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HIGHER EDUCATION FINANCING IN NIGERIA AND THE IMPACT OF THE POST-COVID-19 PANDEMIC

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ABSTRACT

The purpose of the study is to examine education financing in higher institutions in Nigeria and the impact of the post COVID-19 era. This paper provides an overview of Education financing in our higher institutions after three years of post COVID-19 pandemic. It further identifies the ways in which the COVID-19 pandemic is likely to affect the availability of funding for education. It summarizes evidence on the negative impact the pandemic had on education financing. Two research questions were raised and analyzed for the purpose of the study. The descriptive research design was used for the study; data utilized was based on secondary sources. The results indicated that, from 2010 to 2022, the Federal Government of Nigeria has been allocating only 8% of the nation's budget each year (average) to education. The study concluded that the total allocation made to Education sector from 2010-2022 is generally low and below the UNESCO benchmark despite the COVID-19 pandemic challenges, majority of colleges and universities that survived COVID-19, most will likely see declines in revenue and increases in costs just because of the inflation in the country. The paper however identified and recommended some policy measures to mitigate this impact.

INTRODUCTION

The advent of the COVID-19 pandemic three years ago has indeed revealed the reality of the dilapidation and poor funding of the education sector. Aside from the health sector, no other area has suffered the impact of COVID-19 like the education sector. While many countries have easily adapted and switched to virtual classes, in Nigeria, impossible to open our schools virtually due to lack of facilities necessary to operate it. This poor funding has led to poor provision of standard ICT centers in schools, poor provision of the internet network, unstable power supply, high cost of mobile data and other challenges. Also, many children were out of school even before the pandemic, and even more have dropped out due to the pandemic. In addition, the directives given to start online classes, which was introduced by the Nigerian ministry of education to teach through, radio and television seems not to yield the desired result. Students without remote learning access have been left behind. Also research showed that 40% of Nigerians live on less than \$1 a day and only one in 4 people have internet access. Also the electricity supply in the nation is below average and the majorities of Nigerians are living below the poverty line and cannot afford televisions or radios. *As the COVID-19 pandemic strains national economies and budgets, the need to protect domestic education budgets and ensure that education remains a priority for national governments has never been more urgent.*

The underlying rationale for education is to equip people with the knowledge, skills, and capacity to enhance their quality of life, augment productivity and capacity to gain knowledge of new techniques for production, so as to be able to participate actively in the development process. In view of the importance of education to national development, it is a necessity on each nation to ensure provision of adequate financial resources (funding) for education of her citizenry. This probably explains the reason why United Nations Educational Scientific and Cultural Organizations (UNESCO) suggested a minimum standard of 26% of annual budget to be devoted to education. Anything short of this benchmark is considered inadequate funding on education. In Nigeria Financing higher education in Nigeria today is a crucial national problem. The political, social and economic factors, which are currently having significant impact on the world economy, have necessitated the need to diversify the sources of education funding, mainly because reliance on only one source of revenue can inhibit educational growth (Akinsanya, 2007). This problem is compounded by the growing number of students at all levels of schooling. This has led to lecturers strikes at all levels of education in Nigeria during COVID-19 pandemic which has also resulted into other calamities that have reduced the once-proud education sector into a complete laughing stock in international education rating standards. *That is why the need to protect education budgets has never been more urgent.* For an already fragile education system, the COVID-19 pandemic poses unprecedented challenges on the government, students, and parents, which indeed highlights some of the cracks in the system.

As the nation begins to grapple with these challenges, a key question arises: Is the Nigerian education system designed to adapt rapidly to the changing world? Given the state of affairs in the world today, the nation's ability to ensure continuation of learning will depend largely on their ability to swiftly harness available technology, provide adequate infrastructure, enough funds and mobilize stakeholders to prepare alternative learning programs. In 2021, the education budget was the lowest in 10 years. Out of N13.08 trillion budgeted for the year 2021, N742.5 billion was allotted to the entire education sector. That is just 5.6 percent, the lowest of allocation since 2011. In the breakdown, N573.7 billion was for personnel cost, N35.4 billion for overhead cost, while N177.3 billion was dedicated for capital expenditure)and that in year 2020 with the challenges COVID-19 brought on education, 6.7% was the lowest allocation, moreover and as a result of COVID-19, allocation was reduced to 509billion .Generally, Nigeria's education sector is not adapting, and is expected to struggle on that front for the foreseeable future. However, the consequential socio-economic burden will be borne disproportionately by students in public schools, as compared to those in private schools. While several private schools have begun to initiate distance learning programs, and taking advantage of the myriad of ICT-learning opportunities provided by the international community, the government limited by funds and persistent deficiencies in planning, is yet to announce any official plans for providing distance learning opportunities, especially for public schools.

Research Questions

- How much fund has been allocated to the education sector from 2010– 2022?
- Was there any increase in the education allocation during the lock down?

METHODOLOGY

The descriptive research design was adopted for the study. Given the focus of the study, the data utilized were mainly secondary in nature. Data were sourced from Federal Ministries of Education and Finance, National Bureau of Statistics (NBS) and the Central Bank of Nigeria (CBN) Statistical Bulletin. Descriptive statistical tools such as tables, percentages, were used to analyze data and for answering the research questions.

RESULTS AND DISCUSSION

Research Question 1 How much fund has been allocated to the education sector from 2010-2022?

Year	Budget (#Trillion)	Educational allocation (#Billion)	Percentage of Budget%
2010	5.160	249.09	4.83
2011	4.972	306.30	6.16
2012	4.877	400.15	8.20
2013	4.987	426.53	8.55
2014	4.962	493.00	9.94
2015	5.068	392.20	7.74
2016	6.061	369.60	6.10
2017	7.444	550.00	7.38
2018	8.612	605.80	7.03
2019	8.830	620.50	7.03
2020	10.33	691.07	6.7
2021	13.08	742.5	5.6
2022	1.14	65.3	5.4

(Source: Nigerian Budgetary Allocation to Education (2010 -2022))

This research question was answered using the budgetary data presented in Table 1. The data presented in Table 1 indicated that the total allocation to education between 2010 – 2020 is N5, 131,210,000,000 (Five trillion, one thirty-one billion, two hundred and ten million naira). This figure implies that on the average, only N4,502,964,000 (Four billion, Five hundred and Two million, Nine

hundred and Sixty thousand naira) was allocated to education between 2010 to 2022 annually. The results also indicated that, from 2010 to 2022, the Federal Government of Nigeria has been allocating only 8% of the nation's budget each year (average) to education. This is far below 26 percent prescribed by UNESCO. In specific terms, the results showed that 4.83% of Nigeria's budget was allocated in 2010, 6.16% in 2011, and 8.20% in 2012. The figures further showed that an allocation of 8.55%, 9.94% and 7.74%, 6.10%, 7.38%, 7.03%, 7.03%, 6.7% was made in 2013, 2014 and 2015, 2016, 2017, 2018, 2019, 2020, respectively. Thus, a cursory look at the trend shows that budgetary allocation to education by the Federal Government of Nigeria is below the 26% benchmark prescribed by UNESCO for developing nations. In understanding the growth pattern, this indicated that in year 2020 with the challenges COVID -19 brought on education, 6.7% was the lowest of them all. Bandai (2021), said without adequate investment in the education sector, health and other sectors were bound to suffer. Lamenting the lackluster attitude of the government towards funding education, Banda said just when it was concluded that 2021 budget was the worse in 10 years after 2011, year 2022 was recorded to have a saddening decimal. Emphasizing that one out of five out-of-school children in the world was a Nigerian, He reiterated that both individuals and the countries benefit from investment in education. In 2021, education budget was 5.6 percent. To the ratio of 50 per cent which was promised, 5.6 per cent becomes an equivalent of 2.8 per cent. So in the face of 50 per cent which was promised by the federal government, education budget in 2021 was estimated to be 6.7 percent. In 2022, in the face of 50 per cent increase, we expected it to be 8.4 percent which is an equivalent of N1.14 trillion. But unfortunately, it was 5.4 percent. In 2022, the headquarters of the federal ministry of education was allotted N65.3 billion, UBEC which supervises Education at primary and secondary levels get N77.6 billion. The remaining N599.6b was shared across 21 commissions and agencies under the federal ministry of education with an average of N28.5 billion per institution. In 2021, the education budget was the lowest in 10 years. Out of N13.08 trillion budgeted for the year 2021, N742.5 billion was allotted to the entire education sector. That is just 5.6 percent, the lowest of allocation since 2011. In the breakdown, N573.7 billion was for personnel cost, N35.4 billion for overhead cost, while N177.3 billion was dedicated for capital expenditure.

Research Question 2: Was there any increase in the education allocation during the lock down?

Federal government of Nigeria allocated the sum of **691.07**billion naira (approx. USD 1.5 billion) to education in 2020. However, as a result of COVID -19 this allocation was reduced to 509 billion naira (approx. USD 1.34 billion). The amount of money Nigerian government devotes to education, which is far lower than the 26% of government expenditure as recommended by UNESCO, illustrates her poor commitment to the development of education and explains in part the little progress that has been made in this sector since 1990.

This study is in line with the fact that as of March 31, 2020, Nigeria's debt was at 28.6 trillion naira (USD 79.3 billion). As the country addresses this debt burden, funding to social sectors, especially education, is likely to pay the price. Also in line with Adedeji (1998) who argued however, that the present situation in Nigeria is a symptom of pervasive national failure syndrome. Nigerian higher education institutions are funded in a variety of ways. The proportion of government support and the modalities of funding vary across institutions. Public institutions receive direct government allocation, for both capital costs and some or all operating expenditures. In many cases, the allocation of government funds involves a complex political process. The Government believes that it has a duty to provide qualified Nigerians with free university education.

The study also supports Odebiyi and Aina (1999) that the Government, through the National Universities Commission (NUC), however, makes it mandatory for all federal universities to generate 10% of their total yearly funds internally through various revenue diversification means. (This study is in line with (ThisDay, 2023), that in the year 2020, with the challenges that covid 19 brought on

education 6.7% was the lowest allocation, moreover as a result of covid-19, allocation was reduced to 509billion. Furthermore, the Education Tax Decree No. 7 of 1993 enforces the payment of 2% of profits of limited liability companies registered in Nigeria as an education tax to be disbursed and according to ratio 50: 40: 10 to higher, primary, and secondary education levels respectively. The share of higher education is further allocated to the universities, polytechnics, and colleges of education according to the ratio of 2: 1: 1 respectively (Ajayi and Alani, 1996). In Nigeria, financing of education, just like other sectors, depends largely on the performance of the oil sector. This is because oil revenue accounts for more than 80 percent of total government revenue. The management of public finance, in the opinion of Olaniyan and Adedeji, (2007), is therefore mainly the management of revenue from the crude mineral oil resources. Nevertheless, institutes of higher education need adequate funding to effectively perform their roles. The proportion of government support and the modalities of funding vary across institutions. Public institutions receive direct government allocation, for both capital costs and some or all operating expenditures. In many cases, the allocation of government funds involves a complex political process. The Government believes that it has a duty to provide qualified Nigerians with free university education. The Government, through the National Universities Commission (NUC), however, makes it mandatory for all federal universities to generate 10% of their total yearly funds internally through various revenue diversification means (Odebiyi and Aina, 1999). Nigeria, financing of education, just like other sectors, depends largely on the performance of the oil sector. This is because oil revenue accounts for more than 80 percent of total government revenue. The management of public finance, in the opinion of Olaniyan and Adedeji, (2007), is therefore mainly the management of revenue from the crude mineral oil resources. Nevertheless, institutes of higher education need adequate funding to effectively perform their roles. The study concluded that the total allocation made to Education sector from 2010-2022 is generally low and below the UNESCO benchmark despite the COVID-19 pandemic challenges. The average allocation during this period was 7% which is 29% less than the recommendation made by UNESCO. Majority of colleges and universities that will survive COVID-19 most will likely see declines in revenue and increase in cost due to inflation.

RECOMMENDATIONS

- The most urgent needs at the moment will be improving teachers' motivation, learners' preparedness and galvanizing domestic digital and media enterprises. This needs to be complemented with innovative sourcing of learning infrastructure during this period. For example, reaching children through existing school and home appliances and gadgets will be more cost-effective. Greater involvement of domestic philanthropists and digital entrepreneurs can reduce the financial burden of sustaining learning through the crisis.

- Enforcement of the UNESCO recommendation of 20% to 26% budgetary allocation to education in Nigeria. The federal and State governments must as a matter of urgency take necessary actions to enforce the UNESCO recommendation of 26% budgetary allocation to education in Nigeria due to the challenges posed by the impact of the COVID-19 pandemic.
- Government must invest better in every child's future.
- Government must be Accountable for educational expenditure
- Increase in pedagogical tools and virtual exchange between students and their teachers
- The federal government should introduce bursary to take care of indigent students.

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