EXPLORING ECONOMIC RATIONALIZATION OF EDUCATIONAL FINANCE

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Introduction

It is now an evident fact that the level of public or government support to education in terms of finance have been diminishing since the turn of the 1970s. It is even true that, such government support to education have always suffered more in times of poor government revenue prospects than they do enjoy in times of boom. This clearly suggest that the structural adjustment programme which LDCs are implementing as a way of restructuring their dwindling economy have more telling effects on educational sector budget than any other public sector activities. It has even become clear that no level of improved govemment revenue fortune in this present circumstance can meaningfully boast government allocation to education. (Agabi: 1990).

Based on the above, the growing concern is on how to generate fund not only to continue to support the raising demand for educational services but also to improve on the existing quality of the education being provided. In specific terms, the basic questions that has to be addressed include:
(a) How should the burden of educational provision be shared among the government, the household the firm and the rest of the world? (b) What type of financing arrangement would guarantee the achievement of the basic objective of education?

The most appropriate answers to these questions significantly vary among countries and over time. Various theories on how educational burden should be shared have been proposed over the years. The various alternative range from a complete lack of government support on one hand to a full government support on the other. A brief over-view of these theories will be examined here as a basis for determining which is most appropriate within the context of Nigerian's educational development.

a. The full support model

Morison (Morpot et al, 1974:514) was among the first educational theorists to advocate full state funding of education. What this requires is for the state to take full responsibility for providing a particular level and type of school for which full state support has became a constitutional responsibility In this wise, local, district and urban schools must cease to exits since all schools are owned and provided for by the state.

This arrangement is healthy for educational development in some respects. Firstly, it tends to equalize educational opportunities even among districts and communities with inequalities in local wealth base and educational tax capacity. Secondly, the arrangement gurantees rational distribution of educational resources since districts and communities or individuals contribute (through taxes and rates) according to their means and benefit from educational services according to their needs.

The first defect of this model is that, it is very expensive in terms of resource requirement. Such a model is impracticable within the context of dwindling resources and the structural Adjustment Programme which most of less develop countries are at present undergoing. Above all, the arrangement is not an encouraging framework, for ensuring that those who contribute more (is terms of tax effort) are allow to enjoy more of the benefit of educational provision. (Principle of farness).

b. Partial support model

An alternative to the full support model is when the burden of educational provision is shared between the government and other decision makers in the communities (the household, the firm and the rest of the world). Two basic theories can be identified under this model. These are the equalization model and equality of access model. Equalization theory, Cubberley (1905) appeared to be one of the first educational theorists to develop thesis on how educational provision could be supported by the state. His theory which was aimed at equalizing educational opportunities as well as ensuring fairness stipulates that

Theoretical all the children of the state are equally important and are entitled to have the same advantage; practically, this can never be quite true. The duty of the state is to secure for all as high a minimum of good instruction as it is possible but not to reduce all to this minimum, to equalize the advantages to all as nearly as it can be done with the resources at hand to place a premium on those local effort which will enable communities to rise above the legal minimum as far as possible, and to encourage communities to extend educational energies to new and desirable undertakings. (Cubberly 1905).

What this implies is that the state should not only provide support to maintain a desirable minimum standard of instruction children bu must also provide financial reward to tax effort. Although this model can be considered as fair, But it is inconsistent with the equalization principle in as much as it recommends extra reward for higher tax effort.

A more refined 'concept which can be used to implement the Cubberly model was developed by Up- degraff. In his own thesis, he recommended the allocation of state educational fund to districts or local schools in "invarse relationship to the evaluation of property per unit of educational need but in direct relationship to the local tax effort made by a district in proportion to its tax paying ability (Morpet, 1974). What this concept suggest is that less wealthy communities should be allocated more state funds per unit of their educational needs than the wealthy ones, but any district could receive more state fund by increasing its local tax effort. The rationale behind this concept is to ensure that the equality of education available to a child is "not dependent upon the wealth per unit of need of the district but upon the local tax effort made by a district in proportion to its wealth" (Morpet 1974). This is the concept that was fifty years later identify by Coons as "Power equalizing plan" (Coons, 1970).

ii. Strayer equality access Model:

strayer in his own theory to ensure that the state equalizes the financial support, proposes that:-

The state should ensure equal educational facilities to every child within its borders at a uniform effort through the state in terms of the burden of taxation. The tax burden should throughout the state be uniform in relation to tax paying ability and the provision for schools be uniform in relation to the educable population desiring education. (Strayer and Haig 1923:173).

Under this model, districts or communities that are wealthy enough are not precluded from offering at their expense any particularly rich education programmes or services. In this wise, they are permitted to augment the uniform fund provided to achieve desired quality of education through local tax effort, and not to enjoy state financial reward for additional tax effort.

C. Privatization model: This other extreme is to leave education completely to the private sector to provide (that is complete lack of state support). The rational behind this arrangement is that the market forces are suppose to adjust the demand and supply of educational service through the price mechanism. This model, has been considered unpopular because of the failure of the market mechanism. Such failures have always form the bases for argument in support of public funding of education.

Three basic reasons have always been deduced to defend the public funding of education. The first is that education is a social good that its benefits transpires to other members of the society. Because of this externalities, education will not be profitable enough for full private investment and this would result in under investment in education, if government did not subsidize it. Secondly, when education is fully privatize only those who are wealthy enough will participate. The tendency is for the social and income gap between people to widen since education confers higher income earning prospects on the educated. Lastly, the provision of education is subject to economic of scale. It is therefore argued that it is more economical for government to provide educational services through the revenues.

Criteria for evaluating educational finance model:

The theories on educational finance model presented above is not exhaustive. Yet no consensus have been reached on what constitutes the best arrangement. Which ever model is adopted by any nation depends on the fundamental goals it wishes to achieve for the citizenry. Some basic criteria can however be used to evaluate or assess the impact of a particular model on the level and quality of education that can be achieved in a given society. Examples of such criteria include.

(a) The equality of access criteria includes. This is used to measure the extent to which a particular model is able to grantee educational access to a greater majority of the citizenry. (B) The fairness criteria: This assesses the extent to which man educational financing arrangement is equitable by ensuring that those who provide more resource are given grater assess to education to encourage greater private effort in educational funding.

(c) The social mobility criteria: Since education enhances the income prospect of the educated and income is a yardstick for determining social class it might be essential to assess the extent to which an educational finance model facilitate the process of social mobility.

(d) Criteria of convince: Convince is the extent to which an education financing arrangement can be efficiently implemented. Certain arrangement are either difficult to be implement or open to abuse.

(e) Internal or distributive efficiency criteria. By this, a model is assess by how it is able to facilitate the efficient distribution of educational resources among the different educational programme or services.

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