

Managing Education in a Recessed Economy: the Nigeria Experience

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Abstract

This paper discusses the management of education in a recessed economy. Emphasis is on the educational institutions in Nigeria. The study adopted secondary sources of data and a review of other scholars view. The Budgetary allocation since independence was examined. It is noted that the Federal Government of Nigeria had never met the 26% UNESCO bench mark budgetary allocation for education before the economy was officially announced to be in technical recession in 2016. The poor allocation of resources to education was at its top in the year as government was struggling to deal with many issues ranging from poor revenue earnings from crude oil sales to concentration on spending's that will immediately bring the economy out of recession. The Federal Government was unable to fund its 2016 budget of which the little that was allocated to education was also affected. The challenges of managing educational institutions in a recessed economy were outlined. This paper stressed the principle of economics of scale, combining human and physical resources, concentrating on key mandates by institutions during recession. The practice of ensuring efficiency should be encouraged among managers of educational institutions. Recommendation among others is that educational institutions should be encouraged to pursue more vigorously endowment funds from stake holders. It was however concluded that only the education sector, have the capacity to produce the manpower and skills needed to bring the economy out of recession.

Keywords: *Educational management, Recession, Institutions and Efficiency*

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Background to the Study

The role of management in education is to facilitate the exercise of choice towards the realization of set objectives which in the view of Ejiogu (1990) is very much related to a policy of optimization in education. Although, Harries & Jenkins in Ejiogu (1990) warns that “the role of management in education is neither to focus exclusively on the analysis of activity in order to achieve sufficient quantity and quality of products but to emphasize efficiency in terms of the cost of production”. There have been inconsistent reductions in the allocation of resources to education sector which became so obvious in the recession and had made management activities in the sector so difficult.

Okobiah (2017) asserted that the education sector with all the inclusive levels from primary to secondary and tertiary is expected to drive the transformation propellants of human potentials into meaningful and sustainable development. Thus, Faure (1972) opines that education does not only foresee and propels the today's life of a people, but also precedes all forms of sustained human development. Hence, the need to ensure its efficient management for the desired outcome.

The Nigeria Minister of Finance, Mrs. Kemi Adeosun had said in July 2016 that the economy was in “technical recession” After one month of her address to the National Assembly, the Statistics Bureau reported that the second quarter 2016 Gross Domestic Product (GDP) declined by 2.06 percent. The report further indicated that annual inflation rose to 17.1 percent in July from 16.5 percent in June, and food inflation rose to 15.8 percent from 15.3. The International Monetary Fund (IMF), as well as the Central Bank of Nigeria (CBN) agreed that Nigeria economy has plunged into recession. They assert that Nigeria's economy may not regain stability until early 2017 with low growth rate of 1.5%. This paper tries to bring the attention of educational managers on the need to be concern with efficiency following the worsening financial situation in our educational institutions.

Review of Related Literature

There is doubt that the burden of financing education by the government alone would not take the sector to any desirable level as expected. This doubts became so high following the economic recession in the country. This is because the dwindling oil prices and competition by other sectors for available resources have caused the governments` allocation to education to decline significantly. Before the emergence of recession in Nigeria economy, there existed traditional ways of financing education in the county. These ways are discussed below:

Government Allocation: Nigeria education sector have been financed mainly by the three tiers of government (Federal, state and local governments) as part of their statutory functions. This is done through the budgetary allocations. The three tiers of government have their sources of generating revenue through crude oil sales, tax, extraction and export of raw materials and other natural resources etc. The government allocates a sizeable proportion of its annual budget, in form of subventions, to the provision and financing of education. Famade (2000) asserts that in support of the above, the government put in place the Education Tax Fund in 1994 which mandated companies operating in Nigeria to pay 2

percent of their annual profit as Education Tax. Many other bodies were also established to support the financing of education in the country across all levels.

Foreign Loans and Grants: This also provides another source of finance for education. According to Famade (2000) about N120 million World Bank loan was secured in 1992 by the Federal government for Primary Education Project. This same type of loan has been sourced for the universities, Polytechnics, and Colleges of Education.

Students/Learners : The trade-off between the income and the expenditure on education has necessitated the introduction of school fees in the face of falling public revenue due to economic melt-down and the depressed economy. Odufowokan (2007) asserts that the constant fall in the price of crude oil and allied products in the world market supported the idea of tuition fee, development fee, and workshop fee and so on. In addition to cost of textbook, registration and examination fee along side P.T.A. levy, caution fee-in respect of anticipated damages that are never reimbursed, most recently, the introduction of Parents Forum in tertiary institutions where these unending problems and financing are discussed. This trend is recently been observed in the private educational institutions in Nigeria. There are strategies adopted by school administrators to face the challenge of economic recession.

Internal Generated Revenue (IGR): This is another major source of educational financing that is done through the establishment of revenue generating projects in various institutions across the country. It includes bookshops, farms, petrol stations, pure water, soap and packaging, fee-charged for parking spaces and consultancy services. It also extends to the establishment of hostels and catering services as institutions guest houses in many institutions in Nigeria.

The National Bureau of Economic Research (NBER)(2017) defined recession as “a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in a real gross domestic product (GDP), real income, employment, industrial production and wholesale-retail sales.” Economic recession can also be defined as a negative real GDP growth rate for two consecutive quarters. Judging by the above definitions, Nigeria is experiencing economic recession currently, since her first and second quarters growth in 2016 are -0.36% and -1.5%. Recession can also be described as a natural consequence of an over-heated economy on part of the business cycle. It is a slowdown, downturn or extended decline in a nation's economic activity for a period of time.

Visible Signs of Recession

Emunemu (2017) outlined the following as the signs that recession is imminent in a country:

1. Constant increase in unemployment: When the rate of joblessness among different groups in a country assumes disturbing proportions. Just like in the case of Nigeria for the past 3 years. There have been constant steep rise in the number of jobless citizens. This is a clear sign that recession was close.

2. Large companies start giving depressing profit figures: When many companies across all sectors of the economy in a country start giving out depressing sales and profit figures, then, individuals and even business analyst will begin to reason recession. It is also a clear indication that recession is coming close.
3. When borrowers start defaulting: If it becomes so obvious that borrowers in particular economy and country are unable to pay back their loans on properties, vehicles and businesses, then that is an indication of a falling economy
4. Prices of essential commodities shoot up: When the prices of food items, fuel, electricity and other utilities shoot up, and the government seems to be battling it without reasonable reduction in the market, then, it could be described that inflation is fanning the flames of a possible rescission.
5. Companies stop filling vacancies: When companies decides to keep their job openings vacant instead of hiring new staff to fill the vacant positions. Even when many companies offers voluntary retirement programme to their staff in order to reduce their wage bill and cut expenses, then recession is very close to the economy
6. Prices of property and stocks come down drastically and nobody buys them: when repossessed property and stock prices come down in value and it clear indication that nobody has the funds to buy them, it can be seen that recession has hit that economy such like in the case of Nigeria today. In Lagos, and Abuja prices of properties and even the prices of stock has been lowered but people seems to lack the fund to purchase them. Many individuals and investors are now willing to sell their stock and there are no interested buyers.
7. The country's GDP goes down consistently. As earlier stated, when a country's gross domestic product(GDP) registers a continuous downward fall , then the country's economy is heading to recession.
8. When people no longer save and saving are used for day-to-day expenses: When people starts terminating their fixed-term deposits and sell off their assets to meet up daily expenses, then recession had visited the citizens of that country.
9. When individuals start worrying about all the above and start feeling the pinch and even worries about their own future on the above outlines, then recession is very close (Emunemu, 2017).

Educational management is the art of being able to handle carefully without being wasteful of what goes on in the process of educating people so that nothing goes out of hand. Agreeing with this view, Babalola (2006) opined that educational management is a concept that goes along with the quest to put the formal education system under control. This, he said is an attempt to use carefully the economics of available scares resources through cooperative efforts when establishing institutions of learning. Nwankwo (2014) also defined management as a social process which is designed to ensure efficiency in the cooperation, participation, intervention and involvement of people in the effective achievement of given objective (i.e education). There is significant relationship between education management and the economy. Education is a veritable tool for national development. It empowers people and strengthens nations. Economy is the live-wire of which a nation operates politically, socially, culturally and technologically. Economy is a

reflection of how people in a society try to meet in their circular activities. Education and the economy have a strong relationship when one considers the impact education has on the economy. Edidionginyang and Hassan (2017) reported that the quality of education is usually affected when the economy is in recession. The present day economic recession in Nigeria calls for maximization of every available resources through effective supervision of teaching and learning process in public institutions in Nigeria.

Oshemughen and Okoties (2017) carries out an empirical research on the effect of economic recession on the productivity of lecturers in colleges of education in Nigeria. The research revealed that economic recession had impacted significantly on the socio-economic status of lecturers and thus affected their performance on the job. In the same way, Akajagbor (2017) examined the role of school administrators in the improvisation of instructional materials in a recessed economy in Delta state, Nigeria. Three research questions were raised. A self-structured questionnaire was used to collect information from respondents. A total of 527 teachers were sampled for the study. The study was an expo-factor design which adopted a descriptive survey approach. Data collected were statically analyzed. The findings revealed that in a recessed economy like Nigeria, principals have to play a significant role in motivating teachers and students to be innovative and improvise when real objects are not available for effective teaching and learning. Akpochafo (2017) recommended how to effectively manage the Nigeria universities in a recessed economy if they will be able to play their role of research and production of high level manpower for the advancement of the society. He recommended that setting up of endowments, overcoming bottlenecks and accessing the trillions of naira held up in tertiary education trust fund (TETFUND).

A research conducted by Akinmayowa (2017) on recession and its binary upshot on tertiary education in Nigeria, recorded that before the recession, there was an astronomic increase in the number of Nigerians embarking on tertiary education abroad; but with the recession, records shows a drop in the number of students pursuing their studies abroad due to the inability of parents and government to continue to high tuitions outside the country. He noted that the shift from abroad to Nigeria has brought about a binary effect on tertiary education. The research further added that on the negative side, there is a keener competition for the few and highly competed for space in the tertiary institutions without government making moves to improve the existing facilities while on the positive side, there is the reduction of brain drain from Nigeria, noting also that the huge amount paid abroad as tuition would remain and circulate in the local economy to keep it going until the recession would be over.

Managing education in recessed economy requires efficiency as recession will cause investments to drop in value, the purchasing power of the government and individuals will reduce and financial allocation to many sectors of the nation's economy will be at its lowest level including education. Citizens may also find it difficult to pursue education as there may be correspondence increase in tuition fees since prices of things would normally be at the increase during recession. Education in Nigeria seems to be the most affected by the recession. Unfortunately, the Nigerian government had been in the habit of allocating

very low resources to education even below the recommended bench mark of 26% of total budget by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

The table below indicates the percentage allocation to education for the past 58 years of Nigeria independence.

Table 1: Percentage (%) of Federal Government Allocation to Education Sector since independence, 1960 to 2017

S/N	YEAR	EDUCATION %	S/N	YEAR	EDUCATION %	S/N	YEAR	EDUCATION %
1	1960	6.02	20	1979	3.70	39	1998	6.9
2	1961	6.19	21	1980	4.95	40	1999	11.4
3	1962	5.19	22	1981	6.45	41	2000	8.7
4	1963	3.43	23	1982	8.08	42	2001	7.00
5	1964	3.65	24	1983	4.04	43	2002	5.9
6	1965	3.57	25	1984	4.49	44	2003	1.83
7	1966	4.23	26	1985	3.79	45	2004	10.5
8	1967	4.88	27	1986	2.69	46	2005	9.3
9	1968	2.84	28	1987	1.93	47	2006	11.00
10	1969	2.20	29	1988	2.40	48	2007	8.9
11	1970	0.69	30	1989	3.55	49	2008	11.0
12	1971	0.53	31	1990	2.83	50	2009	6.54
13	1972	0.62	32	1991	1.09	51	2010	6.40
14	1973	0.88	33	1992	3.86	52	2011	7.3
15	1974	2.96	34	1993	5.62	53	2012	10.0
16	1975	4.57	35	1994	7.13	54	2013	8.7
17	1976	8.7	36	1995	13.0	55	2014	10.0
18	1977	3.12	37	1996	10.08	56	2015	9.0
19	1978	11.44	38	1997	11.5	57	2016	6.00
						58	2017	6.00

Source: Central Bank of Nigeria (2016). *Statistical Bulletin and information*. Retrieved on 14/03/2017

With the current economic downturn, allocation to education had significantly reduced. Government at different occasions indicated that the 2017 budget would be used for economic recovery and bring the economy out of recession. However, the Nigeria government at all levels seems to value and spend resources, concentrating on other sectors of the economy that is believed would resuscitate the economy faster. According to Ifedili (2017) education sector is highly labour and capital intensive to the economy. This possibly, is responsible for government poor attention to the education sector even in recession.

Challenges of Managing Education in a Recessed Economy

According to Ajsaegbawa (2014) the purpose of education is to create and sustain an enlightened mind that can elevate and progressively advance the society. This purpose may be hindered by poor budgetary allocation and inadequate finance as a result of government inability to implement its 2016 budget. The revenue of Nigeria government reduced drastically following militant activities from the Niger Delta region which

lowered the quantity of crude oil exported from the country. There was also a fall in the price of crude oil in the international market and being the major source of foreign exchange and revenue to the Nigeria government. The activities of government was hindered as a result of the circumstances stated above. In the same vine, the country GDP was reported negative as earlier mentioned and there was high inflation, unemployment, high cost of goods and services, low standard of living, poor infrastructure, loss of value for the naira currency, hunger e.t.c . The educational institutions were not left out. When all these indices are obvious in a country, education would also be affected in terms of unavailability of funds to run the day to day activities of institutions of learning, number of individuals willing to take up new studies may drop, increase number of students drop out as a result of financial constraints , reduction in quality of teaching since workers and managers would not be motivated to poor infrastructural facilities, industrial actions, inadequate in service training, lack of commitment from staff, decrease and delay in payment of fees by students, parents withdrawal of their children from school and so on (Ifedili 2017).

Gilborn and Marais (2011) cited in Tichaona and Thembinkosi (2013) carried out a comparative study of five countries (Brazil, Costa Rica, Hungary, Senegal and Tanzania)that went through economic challenges and came up with the following conclusions as regard their educational system:

1. Families accepted an increasing share of the cost of education.
2. The crisis had adverse effects on education, in terms of both access and quality, but the high priority given to the sector by government and by households has provided some shelter for investment in human capital.
3. Reallocation of resources has taken place among levels of education, among different types of expenditure, and among different levels of government, for example in Costa Rica, Senegal and Tanzania, structural adjustment involved reallocation of resources among primary, secondary and higher education.
4. Most countries have imposed budget cuts or allocated resources in ways which favour higher education and penalize primary or secondary education.
5. The balance between public and private finance has shifted. All countries respond to the constraints on public expenditure by shifting some financial burdens to families and to enterprises, despite the fall in real incomes and profits that economic crises entailed.
6. Alternatives to improve resource use have had limited success. Cost per pupil has certainly fallen. More often, the results are cuts in expenditure rather than conscious attempts to improve efficiency.
7. Quality and success rates have declined. Most other case studies also conclude that the effects of budget cuts can be seen in declining quality in terms of low teacher morale and reduced expenditure on books and materials. In many cases, school success rates have also declined as repetition and attrition rates have increased in primary and secondary schools.

Adeyemi (1998) outlined the following as impact of poor funding to education in Nigeria:

- i. Withdrawal of student subsidies
- ii. Poor infrastructural facilities
- iii. Reduction in the quality of teaching
- iv. Inadequate infrastructural facilities
- v. Frequent strike action by various unions
- vi. Crises and indiscipline among staff and students

Borrowing from these views: Adeyemi (1998) and Tichaona & Theminkosi (2013), it is important to note that the current economic recession in Nigeria had affected the educational institutions in the following specific ways:

- i. Delay in payment of salaries to employees and uncertainty of monthly salaries
- ii. Poor state of infrastructural facilities in our schools as a result of inadequate fund to make provision for new facilities or even maintenance of the existing ones.
- iii. Absence of funds for running of the day to day activities of the institutions.
- iv. Many institutions now pay salaries in percentage ranging from 50% to 80% as a result of shortfall in personnel monthly emolument from government.(fractional salaries as it is described by many trade unions in the institutions).
- v. Increase in the cost of instructional materials in schools
- vi. Low motivation and low productivity on the part of employees
- vii. Conflicts among staff
- viii. Poor academic instructions to students
- ix. Extortion of students and high cost of education as many institution had increased their tuition fees in order to meet up with some of its financial obligations.
- x. Poor academic outcome
- xi. Reduction in community service by institutions
- xii. Delay and decrease in payment of school fees by students

Ensuring Efficiency and Effectiveness in the Management of Educational Institutions in Nigeria during Recession

According to Ajagbawa (2016), one of the critical goals of education for developing and developed economy is to ensure required manpower for the economic growth. In a recessed economy like Nigeria today, education is expected to fast track the training and development of skilled and proficient workers to manage the economy. The level of manpower required must possess problem solving capabilities, decision making attributes, ethical, strong moral values and critical thinking orientation that will assist in bringing the nation out of recession. This, will only be possible through efficient management of limited resources for education during this period of recession. Ifedili (2011), viewed internal efficiency for educational administrators as the relationship of educational input to outcome in scarcity. When any change like recession and economy downturn is eminent, efficiency is expected to increase which will bring the required positive change. In a lecture delivered by Ifedili in February 2017 at the University of Benin, She assert that education is a highly labour and capital intensive sector that requires maximum utilization for results accomplishments. The principle of combining

human energy and physical resources, economics of scales, concentration on critical mandates for educational institutions should be encouraged during recession. This paper therefore, highlights the following ways to ensure efficiency in management of educational institutions in Nigeria at this period:

1. Reduction in school construction cost by applying new technology in the management of institutions
2. Lengthening of school hours and introduction of new programmes that relates to the mandate of the institutions as the global perception is that the valuable investment to make during recession is to acquire more knowledge and skills in readiness for economic recovery
3. Redeployment and more intensive utilization of available space by all educational institutions
4. Sharing of expensive educational facilities and specialized personnel by two or more institutions
5. Sharing of specialized high cost of educational programmes by neighboring educational institutions.
6. Greater emphasis should be placed on well-planned self-instructions, like programmed learning for educational institutions.
7. Rationalization of location of size of institutions.

Conclusion

The Nigeria economy is in recession which could also be seen as being in economic crisis. Hence, the education sector is also in crisis. There are less valued money to spend on educational institutions. The operators of the educational system in Nigeria had been complaining of underfunding before recession. The government on its part had also been accusing the managers of these institutions of inefficiency in management of resources made available. Many government officials argue that public spending on education should be reduced during recession not realizing the fact that only the education sector would be able to produce the human capital that would save the economy from recession. Government should urgently review its plan for budgetary allocation to education and ensure it is increased and productively engaged the educational managers for efficiency and effectiveness in the utilization of the resources as no country will survive from any economic downturn without full support to its educational sector.

Recommendations

Based on the above findings and discussions, the following are the recommendations made to management of educational institutions during and after recession.

1. All educational institutions and managers in Nigeria should be encouraged to pursue more vigorously endowment funds from its stake holders
2. Education being a social goods and in the view of social demand approach to educational planning, government should allocate and make available more funds for educational institutions. The Federal government of Nigeria should realize that it is only the education sector that have the capacity to produce the required manpower and skills need for economic growth and be able to face the challenges of a recessed economy.

3. Educational institutions should set up commercial viable businesses that ties with the main vision of the institutions which can connect to academic programmes.
4. Educational institutions should encourage entrepreneurship training, apprenticeships and functional education that will reduce the rate of unemployment in a recessed economy.
5. Educational institutions should ensure application of modern management practices to services within the institutions like bus services, catering to increase internally generated revenue, ensure the practices of economics of scale and cooperative cost advantage.

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