



UNIVERSAL BASIC EDUCATION FINANCE IN NIGERIA

March 2022



Introduction

Nigeria has to stay on track to deliver the fourth Sustainable Development Goal (SDG4) by 2030. In that respect, extending compulsory, free and qualitative universal basic education (UBE) to 12 years is an essential step toward overcoming one of the current weaknesses of UBE in Nigeria. Making UBE compulsory, free and qualitative for 12 years will align policy in Nigeria with SDG4 and make education work for all children in the country.



Financial responsibilities for UBE Provision

Expenditure assignment for secondary education is constitutionally a shared federal and state government responsibility¹. The way that the constitutional expenditure assignment has translated into practices: The federal government is a provider of public secondary education through 104 secondary schools. State governments are providers through an estimated 21,548 junior secondary schools and 9,881 senior secondary school^{2,3}.

Similarly, expenditure assignment for primary education⁴ is constitutionally a shared state and local government responsibility. The constitution says that the role of local governments is 'participation' in the 'provision' of primary education. The Supreme Court has taken the view since 2002 that local governments are to participate in a subordinate role to state governments^{5,6}. State governments are, therefore, providers of public primary education⁷ through an estimated 60,064 schools nationwide⁸.



¹ The Constitution of the Federal Republic of Nigeria 1999: Updated with the first, second and third alterations (2010) and the fourth alteration (2017). Second schedule, Part II, L (27–30). <https://placng.org/i/wp-content/uploads/2020/05/Constitution-of-the-Federal-Republic-of-Nigeria.pdf>

² Nwoko, C. (2015). *Financing education in Nigeria, opportunities for action: Country case study for the Oslo summit on education for development*. p. 13. https://reliefweb.int/sites/reliefweb.int/files/resources/Nigeria_nettpdf

³ The focus of this policy report is public education and its finance. Therefore, private sector education provision – which is significant but still less than state government provision, especially along all the dimensions of education inequality in Nigeria: children of poor households, children of rural households, girls and children with disabilities – is not treated.

⁴ The Constitution of the Federal Republic of Nigeria 1999. Fourth schedule, 2 (a).

⁵ Nwoko, C. (2015). p. 14.

⁶ World Bank. (2015). *Governance and finance analysis of the basic education sector in Nigeria*. pp. 21 & 44. <https://openknowledge.worldbank.org/bitstream/handle/10986/23683/GovernanceOandOonOsectorOinONigeria.pdf>

⁷ Federal Ministry of Education. (2015). *Education for all 2015 national review report: Nigeria*. p. 66. <http://nigeria-del-unesco.org/wp-content/uploads/2014/01/EFA-2015-National-Review.pdf>

⁸ That is near double the number of private primary schools. See Nwoko, C. (2015). p. 13.

How is UBE financed in Nigeria?

The contribution of households to financing UBE is about 34%⁹. Federal government expenditure in the same category is about 23%¹⁰. State government expenditure on UBE is as low as 0.6%¹¹. Households contributing a share as large as 34% and possibly the largest share of all domestic stakeholders is doubly an indicator that the design and delivery of 'public' UBE are weak. By contrast, state governments that constitutionally have the foremost responsibility for providing both primary and secondary education are the domestic stakeholders with the minor contribution.

Evidence from Anambra, Kano, Lagos and the Yobe States suggest that state governments may spend as little as 0.6%, on average, or 1.25%, maximum, of their entire public expenditure on UBE¹². That low expenditure is the case even when UBE salary payments and non-salary expenditure – including implementation of construction and renovation projects and facility and equipment maintenance in primary and junior secondary schools¹³ – are added up. At the same time, there is a lot of variation from state to state. The picture that emerges is that state governments:

1. Use local government funds to pay UBE teachers' salaries.
2. Use local government funds to meet their matching grant requirements for accessing UBEC funds.

State governments can expend so little on UBE, applying local government funds instead, because of their financial control of local government statutory allocations, as instituted in section 162 of the constitution¹⁴.

These factors lead to inadequate funding of primary education at the state level^{15,16,17}.



⁹ World Bank. (2015). p. 48.

¹⁰ Nwoko, C. (2015). p. 11.

¹¹ Nwoko, C. (2015). p. 14.

¹² Nwoko, C. (2015). p. 14.

¹³ World Bank. (2015). p. 47.

¹⁴ Public Sector Group. (2014). pp. 75–79.

¹⁵ Federal Ministry of Education. (2015). p. 146.

¹⁶ Public Sector Group. (2014). pp. 64 & 76.

¹⁷ World Bank. (2015). p. xiii.

Implication of Inadequate UBE Financing

Evidence indicates that the insufficient financing of UBE:

1. Contributes to the state of insecurity, socio-economic inequality and poverty¹⁸.
2. Leads to poor learning outcomes and growing population of out-of-school children^{19,20}.

The top reason children aged 6–16 years have never attended school in urban areas of the country has been ‘Not enough money to pay schooling costs’. In rural areas, ‘Not enough money to pay schooling costs’²¹ was second to ‘School is too far away’²².

If state governments either do not adequately foot the bill for overhead costs or do not ensure compliance with the mandate of free education in schools, fees imposed by administrators at state government primary and junior secondary schools will keep poor and rural children out of school. Also, if state governments do not build enough schools in rural areas, children will remain out of school if the nearest school is too far away.

Even though the payment of teachers’ salaries through deductions from local government accounts is a crucial feature of the management and financing of UBE by state governments, state governments’ inadequate financial commitment to UBE has resulted in an estimated shortage of 1.3 million teachers for UBE²³. In 25% of state government schools, pupil to qualified teacher ratio is 150:1—the UN benchmark is 40:1²⁴ (the national policy on education sets a target of 35:1)²⁵. In addition to where there are no teachers at all, especially in rural areas²⁶, the number of unqualified teachers in public primary and secondary schools is at an unacceptable level^{27,28}.

High-quality learning outcomes of Nigerian children require that an adequate number of qualified teachers be hired and that teachers be paid well²⁹. This is currently not the case. The entry-level salaries for primary school teachers in many states are barely above minimum wage, ranging from as low as N767,585 per annum in Lagos State to as low as N592,234 per annum in Akwa Ibom State³⁰. Those two are among the most prosperous state governments in the country, with Lagos being a test case for education financing within the context of high internally-generated revenues³¹ and Akwa Ibom within the context of high statutory transfers from the federation³².

²¹ National Population Commission. (2016). *Education attendance rates and schooling status: 2015 Nigeria education data survey (NEDS)*. p. 2. https://ierc-publicfiles.s3.amazonaws.com/public/resources/Attendance_brochure_02-17-16_FNL_AC.pdf

²² National Population Commission. (2016). p. 2.

²³ ActionAid. (2020). p. 2.

²⁴ ActionAid. (2020). p. 2.

²⁵ Nigerian Educational Research and Development Council. (2013). *National policy on education* (6th ed.). pp. 12 & 13. <https://education.gov.ng/wp-content/uploads/2020/06/NATIONAL-POLICY-ON-EDUCATION.pdf> Cf. pp. 16 & 22, 4th ed. (2004), where a target of 40:1 for junior secondary schools is set on the latter page.

²⁶ World Bank. (2015). pp. 24 & 26.

²⁷ Federal Ministry of Education. (2015). p. 146.

²⁸ World Bank. (2015). p. 23.

²⁹ ActionAid, Education International & Light for the World. (2020). pp. 10–12.

³⁰ ActionAid, Education International & Light for the World. (2020). p. 24.

³¹ BudgetIT. (2017). *State of states: The 2017 edition*. pp. 51 & 85. <https://yourbudgetit.com/wp-content/uploads/2017/10/State-of-states-2017-report.pdf>

³² BudgetIT. (2018). *State of states: The 2018 edition*. p. 110. <https://yourbudgetit.com/wp-content/uploads/2018/09/State-of-State-2018-Final-Print-Copy.pdf>

Comparative Experience on Successful UBE Policies from Around the World

Ghana, Kenya and Brazil are suitable regional, continental and global comparators, respectively, for Nigeria. The four countries have similar political economies. The histories of the education sectors of Ghana, Kenya and Nigeria are linked. The structure of education sector governance in Brazil is close to that in Nigeria regarding the concurrent responsibilities of federal, state and local/municipal governments. All four are middle-income countries, and the UBE experiences of Ghana, Kenya, and Brazil hold some lessons for Nigeria in progressing toward SDG4. Table 1 below provides the highlights of how the four countries compare.

Table 1: Comparison of UBE in Nigeria, Ghana, Kenya and Brazil

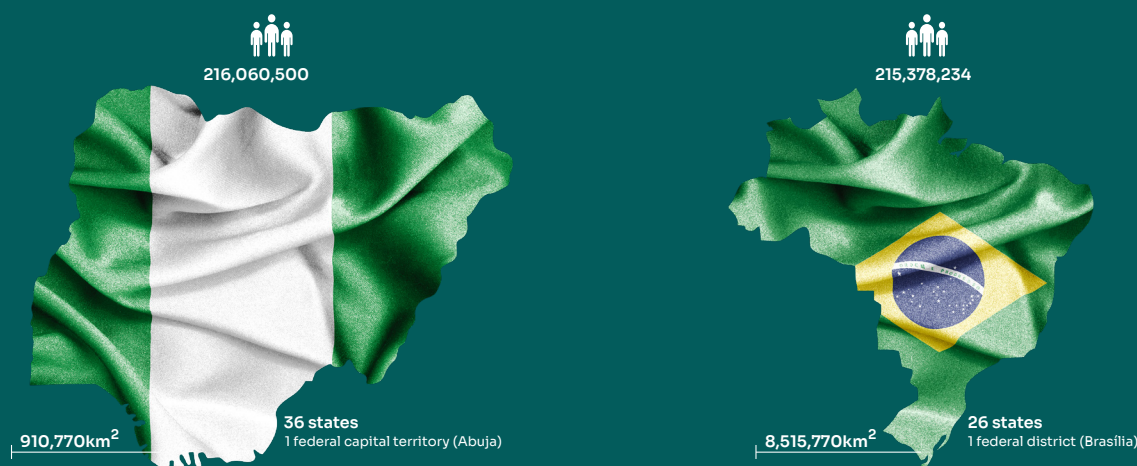
Feature	Nigeria	Ghana	Kenya	Brazil
Type of State	Federal	Unitary	Unitary	Federal
GDP per capita	\$2,097.09	\$2,205.53	\$1,878.58	\$6,796.85
National expenditure on education as a share of GDP	2%	8%	7%	6%
Public expenditure on education as a share of all public spending	13%	25%	28%	15%
pre-tertiary education highlights	<ol style="list-style-type: none"> 1. Compulsory, six years of primary and three years of junior secondary, both free in public schools since 2004. 2. Three years of senior secondary. 	<ol style="list-style-type: none"> 1. Compulsory six years of primary and three years of junior secondary, both free in public schools since 1996. 2. Three years of senior secondary, free in public schools since 2017. 	<ol style="list-style-type: none"> 1. Compulsory eight years of primary, free in public schools since 2003. 2. Four years of secondary, Free in public schools since 2008. 	<ol style="list-style-type: none"> 1. Compulsory nine years of elementary, free in public schools since the late 1990s. 2. Three years of secondary, free in public schools, compulsory since 2013.

Vital feature of UBE intervention	UBE Act.	'[P]rogress has been supported in recent years by the introduction of free [senior] secondary schooling'.	'Kenya already spends significantly on [education.] as other sectors have been cut recently. Education continued to get new investments behind free primary and secondary education programmes'.	<p>'A 1996 constitutional amendment required states and municipalities to spend at least 60% of their education budget on elementary education – a requirement that helped make elementary education universal in Brazil'.</p> <p>'It was also necessary to increase the compulsory education [to upper] secondary school because [so] many young Brazilians of this age group (15 to 17 years old) discontinued their education'.</p>
Impact of UBE design and delivery on primary school enrolment	40% of primary-school-age children not in school.	Less than 1% of primary-school-age children are not in school	5.6% of school-age children not in School.	11.3% of primary-school-age children dropout .
Impact of UBE design and delivery on secondary school enrolment	50% of children are not in secondary school.	10% and 30% of children are not in lower and upper secondary schools, respectively.	5.6% of school-age children not in school.	16.9% of secondary school-age children dropout .
Impact of UBE design and delivery on gender parity in UBE	62% of out-of-school children are girls.	Gender parity in enrolment and completion rates broadly achieved.	Gender parity in enrolment and completion rates near achieved.	Gender parity in enrolment broadly achieved.
Impact on UBE enrolment of children with disabilities	95.5% of primary- and secondary-school age children with disabilities are out of school.	33% of out-of-school children are children with disabilities.	33% of out-of-school children are children with disabilities.	

Nigeria and Brazil both have large populations that are pretty close in size³³. The two multi-ethnic democracies are also post-colonial states with a past of long military rule. Nigeria is now a federation of 36 states and a federal capital territory, while Brazil is a federation of 26 states and a federal district³⁴. The two middle-income countries are natural resource-rich, and both suffered economic downturns beginning around 2014 due to crashing commodity prices, and they both cut back on public expenditure in response³⁵. Both countries are plagued by significant levels of geographical and economic inequality³⁶.

Inclusive, equitable and high-quality education, as captured in SDG4, is key to reducing the incidence of poverty and keeping the engine of social mobility that reduces inequality running. In terms of their education sector governance and finance, the laws of both countries make education a shared responsibility of the federal, state, and local/municipal governments. In the two countries, primary and secondary schools are provided by the state and local governments³⁷.

Brazil has made significant progress in UBE enrolment. On the other hand, as high as 92% of the out-of-school children in Nigeria have never been enrolled^{38,39}. If there is any relationship between Brazil's better performance in education and development, education being both an indicator and driver of development, it might be due in part to the fact that Brazilian states and municipalities have been constitutionally required to spend at least 25% of their tax revenues on education since the late 1990s. Nigerian state and local governments have no such requirement. The Brazilian federal government is also required to spend at least 18 per cent of its tax revenues on education⁴⁰. The Nigerian federal government's only fixed revenue allocation with regard to education is the 2% of the consolidated revenue fund earmarked for UBEC and revenues from some special taxes and levies that go into dedicated funds, such as the tertiary education tax fund (TETFund) and the industrial training fund (ITF).



³⁵ UNFPA. (2021). *State of world population 2021: My body is my own*. pp. 145 & 142. https://www.unfpa.org/sites/default/files/pub-pdf/SoWP2021_Report_-_EN_web.0_3.21.pdf

³⁴ Annexes for Brazil and Nigeria provided by United Cities and Local Governments and Organisation for Economic Co-operation and Development. (2016).

³⁵ The Nigerian situation has previously been established in this policy report. For Brazil, see World Education News + Reviews. (2019).

³⁶ World Bank. (2022). *Gini index (World Bank estimate) - Brazil, Nigeria*. <https://data.worldbank.org/indicator/SI.POV.GINI?locations=BR-NG>

³⁷ World Education News + Reviews. (2019).

³⁸ World Bank. (2015). p. 53.

³⁹ National Population Commission. (2016b). *Education attendance rates and schooling status: 2015 Nigeria education data survey (NEDS)*. p. 2. https://ierc-publicfiles.s3.amazonaws.com/public/resources/Attendance_brochure_02-17-16_FNL_AC.pdf.

⁴⁰ World Education News + Reviews. (2019).

Recommendations

1. Defines UBE in the state as being compulsory, free and for 12 years, from primary to senior secondary school, in order to ensure Nigeria delivers SDG4 within the next eight years, by 2030
2. Binds the state government to finance the 12 years of compulsory and free UBE with a minimum expenditure of 25% of total state government spending every year, excluding local government contributions (some states already exceed 25% but none are bound to do so and none do so consistently).
3. Sets performance targets for qualitative UBE, such as student-teacher ratio and mandates for the employment of qualified teachers as well as welfare provisions for students, including the provision of toilets and potable water.
4. Explicitly leverages the resources and provisions in the Federal UBE Act and the National Secondary Education Commission Act or its future amendments or replacements (National Senior Secondary Education Commission Bill).
5. Provides adequate alignment with pre-existing state laws on education and child rights, including the existing State Universal Basic Education Board (SUBEB) establishment laws (they might have to be amended or be repealed and replaced by the new UBE law).
6. Provides an adequate framework to support state government education finance and social policies in the state.
7. Provides an adequate framework to support the realisation of gender parity and the inclusion of children with disabilities in 12 years of compulsory and free UBE in the state.



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