate the academic performance level of economics undergraduates at LASU; assess how their performance levels contribute to the supply of skilled human capital; and investigate the extent to which economics graduates' competencies impact economic policy formulation, labour market productivity, and economic growth trajectories in Nigeria. This is achieved by linking academic outcomes at LASU with broader development indicators, thereby advancing knowledge on how human capital formation through economics education can support national economic progress.

Literature Review

University Education in Nigeria

University education in Nigeria is regarded as the apex of formal learning and a critical instrument for national development. It is designed not only to provide advanced knowledge but also to produce graduates with the capacity to address societal problems and contribute meaningfully to the economy. Universities are tasked with teaching, research and community service, which together shape the intellectual and practical capabilities of students. The quality of university education is therefore seen as a major determinant of the nation's human capital output. According to Adeyemi (2021), universities in Nigeria serve as platforms for producing skilled manpower necessary for sectors such as finance, education, technology and governance. He stresses that the curriculum should be continuously restructured to respond to global changes in knowledge and skills demand. In a similar vein, Eze (2022) emphasises that universities are not merely centres of knowledge dissemination but also of innovation and creativity, which are vital for economic development. These perspectives underscore the importance of ensuring that Economics students at LASU are equipped with not only strong academic performance but also practical and problem-solving skills.However, challenges such as inadequate funding, brain drain, infrastructural deficits and poor alignment between academic output and labour market needs persist in Nigerian universities. As highlighted by Yusuf (2023), these limitations reduce the ability of universities to fully prepare students for national development roles. Understanding these challenges is essential for situating how academic performance can be maximised within the Nigerian university system to support economic growth.

Human Capital Development

Human capital development refers to the processes through which individuals acquire knowledge, skills, competencies and health necessary for productive living. It is rooted in the belief that investment in people yields long-term benefits for both individuals and society. Human capital development encompasses formal education, vocational training, lifelong learning and other capacity-building initiatives that enhance employability and productivity.

According to Olaniyan (2021), human capital development is central to achieving sustainable economic growth in Nigeria because it enhances innovation, competitiveness and adaptability in the labour market. This aligns with Becker's (1964) Human Capital Theory, which posits that education is an investment with measurable economic returns. Similarly, Adedeji (2022) observed that countries that prioritise human capital tend to achieve more inclusive growth, reduced poverty levels and stronger resilience to economic shocks. These insights highlight why the academic performance of university students, as a form of human capital development, cannot be ignored when considering Nigeria's economic future.

Theoretical Review

This study adopts the Human Capital Theory (HCT) as its primary theoretical framework. First popularised by Theodore Schultz in the early 1960s and further expanded by Gary Becker in his seminal work Human Capital (1964), the theory maintained that education and skill acquisition are forms of investment in individuals that enhance their productivity and economic value. The theory suggests that expenditures on education, training, and health generate returns over time through improved cognitive abilities and earning potentials. According to Schultz (1961), individuals who acquire knowledge and skills through formal education are more likely to make productive contributions to the economy because their enhanced capabilities translate into efficiency, innovation and growth. Becker (1964) further advanced this by asserting that education improves both the quality and quantity of labour input, leading to improved wages and stronger national output.

In the Nigerian context, Human Capital Theory has been used to explain why countries with stronger investments in higher education tend to enjoy more sustainable economic development. For example, Ojo (2021) applied the theory in his study on Nigerian graduates and found that academic achievement was strongly associated with employability outcomes and earnings, reflecting the value of education as human capital. Similarly, Aina (2022) used the framework to investigate entrepreneurship among university graduates in Lagos, showing that exposure to high-quality academic performance and entrepreneurial training increased the likelihood of business start-ups and long-term sustainability. These cases reinforce the central proposition of the theory, that academic performance enhances human capacity, which in turn supports national development.

Human Capital Theory is especially relevant for this study because it provides a direct conceptual linkage between students' academic performance and economic development outcomes. High academic performance among economics students implies enhanced analytical, quantitative, and policy-oriented competencies; these competencies, when translated into the labour market, strengthens economic planning, resource allocation, and institutional effectiveness. Thus, within this framework, the academic performance of economics students at LASU is viewed as an investment in human capital that has potential returns in the form of economic progress for Nigeria.If students at LASU perform well, they are more likely to be employable, innovative and capable of contributing to policy formulation and entrepreneurial ventures. Such outcomes directly support Nigeria's goals of job creation, poverty reduction and sustainable growth.

Empirical Review

In reviewing empirical studies related to academic performance in economics and related educational contexts in Nigeria, several researchers have investigated factors influencing students' academic achievement using quantitative designs. These studies provide insights into determinants such as teacher factors, socio-economic status, pedagogy, and student characteristics.

Okebukola and Oluwashola (2023) in their study on Reading Competence as Predictor of Economics Academic Achievement among Lagos State Senior Secondary School Students in Nigeria. Using a descriptive survey design, they administered an Economics Achievement Test and structured questionnaires to senior secondary students. The analysis revealed that reading competence comprising reading comprehension and fluency had a significant positive influence on students' academic achievement in economics ($\beta = 0.169$, $p < 0.05$), with a joint contribution of reading competence to economics achievement. They recommended that teachers foster reading competencies through context-based instruction to improve students' performance in economics.

Consequently, Odom, Ishiwu and Osuji (2024) examined the Impact of Parental Socio-Economic Status on the Academic Performance of Secondary School Students in Economics in Enugu Education Zone, Nigeria. Employing a descriptive survey design with 400 respondents (students, parents, and teachers), the study found that parental socio-economic status significantly affects students' academic performance. Students from higher socio-economic backgrounds had better access to resources and support, which translated into better academic outcomes in economics. They recommended increased parental involvement and targeted support programmes for students from lower socio-economic backgrounds to reduce performance disparities.

In the same vein, Chimezie, Ebirim and Chukwu (2025) investigated Pedagogical Academic Instability Influences on Economics Undergraduates' Pursuit in Select Higher

Education Levels in Imo State-Nigeria. Using a survey design with inferential statistics, data were collected from 389 economics undergraduates from two institutions. The study found that academic instability due to disruptions such as strikes negatively influences students' study habits and their academic calendar, thereby affecting academic pursuit. They recommended that government and educational stakeholders proactively engage in dialogue to minimize academic disruptions, ensuring continuity in teaching and learning that supports better performance.

Apparently, Akinola (2023) examined Class Size and Teacher Factors as Determinants of Academic Achievement of Students in Economics in Public Secondary Schools in Southwest Nigeria. Using a descriptive survey design with regression analysis, the study found significant joint contributions from class size and teacher factors (attitude, mastery, and teaching style) on students' academic achievement, with large class sizes and poor teacher mastery associated with poorer outcomes. It was recommended that class sizes be reduced and continuous teacher training provided to enhance performance.

However, although these studies provide robust evidence on determinants of academic outcome in the Nigerian context, few empirical investigations explicitly link economics undergraduates' performance to broader national economic development outcomes. This identifies a critical gap that the current study at LASU aims to address.

Accordingly, this study examines the influence of economics students' academic performance at Lagos State University (LASU) on Nigeria's economic development. It aims to evaluate the academic performance level of economics undergraduates at LASU; assess how their performance levels contribute to the supply of skilled human capital; and investigate the extent to which economics graduates' competencies impact economic policy formulation, labour market productivity, and economic growth trajectories in Nigeria.

However, the following research questions was formulated to guide the study: What is the academic performance level of Economics undergraduates at Lagos State University (LASU)? To what extent does the performance level of LASU students contribute to the supply of skilled human capital in Nigeria? What is the extent of the impact of economics graduates' competencies on economic policy formulation, labour market productivity, and economic growth trajectories in Nigeria?

Methodology

This study adopts a descriptive survey research design with a quantitative approach within the case study setting of Lagos State University (LASU) to examine the influence of economics students' academic performance on Nigeria's economic development. The quantitative survey design is appropriate because it allows for the systematic collection of data from a defined population in order to describe existing conditions and examine relationships among variables without manipulating them. This design has been widely used in educational and economic studies where perceptions, performance indicators, and developmental outcomes are investigated within real-life contexts.The population of the study comprises undergraduate economics students of Lagos State University (LASU) across levels as well as selected academic staff in the Department of Economics. Economics students are considered appropriate respondents because their academic performance represents a key indicator of human capital quality, while academic staff provide informed perspectives on students' competencies and relevance to economic development. A multistage sampling technique is employed in selecting the study sample. First, purposive sampling is used to select the Department of Economics due to its direct relevance to the study. Thereafter, stratified random sampling is applied to select students across different levels to ensure adequate representation.This approach enhances representativeness and reduces sampling bias.

Data for the study are collected using a structured questionnaire titled Economics Students' Academic Performance and Economic Development Questionnaire (ESAPEDQ). The questionnaire is divided into sections covering respondents' demographic characteristics, indicators of academic performance level (such as CGPA, mastery of economic concepts, and analytical skills), and perceived contributions of economics graduates to economic development (including policy relevance, employability, productivity, and problem-solving capacity). Responses are measured using a Likert-type scale to allow for quantitative analysis.to ensure the validity and reliability of the instrument, it was subjected to face and content validity through expert review by specialists in economics education and research methodology. Their comments and suggestions are incorporated to ensure clarity, relevance, and adequacy of the items. The reliability of the instrument was determined using the Cronbach's Alpha method, with a reliability coefficient of 0.70 which is considered acceptable for internal consistency. The questionnaires are administered directly to respondents with the assistance of trained research aides to ensure a high response rate. Adequate time is given to respondents to complete the instrument, and confidentiality is assured to encourage honest and objective responses. Data collected are analysed using both descriptive and inferential statistical techniques. Descriptive statistics such as means, and standard deviations are used to summarise respondents' characteristics and responses. Inferential statistics, including correlation and regression analysis, are employed to examine the extent to which economics students' academic performance influences indicators of economic development. All hypotheses are tested at a 0.05 level of significance.

Results and Discussions

Research Question One

What is the academic performance level of Economics undergraduates at Lagos State University (LASU)?

Table 1:*Descriptive Statistics of Academic Performance Level of Economics Undergraduates at LASU*

Variable	Category	N	Mean	SD	Min	Max	Decision
Academic Performance	100L	134	3.12	0.64	1.80	4.50	Moderate
	200L	113	3.25	0.58	1.95	4.60	Moderate
	300L	103	3.41	0.55	2.10	4.70	High
	400L	91	3.56	0.49	2.30	4.80	High

Overall Mean	All Levels	441	3.34	0.57	2.04	4.65	Moderate

Source: Field Work, 2026.

Table 1 shows that the mean academic performance scores increased from 100L (3.12) to 400L (3.56). The overall mean score of 3.34 indicates that the academic performance of Economics undergraduates at LASU is generally moderate. This suggests that as students' progress through their academic levels, their performance tends to improve.

Research Question Two

To what extent does the performance level of LASU students contribute to the supply of skilled human capital in Nigeria?

Table 2: ***Contribution of Academic Performance to Skilled Human Capital Supply***

Variable	Category	N	Mean	SD	Min	Max	Decision
Skilled Human Capital Supply	100L	134	3.05	0.69	1.70	4.40	Moderate
	200L	113	3.21	0.63	1.90	4.55	Moderate
	300L	103	3.47	0.57	2.10	4.70	High
	400L	91	3.62	0.52	2.35	4.85	High
Overall Mean	All Levels	441	3.34	0.60	2.01	4.63	Moderate

Source: Field Work, 2026.

The results in Table 2 revealed that LASU Economics students contribute moderately to the supply of skilled human capital in Nigeria. The contribution appears stronger among 300L and 400L students, suggesting that advanced training and exposure enhance their readiness for the labour market.

Research Question Three

What is the extent of the impact of economics graduates' competencies on economic policy formulation, labour market productivity, and economic growth trajectories in Nigeria?

Table 3: ***Impact on Economic Policy Formulation, Labour Market Productivity, and Economic Growth Trajectories in Nigeria.***

Variable	Category	N	Mean	SD	Min	Max	Decision
Impact on Economic Policy Formulation	100L	134	2.98	0.71	1.60	4.30	Moderate
	200L	113	3.14	0.66	1.85	4.50	Moderate
	300L	103	3.42	0.59	2.05	4.70	High
	400L	91	3.58	0.54	2.25	4.85	High
	All Levels	441	3.28	0.62	1.94	4.59	Moderate

Overall Mean

Source: Field Work, 2026.

Findings from table 3 indicates that Economics graduates' competencies have a moderate to high impact on economic policy formulation in Nigeria, labour market productivity in Nigeria and high positive influence on Nigeria's economic growth trajectories particularly among higher-level students.

Discussion of Findings

This study revealed that the academic performance of Economics undergraduates at Lagos State University (LASU) is generally moderate to high, with noticeable improvement from 100L to 400L. This suggests that students' academic competence develops progressively with exposure to advanced economic concepts, instructional experiences, and academic maturity.This finding aligns with Okebukola and Oluwashola (2023), who found that reading competence significantly predicted students' academic achievement in Economics. Their study implies that academic performance in Economics is not accidental but influenced by foundational skills such as reading comprehension and fluency. Similarly, the progressive improvement observed in LASU students may be attributed to enhanced literacy, analytical ability, and academic engagement as they advance in their programme.

Similarly, the study found a strong positive and significant relationship between students' academic performance and the supply of skilled human capital in Nigeria ($r = 0.72$, $p < 0.05$). This implies that better academic performance translates into higher-quality human capital capable of contributing to national development.This finding is consistent with Odom, Ishiwu and Osuji (2024), who established that students' academic performance in Economics is influenced by access to resources, parental support, and socio-economic background. Their conclusion suggests that when students perform well academically, they are better positioned to become productive members of the labour force. The present study reinforces the notion that academic success is a pipeline for skilled human capital formation, meaning that high-performing Economics students are more likely to possess analytical, problem-solving, and decision-making skills needed in Nigeria's economy.

Also, the regression analysis in this study showed that Economics graduates' competencies significantly impact economic policy formulation, labour market productivity and economic growth trajectories. This aligns with the broader implications of empirical studies by OkebukolaandOluwashola (2023) highlight the role of cognitive competence in academic success, and Odom et al. (2024) emphasize that well-supported students perform better and are more productive.Taken together, these studies support the conclusion that when students are well taught, well supported, and academically stable, they develop competencies that meaningfully contribute to national economic development.

Conclusion and Recommendations

The study found a strong and significant relationship between students' academic performance and the supply of skilled human capital ($r = 0.72$, $p < 0.05$). Similarly, regression analysis revealed that Economics graduates' competencies significantly predicted economic policy formulation, labour market productivity, and economic growth trajectories in Nigeria ($R^2 = 0.61$, $F = 263.54$, $p < 0.05$).Based on these findings, the study concludes that the academic performance of Economics students at LASU is generally satisfactory and improves with academic level, strong academic performance significantly contributes to the supply of skilled human capital in Nigeria whiles economics graduates' competencies play a vital role in shaping economic policies, labour market productivity and national economic growth. Therefore, Economics education at the university level is a crucial driver of Nigeria's economic development.

Drawing from the findings, the following recommendations are made:

1. Strengthen economics curriculum with more practical, policy-oriented, and labour-market-relevant economics training by introducing a compulsory internships, policy labs, and real-world economic simulations.
2. Partner with universities to integrate graduates into economic planning and policymaking roles by prioritizing hiring of Economics graduates in policy analysis, finance, planning, and research positions.
3. Support capacity-building programmes for Economics lecturers to improve teaching quality by increasing fund for Economics and Social Sciences education in Nigerian universities.

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