

**‘A COMMONWEALTH TERTIARY  
EDUCATION FACILITY (CTEF)  
WORKSHOP’**

**Financing Higher Education in Nigeria: The  
Current Trends and Implications for Access,  
Equity and Efficiency**

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# Outline

- ▣ Introduction
- ▣ Background
- ▣ Trends in funding HE in Nigeria
- ▣ What happens to access?
- ▣ What happens to equity?
- ▣ Conclusion

# Introduction

- ▣ The success of an economy depends largely on its human capital strength, and education is the leading component of the human capital.
- ▣ Higher education plays a critical role in producing workers with the required skills.
- ▣ Higher education stimulates innovations in technology and new sources of energy that would facilitate progress toward reducing poverty and improving health conditions (Experton & Fevre, 2010; World Bank, 2012).
- ▣ Thus, future economic growth and prosperity of a nation are at risk without investment in higher education.

## Intro. 2

- ▣ However, the potentials of higher education systems in developing countries to fulfil this responsibility is frequently affected by long-standing problems of funding and poor governance
- ▣ As well as the challenges of access and equity.
- ▣ Unequal opportunities for access and success in tertiary education will lead to underdevelopment of human resources in a country that will subsequently impact negatively on the economic development of the country.

# Background

- ▣ Nigeria is located on the West Coast of Africa, with a population of over 170 million.
- ▣ The population growth rate = 2.47% per annum,
- ▣ 62.5% are below the age of 25 years
- ▣ The country is rich in petroleum and many other natural resources.
- ▣ The economy grows at 7% on average in the last 1 & ½ decades
- ▣ Nigeria has 36 states plus the FCT, 774 local governments areas.
- ▣ The “BIGGEST” economy in the continent

(CIA world Fact book, 2014).

## Education system in Nigeria

- ▣ Nigeria regards education as a tool for enhancing national development, and the country's philosophy of education is based on:
  - (i) *The development of the individual into a sound and effective citizen and*
  - (ii) *The provision of equal educational opportunities for all citizens.*
- ▣ The system is 1- 6- 3-3- 4
- ▣ Provision of education is the joint responsibilities of all the 3 federating units.

# Higher Education System

- ▣ Higher education in Nigeria consists of:
  - ▣ *Universities*
  - ▣ *Polytechnics/Monotechnics*
  - ▣ *Colleges of Education (COEs)*
  - ▣ *Innovation Enterprises Institutions (IEIs)*
- ▣ Nigeria had 40 federal universities, 39 state universities, 50 private universities, 128 polytechnics and Monotechnics, 117 Colleges of Education and 57 Innovation Enterprise Institutions, bringing the total number of tertiary institutions to 431 (JAMB, 2014).
- ▣ Nevertheless, many Nigerian students seeking tertiary education are more interested in university education.
- ▣ The institutions are regulated by their respective agencies under federal ministry of education (NUC, NBTE, NCCE etc)

## Cont.

- ▣ Admission in to the tertiary institutions is through JAMB exams
- ▣ Candidates are first tested by the JAMB using UTME following which individual institutions are allowed to conduct post-UME to select candidates for admissions.
- ▣ 40% is the passing mark
- ▣ Candidate needs at least 50% to contest for admission in to the university



# Cont.

- ▣ Cut-off points:
  - ▣ 2013/2014 Cut-off Mark for Federal Universities is 180 due to general poor results
  - ▣ Cut-off marks for Colleges of Education, Polytechnics and other sub-degree-awarding institutions is 150.
  - ▣ State-owned Universities and Polytechnics have their own autonomy to choose own Cut-off marks.
- ▣ This has positive effects on participation rate, but negative for quality (efficiency) (ADESULU, 2014)

# Funding Higher Education in Nigeria

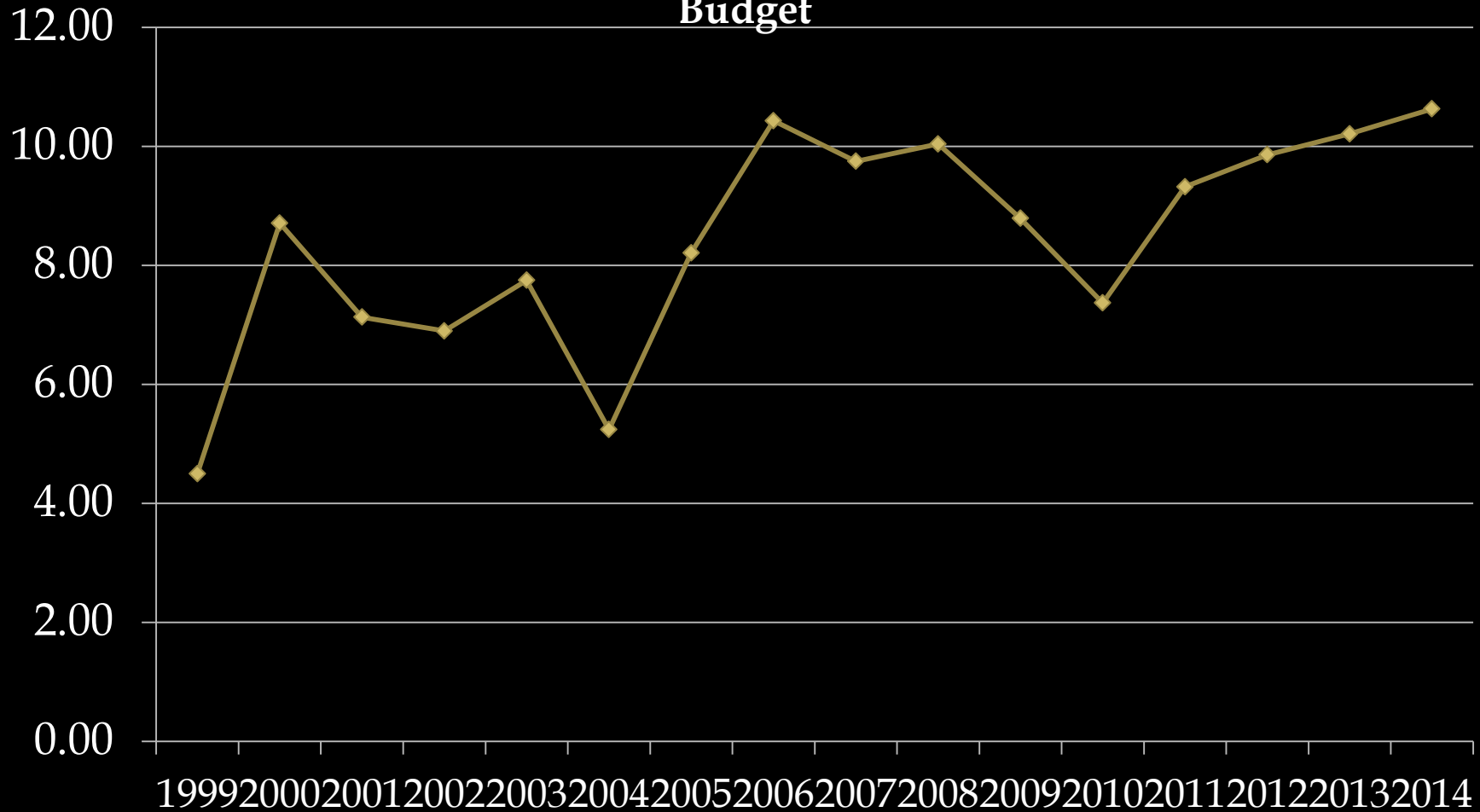
- ▣ Both federal & states governments have jurisdiction over higher education matters within their realms – and determine how their respective higher education institutions are to be funded.
- ▣ Public HEIs get a significant part of their funds from:
  - ▣ The federal government (federal institutions)
  - ▣ State government (state own institutions)
  - ▣ The remaining part of their funding is internally generated from levies/charges/fees
- ▣ Private HEIs get most of their funds from students levies/charges/fees.
- ▣ The remaining part of their funding is from international development partners (if any), support from alumni associations, and linkages with industries in Nigeria and abroad (Federal Ministry of Education, 2013; Adeniyi & Taiwo, 2011).

# Cont.

- ▣ There are government agencies that complement the government budgets on HE:
  - ▣ TETFUND
  - ▣ PTDF
  - ▣ CBN
  - ▣ NCC
- ▣ They provide funds for capital projects, staff development and instructional materials.
- ▣ Education in Nigeria (at all levels) is largely funded by government.
- ▣ The flow of Funds has been increasing nominally from both government budget and its agencies. **See the graph below**

# Funding Trend in Education Sector

Trend in Budget Allocation to Education as % of Total Budget



# Cont.

- ▣ But is lower than the recommended 26% by UNESCO.
- ▣ About 60% of the education budget goes to tertiary education at the expense of other levels of education (Adesulu, 2013)
- ▣ Intervention funds from TETFUND have increased by 487.2% from 2009 to 2013 (TETFUND annual report, 2013)
- ▣ The funding framework is guided mainly by historical factors (traditional)
- ▣ funds are not sufficient to meet the challenge of increasing demand due to:
  - ▣ Demographic pressure
  - ▣ And increasing unit cost.
- ▣ The funding crises persist

## Cont.

- ▣ There are academic staff shortages across board particularly in the critical areas of science & technology;
- ▣ Over 60% of the academic staff in the Nigerian University system is in the category of Lecturer I and below;
- ▣ These shortages are compounded by inter and intra-sectoral brain drain;
- ▣ These have implications on the quality of teaching and learning  
*(NUC, 2013)*

# Participation/ Access

- ▣ The higher education participation rate defined as the proportion of the 18-35 year age group that is enrolled in tertiary institutions in Nigeria, is just 8.1% as compared to Egypt of around 30%.
- ▣ Other developed countries like the United States, Australia, and Korea are 64%, 41%, and 51%, respectively.
- ▣ South Africa's has 15% GER, Nigeria has 5% for universities (Kanyip , 2013; Agboola & Ofoegbu, 2010)

# What happen to access?

There is still long way to go!!

years	Number of Universities	Carrying capacity (supply)	Applicants (Demand)
2010/2011	112	450,000 ( <b>30.13%</b> )	1,493,611
2012/2013	129	520,000 ( <b>29.9%</b> )	1,735,729

(JAMB, 2014).



# What happen to equity in access??

- ▣ Participation is dominated mainly by the well to do families. Often, the rich is subsidized more than the poor.



# Equity

- ▣ The HEIs are allowed to increase charges and fees from students, and this varies with institutions
- ▣ Acquiring admission is determined fundamentally by the quality of secondary education. The chances are higher in high-fee schools than in free public schools
- ▣ Higher education is skewed in favour of students from urban areas

# Conclusion

- ▣ Despite the nominal increase in education budgets, still the funds are not sufficient to meet the present demand.
- ▣ The existing FF is not inline with the new world order
- ▣ The limited government budget is skewed in favour of HE
- ▣ Despite the increase in tuition fees, the government continues to subsidise the higher education system substantially
- ▣ The governments fiscal position determine the funds to be given to HEIs (hard budget constraint)
- ▣ Cost-sharing and tuition stress poor families; making HE out of reach for most Nigerians. Policy makers should find lasting solution to this for equal access.
- ▣ Hence, the need for a new funding framework