

INADEQUATE FUNDING IN MANAGING EDUCATION: OPPORTUNITIES, INNOVATIONS AND CHALLENGES

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Abstract

This paper examined inadequate funding in education, its opportunities, innovations and challenges in Nigeria. Inadequate funding is a key issue affecting educational growth and development in Nigeria. The inability of government to step up its budgetary allocation to education to meet the UNESCO recommendation of 26% is hindering the effective management of education. From 2015 to 2025 the budgetary allocation for education decreased from 10.75% to 5.47% of the national budget leading to poor quality of education. This study therefore discussed the reasons for inadequate funding in education, the impact of inadequate funding in education. The opportunities of inadequate funding in education which include capacity building, community engagement, finance management etc. were discussed. Various innovative strategies to inadequate funding such as creation of self-sustaining revenue source, strategic management process etc., as well as the challenges faced as a result of inadequate funding were equally discussed. It was concluded that education deserve more than the current budgetary allocation to ensure sustainable growth and development. Hence, budgetary allocation for education should be raised to at least 20% of the total budget, and its proper management. Also, educational managers should consider other means of generating revenue for schools other than relying on federal allocation, as well as, set up a special and independent task force to monitor educational funding and management to ensure compliance to funding provisions.

Introduction

Funding is important to any organization or institution including education. Funding provides the pillar to any education system. Funds are needed in education for various purposes which include payment of staff salaries, building of classrooms and offices, purchase of books and other instructional materials, construction of roads within the school, transportation, payment for the institutions where teachers are to be trained and retrained, building of workshops, library and buying of equipment etc.

Education as one of the strongest weapon for improving health, ensuring gender equality, maintenance of peace and stability as well as reducing poverty, require adequate funding to enhance long term economic growth and sustainable development in all sector of human endeavour. Funding is a key factor on which educational development of any country depend.

According to Undie (2020) one of the serious problems threatening the survival of educational system in most of the less developed countries (LCDs) is that of a declining level of public funding in the phase of rising demand and hence rising cost of education. The issue of poor funding of education in Nigeria has remained unchanged over the years, and even in recent times as evidenced in the dwindling budgetary allocation to education not in tandem with the UNESCO requirement of 26%. Therefore, relying on the position of UNESCO, that for every educational systems of developing nation to witness stability, at 26% of the budget of such nation must be channelled to the education sector, the Nigerian education sector is inadequately funded since it budgetary allocations are always below the benchmark.

The inadequate funding of education in Nigeria could be traced to poor economic growth and development, lack of political will by those in authority, inefficient institutions, corruption and unstable policies. The inability of government to provide adequate funding to education continued to provide a setback thus hindering the effective and successful management as most facilities needed cannot be provided due to reduction in the allocation to the educational sector thus affecting the management of various levels within the system (Daniel-Bassey, 2020).

Funding is one of the major problems of education in Nigeria resulting from government policies. There is an unprecedented growth in the establishment of educational institutions with students enrollment and population. Yet there is no corresponding increase in the budgetary allocation.

Concept of Funding in Education

Fund comes first in the implementation of any project across every human endeavours. This is applicable to the education sector in Nigeria; hence fund is an important element in the provision of human and material resources in the implementation of education programmes (Nwiku, 2024). According to Ogbonnaya in Ineye-Briggs (2023), educational funding is the financial support that is provided to students or institutions for educational development. It is the fund earmarked for educational purposes ranging from provisions of infrastructures, curriculum, books, instructional materials, utilities, training and payment of salaries.

Funding in education is the provisions of funds for basic and necessary educational requirements which are geared towards the achievement of educational policies, goals and objectives. Funding in education to a large extent, determine the quality of education as it enable the provisions of relevant human and materials resources needed for the realization of educational objectives.

Funding in education drives the implementation of educational policies and programmes. It is a process that determine the growth and development of the society. Without proper funding in education, all the laudable goals and objectives of education as beautifully enumerated in the various versions of the National Policy on Education cannot be achieved. Funding is an important instrument that enhance institutional effectiveness and efficiency.

Issues of Inadequate Funding in Education

Nigeria has had unsteady economy since 1976 which resulted to inadequate financial resources to grapple with educational problems for sometime now which has hampered current and existing policies and plans of government as well as rendering policy planners handicapped, thereby hindering them from projecting their educational thoughts far into the future (Ibara, 2021). Hence, there has been increasing concern about the pronounced shortage of funds in the education system over the years, noting that Nigeria has not been meeting the UNESCO recommended 26% of total budgetary allocation to the education sector.

The education sector in Nigeria had witnessed a funding pattern that has been inconsistent, epileptic, fluctuating and undefined over time, implying that Nigeria is far below the reality as recommended by UNESCO. Sambo&Patta (2022) stated that the budgetary allocation to the education sector is very poor and it has not been stable. Adding that it has been fluctuating, though the numerical figures seems to increase annually even when the percentage of the total annual budget allocation of the education section drops.

The inability of government to provide adequate funding has continued to be a setback, thus the educational policies and programmes cannot be managed successfully as most facilities needed are difficult to provide. Sadly too, the little allocation given to the education sector has to be competed for by the various levels and sectors of the educational system. This accounts for the scarcity of classrooms, teachers, furniture, equipment's, textbooks, instructional materials and information and communication technology facilities in quantity and quality in schools which has not supported high qualitative education.

According to Nwiku (2024) in spite of the dwindling allocation of fund to the education sector, it is equally not strange to state that the little fund meant for the execution and achievement of education programmes are mismanaged or misappropriated. This is evident in the dilapidating nature of school buildings, pupils sitting on the floor due to no appropriate furniture, implying that there are challenges in the management of the funds allocated to education which has become a problem of concern to stakeholders in the education sector. According to Undie (2020) funds are not adequate to meet the running cost, capital projects are abandoned, inadequate and dilapidated facilities are common, and staff development and research are almost now non-existent in schools. Laboratories are ill equipped.

Sources of Funding in Education

Funds for education comes from several sources. UNESCO (2006) noted that there are four main sources of funding for public education sector, namely: state government, Local Government Councils (LGCs) and direct allocations from the Federal Government and international donors. Other funding sources are private individual and organizations, some Non-governmental organizations (NGOs) and Parents Teachers' Associations (PTA). Similarly, Agbiogwu (nd) stated that education funding comes majorly from public revenue from Federal taxes and duties on Petroleum Profits, imports and exports, which form the revenue of the federation account and centrally collected Value Added Tax (VAT). Specifically, the funding sources with examples are:

Government: Monies from various government revenue such as taxes and duties on petroleum profits, VAT etc to the federal account that are appropriated for education; Education grants eg. Universal Basic Education Commission (UBEC), special intervention programmes eg. TETFUND for higher educations.

International Donors: Are funds donated for education from: UNESCO, UNICEF, World Bank, Education Cannot Wait (ECW), USAID etc.

Non-Governmental Organizations (NGOs): Civil Society Action Coalition on Education for All (CSACEFA), MTN Foundation, Islamic Education Trust (IET), ChrisOyakhilome Foundation International (COFI) etc.

Schools: Admission/registration fee, tuition fees, levies, examination fee, extracurricular fees, school Farms, Facilities for rentals e.g hall, fields etc. School events eg. exhibitions.

Alumni: Alumni may donate money, fund scholarship or sponsor projects.

PTA/Community: Membership dues, levies, voluntary donations, fund raising events, community may sponsor projects or scholarships as well as donate certain amount of money for the development of the school in their area.

Reasons for Inadequate Funding in Education

The declining allocation and public funding to education has become more chaotic in recent times as a result of the general economic down turn and rising cost of education (Undie, 2020). Thus the rise in total cost of education due to demand pressure and hence increase in access to various level of education as well as the rising unit cost of educating a child or student. Undie (2020) pointed out that the consequences of rising cost of education even above revenue is the declining standard in the school system.

Lack of political will on the part of government is a major reason for inadequate funding in education. Government office holders prioritize their personal interest as against the collective will of the people as there has not been any deliberate efforts to put education first in any of their dealings. This accounts for the reasons they send their children abroad for studies without recourse to the people they govern. There has been no genuine commitment from the government towards education in Nigeria especially as it relates to funding recording less than 10% of its annual budget to education far below the UNESCO recommendation. Emenalo in Uche, Nwikina, Anyamele&Meeyinikor (2016) pointed out that there is an urgent need to cut down, and save money from unnecessary political activities that are of no significance to societal development, and channel the saved money towards the development of the education sector.

The epileptic nature of the Nigeria's annual percentage of budgetary allocation for Eleven years from 2015 to 2025 can best be described using the table below:

| S/N | Year | Allocation % | Amount |
|-----|------|--------------|------------|
| 1. | 2015 | 10.75 | N483.2bn |
| 2. | 2016 | 7.92 | N480.3bn |
| 3. | 2017 | 6.03 | N488.4bn |
| 4. | 2018 | 7.14 | N651.2bn |
| 5. | 2019 | 7.12 | N634.6bn |
| 6. | 2020 | 5.78 | N607.bn |
| 7. | 2021 | 5.90 | N771.5bn |
| 8. | 2022 | 5.39 | N923.8bn |
| 9. | 2023 | 5.21 | N1.07 trn |
| 10. | 2024 | 5.52 | N1.59 trn |
| 11. | 2025 | 5.47 | N2.52 trn. |

Source: Budget Office of the Federation, 2025.

Between 2015 and 2025, Nigeria's budgetary allocation for education decreased from 10.75% to 5.47% of the national budget, falling short of UNESCO recommendation.

Misappropriation and mismanagement of education fund equally affects the funding in education. When funds are not properly channeled and utilized it impede the achievement of the purpose for which it was meant for. It is therefore important that educational managers should be trained to have sufficient knowledge of financial management. According to Walson and Ajekere (2020), without good fund management measures, the programmes of education institutions will not be properly implemented and sustainable development will be shattered. Therefore, the way and manner educational funds are managed determine the overall performance of the system.

The establishment of more educational institution across all level by the federal, state and local government without corresponding increase in the budgetary allocation is yet another reason for inadequate funding in education. State governments establish state owned universities, polytechnics, colleges of educations, school of nursing etc, local government also establish primary and secondary schools, the federal government establishes universities and unity schools, all depending on federal allocations for its survival. It is only recently that the Federal government gave a moratorium on the

establishment of federal universities. One would therefore imagine how more schools will be established without a corresponding increase in funding.

Apart from the Federal government not meeting up the required UNESCO recommendation, it is observed that some state and local governments do not make adequate provision for financing education in their state and local government. Local governments in Nigeria are always depending on monthly allocations from the Federal government for survival. Majority of the local governments in Nigeria do not have means of generating revenue internally for their development.

Inefficient budget implementation also account for the reasons for inadequate funding in education. Funds are very often disbursed or released late and in piece meal. According to Ogbonnaya (2012) this is caused by not disbursing these funds directly to the schools or parastatals where they are to be used. Funds are often transferred from the Federal Ministries, to state and to zonal before it gets to the end users. Again, funds meant for education sector are sometimes directed to other areas by the authorities with the intention of replacing them later which in most cases may not be possible when things fail to work according to what they expected.

Indiscipline and corruption among leaders equally account for the reasons for inadequate funding in education as public office holders do not uphold integrity in the discharge of their official duties or responsibilities. Most of them brazenly divert monies meant for education to other channels for personal interest. Some may start an educational project, in the name of constituency projects fully paid for, and abandoned it. There are several of such projects abandoned by politicians littered in schools all over the country yet none are punished or called to order.

Impact of Inadequate Funding in Education

Inadequate funding in education has posed serious concern in the management of all sectors of education. There is poor infrastructure and educational resources as a result of inadequate funding; school facilities such as buildings are dilapidated, desk are insufficient and classroom over-crowded with pupils standing or sitting on the floor. Due to inadequate funding there is shortage in learning materials which include libraries, textbooks and information and communication technology (ICT) (Sambo&Patta 2022). Most educational institution have one uncompleted project or the other due to inadequate funding.

Undie (2020) identified the declining standard in school system to rising cost of education even above revenue. He noted that funds are not even adequate to meet running cost, capital projects are abandoned, inadequate and dilapidated facilities are common, and staff development and research

are almost now non-existent in schools. Awareness and communication strategies sometimes suffer from lack of sustainable and sufficient institutional and financial resources (High-level Political Forum on sustainable development 2019).

Inadequate funding of education impact on the quality of teachers. Teachers as drivers of educational policies are crucial in the implementation of such policies for the overall achievement of educational goals. In ensuring effective service delivery, teachers requires continuous professional development like other profession, hence teachers are expected to be continuous learners. According to Agi, Eze&Asifamabiah (2020), Macheng (2016), and Walson (2020) in Nwiku (2024) the conditions that will enable, enhance and maintain teachers' continuous professional development include: conferences; regular workshops; courses and practical sessions, in-service training and re-training; seminars, experiences and assistance (mentoring). These will enhance teachers quality and competencies in service delivery and can only be achieved through adequate funding. If teachers quality are low as a result of inadequate funding, it invariably implies that the quality of the students produced will definitely be low. Poor funding also lead to poor teacherssalaries, hence teachers are not motivated to carryout their responsibilities effectively and efficiently.

Opportunities of Inadequate Funding in Education

Inadequate funding in education provide educational managers with opportunities to nip in the bud in ensuring collaboration with other stakeholders towards achieving funds for education without relying solely on allocations from government. Some of the opportunities that could be explore include:

Capacity Building: Training should be carried out among educational managers in order to have sufficient knowledge on fund management. If those that are managing education do not have the requisite knowledge about financial management, there will always be the case of mismanagement and misappropriation of fund meant for education. At worst scenario, the funds will be embezzled. By building capacity, inefficiencies in the handling of fund can be exposed, hence improving financial management.

Community Engagement: Schools as well as educational facilities are built in communities who are otherwise seen as landlords. The communities were schools are sited play vital role in the development of the school. Involvement of local communities in the provision of infrastructure and other materials such as books will go a long way in assisting the survival of the school. According to Nwankwo, Madu&Nwiku (2017), this self-help method provides extra-resources and ensures that they are effectively and flexibly used for optimum utility in education sector. Inadequate funding in

education provides opportunity for proper community engagement in the affairs of education through fundraising and other supports.

Explore Revenue Streams: Stakeholders as well as private sector participation or involvement in the business of education can help in bridging the funding gap. Non-Governmental Organizations (NGOs) and International Organizations can assist through investment in building of schools, provision of scholarship to students and sponsoring of teachers professional development programmes. Also introducing special education taxes or levies on companies and industries will help generate additional revenue to support the sector.

Proper Financial and Infrastructure Management: Managers should ensure proper monitoring of the finance systems to ensure that funds allocated to education are judiciously used. This will prevent issues of misappropriation, mismanagement and diversion of funds meant for education.

Innovative Strategies to Inadequate Funding in Education:

Creating self-sustaining revenue source: Establishment of income generating activities of ventures within the education sector such as running vocational skills, selling of consumables in shops, agricultural ventures e.g.poultry farms, fish farming, piggery etc.

Setting up strategic resource management process: Strategic management process should be put in place to unlock new patterns or avenues that will enhance equitable and efficient use of available resources. Due diligence should be employed in the allocation of resources to where it is needed to avoid misplacement of priority.

Involve the Wider Community: Community and parents play a very critical role in supporting educational growth and development through donations, funding for specific needs, and infrastructural provisions. Thus in navigating the huddles of inadequate funding in education, there should be deliberate effort in involving parents and communities, which of course are critical stakeholders in the business of education.

Public Private Partnership Involvement: Collaborating with private companies, firms and entities will help the managers of education to secure additional funding. The education system equally stands to gain expertise knowledge from public private partnership involvement. Most companies donate educational resources to the school such as building, books, laboratory equipments etc. Cooperation with international organization for funding will enhance the funding of the system.

Transparent Fund Management: Adequate measures should be made to ensure that funds meant for education are properly and judiciously managed. Ogbonnaya (2012) sees indiscipline and corrupt leadership as one of the greatest challenges facing Nigeria. Where leaders discharge their duties without integrity and fear of God and embezzle and divert funds meant for education to other channels especially for their selfish interest.

Funds meant for particular sectors and purpose should be used for the purpose it was planned or earmarked for. Adequate measures should equally be put in place by government and heads of institutions to punish staffs who indulge in fund mismanagement.

Challenges of Inadequate Funding in Education:

The following are the challenges of inadequate funding in education.

- 1. Inadequate budgetary allocation:** As stated from the ongoing, the amount earmarked for education in the Nigerian budget over the years has been very small as against the recommendation of 26%. Hence, education is underfunded. In Nigeria without adequate funds. Educational managers will not be able to function effectively and efficiently to determine economic growth and sustainable development.
- 2. Poor Teacher Quality:** Teachers are the rallying point of education policies and programmes as well as its implementation. Inadequate funding will affect teachers take-home in terms of salaries and benefits. Funds are needed to ensure teachers develop professionally on the job which ultimately it is expected to have a positive impact on their quality. Inadequate funding denies teachers of their right to on-the-job training, seminars, conferences and workshopsthereby affecting quality teaching and learning.
- 3. Poor Infrastructure:**Inadequate funding hinders the provision and maintenance of educational infrastructure such as laboratories, classrooms, libraries and other facilities that would have aided effective teaching and learning. The standard of facilities found within the teaching and learning environment goes a long way in determining the progress or failure the school hence, poor infrastructure contributes to poor teaching experience, and learning outcomes.
- 4. Shortage of Man Power:** inadequate funding in education will lead to reduction in the manpower level in the sector. Teachers are the implementer of the policies and programmes of education. Teachersinterpret the school curriculum to the understanding of the learners through the delivery of instructions through teaching and learning. Most schools do not have the needed teachers to take care of the growing populations of the students enrollment which is a serious problem in Nigeria. Shortage of man-power is responsible for the poor quality of teaching and

learning. Teachers that are available are not adequately motivated to perform their responsibilities effectively.

- 5. Restricted Access to Education:** Not every child has the access to education due to inadequate funding. The universal basic education (UBE) programmes that was meant to provide free education for every Nigerian child of school age, has not been achieved due to inadequate funding that has made the programme not to be managed successfully as facilities needed cannot be provided. Children of the less privilege parents and families are denied access to basic education due to the fact that their parents are unable to foot the bills.

Conclusion

Based on the above discussions, there is the dare and urgent need for government at all levels to ensure there is increase in the budgetary allocation to education to the UNESCO benchmark of 26%. This is crucial as to enhance the provision of infrastructure, laboratory equipments, books, payment of salaries, teachers continuous professional development; ICT centres vehicles, maintenance, and administrative running cost. Also, the over reliance on federal allocations for the growth and development of education should be discouraged. Educational managers should think outside – the - box by exploring other avenues and funding sources, within and outside school system, such as school shops, farming, partnership with communities, companies and international organization or donors to avert the pronounced challenges of poor funding. There is equally the need to ensure proper and judicious use of funds and other resources allocated to education to avoid diversion, mismanagement and misappropriation. Adequate funding of education remains the surest way to improve effective teaching and learning which will enhance economic growth and sustainable development.

Suggestions

Considering that adequate funding is the veritable tool that will enable education achieve its objectives, the following are necessary:

- Govern
- nment should deliberately increase statutory allocation to the education sector from its present 5 – 7% to atleast 20% of its budget.
- There should be a special and independent task force to monitor the ways educational funds are managed to ensure compliance to funds provisions.
- Educational managers should consider other means of generating revenue for schools other than the usual federal allocations.

- Communities, parents, NGOs and other stakeholders in the education sectors should make concerted efforts in assisting the funding process of schools.

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