

FUNDING PATTERN TO PUBLIC PRIMARY EDUCATION IN OYO STATE: IMPLICATIONS FOR BASIC EDUCATION IN NIGERIA

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ABSTRACT

This study investigated the funding patterns to public primary education in Oyo State of Nigeria between 1990-2004. The study adopted the descriptive research design using ex-post facto type. All the primary schools in Oyo State as at year 2004 were used for the study. Given the focus of the study, the data utilized was mainly secondary in nature. Data collection template was designed and taken to the State's ministries of finance and education for input. Data were also sourced from National Bureau of Statistics (NBS) and Central Bank of Nigeria (CBN) most current edition of statistical bulletin. Data were analysed using percentages, mean values and multiple regression. Findings revealed that for the entire period (1990-2004), the State had a low percentage point change in absolute spending. The study therefore concluded that the present level of funding educational development in the primary schools in Oyo State was well below what was required to enable her citizens benefit from the worldwide trends towards reduced illiteracy, poverty and improved living conditions. There is therefore the need for a re-orientation on resource allocation to primary education based on the necessary parameters namely: students' enrolment, number of staff, inflation and cost of education by the state.

Keywords: Funding, primary education, illiteracy.

INTRODUCTION

The traditionally predominant role of government in financing and provision of basic education is usually rooted in political and social circumstances. Consequently, government took the responsibility of providing basic education freely, implying that the financial responsibilities are borne by it. However, these political and social circumstances are no longer consistent with the prevailing economic reality. The basic economic problem facing governments at all levels in Nigeria therefore is how to allocate scarce resources among competing ends in an era of global economic meltdown because the way government resources are allocated has important impact on human resources and national development.

Public spending on education especially primary education, through its positive effects on human capital formation, boosts economic growth while promoting equity and reducing poverty (Olaniyi and Adams, 2003). The rationale for public spending on education is to equip people with the knowledge, skills, and attitude to enhance

their quality of life. The argument is that the public sector performs certain functions because some goods cannot be provided efficiently through the market system owing to apparent market failures, or associated inefficiencies (Onwioduokit and Tule, 2003; Okebukola, 2002; and Psacharopoulos and Woodhall, 1997).

The Federal Ministry of Education (2004) describes primary education as the education given in an educational institution to children aged normally between 6 - 11 years. The policy states that since the rest of the educational system is built upon it, primary education is the key to the success or failure of the whole educational system. Despite the pre-eminence accorded the primary level of education in Nigeria, the quality of the output of the recipients of the said level of education have been a great issue that prompted so many questions in the mind of anybody investing (in whatever manner) in this level of education. Assessment of factors determining public spending on this level of education is therefore highly essential at a period when stakeholders in education are almost losing confidence in public primary schooling. One basic goals of Education for All (EFA) is ensuring that by 2015, all children have access to a complete, free and compulsory primary education of good quality. However, the conservative estimate of UNICEF (2002) is that some 45% of primary school age children are out of school in Nigeria. The literacy situation in Nigeria as analysed by UNICEF indicates that the overall literacy rate has declined from 57% in 1990 to 49% in 2001, and this compares very unfavourable with African countries such as South Africa (84%) , Kenya (79%) Cameroon (72%) and Ghana (68%).

Investment in primary education has become internationally recognized as an instrument par excellence for development and eradication of poverty. Primary education requires public financial support more than any of the other levels in education with the introduction of the compulsory 9-3-4 system of education. Akinwumi (2008) emphasizes that teaching children how to read and write can boost economic growth, arrest the spread of AIDS, and break the cycle of poverty. Gidado (2008) asserts that primary education system has suffered tremendously in Nigeria ranging from poor finance, inappropriate allocation and a host of other problems. But with the targets of the millennium development goals (MDGS) for developing countries like Nigeria, some efforts have been put in place to meet the MDGS target in 2015, such efforts include the National Economic Empowerment Development Strategy (NEEDS) which considered education, especially primary education as the key bridge to the future. The need to ensure equitable education opportunities especially in developing countries has been stressed since the Jomtien Conference on Education-For-All by the year 2015.

Kose and Guven (2007) in a cross-country analysis of factors determining public expenditure found out that countries with higher per capita income levels and higher economic growth rates allocated greater resources to their education expenditure, pointing out the fact that government income or resources is a major factor determining public expenditure allocation. They also found out that inflation had a significant impact on worsening income distribution and government spending. Adenuga (2002)

discovered that educational expenditure is positively related to the income of a nation. He found out that the more the surplus over what is needed to cover the essentials of life, the greater the proportion for income that will be allocated to education. He also discovered that the higher the amount of money spent on a particular sector or level of education, the less is available for other sectors or levels, which lay credence to the priority being given to a particular sector or level of education as government is constrained by budgetary allocation. The study set out to answer the following research questions:

1. What are the patterns of public expenditure in public primary schools in Oyo State between 1990 to 2004?
2. To what extent do identified factors such as the State's income, students' enrolment, cost of education, number of staff, government expenditure priority, and inflation determined public expenditure in primary education in the State between 1990 to 2004?
3. Which of those identified factors contributed most to the determination of public expenditure in primary education in the State between 1990 to 2004?

METHODOLOGY

The descriptive research design was adopted for the study using ex-post facto. The population of the study comprises of all primary schools in Oyo State. Given the focus of the study, the data utilized was mainly secondary in nature. All of the data except inflationary rate were sourced from Ministries of Education and Finance in the State, and National Bureau of Statistics (NBS). The data on inflation rate was sourced from the Central Bank of Nigeria (CBN) most current edition of Statistical Bulletin. The empirical model used to conduct the investigation of the significant determinants is given by the regression equation below:

$$PEPE_{it} = C + \alpha_1 GI_{it} + \alpha_2 SE_{it} + \alpha_3 NS_{it} + \alpha_4 UCS_{it} + \alpha_5 INF_{it} + \alpha_6 GEP_{it} + U_{it}$$

Where:

$PEPE_{it}$ = Public Expenditure on Primary Education in the state at a given year.

GI_{it} = Government Income in the State at a given year.

SE_{it} = Students' Enrolment in the State at a given year.

NS_{it} = Number of Staff in the State at a given year.

UCS_{it} = Unit Cost Per Student in the State at a given year.

INF = Inflationary Rate in the Country.

GEP_{it} = A measure of Government Expenditure Priority on education.

RESULTS AND DISCUSSION

Table 1: Trends of public expenditure in education and primary education in Oyo State (1990-2004)

Year	Total Income	Total Expenditure Devoted to Education	%	Total Expenditure Devoted to primary Education	%	Total Number of Teachers	Total Number of Enrolment	Pupils Teacher Ratio	Unit Cost	Inflation Rate
1990	2,840,680,200	233,787,980	8	31,509,940	13	16,846	480,608	29	65.56	7.5
1991	3,260,204,550	285,593,920	9	35,479,330	12	18,202	516,300	28	68.72	13
1992	3,802,600,500	327,822,180	9	43,698,690	13	18,400	580,620	32	75.26	44.5
1993	4,306,204,000	390,295,185	9	48,568,300	12	20,640	581,960	28	83.46	57.2
1994	4,910,602,200	426,731,330	9	53,128,050	12	20,722	602,840	29	88.13	57
1995	5,732,400,500	513,623,085	9	68,887,120	13	22,826	605,726	27	113.73	72.8
1996	9,432,310,600	832,241,060	9	111,603,520	13	23,637	655,679	27	170.21	29.3
1997	12,882,300,300	1,175,210,000	9	151,367,050	13	16,241	594,508	36	254.61	8.5
1998	16,240,418,220	1,337,642,050	8	185,263,420	14	15,160	511,174	33	362.43	10
1999	17,733,402,350	1,700,101,280	10	241,924,410	14	17,589	511,174	29	473.27	6.6
2000	42,238,260,110	4,317,594,950	10	696,125,820	16	17,768	500,593	28	1,390.60	6.9
2001	47,224,616,750	4,557,175,520	10	618,089,715	14	18,040	402,442	22	1,535.85	18.9
2002	52,880,246,240	5,020,650,360	9	736,328,580	15	20,387	538,318	26	1,367.83	12.9
2003	67,892,370,200	6,532,720,500	10	955,737,010	15	29,864	538,318	18	1,775.41	14
2004	73,908,460,400	8,250,602,100	11	1,303,205,600	16	33,597	555,308	17	2,346.82	15

Sources: The State Ministries of Finance and Education; Nigeria Bureau of Statistics (various years)

In this part of our analyses, attempt was made to profile the patterns of public expenditure in primary education in Oyo State. The period of review is 1990 to 2004 for which consistent and reliable data set were obtained. To start with, we considered the total public expenditure in primary education in the State with a view to highlighting the trend of expenditure over the years being reviewed. As would be expected, absolute total spending on primary education increased consistently over the years in the State. Overall, the average total spending in primary education amount to about N352 million in the State. To provide further and more insightful picture of the pattern of public spending on primary education in the state, we calculated spending per student for each year. For the entire review period, the State spent about N678 per pupil in primary education.

Table 2: Commitment to Education and Primary Education in Oyo State (%) (1990-2004)

Year	TEE /TI	TEPE/ TEE	Average PEPE	Growth rate of TEPE	Growth in Enrolment.	Growth in Real TEPE/Enrolment
1990	8.2	13.5	65.56	-	-	-
1991	8.8	12.4	68.72	12.6	7.4	1
1992	8.6	13.3	75.26	23.2	12.5	0.5
1993	9.1	12.4	83.46	11.1	0.2	0.2
1994	8.7	12.4	88.13	9.4	3.6	0.2
1995	9.0	13.4	113.73	29.7	0.5	0.4
1996	8.8	13.4	170.21	62.0	8.2	2.1
1997	9.1	12.9	254.61	35.6	-9.3	4.2
1998	9.2	13.2	362.43	22.4	-14	2.2
1999	9.6	14.2	473.27	30.6	0	4.6
2000	10.2	16.1	1,390.60	187.7	-2.1	27.2
2001	9.7	13.6	1,535.85	-11.2	-19.6	-0.6
2002	9.5	14.7	1,367.83	19.1	33.8	1.5
2004	11.2	15.8	2,346.82	36.4	3.2	2.4
Overall Average	9.2	13.8	678.13	34.3	1.7	3.4

Note: TI= Total Income; TEE = Total Education Expenditure; TEPE = Total Expenditure in Primary Education.

The commitment to education and primary education in the State were assessed by calculating the proportion of the total income of the State's allocation to education as a whole on one hand, and the proportion of the education allocation that is in turn devoted to primary education on the other. The rate of change (percentage point) in the absolute spending was tracked and for the entire period covering 1990-2004, the State had about 34.3% percentage point change which is considered low. Concerning spending in primary education, table 2 reveals that over the review period, the State spent about 14% percent, which is considered low relative to other levels. This finding corroborates that of Adebisi and Oladele (2004) findings that formal allocations to educational system in Nigeria have the shape of inverted pyramid in which secondary and tertiary education receive more than primary education of which social rate of return on investment is the highest. It also conforms with Iwuanyanwu and Anene (2001) discovery that public primary schools have always been subjected to the crisis of poor funding

In the table too, we showed how growth, that is, changes in real total educational spending in primary education (i.e. total primary education spending adjusted for inflation) marches the growth or changes in enrolment in the State. Overall, increase in enrolment and real spending in the State averaged 1.7% and 3.4%. This finding is in line with that of EC-EMCAP/NISER (2005) study that found out that states in Nigeria are not autonomous as far as expenditure on primary education is concerned. Findings from the analysis further show that the contribution of Lagos State in financing primary education is low. The corollary of this is that the state government is heavily dependent on statutory allocation from the Federal Government to run her finances.

Table 3: Ordinary Least Squares Regression Results of the Determinants of Public Primary Education Expenditure in Oyo State

Dependent Variable: Total Public Expenditure in Primary Education (TPEPE)

Variable	Coefficient	T-Statistics	Sig Prob.
TEPE (-1)	-0.88	-2.78*	0.03
TEE	1.26	24.77* *	0.00
TEE (-1)	0.93	2.35*	0.60
ENROL	-0.19	-0.93	0.39
INF	0.02	0.90	0.40
TNT	0.27	1.58	0.16
C	-6.19	-1.32	0.23
R-Squared		0.992	
Adjusted R-Squared		0.984	
Durbin-Watson Statistics		2.190	
F-Statistics		123.781	

From the results presented in table 3, total allocation to education is the only determinant of spending in primary education in the State. The impact is positive indicating that spending on primary education increased as the allocation to education in the State increased. All the other variables namely enrolment, inflation and the total number of teachers had insignificant impact.

The factor that contributed most to the determination of public expenditure in primary education in Oyo State, over the review period (1990-2004) is the total spending on education, implying that spending in primary education increased as total allocation to education increased. This finding corroborates that of Kose and Guven (2007) study in a cross-country analysis of factors determining public expenditure that revealed that countries with higher per capita income levels and higher economic growth rates allocated greater resources to their education expenditure, pointing out the fact that government income or resources is a major factor determining public expenditure allocation. It also supports Adenuga (2002) study that also discovered that educational expenditure is positively related to the income of a nation. Piana (2001) however discovered that public expenditure on education is determined by the political -will of the leading forces in the state.

CONCLUSION AND RECOMMENDATIONS

The present level of education development, via funding, especially primary education in Oyo State is well below what would be required to enable her citizens to benefit from the worldwide trends towards reduced illiteracy, poverty and improved living conditions. To break this trend will require deliberate actions to deal with improved quality, increased access to education, equality in access for the poor, and higher budgetary priority for basic education. It is therefore recommended that state government should increase primary education funding, other sources of funds should be identified and explored with a view to increasing private sector involvement and financial contributions to the educational sector and primary education sub-sector. Community participation should be encouraged by giving recognition and State honours to individuals who contribute significantly to primary education.

The assistance of international agencies like the World Bank, UNICEF, UNESCO and others should be executed for the specific project meant for and within the specified time frame. It is important for Oyo State government to seek for other sources of financing her educational expenditure rather than depending on allocations from the Federation Account. Moreover, since higher enrolment promotes human capital development in an economy, policies should be directed at raising the level of enrolment in the state when it is relatively low and ensuring stability when it is high but declining. Private business organizations(industries and companies) should be encouraged to adopt primary schools in the State to supplement government funding or their contributions should be coordinated by the State for increase budgetary allocation to primary education in the State.

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