

## POLITICAL ECONOMY OF EDUCATION FINANCING IN NIGERIA

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### **Abstract**

*The political economy of education is influenced by both internal and external actors, the actors include teachers, union, government, bureaucrats, external are officials of international aid agencies and development bodies. They all have some measure of influence on education reforms and implementation of educational policy. This paper argues that education is politicized in Nigeria and also funding is one of the banes of the development of the sector analysis of educational budget from 1999 to 2018 has shown that the average of the total allocation to education is just 8.4% which is far below the recommendation of UNESCO for funding of education sector. The paper concludes that there is need for political leaders to show more commitment to educational development in Nigeria by improving the funding of education above the UNESCO benchmark of 26%.*

**Keywords:** *Education, Funding, Financing, Budget and Political Economy*

### **Introduction**

The importance of education in the development of any society can never be underestimated. Economists have confirmed the importance of education to economic development and growth. Education provides an avenue to increase productivity, reduce poverty and enhance social development. To achieve this, education must be qualitative to have a meaningful impact on the populace in all sectors of human endeavours (Risikat, 2011, Gordon, 2012, Oluwatobi & Ogunriola, 2011). In this context, it is not out of place to make the political actors play a key role in the provision of qualitative education in any country. The central role played by the state in regulating the provision and financing of education in any country reflects the belief that education is essential for societal and personal wellbeing. The economic organization of education depends largely on the political will of actors in the political system as well as market mechanism (Adeyemi, 2011).

Various administrations in the country have paid lip service to education in terms of financing which has been a bane to the sector. Cumulatively various administration in the country have invested an average of 8.5% of total budget to education; this amount is far below the expected

for education to make any meaningful impact in the development of Nigeria using education as a tool. A World Bank (2012) report states that as at 2012, Nigeria is ranked 20<sup>th</sup> in the world with respect to abysmal budgetary allocation of funds to education over the years. The report shows that Ghana spent 31.0% of its total budget on education Cote D Ivoire 30.0%, Uganda 27.0%, Morocco 24.6%, Kenya 23.0%, Botswana 10.0%, Tunisia 17.0% Lesotho 17.0%, Burkina Faso 16.8 and Nigeria 8.4%. Considering the importance of education in national development and improvement of the standard of living and wellbeing of individual there is need for Nigerian government to improve on its funding mechanism of the education sector.

### **Political Economy of Education**

The political economy of education is influenced by both internal and external actors. The key stakeholders in education systems within a country include the bureaucrats and political entities, voters (parents and others), government officials (minister/commissioners of education, other ministry officials), local government officials (local education authorities) school officials/school management (head teacher, governing body and teachers) and teachers union. The role of teacher's union, government officials and international actors in the political economy of education are examined below.

### **Teachers Union in the Political Economy of Education**

The role of teachers in educational process cannot be underestimated. The teachers' unions are among the vocal and well-recognized group with the power to influence government policies in relation to education. They usually leverage on this for the purpose of influencing electoral results, because of the fact that teachers constitute a large percentage of the population. They also enjoy geographical spread with their members in all nooks and crannies of the country thereby making it easy for them to campaign for or against candidates during elections (Moe 2010).

The power of teachers' in influencing activities in the education sector in any state stems from the fact that they can cause disruption for politicians using their geographical spread to ensure a good presence in almost all electoral units to either vote for or against a candidate depending on what the candidate has in his party manifesto concerning education. Studies on the political economy of teachers' union in education in the USA (Moe 2013), India (Kingdom & Muza Mail, 2013) Mexico (Fernandez, 2011) have all corroborated the power of teachers' union in influencing the political and economic order of nation state.

Fernandez (2011) had argued that one of the most powerful groups in the education sector is the teachers union. In Mexico, according to Fernandez (2011), political decisions are influenced by partisan considerations especially politicians responsiveness to the teachers union. The union due to their wide geographical presence, massive mobilization capacity, capacity to extract economic rent, and ability to fund demonstration and engage in labour strikes, have made the teachers union an important political enemy or political ally especially with regards to policy formulation and implementation. In Latin America countries especially in Mexico, change of government is usually accompanied with new appointees who are loyal to the government in power; the teachers' unions usually press their interest by lobbying new and inexperienced appointees (Hecock, 2006).

In Africa, Bold (2013), states that in Kenya, the teachers unions have been opposed to the government reforms in the education sector, teachers habitually raises students scores when examination was set by Non-government organization on the other hand when the same examination are set by government bureaucracy students, are not given good grades, this is done apparently with the purpose of showing the government in bad light. The Kenya National Union of Teachers waged a serious legal and political war against the contract teacher programme. This included street protest, legal law suits and days of national strike in other to press home their demand for permanent government employment and a standardize wage for all teachers in the country. In South Africa, Zengele (2013) states that leader of the teachers' union in the country, South Africa Democratic Teachers Union, exerts influence against the appointment of teachers who as loyalist of the government are promoted on such basis at the expense of merit. In Ghana, the Ghana National Association of Teachers (GNAT) threatens the government with strikes and in some cases goes for strike in order to press home their demands in 2013. About 178,000 members of GNAT participated in the eight-day national strike to press home their demand for a salary increase. Despite the role of teachers' union highlighted above, it should be noted that teachers' union also co-cooperate with the government in order to pursue educational reforms. The Tanzania Teachers Union (TTU) is seen as a potential and cooperative union which allows educational reforms of the country and so they neither block nor disrupt government education reform (Lauguille & Dolau 2012).

#### **Government Officials in the Political Economy of Education**

It was identified that the political will of government officials in collaboration with policy think-tanks are vital in the provision of basic education in pursuance of Education for All (EFA) goals of any country. Government officials are important stakeholders because of their responsibility towards the electorates in order to provide education in a effective, efficient and equitable manner. It should be understood that policies for progress need to provide quality education in any democratic government. It is important to note that leaders who want to stay in power must do that which must meet the demands of those whom they govern at anytime in order to forestall any change against them through either military putsch or democratic elections. One group in any state that such policy statements in relation to education are the poor because they cannot afford to pay for quality education themselves; the second group are employees who under some circumstances of wages and labour will evaluate government spending on education will reduce the wages they must pay for workers.

#### **International Actors and Agencies as Stakeholders in Political Economy of Education**

Other important actors in the political economy of education are the international actors especially international aid agencies which support various educational development programmes in developing countries, the officials of these aid agencies form a very important elite group that exercise some level of influence on educational programmes and policies in most countries where they operate. They use the leases of bureaucratic, technical and international pressure to exert some control over these developing countries. They usually come in as international development partners. Considering the role of education in international development, these international actors, control and command resources which are finance, information, ideas and social networks.

In the same vain these international actors have played major roles in education policy proposal conferences which have culminated in different accepted education policies in developing countries including the Jomtien in 1990 and Dakar 2000 conferences. UNESCO led frameworks and plans, Global partners for Education and Education for All. These actors with their financial power for education play a dominant role in the formulation and implementation of education policies and to a great extent other sectors because they set conditions before funds for education are accessed. These conditions include democratic governments, liberalization of the economy, microeconomic stability and sector-wide approaches to education. Conclusively, it is argued that teachers union, government officials and international aid agencies have played a critical role and all have interest with regards to the education system.

**Rent-Seeking and Patronage Politics:** How significant is rent-seeking and patronage politics in the education sector. Rent seeking is an attempt to extract economic rent by exerting influence on government policies and their implementation. Patronage politics entails support provided for certain groups which come in the form of rewarding organization or individuals for their electoral support. These are usually the situation in most countries public sector including education sector.

Corrales (2005) review of empirical and theoretical political science works especially from developing countries shows that patronage, clientelism and corruption are the main political actors that drive government to increase education sector spending. Public school controlled by government tends to invest more in wages and procurement. This he argues is driven by political patronage and corruption which are seen as key factors in ill-advised educational investment especially in developing countries. Corruption also drains resources of the state and also affects the structure of government. Furthermore, politics of patronage pushes for the expansion of educational coverage by hiring more teachers and building more school systems. In Nigeria, political actors are more interested in the hiring of teachers and approval of the budget for construction of school buildings because it serves as an avenue for compensation of political actors. Also, expansion of educational facilities is not done because of the need of the people but rather to share resources among political actors.

In Nigeria, the creation of nine new universities by Goodluck Jonathan administration was seen as political because they were created prior to electioneering campaigns more so as the existing universities in the country was not properly funded. This led to political actors to influence the sitting of institution in their local domain and also to get contract for the building of infrastructure in the new universities (Fatunde, 2015). A 2008 teacher assessment carried out in Kwara State, Nigeria shows that majority of the pupils lacked the basic level of literacy, life skills and numeracy. This is as a result of the shortcoming on the path of the teachers. The teachers lacked understanding of primary school curriculum and even how to teach the pupils. The analysis in Kwara shows that most teachers were recruited based in patronage-base which has to a great extent affected their output (William, 2011).

**Regime Type:** Ansell (2008) argues that regime type is an important political condition that pushes education reform. He went further to state that the effectiveness of educational policies would differ depending on regime type. Autocratic governments usually wish to curtail foreign aid earmarked for educational purposes thereby targeting such funds for the purpose of political agenda and subsidize higher education for elite over and over the invest of master. In his studies of the relationship between regime type and education spending, Ansell (2008) found out that there are substantial effects of both regime type and openness on different types of educational spending.

**Political Will:** This plays major role in the implementation of educational reforms. The international community uses the term political will to berate and exhort national government. This is evident in United Nations' former secretary general speech where he said "we do not need more pledges if nations deliver on the financial commitments they have already made, we can achieve goals. Governments of various countries particularly the third world countries have attempted to fight conflict and foster social understanding through education of discriminatory content from curriculum and inclusion of subjects like peace, citizenship and tolerance. However, due to political influence on education hiring of teachers, distribution of books and allocation of resources negated equal citizenship and was replaced with partisanship due to lack of political will.

### **Politics of Education in Nigeria**

When we talk of politics, we speak of control and management of human and material resources as well as leadership and responsibility. People at the corridors of power are saddled with the responsibility of protecting lives and property of their citizens, and providing them with essential services, like safe drinking water, good roads, effective health care delivery, constant electricity supply and most importantly qualitative and quantitative education.

There is no gainsaying the fact that both human and material resources in Nigeria are endowed with are prerequisites for development. However, it is pathetic to note that the lives of the ordinary Nigerians are still worse, especially in respect of education due to the fact that those in government are dealing with the issue of education with flippancy. This is contrary to the provision of the National Policy on Education (FRN; 2014) that the country's aims and objectives of education in the country should ensure a

- a. free and democratic society;
- b. just and egalitarian society;
- c. united, strong and self-reliant nation;
- d. great and dynamic economy; and
- e. land of bright and full opportunities for all citizens.

The aims and objectives from the reality on ground are more of a mirage than a reality due to the politics of education. This is because ethno-regional chauvinism, ineptitude, corruption and indolence have already held the majority of Nigerians captives in the country due to the sustained activities of unpatriotic elements amongst the Nigeria elite in government. It is worthy of note that the political system operated in Nigeria does not encourage planning, investment, accountability, appreciation and other virtues.

Unwaweiyi (2015) is apt in his contention when he asserted that the mismanagement of men and material resources is solely responsible for the continuous decline in our educational standard at all levels. This is partly responsible for the frittering away of the material resources earmarked for education in Nigeria. As the political system approves of corruption and misplacement of rewards and punishment, it is only natural that it produces large lizards and undisciplined minds. The resultant effect of this is the destruction of the mass majority who otherwise would have been productive for the development of their society and the entire humanity. This means Nigeria exists in sheer crookedness, deceit, confusion and insecurity so much that people who are saddled with responsibilities of moving the country forward are those who work relentlessly to destroy it. In other words, their utterances do not correspond with their actions in respect of taking the country to a greater height (Zaria, 2010). It is indubitable and incontrovertible to state that the elites of the country do not have their people in their hearts when it comes to issues that would benefit the masses, particularly issues relating to education.

This negative tendency of the leadership in the country had made it to refuse to adequately look into certain variables in the country's educational system such as adequate funding of the entire sector for the benefit of the entire citizenry. This had resulted in the prolonged strike actions in the sector in recent time causing avoidable colossal damages in the sector. It follows that the public education in the country has been politicized by the leadership that public schools have deteriorated so badly making the private schools owned by the same leaders whose responsibility it is to sustain it, to blossom. The effect is that private schools are becoming role models where access is limited to a few due to the exorbitant fees are paid, while public schools are reduced to small unproductive centers (Edward, 2013), thus making a mockery of the Education for All goal a pipe dream in the country.

The current educational crisis in Nigeria is a deliberate attempt by the ruling elite to subtly destroy the educational system so that the majority of the mass cannot benefit from it. It is a calculated attempt to deprive the unlettered as well as less educationally privilege Nigerians of coming into the light of knowledge as knowledge is deem to be a great source of power. This tendency explains why there are no linkages between the network of educational policies and their implementation in Nigeria.

### **Financing Education in Nigeria**

Education financing in Nigeria that is with the Federal Government, 36 state governments and 774 local government authorities need substantial revenue. The distribution of income is usually at the federal, state and local government. The criteria for distribution of revenue had always been in favour of the federal government having the largest chunk of the revenue leaving the other tiers of government namely the states and local governments to be at the mercy of the federal government. For instance, 55% of total revenue is allocated to federal government, 32.5% to state governments and 10% allotted to local government, while 2.5% was left for special purposes. However, it should be noted that 32.5% allotted to states government is shared to them on the basis of population, equality of states, primary school enrollment, health internal revenue generation efforts, water, land mass, and terrain. However, overtime,

power, and responsibilities of different level of government have tended to change is a result of constitutional amendments and abilities of each level of government to undertake the management and financial responsibility. Currently the revenue formula stands as 52.68% for federal, 26.72% for state and 20.60% for local government areas (Ikeji 2014).

No single level of government has overall control over education sector since 1979. University, polytechnic and colleges of education have been assigned to the federal and state governments. Majority of the secondary schools are financed by state governments, while local council finances the primary schools, however it should be noted that funding for tertiary and secondary institution have been stable overtime. The same could not be said of primary school education (Asodike & Ikpitibo, 2014).

Currently the provision and maintenance of primary schools is the responsibility of both the states and local governments with the enactment of the Universal Basic Education Act in 2004. This was followed by increase budgetary allocation to states and local government to cater for the responsibility and efficiently ending federal government grants to primary schools. However, the fall in oil prices in global markets coupled with the joint accounts operated by the various state government making it possible for have direct access to the funds of local governments had led to crises in primary education as most state government are not releasing all funds due to local governments to carry out their constitutional responsibilities, including the provision of educational functions creditably to the people at the grassroots. In a bid to arrest the situation the various government at the national level had tried to put in place various mechanism to improve primary education funding via various intervention programmes including, National Primary Education Commission NPEC in 1988, to Universal Basic Education Commission (UBEC) in 2005 (Afolayan, 2014).

#### **Analysis of Education Sector Budget from 1999-2021**

A new democratic government was heralded in Nigeria in 1999 after a prolonged military rule in the country with a former military leader Olusegun Obasanjo emerging as the president. The government quickly prioritized the education sector through the National Economic Empowerment and Development Strategies (NEEDS). Even the emphasis placed on education, the sector stated on a lower note of 4.46% of the total national budget allocated to education. However, over the time, with introduction of various interventionist programmes in the education sector such as Universal Basic Education for Primary and junior Secondary School in September 1990 and subsequent establishment of Education Trust Fund to cater for Senior Secondary School and tertiary education there was a yearly increase in allocation to the education sector, however Education Trust Fund was later reorganized to cater for only tertiary educational and was renamed Tertiary Education Trust Fund.

In 1999, ₦ 2,700,000,000 billion was budgeted for education. There was an increase in 2000 to 40,940,663,330 accounting for 8.71% of that year's budget. However from 2001-2005, there was a decrease in percentage allotted to education despite increase in general country education enrollment from 8.71% in 2000 to 17.13% in 2001, 6.9% in 2002 to 7.75% in 2003 and a sharp decline in 2004 to 5.24% and 8.21% in 2005. However, there was an improvement in allocation

to the education sector in Nigeria with 10.04% amounting to 250,144,818,579 naira in 2006. The government of Obasanjo budgetary allocation to the education was, however, not stable leading to inconsistency in its dedication to education as acclaimed by 2007 when the government handed over power as the education budget fell to 8.79 despite progress and increase in budget allocation in the previous year. After his two-term in office, Obasanjo handed over to late Umar Musa Yar'Adua between 2007 to 2010, there was no phenomenal increase in percent of education budget in Nigeria. In 2008, allocation to education of the annual budget accounted for 10.04% while in 2009 it declined to 9.79% and 7.19% in 2010.

With the demise of Yar'Adua, Goodluck Jonathan became the president who maintained a stable percent allocation to the education sector. In 2011 there was an increase from the previous 7.19% to 9.32%, in 2012 the education sector was allocated 9.86%, in 2013 it was 10.15%; in 2014 it was 10.54%. In the year 2015, education got the highest allocation of 10.78%. In 2016 when Goodluck handed over to the present administration allocation to the education sector started diminishing as education received only 7.92%, it was 7.40% in 2017 and in 2018 was 7.04%. From the above analysis, the average percentage of budgeting allocation to education sector from 1999 to 2018 was 8.04% which is grossly inadequate considering the UNESCO prescription of 26% to developing countries. Consequently it can be argued that various Nigerian governments' commitment to the educational advancement through funding which is a pre-requisite has been not been encouraging.

A look at the other African countries' average allocation to education shows that Botswana 19.0%, Tunisia 17.0%, Kenya 23.0% Morocco, 17.7%, Swaziland 24.6%, South Africa 25.8% Burkina Faso 16.8%, Lesotho 17.0%, Cote D Ivoire 30.0% and Ghana 31.0% (Udenka, 2013). This gives credence to the fact that Nigerians now troop to Ghana for studies despite been a small country. The irony of this is that all of Ghana's population added together is not up to Nigeria population, but Ghana and all other countries listed above have invested heavily in educational advancement. The picture of decline and increase in education sector spending shows that Gross Domestic Product and total government expenditure on education in Nigeria had fallen over the decade.

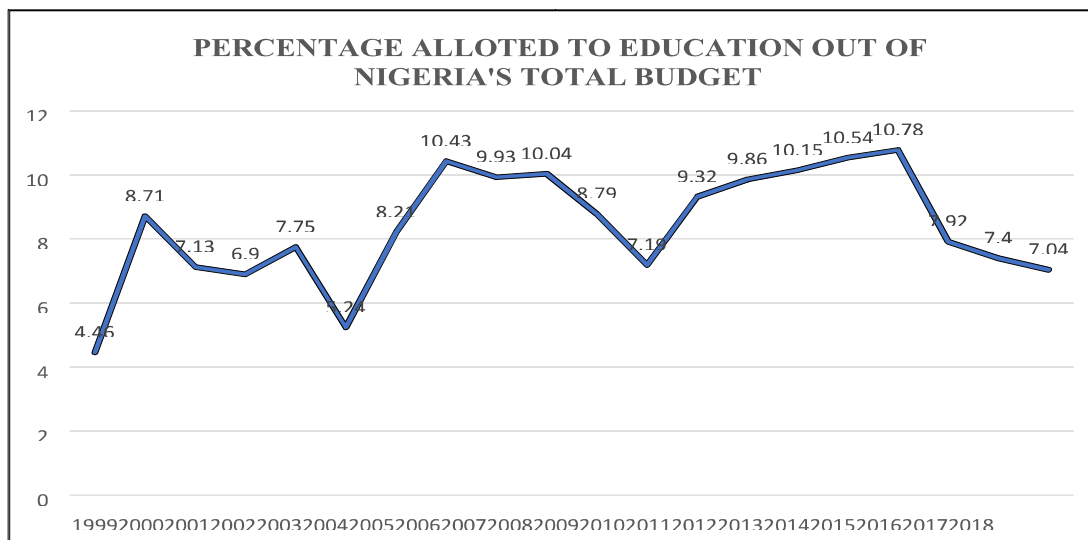
The table below graphically shows government spending on education since 1999 to date Highlighting the fact that it is far below the required 26% benchmark recommended by United Nations Educational, Scientific and Cultural Organization (UNESCO)

**Nigeria's Education Budgetary Allocation From 1999-2018**

Year	Total Budget	Education Budget	% of Allocation
1999	60,549,835,647	2,700,000,000	4.46
2000	470,009,971,781	40,940,663,330	8.71
2001	894,214,805,186	63,783,776,990	7.13
2002	1,064,801,253,520	73,435,499,300	6.90
2003	976,254,543,375	75,707,827,520	7.75
2004	1,790,848,344,588	93,767,886,839	5.24
2005	1,799,938,242,138	147,835,527,799	8.21
2006	1,876,302,363,351	195,693,672,666	10.43
2007	2,226,394,423,477	221,071,774,929	9.93
2008	2,492,076,718,937	250,144,818,579	10.04
2009	2,870,510,042,679	252,204,813,495	8.79
2010	4,079,654,724,257	293,427,655,563	7.19
2011	4,226,191,559,259	393,810,171,775	9.32
2012	4,749,101,000,000	468,385,037,983	9.86
2013	4,924,604,000,000	499,761,707,888	10.15
2014	4,695,190,000,000	494,783,130,268	10.54
2015	4,493,363,957,158	484,263,784,654	10.78
2016	6,060,677,358,227	480,278,214,689	7.92
2017	7,441,175,486,758	550,597,184,148	7.40
2018	8,600,000,000,000	605,800,000,000	7.04
<b>Total</b>	<b>65,791,858,630,338</b>	<b>5,688,393,148,415</b>	<b>167.79 ÷ 20 = 8.38</b> <b>Average 8.4</b>

Source: Compiled by Author

Figure 1:1: Graph showing Percentage Allotted to the education sector.



The allocation of funds to the education sector from 1999 to 2018 have grossly inadequately, (8.4) have been the total and it can be argued that apart from action and inaction of different political interest in the sector, finance can be attributed as the major bane to the development of the country's education system.

### **Conclusion**

The implication of inadequate funding of the education sector in the country is that the sector might have challenges achieving its educational policy aims and objectives thereby not being able to provide the necessary manpower needed for the country development.

### **Suggestions**

In view of the foregoing, the following are put forward as way forward of the situation in the country. That

- a. funding of education should not be politicized;
- b. government should improve the method of disbursing funds to all level of education;
- c. government at all level should increase the allocation of education budget to an appreciated standard, preferably up to at least the benchmark set by UNESCO; and
- d. government should stop any further establishment of any institution and should concentrate on how to improve the existing ones in terms of funding.

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