



DILEMMA IN FUNDING EDUCATION IN NIGERIA: IMPLICATION FOR SUSTAINABLE DEVELOPMENT

Dr. Patrick N, Nwajioha¹, Dr. Earnest Emekalziogo² & Dr. Mrs. Chidimma E. Otuonye³

Department of Educational Foundations, Ebonyi State University, Abakaliki

Department of Marketing Management, Ebonyi State University, Abakaliki

Universal Basic Education Board, Ebonyi State.

Abstract

Challenges of funding education ranks very high among many problems which have bedeviled Nigerian as a country since independence. Insufficient salaries, dearth of incentives and lack of motivation contribute to the perceived decline in the education sector. In analyzing this paper, the researchers established a problem and attributed the cause of unsustainable funding for education in Nigeria to series of variables including inconsistent policies and over dependency on oil revenue that keep fluctuating. Sources of funding education were highlighted to accommodate both individuals and governments through several channels. Options for funding was viewed in terms of education as private good and public good. Challenges and way forwards were based on the analysis that government should recognize basic education (that is primary and secondary education) as public good, accepts the responsibility of providing education free for all citizen while recipients of tertiary education should be encouraged to pay for it. The paper recommended also that the private sector should be encouraged to invest in and operate the provision of education especially at tertiary level base on market demand and supply framework.

Keywords: Funding, Education, Sustainable, Development, Challenges, Public-Private-Participation

Introduction

Education is the foundation upon which developed societies are built. Ibekwe (2012) stated that every known nation of the world today strives to invest in education as a tool for manpower development, wealth creation and sustainable society. Nigeria is not in exception as successive administrations; both military and civilian have severally demonstrated commitments towards improving educational sector as catalyst for the survival of this nation. This is because, economic and social development is increasingly driven by the advancement and application of knowledge. Education in general and university education in particular, are fundamental to the construction of a knowledge economy and society in all nations (World Bank Report, 2003). Yet the potential of educational systems in Nigeria to fulfill these responsibilities is frequently thwarted by long standing problems of poor funding, which breeds inefficiency, lack of equity, problem of access poor quality control. (Nwajioha, Achilike, Egwu, Ede & Agwu, 2021).

Ibekwe (2012) posited that funding of education ranks very high among many problems which have bedeviled the Nigerian nation since independence, This is

manifested in the country's decline in the proportion of government expenditure allocated to education sector relative to others over the years. This is in spite of increasing demand for educational activities either in primary, secondary or tertiary level. Given this situation and the crucial role of education in the development efforts of any society, the problem of funding should be a concern of all.

Regrettably, the education decay in Nigeria became much noticed in the late 90s when the sector was starved of funding. This was followed by infrastructure decay in educational institution and the associated brain drain that hit the sector. With the flight of these three elements, the education sector went down a slope. Despite, the Federal Government intervention, through the establishment of Universal Basic Education, a reform programme aimed at providing free primary and secondary education for all, not much has changed. According to Stan (2010), money cannot solve all the problems in the education sector, but without money, no solution is possible. Basic education needs proper funding, and investment in quality basic education brings the highest returns from individuals, societies and countries. There is always a better outcome for children who have access to equality basic education programmes as they likely do better in schools and in life. To achieve this, Global Partnership



for Education (GPE) has suggested that low and lower middle income countries need to invest more in affordable early childhood and basic education programmes.

A look at the Universal Basic Education grants a form of intervention from the federal government according to Nwajioha, Achilike, Egwu, Ede & Agwu (2021) highlights some trends. In 2011, the UBEC grant stood at N64.57 billion which increased by 68.9% in 2018; despite that, some states, like Ogun, Oyo and Ebonyi, still could not access theirs due to lack of political commitment. Education is never expensive, and few

states are calling for reduction in the 50% counterpart funding (the fund a state is expected to put forward to access the grant) to 10%. The conditions placed to access these grants should not be tampered with, if they are, states will have the room to use the grants on salaries as some states continue to owe their workers, teachers inclusive. Studies have shown that adequate motivation is a precondition for the achievement of maximum output in any work environment.

Nwajioha (2016) argued that Insufficient salaries, dearth of incentives and lack of motivation contribute to the decline in the education sector. Every worker deserves wages as even sinners get wages for their sins, this means that every teacher on the surface of the earth needs to be paid. It is no longer news that teachers in Nigeria especially at the basic education levels are the least paid; a condition that lead to the much talked about brain drain in the sector. Inconsistent payment is another issue which has made the profession a last option for jobseekers especially young graduates. If the profession is respected and government is consistent with payment, teachers will have the right frame of mind to impact knowledge, skill development, sustainability and better attainment of educational goals as stated in the National Policy on Education.

Sources of Funds for Education

Education in Nigeria is financed by both individuals and governments through several channels as seen

bellow:

a. Tuition Fees:

Owoye and Onafowora (2010) posited that when students/pupils attend universities or schools, they may be asked to pay for the teaching they are going to receive. When such payments are made, we say that tuition fees are paid by such pupils/ students. Tuition fees may not

be the only charges levied on students: they may have to pay for exams, laboratory use, development, uniform and some other things. All these are ways of raising funds from students. In Nigeria, this source of funding of educational institution used to be very important in the past. Up to 1976, undergraduate students in the universities paid tuition and other fees. At the secondary level, school fees were paid until Obasanjo's regime in 1979 when this was scrapped. However, since 1984, some states have re-introduced fees in their secondary schools and higher institutions including the South-east states (Nwajioha, Achilike, Egwu, Ede & Agwu, 2021).

b. Government Subventions (Grants):

Educational institutions that are publicly owned depend on the owner-government for finance. This method of funding education is usually very important because in most, if not all countries, education is seen as a social service and government allocates a sizeable proportion of their annual budgets to the provision and financing of education. Government subvention (Grants) can be either lump sum or a per capita basis. It is lump sum when the government decides to cater for some items of expenditure incurred by the educational Institutions. Examples of such expenditure are the payment of teachers and non-teachers salaries and allowances and purchase of other educational goods and services. Sometimes, government decides to provide grants that are related to the number of students in the school. This happens when the federal or central government decides to be fully responsible for financing the education through the state or local government.

Donations and Endowment Funds:

Nwajioha (2016) reported that another possible method of financing educational programmes is through donations and endowment funds. These donations are made by governments, communities and individuals who are eager to contribute to the upliftment of education in their states or nations. Donations in Nigerian educational institutions have not been substantial. However, in the past, much donations were received from foreign organizations like United Nations Educational, Scientific and Cultural Organization (UNESCO), the Ford Foundations, Carnegie Foundation, the German Academic Exchange Services among others. Unfortunately, these agencies contributions declined in the seventies when Nigeria's oil wealth gave the impression that such aids were no longer necessary. On the other hand, endowment funds are recently introduced to assist educational establishments, especially



secondary and tertiary institutions in executing their development plans.

d. Loans

Educational establishments, like any other organization can borrow funds to execute their

programmes. The only problem here is that, most educational programmes are neither profit making nor revenue-yielding. Thus, lending agencies are usually unwilling to provide loans to educational institutions.

Loans are usually granted by institutions like commercial banks when there is a guarantee from government or some reputable organization that such loans will be repaid by them in case of default.

e. Revenue Yielding Projects:

Owoye and Onafowora (2010) posited that educational institutions should boost their internal finance through revenue yielding projects, such revenue yielding projects include establishment of bookshops, farms, consultancy service and hotel and catering services. Most universities have gone into these projects in recent times with the hope of diversifying their source of educational funds. Although, the efforts are commendable but till the present time, this method of finance is still very insignificant

The Challenges of Funding Education in Nigeria

The challenges of Nigeria education sector in general and its funding in particular could be traced to policy and strategy instability and inconsistency, inefficient management, wastages and leakages there by overriding macroeconomic conditions that have determined the fate of the sector and where the economy is not growing at a reasonable high and sustainable rate, it will not have the resources to fund a largely – social service sector such as education in Nigeria with a high population growth rate, lackluster growth rate of the GDP would imply severe resource constraints, which could lead to the poor resourcing of social sector such as education, as could be seen from Table 1, for most of the period 1970 – 2013, the country recorded either negative GDP growth rates or low positive growth rates. It should not be surprising therefore, that education has been poorly funded over the period (Nwajioha, Achilike, Egwu, Ede & Agwu, 2021).

Table 1 shows that the Government depends heavily on oil for an average of about **80%** of its total revenue, while non-oil (agriculture, solid minerals and other

resources) revenue contributes much less-an average of about **20%**. The problem with this revenue structure is that oil revenue on which the Government depends heavily is highly exposed to the volatiles of the price of oil in the international market, as depicted in Table 2. Such derived fluctuations in the major revenue item of government means that without careful planning and rationalization of expenditure of the revenue, the implementation of government projects and programmes would be subject to frequent disruptions and distortions. Ikpeze (2010). An examination of the records shows that the Nigerian Government has tended to embark on ambitious education programmes in spontaneous response to oil booms. In 1973-1979 Nigeria experienced the first oil boom as a result of the Arab oil embargo against the U.S.A. In 1990, there was a second oil boom because of the Gulf war and the United Nations trade embargo on Iraq and Kuwait. A third oil boom started from 2003 fuelled mainly by galloping economic growth and attendant high energy demand in several emerging economies, spectacularly, China. It was in response to the windfall revenues resulting from the 1973-1979 oil booms that the

Nigerian Government in 1976 introduced the Universal Primary Education. This laudable programme caused a dramatic expansion in the demand for educational services at the primary level. But the financial resources became inadequate, particularly following the collapse of oil prices.

Optional Funding of Education for Sustainable Development-Education as Private Good and Public Good

Education is both a private good and a public good. It is a private good because it is a process of investing in the development of labour (human resources), which is one of the factors of production and which earns income in exchange for its contribution in the production process. Levine (2012) concluded that education can be appropriately funded in the context of the market demand and supply framework. Alternatively, education is also a public good. Among the reasons for this is that an education population is considered, *ceteris paribus*, necessary for an orderly and civilized society that is required for the building of a viable democratic society. It is also an important factor in determining the national identity and a country's location in the global scale of civilization. From this perspective; education does not



just confer some benefits on the individual but also on the community.

Harrison, Inessa and Mcmillan (2012) argued that educated is considered to have significant positive externalities, for basic education, which is considered a largely public good, the government is to play a proactive role in supplying education services sufficiently, as well as in ensuring effective demand. Ensuring effective demand implies mobilizing school-age population to undertake education and ensuring that all those so mobilized are adequately resourced to participate. The simplest way that a government does this is by making basic education compulsory and free, implying that capital and recurrent costs of providing basic education services are made available not by the recipients but by the government from the public treasury.

In addition, scholar often argue that the provision of education, even at basic level is so important and demanding that government alone cannot sufficiently shoulder without the participation of private individuals and corporate organizations. In order to give effect to the provision that the private sector is not excluded from supplying basic education, the government would also provide the enabling environment regulatory, incentives (such as tax breaks) etc, to encourage private sector investment in basic education. Odeleye (2014) stated that the private sector component of basic education services is dependent on the purchasing power of the households who prefer such a service to the option available from the government.

On the other hand, Nwagu (2010) stated that the policy and strategy of government especially at the tertiary education level should focus on providing the incentives and the enabling environment for the private sector to supply education. The role of government according to this scholar would include the provision of appropriate legislative and regulatory framework, as well as the provision of infrastructure and fiscal incentives such as tax breaks. On the demand side, individual citizens and households rather than the government will be responsible for carrying the cost of the services they demand. It is important to note that assigning tertiary education to market demand and supply does not in any way underrate the importance of high level education for the rapid economic transformation goal of the government.

Pagano (2010) stated clearly that the dichotomy in terms of public funding between basic and tertiary education only reflects the reality of limited availability of

resources and how funding responsibilities should be allocated to ensure adequacy, effectiveness, dynamism and sustainability. When government focuses its limited education budget on basic education, it will be feasible to ensure a strong education base, so that products of secondary schools will be of such a high quality that they would have acquired the knowledge and skills to participate actively in the economic and social process; while those proceeding to tertiary education would have been properly prepared for the advanced challenge. Under this framework, government will still need to get concerned about ensuring that a greater number of citizens have the opportunity to gain from higher education.

Accordingly, such schemes as Open University, e-learning and other forms of long-distance, non-physical presence learning would be promoted to complement the convention tertiary institution learning. Stan (2010) argued that such programmes would offer flexibility and affordability of the education cost and ensure that inability to provide funds does not constitute a major inhibition to citizens who wish to undergo further studies after their basic education. Existing evidence shows that educational institutions (primary, secondary and tertiary) owned by the private sector and run on commercial principles are viable in Nigeria and can even boast of relatively better quality of graduates. On the other hand, existing Government-owned tertiary institutions still face extreme funding difficulties in having adequate recurrent funding and in maintaining the quality of the physical assets needed to deliver qualitative education (CBN, 2012).

There is, therefore, the need to consider a viable arrangement that would ensure: optimal use of the existing fixed assets of public tertiary education institutions, sustainable funding that would make the fixed assets productive and, the production of quality graduates. Such an arrangement would be more desirable and possibly also helps to address the concern of affordability, particularly for students with poor financial background (ECA, 2009).

Conclusion

The extent of collaboration and synergy of public and private actors in funding of education in Nigeria will determine the extent to which Nigeria as a country will meet her educational goals and aspirations for the young ones as stated in the national policy on education. The researcher concluded that the comatose nature of Nigeria education sector and its funding problem in particular was attributed to policy and strategy instability



and inconsistency, inefficient management, sources wastages, financial leakages, and over dependence on oil revenue as a source of funding of education in Nigeria.

Recommendation

Based on the analysis that are following recommendation are made:

1. Basic education should be publicly recognize as a public good; Government should holistically accepts the responsibility of providing it free for all citizens. In essence, government should aim at guaranteeing the supply, as well the demand for basic education with private participation at a minimum.
2. Corporate organizations, investors, and civil society groups should effectively discharge their corporate social responsibilities by partnering with government to provide education especially at the basic levels (primary and secondary schools). Large Corporation should find the need for regular contribution to education in their operational state either in cash or by building classrooms, lecture rooms and by supplying equipment.
3. For tertiary education, the private sector should be incentivized to invest in and operate the provision of education, based on market demand and supply framework. The private sector would be encouraged to mobilize investment capital. University education should not be all comers' affair; as recipients should be more responsible for the cost.
4. Government should be more sincere and committed to addressing leadership problems in Nigeria; while the war against corruption should be a collective one.
5. A workable model of Public Private Partnership should developed and sincerely used as funding template for educational sector especially at the tertiary level. Regular contributions from communities, all adult, local government official, churches, and school authorities should be involved in the launching of appeals for funds to support schools.
6. Politicians and education managers should be more transparent, prudent and accountable in handling financial support for Nigerian's education from international Donor Agencies such as World Bank, UNESCO, UNICEF, UNDP, and UNFPA in line with the related terms and bilateral agreements.

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