
Financing Education in Nigeria: Implications for National Integration and Economic Recovery

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ABSTRACT: *The financing of education in Nigeria plays a critical role in both national integration and economic recovery. Adequate funding ensures equitable access to quality education, fosters social cohesion and contributes to human capital development. However, challenges such as underfunding persist. This paper focuses on financing education in Nigeria and its implications for national integration and economic recovery emphasizing the need for a comprehensive approach that considers cultural diversity, economic factors, and political dynamics. It highlights past and present governments' initiatives and some concerted efforts made by the government towards national integration and economic recovery. The paper adopted the content analysis approach in examining the nexus between financing education, national integration, and economic recovery. The challenges of inadequate funding, inefficient resource allocation, and unequal access to quality education, may have a hinderance towards Nigeria's quest for national integration and economic development. The analysis found that adequate financing of education corroborates national cohesion and promotes economic recovery. This paper concludes that effective financing of education is critical to achieving national integration and economic recovery in Nigeria. The recommendation includes increasing government funding for education and implementing realistic programs and policies that foster national cohesion and economic empowerment, stronger institutions, sweeping reforms, and more importantly increased funding for education at all levels.*

KEY WORDS: Education, Financing Education, National Integration, Economic Recovery.

INTRODUCTION

Education is a cornerstone of national development, impacting economic growth, social stability, and individual well-being. In Nigeria, the financing of education has far-reaching implications. As

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a diverse country with various ethnic, religious, and cultural groups, Nigeria's education system must address both economic recovery and national integration. The country's education system which is expected to play a critical role in promoting national integrity and economic development (World Bank, 2018), has been plagued by numerous challenges, including inadequate funding (UNESCO, 2019). The financing of education in Nigeria has been a major concern, as the country has failed to meet the United Nations Educational, Scientific and Cultural Organisation (UNESCO) benchmark of 26% of the national budget (UNESCO, 2019).

Investment in education is seen as an investment in human capital development as well as a prerequisite for national economic development. Therefore, the future of any nation depends to a large extent on its quality of education. It is the desire of most nations (especially developing nations) to attain national economic transformation. In Nigeria, past and present governments have made concerted efforts to initiate programmes and policies that are geared towards national integration and economic recovery. In recent history, the Nigerian Government embarked on some reform programmes that aimed at increasing investment in human capital development and repositioning the economy for recovery and sustainable growth. The National Economic Empowerment and Development Strategy NEEDS and the Economic Recovery and Growth Plan ERGP of the Obasanjo and Buhari administrations respectively are both well-thought-out programmes that sought to promote national integration and economic recovery in Nigeria. NEEDS was based on the Kuru declaration of 2011 - 'to build a truly democratic country, politically united, integrated and stable, economically prosperous, socially organized.....' One of the main objectives of NEEDS was to empower the people via investment in education. The ERGP on its part was built on three broad strategic pillars – restoring growth; investing in our people and building a globally competitive economy (Okoh and Aisien 2022). This paper reiterates the necessity for national integration and economic recovery and examines the role of education in fostering such desires. The paper examines the trend of financing education in Nigeria and its implications for a truly united and economically prosperous nation.

Conceptual Views

National Integration is the feeling of togetherness or oneness towards one's own country irrespective of individual differences concerning region, religion, culture, race, or caste. It is not only about national spirit, it involves a feeling of that which brings people from all areas, dialects, and beliefs together in a common endeavor. When national integration occurs, individuals are likely to work together to build systems that enhance the prosperity of a nation and its people. National integration is very essential for the development of a nation. This is shown in Abraham (2017) as follows; national integration promotes the development of national unity, citizens develop a spirit of responsiveness when dealing with national calamities and disasters, it promotes patriotism and loyalty among the citizens, it reduces fear, suspicion and strife, national integration enables a country to develop a sense of national direction hence people develop and work towards achievement of unified (common) national goals, it promotes peaceful co-existence of different ethnic groups and races, enhances national unity and rapid development in commerce and industry, leading to social and economic progress of the nation.

Education and National Integration

Education is a very powerful weapon for national integration. Through education, we may give the necessary motivations to our children, who are the future citizens of the nation. According to Adebayo (2017), national integration is essential for Nigeria's development, and education is a crucial factor in achieving this goal. Education plays a crucial role in promoting social cohesion and fostering a sense of national identity. By providing individuals with a common set of values and beliefs, education can help build a more inclusive and cohesive society. It also promotes tolerance, understanding, and respect for diversity, which are essential for peaceful coexistence in a multicultural world (Nwachukwu, 2024). However, the country's education system faces numerous challenges including inadequate infrastructure, a shortage of qualified teachers, and limited access to quality education, particularly for marginalized groups (Adebayo, 2017; World Bank. 2018).

- In the education sector, during the designing of the curriculum, in the admission process into various educational centers, and in the appointment of teachers; our general policy should be such to encourage the propagation of national elements and not to give any place to caste, religion, class and community. In the organizations of our schools, colleges, and universities preference should be given to national ideas whenever possible and only then we shall be able to promote national integration in the students, teachers, and the people as a whole. Education should indeed be organized according to local needs, but even in such an organization, national elements must never be overlooked. The role of education in national integration according to Uriah (2019) includes:
 - Provision of knowledge to the people that is very essential for national integration.
 - It brings uniformity among people of the country and helps them to differentiate among things that play a role in their lives.
 - Creation of awareness of our responsibilities to inculcate values and balance our lives.
 - It unites people and creates a strong bond among the people, strong enough to overcome any challenges faced by a country either its economic, political, social issues, etc.
 - Education gives maturity, understanding, and knowledge of what is happening around and so with this knowledge, one understands the actual meaning of integration of themselves (citizens of a nation).
 - It shapes peoples' minds and hearts for its past and present to have a cooperative and integrated Nigerian future.
 - Education imbues in citizens the consciousness of the strength in togetherness.

Implications for National Integration:

1. **Cultural Diversity:** Nigeria's federal structure recognizes cultural disparities. Education financing should promote inclusivity, bridging gaps between different regions, languages, and traditions.

2. **Shared Values:** Well-funded education fosters shared values, promoting unity and understanding among diverse groups. It contributes to a sense of national identity.
3. **Tolerance and Social Cohesion:** Equitable access to education reduces inequalities and enhances social cohesion. It encourages tolerance and respect for cultural differences.

Education and Economic Recovery

Education contributes to economic growth of its outcomes. Education ‘can be defined as the stock of skills, competencies, and other productivity-enhancing characteristics’ (WEF 2016). In general, education—as a critical component of a country’s human capital—increases the efficiency of each worker and helps economies move up the value chain beyond manual tasks or simple production processes (WEF 2016). Human capital has long been considered the most distinctive feature of the economic system and further work has proven the impact of education on productivity growth empirically. Nwachukwu (2024) asserts that human capital is essential for driving innovation, increasing productivity, and ultimately contributing to economic growth. It is a key factor in determining an individual's earning potential and career advancement opportunities. Nwachukwu further argued that investing in human capital through education and training programs can lead to higher levels of productivity and competitiveness in the workforce. The World Economic Forum 2016 suggested three channels through which education affects a country’s productivity. First, it increases the collective ability of the workforce to carry out existing tasks more quickly. Second, secondary and tertiary education especially facilitate the transfer of knowledge about new information, products, and technologies created by others (Barro and Lee 2010). Finally, by increasing creativity it boosts a country’s capacity to create new knowledge, products, and technologies. Education is a leading determinant of economic growth, employment, and earnings. Ignoring the economic dimension of education would endanger the prosperity of future generations, with widespread repercussions for poverty, social exclusion, and sustainability of social security systems (Woessman 2015). For every US\$1 spent on education, as much as US\$10 to US\$15 can be generated in economic growth (UNESCO 2012). If 75% more 15-year-olds in forty-six of the world’s poorest countries were to reach the lowest OECD benchmark for mathematics, economic growth could improve by 2.1% from its baseline and 104 million people could be lifted out of extreme poverty (UNESCO 2012).

Implications for Economic Recovery:

1. **Human Capital Development:** Properly funded education leads to a skilled workforce, innovation, and economic growth. Investment in education pays dividends in productivity and competitiveness.
2. **Addressing Poverty and Unemployment:** Education equips individuals with skills needed for employment and entrepreneurship. A well-funded education system contributes to poverty reduction and job creation.
3. **Investment in Infrastructure and Quality:** Financing should prioritize infrastructure development, teacher training, curriculum enhancement, and access to learning materials.

Educational Financing Initiatives in Nigeria

Education is a powerful tool for breaking the cycle of poverty, reducing income inequality, fostering creativity, critical thinking, and problem-solving skills, and enhancing social cohesion and equity. Hence, the need for equitable access to quality education for all, regardless of their socioeconomic status, geographic location, or any other form of disadvantage. Owing to Nigeria's youthful demography, accounting for about 54%, there is a tremendous strain on the education system, and a pressing need to restructure the educational system to promote (a more inclusive and sustainable) growth of not only the Nigerian economy but also her human capital. Recognizing the need for investments in education as a tool for national integration and economic recovery (as it can boost the human capital assets of individuals, reform the society, and foster economic advancement for increased welfare), the United Nations Educational, Scientific, and Cultural Organization (UNESCO) recommended a benchmark of 15-26% of the annual budget for education. The inadequate financing of education has resulted in:

- Inadequate infrastructure
- Shortage of qualified teachers
- Limited access to quality education, particularly for marginalized groups
- High levels of illiteracy and unemployment
- Increased poverty and inequality etc.

These challenges have hindered Nigeria's quest for national integration and economic development, and have led to a decline in the quality of education and the country's global competitiveness. Nigeria had its budgetary allocation to education below the UNESCO recommendation of 15% to 26% of GDP, with 5.14% allocated to education in 2021; a positive annual change following 5 years of percentage decline as shown below.

Year	Education Spending (% of GDP)	Annual Change
2023	5.11%	-2.1%
2022	7.21%	2.07%
2021	5.14%	0.01%
2020	5.13%	-0.72%
2019	5.86%	-0.09%
2018	5.94%	-0.18%
2017	6.12%	-0.53%
2016	6.65%	-2.60%
2015	9.26%	0.22%

The Three Pillars of Education Financing in Nigeria are Debt financing, Grants, and Subsidy:

Debt Financing

- A globally common practice to fund education.
- Nigeria's government often turns to domestic and international loans to bridge funding gaps.
- Though it provides immediate resources for the education sector, it's crucial to manage debt prudently to avoid overburdening future generations.
- Sustainable debt strategies should be explored, focusing on investments that generate long-term economic returns.

Grants

- Funds provided by philanthropic entities.
- In Nigeria, grants play a vital role in augmenting the education budget.
- It is instrumental in improving infrastructure, enhancing teacher training, and implementing innovative educational programs.
- But Nigeria should strive for self-reliance and reduce dependency on external grants over time.

Subsidy

- It is a key tool for ensuring equitable access to quality education.
- Primary Education: provision of free textbooks, school meals, and financial assistance to struggling families.
- Secondary Education: lowering the costs of uniforms, textbooks, and transportation. Scholarships and financial aid for the disadvantaged "many"
- Tertiary Education: Government scholarships, tuition fee waivers, and low-interest student loans can assist in this regard.

The FRN national policy (2013) in section eight stated that "Education is a capital-intensive social service, which requires adequate financial provisions from all tiers of government for successful implementation of its programs. The government's goal is to make education free at all levels in addition to assistance from International and Local Development Partners, grants for research, and other donor agencies. The financing of education is a joint responsibility of the Federal, State/FCT, Local Governments, and the private sector.

Hence, each entity needs to reassess its roles in educational financing. Education is the cornerstone of inclusive growth. It equips individuals with the tools they need to participate in the workforce, escape poverty, and contribute to the economy. Furthermore, it promotes social cohesion, and gender equality, and reduces inequality. To achieve inclusive growth, it is imperative that we collectively invest in education, ensuring that it is accessible and of high quality for all. By doing so, we can build a more equitable, prosperous, and harmonious future for all members of society.

CONCLUSION

Nigeria as a developing nation is bedeviled with numerous economic challenges. Its multi ethnic and religious complexities have aggravated the fragility of unity in the country. Widespread poverty and lack owing to the near absence of economic opportunities have further dampened the

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prospects of national cohesion and economic development. Access to quality education remains a veritable tool for promoting national cohesion and ensuring sustainable economic recovery.

Recommendations

The paper recommends:

- Sincere and realistic programs and policies that foster national cohesion.
- National economic empowerment schemes that will empower the populace to contribute to the economic recovery and growth process
- Making national institutions stronger.
- Political and economic reforms.
- Increased funding for education at all levels.

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