A PERSPECTIVE ON FREE HIGHER EDUCATION IN NIGERIA

K.C. Prince Asagwara
The University of Manitoba

ABSTRACT

The paper examines the issue of tuition-free university education in Nigeria. I argue that the provision of educational facilities, the growth in enrolment at all levels, and the costs of sustaining tuition-free higher education in Nigeria place an unreasonable financial burden on the central government and have created a challenge to maintain reasonable standards and quality. The educational structures were established in the favorable international trade conditions of the 1970s and 1980s, patterns that no longer exist. Moreover, since private returns to investment in education at the secondary and tertiary levels are greater than the immediate social returns, I propose that Nigeria should re-orient its higher education systems from a completely subsidized system to one that is directed to greater cost recovery, including tuition and fees for services such as boarding and health care. Parents and guardians should bear the full financial cost of their children's higher education, although the National Education Bank, which succeeded the Students Loans Board, should make available loans and bursaries to qualified and meritorious students.

INTRODUCTION

Education in Nigeria is politicized. Nigerians and their government recognize the powerful role that education plays in national development and individual advancement. Thus, the Federal Military Government has actively and directly intervened in the provision and management of education at all levels, a process that began shortly after the Civil War in 1970. The introduction of free Universal Primary Education and the abolition of tuition fees at the secondary and tertiary levels are extremely large financial undertakings by the central government.

With the accumulation of large fiscal deficits at the national level, it is unlikely that this level of commitment to funding of education can continue. As a result of financial stringency, the central government has

reduced significantly grants and allocations to higher educational institutions, with the effect of reducing the quality of teaching and learning in most of universities. Institutions of higher learning cannot provide quality educational experiences and fulfil their mandates if basic learning tools such as books, international scientific journals, teaching laboratory equipment and supplies, and libraries have not been maintained. Primary and secondary levels also suffer from reduced funding thus compromising the social policy of increasing accessibility to education at these levels. The decline of accessibility and the quality of instruction at the primary and secondary levels have a negative impact on the availability of an educated and skilled workforce and on the preparedness of students who wish to enter tertiary institutions, again compromising the mission of those institutions.

These surrounding conditions raise questions of adequacy of resources for education at all levels and specifically the manner in which government finances institutions of higher education. To assess how these institutions can achieve their mandates of educating a highly qualified workforce and an informed citizenry, maintain and improve the quality of instruction, and become less reliant on central government funding, it is necessary to reexamine the modes of financing higher education in Nigeria. This paper addresses one of the many factors that affect the financial stability of higher education institutions; that is, should the policy of tuition-free university education be maintained when the private returns to investment in higher education are greater than the immediate social returns?

In the first section of this paper, I argue that favourable financial conditions and the prospects for ever larger financial resources were instrumental in determining the current funding patterns of education in Nigeria. In the second section, I examine the growth in student enrolment and increase in education expenditure at the university level [1975-1986], funding trends [1976-1994], and actual and projections of future needs [1985-2000]. In the third section, I argue that in view of the bleak financial outlook for the government, university education should not be tuition-free nor should services such as boarding and healthcare be subsidized.

FINANCIAL CONDITIONS

According to the political economy model of educational expansion, the imperative of political and human resource requirements demanded the

expansion of the educational system in developing countries. Human resource development models suggested that governments invest in educational expansion at the expense of other equally important sectors of the economy. Yet when the absorptive capacity of the economic system cannot cope with the numbers of skilled graduates from secondary and tertiary education institutions, governments consider reducing their continued investment in education and the number of places available for students (Ogundimu, 1980, p. 288). In Nigeria, favourable financial conditions and the prospects for continued growth in trade revenues were the precursors for financing educational expansion.

After Nigeria became a federation in 1952, existing national marketing boards were dismantled for three new regional marketing boards. These marketing boards had been established to stabilize the prices of major export cash products, such as cocoa, ground nuts, palm oil and kernel. In 1954, the three regional governments inherited and shared the assets of the dissolved national marketing boards in the order of derivation not need. The distribution of the accumulated funds of the national marketing boards enabled each region to implement its priority development plans according to its needs. The Western Region government of Chief Obafemi Awolowo invested its windfall wealth in an educational expansion program, the first Universal Primary Education (UPE) Scheme. The favorable financial situation of the Western Region made UPE a successful and worthy social and political experiment. The Eastern Region also had introduced the UPE as a matter of political expediency, but the Scheme was abandoned one year later due to financial constraints.

The two decades following the 1970 Civil War, Nigeria experienced a financial boom in oil revenue. By 1975, the daily export of crude oil was more than 2.1 million barrels. In the Third National Development Plan period (1975-80), the export of crude petroleum was expected to increase to more than three million barrels per day. The price of crude oil in the international market at that time was more than \$US40 per barrel, thus generating an annual income of approximately \$US28 billion. With such large trade generated revenues, development plans were calculated in billions, and objectives couched in nationalistic, socialist and welfare

terms.¹ David Lamb (1985, pp. 302-303) critiqued Nigeria's financial status during the oil boom:

By 1975 Nigeria was facing the prospect of a \$5 billion annual surplus. Suddenly no dream was too distant, no vision too expensive. The government drew up a \$100 billion development plan (1975-1980), the most ambitious ever underwritten by a black African government. It was designed to transform an ancient, heterogeneous society into a modern, unified state in five years. Plans were made or ground was broken for seven new universities, thirteen new television stations, thirty-four new prisons, three new international airports and a new federal capital Abuja. With hardly a glance at the national checkbook balance, the minimum wage was doubled and the government granted all civil servants a 60 percent pay raise, backdated tax free for ten months.

To achieve its human resource development objectives, the Government implemented a range of new educational and training programs. The Government expanded the Western Region's UPE into a compulsory Free Universal Primary Education Scheme, introduced in 1976. Secondary grammar and commercial schools were built and made tuition-free. The number of federal and state universities expanded from six in the early 1970s to twenty-nine by 1983 (Adesola, 1991; Omoregie and Hartnett, 1995). In 1983 all federal institutions of higher learning were declared tuition-free. Finally the Nigerian Government sponsored the educational and training programs of more than 50,000 young Nigerian men and women who were sent to the U.S.A., Canada, Britain and European countries to acquire the necessary skills and expertise for running modern Nigeria.

GROWTH IN ENROLMENT AT THE UNIVERSITY LEVEL

Both military and civilian governments in Nigeria have accorded education a high-level priority in the allocation of financial resources since 1970. Compared to other developing nations, Nigeria has contributed extraordinary financial resources to higher education and higher educational opportunities to its people. Enrolment in universities expanded from about 50,000 in 1979, to 83,000 in 1982, to more than 108,000 students in 1985.

¹ During this period, one Nigerian naira was worth \$1.75 U.S. or almost \$2.00 Canadian.

Total enrolment in all universities for 1989-90 was 159,677 (Chuta, 1992, p. 443). In 1992/93, the total enrolment in the 21 federal universities was about 210,000 (Omoregie and Hartnett, 1995). Table I shows the undergraduate enrolment trends at the university level from 1978-85.² In both Tables II and III, growth of enrolment and institutions are presented for the three levels of education, that is primary, secondary and tertiary to enable the reader understand the actual and projected figures on Tables VII and VIII.

Table II illustrates the numerical growth in enrolment by all types of institutions in Nigeria from 1975/76 to 1984/85. In order to accommodate the growth in educational enrolments, there was a corresponding increase in the number of educational facilities. In numerical proportions, there are today 29 universities and more than 39.7 thousand educational institutions of various levels. Table III provides the growth in the educational facilities for the three levels of education in Nigeria from 1975 to 1985. There is a high institutional growth index at the three levels of education in Nigeria.

THE COST OF EDUCATION

The growth in the number of higher educational institutions and the increase in enrolments contributed to an enormous increase in educational costs to the Nigeria government. In the Third National Development Plan 1975-80 the estimated cost of education at all levels in Nigeria was \$US4 billion. By 1988-89 the total allocation for the education sector in relation to all government expenditures was 17 per cent (Pandit, 1988, p. 1). In 1994 World Bank estimated total expenditure on education in Nigeria for 1990/91 was N8.4 billion. This was about 9.7 percent of total government expenditures and 2.9 percent of Gross Domestic Product (Omoregie and Hartnett, 1995). These contributions to education are higher than most Africa and other developing countries.

The Cost of University Education

Before the Federal Government assumption of responsibility for

² All tables are appended to the article.

university education in the 1970's, four of the then six universities were regional universities. The regional universities, except Ahmadu Bello University, received 30 per cent of their funding from the Federal government and 70 per cent from the regional government. These three regional universities were the University of Nigeria at Nsukka, Ife (now Obafemi Awolowo) University, and the University of Benin. The Federal Government contributed 75 percent of the total yearly expenditures of the fourth regional university, Ahmadu Bello University, Zaria. Federal universities, Ibadan and Lagos, were fully funded by the Federal Government. When control of universities was transferred to the Federal Government in 1975, the National Universities Commission, a body similar to the British Universities' Grants Commission, became responsible for university funding .

In its 1970-1974 Development Plan, the Federal Government allocated N51 million in capital programmes to the six universities, while the regional governments contributed N32 million. By the Third Development Plan 1975-1980, the Federal Government increased its allocation to N289 million. Following the creation of more universities in this period, an adjustment was made and N138 million was added in the allocation to university education. Thus the sum of N427 million was granted for the capital development of the then thirteen universities for the rest of the plan period (to 1980). In the 1981-85 plan period, both capital and recurrent cost needs of the universities reached N2.7 billion. In yearly averages it cost N540 million to sustain the university sector. Since 1985, the Federal government adopted some austerity measures and the projected 1986-90 current cost for university education was N2.5 billion (Pandit, 1988, p. 21). Table IV shows the funding level of Federal Universities from 1975/76 to 1985/86.

Table V shows that for ten years [1977-87] the Government did not provide funding equal to the needs of the universities. Table VI shows the Government allocations of recurrent and capital grants to the universities between 1988 and 1994. The inconsistency in funding allocation to the universities is indicative of declining government revenues. With 29 universities, the cost of sustaining the university sector will continue to rise. Table VII is a projection compiled to indicate the financial requirement for meeting current costs alone by the year 2000. It can be seen that educational

cost is projected to increase from N3.1 billion to N15.2 billion by the year 2000. This is a fivefold increase in educational expenditure.

Funding Problems in the Nation's Educational System

The growth of Nigeria's educational system is impressive. However, a major challenge facing universities is that of finance. Severe financial constraints hamper educational programmes. The Federal Government's recurrent expenditure to the entire education sector declined from 32 percent of total budget in the 1979/80 fiscal year to 20 percent in 1990, and 14 percent in 1991 (Chuta, 1992, p. 444). And actual government grants for the universities have consistently fallen short of projected expectations. (See Tables V and VI for trend analysis from 1976 to 1987, and 1988 to 1994).

The problem of under-funding has led to deterioration in the physical infrastructure of the universities and the quality of teaching and learning in Nigerian universities. There is a short-supply of buildings, textbooks, writing materials, furniture, libraries, laboratories, furniture, equipment; and training, recruitment and retention of qualified teachers and administrators [Suleiman, 1995]. Hayward and Gana (1995) decried the erosion of quality in Nigerian university education system since 1985. The Nigerian government's response is that the downturn in the nation's economy caused by a worldwide oil glut is responsible for the lack of funds for university education. The acute shortage of funds in the Nigerian educational system is intensified with the political and economic problems of the nation and the proliferation of universities. The availability of funding will determine the success of free higher education. Given the present state of Nigerian economy, the policy of free university education needs to be reevaluated.

COST-RECOVERY ORIENTED HIGHER EDUCATION

Higher education should not be free of cost to the consumers. Tuition, books and supplies, boarding, and health care are costs to the consumer and the system. Higher education is a production resource and should be approached with economic calculation and rationalization. Nwagwu (1983) argues that:

The economy and the education system have a symbiotic type of existence. Education produces the manpower for economic development while a productive and viable economy supports the

expansion of and consolidation of the education system. Inadequacies and wrong priorities in one therefore affect the other (in Adesina, et. al., 1983, p. 211).

While the continuation of free higher education contributes to social and political objectives of the Government, in an underdeveloped economy such as Nigeria's, it redirects scarce resources away from other priority needs and keeps university administrations from adequately funding their teaching programs. While national leaders use education as a political pawn, they fail to provide sufficient resources to enable the universities to provide a quality educational experience for the students who are admitted to their programs. The question also arises, why should a student expect free higher education when education at this level is an investment in oneself?

Psacharopoulos (1981) observed that the private returns to investment in education are greater than the immediate social returns at the university level. Mbanefo (1980) and Ogunla (1989) demonstrate that in Nigeria private returns to investment in higher education are higher than the social returns. These findings suggest that the individual's and the family's investment in higher education by way of tuition fees should be a profitable venture. Thus shifting the cost burden from the government to individuals and their families should not result in any dramatic decrease in investment in university education. In assessing the costs and benefits of higher education, students and their families would bear the costs of education as long as the private returns to students exceed the costs. There are those who argue that the private rate of return at the university level has fallen due to rising unemployment rates among university graduates. But an analysis of the occupational structure and salary levels demonstrate that meaningful personal income advantages are still a function of graduated steps corresponding to levels of educational attainment. Rising unemployment has not changed this earning/education relationship.

Another manifestation of the expected rate of private returns to higher education is persistence of excessive demand for university education in Nigeria. There are more prospective and qualified students than available openings in the universities. From 1978-79 to 1983-84 academic sessions, the total number of applicants for university admission was 952,415, only 110,016 were granted admissions. The yearly average rate of acceptance for the period was approximately 12 percent [Adesola, 1991].

Few nations provide tuition free university education for all students or fund the entire expenditures of universities. In Canada, 79 percent of university operating revenue is provided by governments while 11 percent of the operating revenue is provided by student tuition fees (Post-Secondary Education in Canada: A Report to Parliament, 1992-93, 1994, p. 3), a share that is expected to increase to 20-25 percent in the next two-to-three years. In many African countries, tuition fees contribute to university operating expenses. In South Africa tuition fees provide about 18 percent of the universities financial needs (Omorieg and Hartnett, 1995). But in Nigeria, more than 90 percent of universities financial needs come from the government (Adesola, 1991, p. 123). In Nigeria, the 1985 Longe Commission recommended that the reintroduction of university tuition fees and suggested that these fees should account for 20 to 30 percent of the unit cost in university education (Omorieg and Hartnett, 1995). Six years later the Cookey Commission federal funding for universities be restricted to no more than 80 percent of the universities recurrent financial needs with the remaining 20 percent provided by revenue generation activities. However, recent data suggest that the situation has not changed (Table IX).

Since tuition fees were abolished in the 1978/79 academic session, the number of Nigerians who express desire for a university education has increased greatly. Even those who know that they do not have the academic standing to be accepted to a university apply for admission because university education is free, and recognize the potential for higher income. Moreover, if they have patrons in the university or government apparatus they may gain admission based on the influence of these patrons. Hence, better qualified and meritorious students may be denied entrance. If universities recover more of their revenue from tuition and other fees,³ and if the meritocratic principles of admission are enforced, unqualified

³ One irony of the tuition free and subsidized accommodation costs at Nigerian universities is that students have exploited government generosity of N90.00 per sleeping space by subletting the same space for N4,000.00 up to N10,000.00, in some cases to other students (Omorieg & Hartnett, 1995, p. 26). If university becomes revenue-oriented, some of the funds generated could be used to refurbish libraries, provide teaching materials and equipments, and make available to both professors and students current textbooks. In addition, part of the revenue derived from charging full student accommodation fees could be used to finance additional places for those who are now denied admissions because of limited and restrictive university places, especially in medicine, engineering and technology where the country is still in need of qualified people.

candidates may be less likely to apply.

Proponents of free university education argue that it enhances equality of opportunity, especially for deserving students from rural and less prosperous sectors of the nation. This has not been the case in Nigeria. Becket and O'Connel (1977), Woodhouse (1987), and Biraimah (1987) demonstrate that Nigerian universities are dominated by students of the middle and higher classes who benefit from subsidized education. Free university education in Nigeria has promoted effects counter to equality of opportunity. The extra demand for university admissions cannot be met by the number of places offered by universities. Since university places cannot expand as fast as the demand for places, a restrictive competitive examination process and the requirement for the possession of certificates with very high Grade Point Average (GPA) have been instituted, in themselves not onerous restrictions. However, these criteria for selection favour students from well-to-do families (Psacharopoulos, 1977; Eicher, 1985).

The second adverse side-effect is that resources pumped into higher educational facilities tend to provide low returns to the society compared with the high returns to the individual. Recent experience suggests that free university education generates unemployment in two areas. One is among secondary school leavers who are unable to move into university education because of the restrictive and limited supply of places, and who are unwilling to accept low status jobs. They do not wish to stay in the rural areas because free university education and the possibility of high graduate salaries have raised their expectations in life.

The second area is among university graduates who, because of the lure of free education, accepted courses of study in which the supply of labour is already saturated. The estimate is that more than a million more people have either lost their jobs or are unable to find one since the government began the policy of retiring workers at age 55 in 1987. The irony is that the illusion and silhouette of free education prevent most Nigerians from realizing that in actuality, it is really inequitable.

From a social policy perspective, it may be argued that more can be accomplished more efficiently and effectively at the primary and junior secondary education levels than at the tertiary levels. Higher education is considerably more costly per student than primary and junior secondary

schooling and the immediate benefits to Nigerian society may not be as great. The average per student cost of university education in Nigeria is N7,000.00 as compared to about N200.00 in the primary level education. Resources expended on providing one year of university education for a student could be used to send 35 children to primary school. Hence, the introduction of tuition fees and other cost recovery fees at the higher education level and redirecting the funds saved for the expansion of primary and junior secondary education would enhance the accessibility to basic education, a redirection that would benefit the Nigerian lower classes who are not widely represented the primary and junior secondary levels of schooling.

The restoration of tuition fees may prevent or push qualified candidates from poor families out of the university unless they can be given some financial sponsorship. This problem can be alleviated by student aid and loan schemes for these students. This has been done in developed countries like Canada, Australia, the United States, Sweden, West Germany, and Japan and in some developing countries like Brazil, El Salvador, Argentina, Colombia, Barbados, Jamaica, Mexico, Kenya, Lesotho, Ghana, India, and Pakistan. Two African countries, Botswana and Uganda, are introducing student loans programme to finance of higher education. Two countries, Kenya and Zimbabwe, that already have the student loans programme are restructuring these programs to make them more efficient and effective (Woodhall, 1992).

Many developed and developing countries have adopted or introduced student loans schemes as a strategy for financing higher education. Examinations of the actual experience of student loans programmes in developed and developing countries show that there are problems of implementation and repayment. Recently in Canada, universities demanded the abandonment of the student loans scheme because it served neither the students nor the institutions well. They argued that the existing student loans scheme needs to be restructured, and proposed that "a student repayment scheme based on income, that is, the income contingent repayment strategy replace the current loan plan" (Gray, 1993, p.11). At the same time, Revenue Canada indicated that the total outstanding student loans' debt was more than \$900 million.

In Australia, students have accumulated a total debt of \$2 billion since

the loans scheme was introduced in 1989. In 1993, the Australian government modified the loans scheme and introduced changes that require students repay their loans quickly once they secure jobs (Maslen, 1993). In the United States, the total student loan default cost in 1991 was \$3.6 billion. The economic recession of 1991 caused increased student loans default due to the fact that graduates could not find jobs to pay off their loans (Hodges, 1991). Ghana and Zimbabwe have had high default rates in their student loans scheme (Woodhall, 1992). In Kenya, Albrecht and Ziderman (1992) report that default rate of more than 80 per cent makes the administration of student loans schemes more burdensome and inefficient than other means of financing university education.

In spite of the foregoing problems associated with the student loans programme, a well-designed and effectively-managed student loan programme can be viable in the financing of university education. Albrecht and Ziderman (1992, p. 360) conclude:

While the principle for student loans is well established, past experience with loan programs has been disappointing, particularly from the view of financial efficiency. Yet, it should not be concluded from disappointing results of the experience that loan programs should be abandoned. On the contrary, we argue that reform and improvement in several key elements of the program design can lead to well functioning loan programs.

Research studies illustrate that the problems associated with student loan schemes are surmountable. Colombia instituted its first student loan scheme in 1953 through the Instituto Colombiano de Crédito Educativo y Estudios Técnicos en el Exterior (ICETEX). By 1984 ICETEX had extended more than 30,000 loans to 10 percent of all university students (Pscharopoulos, 1986.) By 1979, "nearly US \$150,000 or 20 percent of ICETEX's total income came from loan repayments." Default rates were between 5 and 11 percent (p. 27-28). In 1977 the Barbados government established the Student Loan Revolving Fund with the help of the Inter-American Development Bank. According to a World Bank report (Pscharopoulos, 1986), between 1977 and 1982 about 118 loans were made to students at the higher educational level. A 1982 study revealed that most students completed their studies and that 87 percent of them accepted jobs in Barbados. Furthermore, the study showed that defaulters or those in arrears

are small in number and that loans repayments and interests by graduates absorbed all administrative costs. The Barbados Government plans to expand this successful student loan scheme by absorbing its scholarship programme, which had been very expensive and costly, into a mixture of loan and grant to be dispensed according to students' course of study and income. Hong Kong and Macau established student loans schemes that have become successful strategies for financing higher education (Bray, 1991).

Other countries that have recorded an impressively low rate of default include Costa Rica (0.5 percent); Brazil (2 percent); Honduras, Jamaica and Mexico (between 5 and 11 percent) (Psacharopoulos, 1986, p. 28). Recent studies show that Venezuela and Ghana's new student loans programs have records of impressive loan repayment performance [Albrecht and Zideman, 1992]. These are developing countries like Nigeria.

The Nigerian government experimented with a loan scheme in the 1970's and early 1980's before it was abandoned because of the high number of defaulters. In 1988, the loan scheme was restructured and the National Education Bank emerged. It is proposed that the student loan scheme be carried out in one of three ways. First, the National Education Bank may provide loans, or, secondly, arrange with commercial banks and other money-lending institutions to provide the loans, while the government guarantees it for repayment in case of default by a student. This is the practice in Canada and in Barbados. The loan scheme should be designed to provide educational opportunities to the poor and made interest-free for the period of the recipient's study. The rate of interest during the time of repayment, at least for the first three years should be below market rates (with the government paying the difference to the lending organizations). This enables young graduates to become established without a severe financial hardship. A third option combines the loan with a bursary, in which the government forgives a portion of the loan and would be responsible to repay that portion to the financial institution. For instance, if the cost of a student's university education is N6,000.00, the government might absorb one-third, (N2,000.00) of the cost as a form of remission so that in the end the student will repay only N4,000.00. This option acts as an incentive to parents and decrease in the burden of their children's education. This is the practice in some Canadian provinces like Alberta.

The default of loan repayment can be minimized with greater and more

effective use of information technology that is currently available in Nigeria. Graduates can be traced by computer through the government offices, the National Youth Service Directorate, and the income tax system. The government could arrange with employers to make deductions from loan recipient graduates' salaries. Some graduates, like doctors, can be asked to work out portions of their loan by providing service in needy and deprived areas of the country. The government could schedule the loan repayment periods to enhance the likelihood of the scheme becoming self-financing. Exceptions should be during temporary unemployment or where the periods of job-search following graduation is long, as is the experience of many graduates at the present. An efficient and effective loan program is a viable option for qualified candidates. It requires the political will of the government to develop and institute efficient mechanisms for the student aid and educational loans.

There are qualified students from poor families, especially in the rural areas and villages, who are risk-averse and may not wish to incur the short and long-term burdens associated with loans for higher education. How should their education be financed? Deserving students should be encouraged to apply for and have access to scholarships which, by definition, are non-repayable. The government should award scholarships competitively on merit to encourage academic excellence and to promote enrolment in the sciences and engineering where human resources are scarce. A scholarship programme, properly managed and deservingly awarded, may lead to improved efficiency in the admission selection since the pool of applicants will compete for admission. The existing problem of corruption in Nigerian bureaucracy may undermine the access to scholarships by the target populations. This problem can be overcome by matching the information that candidates provide on admission forms against what may be provided on scholarship application forms, a process that is not currently followed. In addition, the administrative authority for the scholarship program may require families to reveal more completely their income levels and expenditure patterns as a means to assess the accuracy of information provided by the candidates.

Finally, the parents or guardians who pay for their children's university education should be given some form of tax relief to offset a portion of the costs of education and to provide an incentive for financial contributions.

CONCLUSION

This paper demonstrates that in the past, favourable financial conditions and the prospects for greater financial resources influenced the patterns of educational finance in Nigeria. It showed the enormous growth in enrolment at all educational levels and in the provision of educational facilities in Nigeria. The argument established that these achievements accomplished have been accomplished at a very large financial cost to the government and the Nigerian public. I have argued that the Nigerian economy and government cannot continue to support cost-free higher education if quality of instruction is to be maintained. The need to become an industrialized nation played a role in the educational expansion program of the past two decades. Nigeria must have access to an educated, indigenous work force if it hopes to join the orbit of the industrialized nations. But in the present strategy, quality of education is sacrificed for egalitarianism.

The Nigerian Government and the people must review critically the nation's educational objectives. While funding is a determining factor in educational progress, in those situations where insufficient financial resources may retard an undertaking, government intervention is not always the best solution. I have argued that higher education in Nigeria should rely more heavily on tuition and accommodation fees as revenue sources and that parents and guardians should bear a greater portion of the financial cost of their children's higher education. The National Education Bank, that succeeded the Students Loan Scheme, should consider alternate modes of financial support for students, some of which have been outlined herein. Scholarship awards should be restructured to reflect need and merit and to ensure that the lack of financial resources will not hinder the education of qualified applicants from poorer families. In this way, some of the financial burdens of higher education in Nigeria would be shifted away from the public and absorbed by those who benefit most in the returns of investment in higher education.

Table I Enrolment Growth in Nigerian Universities: 1978-1993	
Year	Enrolment
1978-79	48,698
1979-80	57,742
1980-81	69,725
1981-82	82,952
1982-83	92,116
1983-84	100,900
1984-85	108,720
1985-86	N/A
1986-87	N/A
1987-88	119,950
1988-89	129,146
1989-90	133,255
1990-91	147,530
1991-92	193,498
1992-93	210,876

Source: Adapted from NUC (1978), p. 75; NUC (1980), pp. 44-46; Asagwara (1989), p.203; Omoregie and Hartnett (1995), p. 13.

<p align="center">Table II Growth of Enrolment by Types of Institutions in Nigeria: 1975/76-1984/85</p>				
	Types of Inst.	1975/76	1980/81	1984/85
1	PRIMARY	6,128,300	13,760,030	1,4674,539
2	SECONDARY			
	Junior Secondary School	704,917	1,995,417	370,259(c)
	Grammar/Common School	26,241	21,229	3,059,088(a)
	Federal Govt. College	123,627	67,943	34,833
	Technical/Vocational College			76,242(a)
	Teachers' Colleges		282,244	267,335(a)
	SUB-TOTAL	854,785	2,366,833	3,807,757
3	POST-SECONDARY			
	Colleges of Edn./A.T.C.	17,676(b)	28,504	48,607(a)
	Polytechnic/Colleges of Technology	41,499(d)	(1147) 41,748	(2051) 57,534(a)
	Universities		76,297	107,592
	SUB-TOTAL	59,175	146,449	(2051) 213,733
	NIGERIA (GRAND TOTAL)	7,042,260	(1147) 16,273,312	(2051) 18,696,029

Table III Growth of Institutions by Type in Nigeria: 1975/76-1984/85				
S/No	Types of Institution	1975/76	1980/81	1984/85
1	PRIMARY	21200	36683	33353
2	SECONDARY			
	Junior Sec. Schools	1,513	4,495	5,642
	Grammar/ Com. Schools	26	39	41
	Fed. Govt. Colleges	76	159	227
	Tech/Vocat. Colleges			
	Teachers' Colleges	250	309	321
	SUB-TOTAL	1,865	5,002	6,231
3	POST-SECONDARY			
	-Colleges of Ed./A.T.C.'s	18	32	34
	-Polytech. & Cols. of Technology	11	24	29
	-Universities	13	15	26
	SUB-TOTAL	42	71	89
	NIGERIA	23,107	41,756	39,673

Source Table 3: Statistics Unit, Federal Ministry of Education, Science and Technology, Lagos. See also Pandit., Ibid., p. 22.

Notes Table II: a) 1983/84 Session. b) 1977/78 Session. c) 1982/83 Session. d) Includes NCAS&T students transferred to ABU and UNIFE (1962). e) Figures in parentheses are part-time enrolments. Source: Statistics Unit, FMEST, Lagos. Adopted from Pandit (1988), p. 23.

Table IV
Funding Level of Federal Universities: 1975/76 To 1985/86

Year (A)	No. Univ (B)	Enrolled (C)	NUC request (Naira) (D)	Government Grant (Naira) (E)	% E over D (F)	Resource gap (G)
					N(000)	N(000)
75 /76	9	33,000 REC CAP	155,696 155,968	137,000 106,835	88.0 65.5	12.0 31.5
76 /77	11	40,000 REC CAP	180,938 130,389	153,000 96,505	84.6 74.0	15.4 26.0
77 /78	13	48,000 REC CAP	228,574 208,000	147,000 92,000	64.3 45.3	35.7 54.7
78 /79	13	50,000 REC CAP	231,611 326,000	158,900 120,000	68.6 36.8	31.4 63.2
79 /80	13	58,000 REC CAP	233,606 150,000	200,000 115,200	83.6 76.8	16.4 23.3
1980	16	74,000 REC CAP	306,650 224,000	225,566 210,538	73.6 94.0	26.4 6.0
1981	18	86,000 REC CAP	380,681 355,000	333,911 351,265	87.7 98.9	12.3 1.1
1982	20	98,000 REC CAP	511,071 450,000	343,701 210,575	67.3 46.8	32.7 53.2
1983	20	104,000 REC CAP	700,572 1110,531	381,253 133,151	54.4 12.0	55.6 88.0
1984	16	112,000 REC CAP	774,119 798,199	439,921 41,102	56.8 5.1	43.2 94.9
1985	16	115,000 REC CAP	681,190 *	432,755 45,550	65.6 *	36.5 *

REC=Recurrent; CAP=Capital; *No Data available

Source: Adesola, Op.Cit., p.124.

Table V
Federal Government Grants in Relation to Universities Funding
Needs, 1976-1987

Year	Universities Estimated Needs	Federal Government Grant	% Shortfall
1976/77	291,281,966	153,000,000	47.5
1977/78	375,168,450	185,000,000	50.7
1978/79	392,050,715	158,910,000	59.5
1979/80	411,031,075	200,000,000	51.3
1980/81	381,111,000	277,000,000	27.3
1981/82	496,071,038	369,000,000	25.6
1982/83	486,195,258	374,000,000	23.1
1983/84	563,128,657	415,000,000	26.3
1984/85	582,142,857	415,000,000	28.7
1985/86	617,011,287	415,000,000	32.7
1986/87	574,295,528	380,002,655	33.8

Source: National Universities Commission. Annexes and Annual Report,
June, 1988.

Table VI
Federal Government Recurrent and Capital Grants to 21 Universities,
1988-94
[1985 N'000]

	1988	1989	1990	1991	1992	1993	1994
Total Recurrent Grants:	332,427	268,372	222,333	206,707	440,465	409,2	432,170
Total Capital Grants:	35,580	31,788	160,501	67,254	141,904	72,147	143,879

Source: Omoregie and Hartnett, Op.Cit., p. 13

Table VII
Actual and Projected Running Costs for the Different Levels of
Education in Nigeria 1985, 1990, and 2000

Year	1st Level N	2nd Level N	3rd Level N	Total N
0	1	2	3	4
1985	1,174	952	642	2,768
1990	1,875	2,392	2,198	6,465
2000	3,110	6,276.6	5,905	15,292

The above cost projections were calculated by multiplying enrolment figures in Table II and Table VIII by unit costs per pupil/student assumed as follows:

	1985	1990	2000
1st Level (N)	80	100	120
2nd Level (N)	250	350	550
3rd Level (N)	2000	4500	6500

<p align="center">Table VIII Actual and Projected Enrolment by Levels of Education In Nigeria: 1985-2000</p>				
Year	1st Level (in million)	2nd Level (in 000's)	3rd Level (in 000's)	Total (in million)
0	1	2	3	4
1985	14.68	3,808	213.73	18.70
1990	18.75	6,832	488.30	26.07
2000	26.91	11,412	920.70	38.24

Source: UNESCO (1983) Table X.

TABLE IX
PERCENTAGES OF GOVERNMENT FUNDING & UNIVERSITIES DERIVED INCOME
1990/91 To 1994/95

	ACTUAL 1990/91	ACTUAL 1991/92	ACTUAL 1992/93	BUDGETED 1993/94	ESTIMATED 1994/95
Govt(NUC)	86.8%	86.2%	92.6%	95.7%	96.0%
UNIVERSITY DERIVED INCOME	13.2%	13.8%	7.4%	4.3%	4.0%
Govt(NUC) CURRENT N'000s	609,375	941,058	2,757,267	4,417,718	6,110,876
UNIVERSITY DERIVED INCOME N'000s	92,518	150,243	220,662	200,278	252,425
TOTAL INCOME N'000s	701,892	1,091,301	2,977,929	4,617,995	6,363,301

SOURCE: ADAPTED FROM OMOREGIE AND HARTNETT, 1995, P. 15

REFERENCES

- Adesola, Akin O. (1991). "The Nigerian university system: meeting the challenges of growth in a depressed economy", *Higher Education*, Vol. 21, pp.121-133.
- Agbabiaka, T. (1987). "Few Prospects for Graduates. Unemployment in Nigeria", *African Concord*, March 1987, pp. 7-19.
- Albrecht, D. and Zideman, A. (1992). "Student loans and their alternatives: improving the performance of deferred payment program", *Higher Education*, Vol. 23, pp. 358-374.
- Asagwara, K. C. Prince (1995). "Political Legitimacy and Educational Policy Making in Nigeria: the Case of the Nigerian Military Governments, 1976-1989," *Canadian and International Education*, Vol. 24, No. 1, pp. 83-96.
- Asagwara, K. C. Prince (1995). "Mass Educational Expansion and the Unemployment Nexus: the Nigerian Experience," *Education and Society*, Vol 23, No. 2, pp.
- Asagwara, K. C. Prince (1989). *A Perspective on Free Education at all Levels In Nigeria*. Unpublished Ph.D. Thesis, University of Manitoba, Winnipeg, Manitoba.
- Beckett, P.P. & O'Connell, J. (1977). *Education and Power in Nigeria*, London, Hodden & Soughton.
- Biraimah, K.L. (1987). "Class, Gender, and Life Chances: A Nigerian Case Study", *Comparative Education Review*, vol. 31, No. 4, pp. 570-582.
- Bray, M. (1991). "Strategies for financing higher education: perspectives from Hong Kong and Macau," *Higher Education*, Vol. 21, pp. 11-25.
- Chuta, E.J. (1992). "Student Loan in Nigeria", *Higher Education*, Vol. 23, pp. 443-449.
- Chuta, E.J. (1986). "Free Education in Nigeria: Socio-economic Implications and Emerging Issues", *Comparative Education Review*, Vol. 30, No. 4, pp. 523-531.
- Coombs, P. (1985). *The World Crisis in Education: The View from the Eighties*, New York, Oxford, Oxford University Press.
- Coombs, P. and Hallak, J. (1972). *Managing Educational Costs*, Oxford University Press, London, Toronto.
- Eicher, J.C. (1985). *Educational Costing and Financing in Developing*

- Countries with Special Reference to Sub-Saharan Africa, World Bank Staff Working Paper, No. 655, Washington, D.C.
- Enaohwo, J.O. (1985). "Emerging Issues in Nigerian Education: The Case of the Level and Scope of Growth of Nigerian Universities", *Higher Education*, Vol. 14, pp. 308-319.
- Federal Republic of Nigeria. (1991). *Higher Education in the Nineties and Beyond. Report of the Commission on the Review of higher Education in Nigeria*, Lagos, Nigeria.
- Federal Republic of Nigeria (1988). Official gazette Decree No. 12 Student Loans Board Decree, Lagos, 13th April, Vol. 75. pp. A545-A555.
- Federal Government of Nigeria (1986). *Fifth National Development Plan, 1986-1990*, Lagos: Federal Ministry of Economic Development, Lagos, Nigeria.
- Federal Government of Nigeria (1981). *Fourth National Development Plan, 1981-1985*, Lagos: Federal Ministry of Economic Development, Lagos, Nigeria.
- Federal Government of Nigeria (1975). *Third National Development Plan, 1975-1980*, Vol. 1, Lagos: Federal Ministry of Economic Development, Lagos, Nigeria.
- Gray, S. (1993). "Call for end to loans 'failure'", *The Times Higher*, October 15, 1993, p.11.
- Hayward, Fred M. and Gana, Aaron T. (1995). "The Policy Framework: Management and Governance", Report prepared for the Federal University Sector Investment Project; World Bank Preparation Mission, February 25-March 17, 1995.
- Hinchliffe, K. (1984). *Higher Education in Sub-Saharan Africa*, Education and Training Department, World Bank, Washington, D.C.
- Hodges, L. (1991). "Record loan defaults cost 3.6 billion", *The Times Higher*, September 13, 1991, p. 9
- Human Resources Development Canada (1994). *Federal and Provincial Support to Post-Secondary Education in Canada: A Report to Parliament 1992-93*, Education Support Branch, Ottawa, Ontario, Canada.
- Kajubi, W.S. (1992). "Financing of higher education in Uganda", *Higher Education*, Vol. 23, pp. 433-441.
- Kotey, N. (1992). "Student loans in Ghana", *Higher Education*, Vol. 23, pp.

451-459.

- Lamb, D. (1985). *The Africans*, Vintage Books: A Division of Random House, New York.
- Maslen, G. (1993). "Graduates repay debt by age 35", *The Times Higher*, September 3, 1993, p. 9.
- Mbanefo, G.F. (1980). "Sharing the Cost and Benefits of University Education in Nigeria: A Suggested Approach", *The Nigerian Journal of Economic and Social Studies*, vol. 22, No. 1, pp. 67-83.
- Mokgwagathi, G.M.G. (1992). "Financing higher education in Botswana", *Higher Education*, Vol. 23, pp. 425-431.
- Nigeria (1986). *Education in Nigeria: External Publicity Division*, Federal Department of Information, Federal Ministry of Information and Culture, Lagos, Nigeria.
- Nwagwu, N.A. (1983). *Trends in Priorities in the Nigerian Education System: The Case of Nigeria*. In Adesina, et. al. (1983). *Nigerian Education: Trends and Issues*, University of Ife Press Ltd., Ile-Ife, Nigeria.
- Ogunla, Akin L. (1989). "Locating Supplemental Sources of Revenue to Finance Universities in Nigeria", *Journal of Education Finance*, Vol. 14, pp.522-533.
- Ogundimu, B.S. (1980). *The Political Economy of Educational Planning in Nigeria*. In R.H. Farquhar & I.E. Housego (eds.). *Canadian and Comparative Educational Administration*, University of British Columbia Press, Vancouver.
- Omorie, P.O. & Hartnett, T. (1995). "Financing Trends and Expenditures Patterns in Nigerian Universities", unpublished paper, World Bank, Washington, D.C.
- Pandit, H.N. (1988). *Some Problems of Imbalance and Maladjustments in Educational Development in Nigeria*, in J. Etim and D. Alaezi (eds.). *Relevance in Nigerian Education: Patterns, Approaches and Strategies*, University Press Ltd., Ibadan, Nigeria.
- Psacharopoulos, G. (1986). *Financing Education in Developing Countries: An Exploration of Policy Options*, Washington, D.C., World Bank.
- Psacharopoulos, G. (1981). *Returns to Education: An Updated International Comparison*. *Comparative Education Review*, vol. 17, No. 3, pp. 321-341.

- Psacharopoulos, G. (1977). "The Perverse Effects of Public Subsidization of Education or How Equitable is Free Education?", *Comparative Education Review*, Vol. 21, No. 1, pp. 68-88.
- Psacharopoulos, G. and Woodhall, M. (1985). *Education for Development: An Analysis of Investment Choices*, A World Bank Publication, Oxford University Press.
- Suleiman, Y. (1995). "The State of Equipment Maintenance Organization at the Nigerian Federal Universities", A Report Prepared for the World Bank Federal Universities Investment Project, World Bank Resident Mission, Lagos, Nigeria.
- Swamy, N. R. K. (1984). "Present State of the Nigerian Economy", *Nigerian Journal of Finance Management*, Vol. 3, No.12.
- Ukeje, B.O. and Aisiku, J. U. (1982). Education in Nigeria, in A. B. Fafunwa and J. U. Aisiku (eds.). *Education in Africa: A Comparative Survey*, London, George Allen & Unwin, Boston, Sydney.
- UNESCO (1983). *Statistical Yearbook 1983*, Paris, UNESCO.
- Woodhall, M. (1992). "Student loans in developing countries: feasibility, experience and prospects for reform", *Higher Education*, Vol.23, pp. 347-356.
- Woodhall, M. (1983). *Student Loans as a Means of Financing Higher Education: Lessons from International Experience*, World Bank Staff Working Paper No. 599, Washington, D.C.
- Woodhouse, H. R. (1987). "Knowledge, Power and the University in a Developing Country: Nigeria and Cultural Dependency", *Compare*, vol. 7, No. 2, pp. 119-136.
- World Bank. (1988). "Nigeria: Costs and Financing of Universities". Report No. 6920-UNI. Washington, D.C.
- World Bank. (1994). "Nigeria: Social Sectors Strategy Review", Report No. 11781-UNI. Washington, D.C.