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BUDGETARY ALLOCATIONS TO NIGERIAN UNIVERSITIES AND THE DEVELOPMENT OF SUSTAINABLE DEMOCRACY IN THE COUNTRY

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Abstract

The study investigated the influence of budgetary allocations to Nigerian Universities on the development of sustainable democracy. The population consisted of lecturers in the Departments of Political Science and Public Administration in all Federal and State Universities in the South-South geo-political zone of Nigeria, totaling 522. All the lecturers were involved in the study. Two null hypotheses were formulated, tested at 0.05 alpha level, using the independent t-test. The calculated t-values were less than the critical t, leading to the retention of the null hypotheses. It was concluded that budgetary allocations to Nigerian Universities do not facilitate the development of sustainable democracy in the country. It was recommended that the Federal and State Governments should increase their budgetary allocations to Nigerian Universities, to at least the 26% United Nations minimum recommendation, to facilitate the development of sustainable democracy in the country.

Introduction

The underlying rationale for public funding of education is to equip people with the requisite knowledge, skills and capacity to enhance the quality of life, augment productivity and capacity to gain knowledge of new techniques for production, so as to be able to participate evocatively in developmental processes. Thus, while primary and secondary education focus on inculcating literacy and numeracy, higher education creates the needed manpower, with enhanced skills for technological innovation and productivity growth. Public sector funding of education in Nigeria is anchored on the notion that for a society to continue in perpetuity, the new generation must be given the appropriate

access to knowledge that previous generations have accumulated.

As observed by Central Bank of Nigeria (2000), poor financial investment has been the bane of Nigerian education system. Budgetary allocations to education have been very low compared to other developing countries. Furthermore, the federal government allocation to education has declined steadily since 1999 and is much lower than the average in the last five years of military rule. This is particularly important in view of huge increases in the number of intake at all levels of education – primary, secondary and tertiary.

Despite all the alternative sources of funding education in the country, the infrastructure and other educational facilities remain inadequate for coping with a system that is growing at a very rapid pace. Due to poor financing, the quality of education offered is affected by poor attendance and inadequate preparation by teachers at all levels. The morale of teachers is low due to poor condition of service and low salaries. Physical facilities need to be upgraded and resources such as libraries, laboratories, modern communication and information technology equipment have to be provided. The quest for meeting these basic education needs has been the cause of the unending crisis between government, and trade unions such as Nigeria Union of Teachers (NUT), Academic Staff Union of Universities (ASUU), Non Academic Staff Union (NASU), etc. (Nwagwu, 1997).

There is need for a clear-cut knowledge of existing expenditure trend, students' enrolment and linkage with unemployment and economic growth, if education is to be properly funded in the country. This study therefore investigates the influence of budgetary allocations to Nigerian Universities on the development of sustainable democracy in the country.

Budgetary Allocations to Education in Nigeria

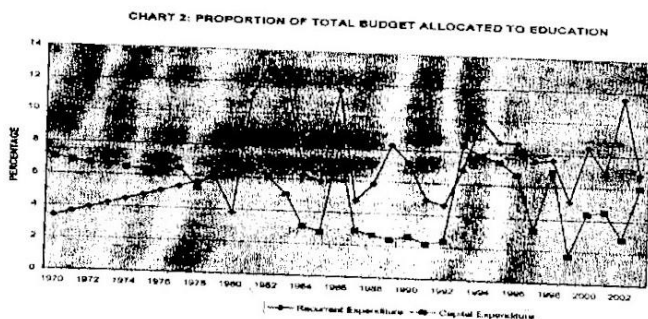
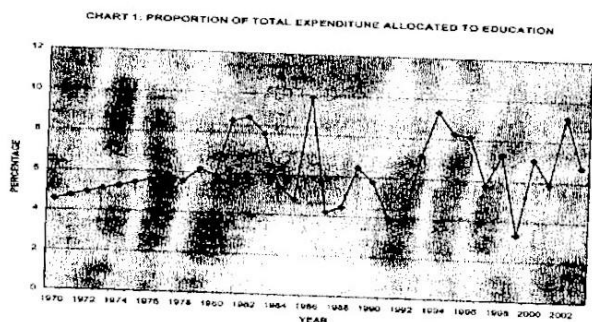
One of the approaches the government adopts in financing education in Nigeria is the annual budgetary allocation to the sector that are distributed as subvention or grants to the different levels of education. The grants or subventions are made through respective Education Ministry of the levels of government by the coordinating agency of education such as the National Universities Commission (NUC).

According to Amaghionyeodiwe and Osinubi (2007) higher education faces the problem of a serious lack of funds. This situation, to a large extent, restricts its development and indirectly influences the potential development power of the national economy. At present, the proportion of funds for higher education should adapt to the level of development of the state economy. With the increase in number of university students, the level of funds for higher education should also be increased, yet higher education funds in developed countries represent about 20 percent of the total budget for education (Amaghionyeodiwe and Osinubi, 2007).

Fashina (2005) says that the provision of adequate finance for higher education has been an academic problem for the Nigerian government. According to Moja (2000) it is the federal government that is the major funder of higher education in Nigeria. Funding allocations at the university level have been higher than that of other levels of education partly due to the expansion in the number of universities. However, the growth in expenditure has been inconsistent over the years and the allocations to higher education institutions have been inadequate. The funding allocations have been in flux during the last decade, (Majo, 2000).

Education allocations as a percentage of total budgets have not been consistent in the country. It dropped from 9.88% in 1986 to 3.3% in 1999 (*chart 1*). A close look at the distribution pattern of government budgetary allocation to education as a percentage of total budget reveals this inconsistency. Instead of maintaining an increasing proportion of the yearly budget, it has been largely fluctuating. Regardless of incessant strikes and negotiations to stimulate governments to increase the proportion, the proportion has remained below 8%, apart from 1994 and 2002, which were slightly above 9% (*chart 1*). This is far below the UNESCO recommendation of 26% minimum.

Since the oil crisis in the eighties, the proportion of capital budget allocated to education has been consistently lower than the proportion of recurrent expenditure. Over the years, the government capital expenditure allocated to education as a percentage of total capital budget ranged from as low as 1.71% in 1999 and not up to 9% in all cases (*chart 2*). Like the total budget, the proportion was also not consistent.



Source: Ajetomobi & Ayanwale (2006)

Precisely, Federal Government expenditures on education are below 10 percent of its overall expenditures (Table 1). Overall, the shares have varied between 9.9 and 7.6 percent and the trend has been largely downward. Typically, between 70 and 80 percent of expenditures are for recurrent activities.

Table 1
Federal Government Expenditures on Education as Share of Total Federal Expenditure 1997–2002 in Percentages

	1997	1998	1999	2000	2001	2002
Recurrent	12.3	12.0	11.7	9.4	9.5	9.1
Capital	6.1	7.5	5.0	8.5	6.0	6.0
Total	9.9	9.6	9.0	9.0	7.6	8.0

Source: Federal Government of Nigeria, Annual Budget (various years). Reported in Hinchliffe (2002).

While each tier of education has at various times been the concurrent (joint) responsibility of both Federal and state governments, the former has historically been much more involved at the post secondary level. Table 2 presents the shares of Federal Government recurrent and capital expenditures by level of education between 1996 and 2002. Over the period, the share for the (24) Federal universities has varied between roughly 40 and 50 percent of total Federal expenditures, while those for the (16) polytechnics and (20) colleges of education have remained fairly constant at around 17 percent and 11 percent respectively. Overall, during the whole period, the tertiary education sub sector has received between 68 percent and 80 percent of the total Federal expenditures for education.

Table 2
Federal Government Expenditures Shares by level of Education 1996–2002 in Percentages

	1996	1997	1998	1999	2000	2001	2002
Universities	52.5	44.6	39.4	39.9	49.2	39.6	51.2
Polytechnics	16.2	23.2	17.0	18.5	17.0	16.6	16.0
Colleges of Education	11.2	11.1	12.0	10.6	9.6	11.9	9.7
Tertiary (total)	79.9	78.9	68.4	69.0	75.8	68.1	76.9
Secondary	10.4	11.3	14.6	18.7	15.3	15.5	15.6
Primary	9.7	9.8	16.9	12.2	8.9	16.4	7.5

Source: Federal Government of Nigeria, Annual Budget (various years). Reported in Hinchliffe (2002)

Federal budgetary allocation to education in nominal terms rose from N6.2 million in 1970 to N1,051.2 million in 1976. Thereafter, it declined to N667.1 million in 1979, rose again to N1,238.5 million in 1980, declined in succeeding years, before rising to N3,399.3 million in 1989. It dropped further to N1,553.3 million in 1991 before rising gradually to N9,434.7 million in 1994. Thereafter, the declining trend continued (Hinchcliffe, 2002). Onwioduokit cited in Akintoye (2008) observed that the budgetary expenditure on education in Nigeria rise in accordance with oil revenue cycles, since the economy is principally oil-driven. However, UNESCO recommended at least 26% of national budget to educational funding, but Nigeria over the years has not exceeded 4% in any year.

State governments are also involved in the funding of each level of education. The magnitude of their finances on higher education varies according to the number of such institutions that are owned by such states. The World Bank (2002) has shown that since 1995, the combined expenditure of State Governments on education is about a fifth of the Federal Government's. While the Federal Government concentrates on about three quarters of its education expenditures on post-secondary schools, State Government in practice fund mostly secondary education and a significant part of post secondary education. Available data on state government funding of education is worrisome because of the absolute share of 18 percent in 1999 (Table 3), and the continuous fall in the share of education in the state budget. The data further reveals that on the average about 2/3 of education expenditure is on secondary education, while primary education receives only about 11 percent of budgetary allocations.

Table 3
Education Expenditure as a share of Total Expenditure of selected State governments (1995-1999 in %)

	1995	1996	1997	1998	1999
Enugu	20.1	15.6	20.2	14.8	17.0
Rivers	25.0	18.4	16.0	19.2	9.2
Borno	13.3	16.6	9.9	21.2	12.6
Oyo	14.6	12.6	13.0	11.4	11.6
Benue	34.6	28.1	24.4	21.5	29.9
Anambra	28.0	28.9	33.5	16.0	27.4
Niger	15.3	17.3	32.4	16.4	27.5
Ekiti	NA	NA	35.6	22.9	27.1
Jigawa	NA	NA	23.0	21.0	16.8
Kano	NA	NA	NA	11.0	13.8
Plateau	NA	NA	NA	21.7	19.0
Lagos	NA	NA	NA	NA	24.8
Average	20.1	17.3	23.0	19.2	18.0

Source: Onwioduokit & Tule in Akintoye (2008).

Table 4
Budgetary Allocation to Education in Akwa Ibom State (2000 – 2004)

S/no.	Year	Allocation (N billion)	Percentage of Total Budget	Tertiary Education (N millions)	Research & Development
1.	2000	2.05 b	16.15	60 M	-
2.	2001	7.05 b	15.03	825 M	320 M
3.	2002	7.20 b	12.2	-	-
4.	2003	8.06 b	24.6	500 M	346 M
5.	2004	7.58 b	17.15	-	-

Source: Etuk (2006). *Education financing for colleges and universities*, pp. 138-141, Uyo: Abaam.

Educational Budget Implementation in Nigerian Universities

All federal universities receive the bulk of their financing (almost 95 percent) from the Federal Government directly from the office of the accountant general of the federation (Hartnett, 2000). Furthermore, the federal universities' budgeting processes and expenditures have to adhere to budgeting and expenditure formula stipulated by NUC as follows: 60 percent total academic

expenditure; 39 percent for administrative support; and 1 percent for pension and benefits (Hartnett, 2000).

The issue of how well available funds in the country are managed is one of critical concerns to credible Nigerian leaders. Both the World Bank and the International Monetary Fund (IMF) have consistently maintained that available funds are not judiciously utilized, including funds borrowed from international agencies. Unfortunately, our universities are not exempted from this embarrassing accusation. The issue need not be over flogged or exaggerated. Much has been written and said about mismanagement of funds by higher institutions that there is hardly any of them in Nigeria generally, and the south-south in particular, in which one panel of inquiry or the other has not been set up. The findings have echoed the same findings of squandermania, fraud, corruption, missing funds and lack of proper records and accountability.

What we must not get tired of emphasizing is the appointment of persons of proven integrity into key management positions on the basis of merit and experience, rather than political reward to supporters or gold-mine opportunities for friends and relatives. It is also important to insist on proper planning and budgeting for the universities. All projects and programmes must be guided by approved budgets and strict adherence to financial instructions and guidelines. The Longe Commission Report of 1991 referred to a World Bank Report which criticized the existence of many uncompleted projects in our universities. The World Bank observed that there had been a certain extravagance in the physical development of universities with many grandiose projects started without the fund needed to complete them. Such days should be over, and efforts made to complete all abandoned projects before any administration of a university embarks on a new one.

There is also a dire need to re-examine personnel and overhead costs in the recurrent expenditure votes of higher institutions. Very often, personnel emoluments are bloated not because the salaries are high or because there are ghost workers. In many institutions, while there is a shortage of academic staff, we often find thousands of administrative and junior staff many of whom are definitely under-employed. Even when they are needed they do not have the equipment and facilities to work with, so they remain idle and a heavy burden on

the lean finances. Managers of universities should respect the guidelines on recruitment of staff provided for them by such supervisory and regulatory bodies like the NUC. Regular staff audit and rationalization whenever desirable should be carried out. But most importantly, internally generated funds must be judiciously accounted for and applied to identified projects. For now much of the fund is wasted or disbursed recklessly. Universities can do much more with available resources than they are doing through careful planning, probity and accountability.

According to Samuel (2002), the inadequate funding of the Universities and other tertiary institutions has had calamitous effect on teaching and research and universities themselves have been forced to embark on income generating projects in order to source for funds. Therefore, the available revenue is spent on capital projects, administration, teaching and research and students' welfare. Capital projects and salaries reportedly take a bulk of the total revenue while teaching and students' welfare tend to be given less priority. This tends to be responsible for the incessant student/teachers riots and strike actions respectively (Samuel, 2002).

It could therefore be deduced from the above that poor budgetary allocations to Nigerian Universities impede the development of sustainable democracy in the country.

The study was carried out to determine the influence of budgetary allocations to Nigerian Universities on the development of sustainable democracy in the country. Specifically, the study sought to:

1. Determine the influence of budgetary allocations to Nigerian Universities on the development of sustainable democracy in the country.
2. Determine the influence of educational budget implementation in Nigerian Universities on the development of sustainable democracy in the country.

Research Hypotheses

The following null hypotheses were formulated to direct the study.

1. Budgetary allocations to Nigerian Universities cannot facilitate the development of sustainable democracy in the country.

2. Educational budget implementation in Nigerian Universities does not enhance the development of sustainable democracy in the country.

Methodology

Area of Study

The study centered on budgetary allocation to Nigerian Universities and the development of sustainable democracy in the country. Nigeria as a sovereign nation is situated on the western coast of Africa and lies between latitudes 40 and 140 North and between longitudes 30 and 150 East. The total surface area of the country spans over 923764 km² with Cameroon to the East, Niger and Chad to the North, Benin to the South along the Gulf of Guinea. The administration of the country is divided into three tiers of governments (Federal, State and Local) but the democratic governance is divided into 6 geo-political zones (Northeast, Northwest, Southeast, Southwest, North-north and South-south). These zones consist of 36 states and 774 local government areas with a population of about 120 million people. The literacy level is about 55%. Data for the study came from several issues of Central Bank of Nigeria annual reports and statement of account, Federal and State Ministry of Education and National University Commission (N.U.C). The data included budgetary allocations and breakdown, Gross Domestic Product (GDP), etc.

Research Design

The survey research design was adopted for this study.

Population of the Study

The population for this study consisted of lecturers in the Departments of Political Science and Public Administration in all Federal and State Universities in the South-South geo-political zone of Nigeria, totaling 522: 294 from Federal Universities and 228 from State Universities.

Sample and Sampling Technique

The sample stood at 522 respondents: 294 lecturers from federal universities and 228 from state universities. There was no sampling as all the lecturers were involved in the study.

Instrumentation

A structured questionnaire tagged "Budgetary Allocations and Development of Sustainable Democracy (BADSD) Questionnaire" was developed by the researcher and used in collecting data for the study. The instrument was duly validated and pilot tested to determine its reliability status, which stood at 0.677.

Data Analysis and Results

The data collected were analyzed using the independent t-test

Hypothesis 1

Budgetary allocations to Nigerian Universities cannot facilitate the development of sustainable democracy in the country.

In order to test this hypothesis, the independent t-test analysis was employed.

Table 1
Independent t-test Analysis of Budget Allocations to Nigerian Universities and Development of Sustainable Democracy in Nigeria

Groups	N	Score	X	SD	t
Federal Universities' Lecturers	294	3731	12.69	2.01	
					0.87*
State Universities' Lecturers	228	2310	10.13	1.98	

*Significant at 0.05 alpha level; df = 520; critical t-value = 1.96

Table 1 presents the calculated t-value as 0.87. This value was tested for significance by comparing it with the critical t-value of 1.96 at 0.05 alpha level with 520 degrees of freedom. The obtained t-value of 0.87 was less than the critical t-value of 1.96. The null hypothesis was therefore retained. The implication is that budgetary allocations to Nigerian universities cannot facilitate the development of sustainable democracy in the country.

Universities. This, coupled with the poor funding, hampers the realization of educational goals and objectives at the university level. This does not support the development of sustainable democracy in the country.

Recommendations

The following recommendations are made, based on the research findings and conclusions drawn.

- The Nigerian Government should adopt a funding system characterized by transparency, resource allocation equity and one which embraces explicit indication relating to students' real cost, and quality teaching assessment.
- The Nigerian Government should ensure that allocation of financial resources in Tertiary Educational Institutions is based on quality of research and number of students.
- Ensure direct basic funding to universities for teaching through an effective funding formula.
- Ensure contractual funding to universities through contracts for specific issues.
- Authorities of Individual Tertiary Educational Institutions should create more internally controllable ways of funding such as: overheads from faculty services to community, or from post-graduation courses fees.
- Tertiary Educational Institutions should be compelled and monitored, to ensure that they maximize the income so generated on viable investments.
- Non-Governmental Organizations are not left out in funding education institutions, they can give direct funding to students by means of social support or individual grants.
- Non-Governmental Organizations can also give indirect funding to students such as scholarships to include meals, accommodation, sports, healthcare etc.
- Budget implementation monitoring mechanisms should be adequately
- Overhauled to ensure proper use of funds available to Universities.

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