

## FINANCING BASIC EDUCATION IN NIGERIA: THE ALTERNATIVE METHODS

<sup>a</sup> **Ewa, Moses Apie PhD**

<sup>b</sup> **Ewa, Gegbazi Moses**

<sup>a</sup> Department of Educational Foundations, Faculty of Education, Cross River University of Technology, PMB 1123, Calabar, Nigeria

<sup>b</sup> Department of Primary Education, School of Early Childhood Care & Primary Education, Cross River State College of Education, Akamkpa, PMB 1171, Calabar, Nigeria

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**ABSTRACT:** *The existing methods of funding public schools under the Universal Basic Education (UBE) programme is not adequate to meet the needs of the schools in Nigeria. This is causing a degradation in academic standards, facilities and equipment and poor outcomes among the learners. Alternative sources of raising public funds to finance basic education have come into focus. Such attention has become important because basic education plays a very vital role in an educational system. These new strategies come as complements to the traditional modes through which schools can access needed fund, objectively to improve schools and achievements among learners.*

**KEYWORDS:** *alternative methods, financing, basic education, schools, Nigeria*

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### INTRODUCTION

Alternative sources as complements of the traditional measures of public finance of basic education are currently gaining popularity in Nigeria. Growing attention is drawn towards these new procedures to widen the spectrum of generating revenue, and more purposefully, to raise spending on the education of children. Financing in this paper means available monetary provisions to support management of basic education (UBE). Basic education refers to all schools, including primary and junior secondary, existing under the institutional framework of the UBE Act of 2004 and the National Policy on Education (Federal Government of Nigeria, 2008). Other methods of providing finances for basic education are perhaps nonexistent in the country. The usual way of funding basic education presents a huge challenge to the Nigerian federal government.

Leaders and the political class – even the public, have over time pushed education at the foundations down the priority order. Such attitude indicates the amount of regard and investment given to this level of education in the context. A common perception about basic education is that

it is nothing more than mere opportunities created to help children learn within formalized settings so as to develop into functional citizens. As such education at this stage is considered as being simple in content, involving people with low social worth who possess relatively low mental capabilities and skills, and therefore should be given a low budgetary allocation compared to other sectors of the economy.

### **Theoretical Insight**

Education financing, from an economic viewpoint, is an investment. Education helps to develop and improve knowledge, skills, attitudes and cultures for better living in the society. It is investment in human capital. Education as an 'investment in human capital' emanated from the work of Schultz (1961a, 1961b). This is an economic term which is about sacrificing resources today to develop the human resource for the sake of a stream of benefits in the future (Psacharopoulos, 2006). The formulation draws from a famous passage of Adam Smith's (1776) *wealth of nations*. Smith likened a man that is educated to an expensive machine. In realization of this value, governments, agencies and individuals allocate resources, including finance, in return for both short and long term benefits from education. These key stakeholders make both direct and indirect investments to enhance educational services. Direct investments are the sum of the expenditure given to education whilst the indirect expenses are the cost incurred to produce the individual during the years of education (Al-Hajry, 2002).

Financing basic education consequently has economic implications. Huge monetary investment in basic education is a sacrifice that is worthwhile. This provides foundational opportunities that are crucial to the development of a functional individual. It is a very critical sector in any educational system laying the foundation that not only increases the quantity, but more importantly the quality of individuals for productivity. Increased money allocated to basic education, when properly utilized, motivates school improvement and effectiveness to benefit learners. The application of alternative allocation strategies therefore implies a greater commitment, moving forward, to investment financially in basic education in Nigeria. It arises from an acknowledgement and appreciation of the value of this level of education to national growth and development.

### **Shared Public Funding of Basic Education in Nigeria**

Funding of education is a concurrent responsibility as contained in the federal constitution of Nigeria (Federal Republic of Nigeria, 1999; Khemani, 2001; Nwoko, 2015). Consequently, the federal, state and local authorities have statutory powers to fund schools within their areas of jurisdiction. The UBE Act of 2004 also provides the framework for shared funding of the UBE among the three levels of government (Steenbergen, Nnodu, Nwachukwu, Nyager, 2016). Within this framework, however, appears to be a disequilibrium in the percentage of money earmarked for education among the three tiers of government. More so, the notion of concurrent financing of education is a feature of fiscal federal structure in the delivery of education in the country.

Following the introduction of the UBE in 1999 (Anaduaka & Okafor, 2013; Salihu & Jamil, 2015), the population of learners has increased significantly, thus bringing huge implications on financing of education on the three tiers of government. Besides, Nigeria has consistently allocated a small percentage from her annual national budget for education. In fact, Nigeria has not been complying with the UNESCO's 26% benchmark of annual budgetary allocation for education (Ajayi &

Ekundayo, 2006)). Estimates of expenditure on education in Nigeria as contained in Hinchliffe (2002) and Ogungbenle & Edogiawerie (2016), and concerns raised in Ajayi & Ayodele (2004), Aina (2007) etc give supportive information regarding underfunding of education in the country.

Given the amount of resources Nigeria is endowed with, her national budget for education is a far cry from what other African countries spend per annum on their education. A concomitant effect of this issue finds expression in poor management of schools within the purview of the UBE. There are degradations and shortages in accommodation, staff, staff remuneration, instructional materials, infrastructure etc in several schools across the country. It paints a picture of a builder that decides to put more concrete materials on the elevations than the foundation of a building.

Basic education is critical in any educational system worldwide. Nigeria recognizes the strategic position of this level in achieving the purposes of other levels of education. As stated in her National Policy on Education (2008), basic education is key to the success and failure of the secondary and tertiary education. That being the case, there is no amount of money committed to it that can be regarded as a waste or misplaced. The three-pronged mandate of free, compulsory and universal basic education has really increased access to school for quite a number of children from diverse backgrounds nationwide.

Available monetary provisions for education unfortunately hinders the UBE from being able to cope with a steady rise in the number of children who are eligible to receive places at school. Limited funds compromises the objectives of UBE and reduces the opportunity for learners to leave school with good outcomes. While the strategy to expand and increase access to education keeps changing, the patterns and attitude of funding education has over time not been reviewed in Nigeria. Much of Nigeria's educational sector still relies hugely on grants from agencies, fees, donations from charity organizations, community participation, subventions from governments, the UBE intervention fund etc to survive (Oralu & Oladele, 2015; Nwoko, 2015). Revenue from these sources account for the money utilized to manage schools under the UBE scheme. Irregular flow of revenue inherent in the current practice stifle provision of educational services to benefit the learners, consequently creating problems for basic education such as those mentioned earlier.

### **Some Alternative Methods of Funding Basic Education In Nigeria**

Education is generally a major driver of socio-economic development across countries of the world. It is quite unfortunate however that excessive attraction to politics tend to reduce the engagement of key actors on agendas that favour increase funding of basic education in Nigeria. Administrative bottlenecks and political influences sometimes raise concerns about misuse, misdirection and/or delay regarding funds meant for basic education from the federation account (FAC) and the universal basic education intervention fund (UBE-IF). The budget for education ought not to experience a deficit. Shortfalls in expenditure creates situations that can demotivate the personnel, thus lead to underperformance within the educational sector. Beyond the traditional ways there are rarely other procedures for providing funds to support basic education in Nigeria.

The problems associated with the present (traditional) methods of financing basic education have consequently sparked the desire to search for other sustainable funding opportunities as complements to lessen the pressure on financing basic education via the traditional methods. Work in this direction is effort to encourage change, move provisions forward, raise commitment so as

to widen access to finance for basic education in the context. Research within the field of education on the issue also demonstrates more creative and forward thinking activities to develop substitutive approaches that can inform policy and practice on the financing of basic education to advantage the learners. Some of the alternative options available to finance basic education in Nigeria are as follows:

1. **Raise Individual Income Tax:** increase income tax particularly for very senior public servant and senior business executives of companies nationwide to about 3%. Revenue generated from this source should be tagged Basic Education Tax (BET) and used to increase funding of state schools existing under the UBE. The additional money can be used to execute capital projects, pay staff salaries and procure instructional materials.
2. **Per pupil expenditures:** public expenditures on basic education, for example funding on textbooks, classroom instruction, seats etc, has to be multiplied by the number of pupils registered in each public school.
3. **Information and Communication Technology (ICT) centre:** heads of primary and junior secondary schools can use part of the imprest to establish an ICT centre to provide both internal and external services in the school. It should be equipped with computers and accessories. The computer system can serve as a database for holding valuable information for the school and staff. The school can open a website for advertising itself to the world and also generating income through that means e.g getting funds directly from external agencies. The centre can provide typing, bindery and internet services to learners, staff and members of the public for a fee, especially if such services are unofficial. The school heads should see to the maintenance, smooth and effective operation of the centre. Money realized therefrom can be used for the maintenance of the centre.
4. **Holding Talent Shows:** learners at this level of education possess diverse talents that can be useful in income generation. The schools can organize competitions for singing, dancing, acrobatic displays and call for participation from among the learners. It can be called 'Basic Talent Show (BTS)' to mean exhibition of talents by learners in basic education. The schools can request for promotion and sponsorship from banks, celebrities, individuals, agencies etc. For it to attract a wide audience and attention, give it glamour, value and wide media publicity. Winners should emerge from the best competitor and be rewarded. Monies realized from these programmes should be used for internal management of the schools. To prevent mismanagement of funds, there should be a bank account to receive payments for that purpose with two signatories including head of the host school and director of school services in the state universal basic education board (SUBEB). These talent shows can take place during the long holidays to prevent disrupting school programmes, and the duration of the shows should not exceed one month.

Six schools, one in each geopolitical zone in the country, can be selected to serve as demonstration centres. These centres should be used to trial the effectiveness of these ideas and to observe the challenges that may arise therefrom in context. A duration of three years should be enough for the pilot study so as to have plenty of time to check how workable these ideas really are and address associated problems. Following that, a policy dialogue can be conducted to provide a policy context for doing large scale and countrywide implementation of the idea can be done to benefit other areas.

This is an investment expansionist measure that aligns to equity in education, particularly in a low income country like Nigeria. From the perspective of identifying alternative approaches to scale up funding of basic education, it emphasizes greater access and achievement for all pupils from diverse social backgrounds in education. Part of the recommendation of the EFA fast track initiative is that countries that are still far from universal completion of basic education should allocate 50 per cent of their education budget to basic education (United Nations Children Fund – UNICEF, 2015). More financing of education has the potential to reduce subgroup differences education access and achievement in public schools (SABER-Finance, 2011). It reflects a mobilization of resource strategy to serve a dual role of revitalization and sustainability of basic education to advantage all learners. This potentially leads to school improvement and effectiveness at the foundation.

## CONCLUSION

The subsisting measures of provisioning funds for schools under the UBE in Nigeria is inadequate. Schools are consequently underfunded to affect the overall education of children and human development. Alternative approaches of sourcing revenue to finance schools are being proposed as complements in order to provide better and wider funding opportunities of basic education. An increase in the pool of revenue generation sources reduces the chances of a school to lack money to meet its needs. Spending on basic education is vital for the learners to succeed. Better funded schools can attract parents and businesses. When schools have good facilities, quality staff and good services, parents will like to move there to enrol their children, and owners of businesses will also feel motivated to sell in such places. With huge financial investment in basic education the personnel therein can find motivation to work together to create a solid foundation upon which to build other levels of education.

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