

**REDISTRIBUTION OF EDUCATION AND REDISTRIBUTIVE EFFECTS OF
EDUCATION SPENDING IN NIGERIA**

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ABSTRACT

This study analyses the distribution of education and redistributive effect of education spending in Nigeria. The study used primary and secondary data. The primary data came from National Living Household Survey of 2004 and Core Welfare Indicator Questionnaire of 2006. The secondary data were obtained from Central Bank of Nigeria and Education for All Monitoring Report for 2009. The primary and secondary data were analyzed using descriptive statistics, Concentration Index and Reynold's – Smolensky (RS) Index of Redistribution. The finding from the study shows that the net enrolment in primary and secondary schools in Nigeria are lower than the average for Sub Sahara Africa. These lower enrolments are marked with regional inequalities, urban, gender and income biases. On the regional inequalities, the study shows that South West dominates primary and secondary school enrolment in Nigeria, with the least school enrolment from North West part of Nigeria. Analysis of school enrolment on the basis of location reveals that the most of the school-age children in urban areas are enrolled in the schools, with least enrolment from rural areas. Gender-biased school enrolment is a common phenomenon in Nigeria, particularly in the northern part of Nigeria, where more males are enrolled in primary and secondary schools than the females. The distributional analysis of school enrolment in Nigeria indicates that primary and secondary school enrolment is concentrated in the hand of rich households who are located in the urban areas. The Reynold's – Smolensky Index of Redistribution estimated to be -0.12 indicates that education-financing system worsens income inequality in Nigeria. One obvious danger from this is that, in the absence of redistributive transfers from the rich to the poor, from urban to rural areas, the current education financing in Nigeria will widen the gaps in income and in access to education, with damaging consequences for equity. The study was concluded with the following policy recommendations:

- Nigerian government may need to integrate education planning into wider poverty strategies. This could be done by introducing transfer for education in its poverty alleviation programmes. This Conditioned Transfer for Education (CTE) can target the poor in rural areas of Nigeria. By placing conditions on transfers to poor households related to human capital accumulation, the CTE combines social assistance with social development. The continued eligibility to receive benefits from CTE is conditioned on households keeping their children in school. Such a policy which attempts to identify the poor and to target benefits to them can serve important redistributive and safety net roles in market economy. The CTE can be particularly relevant in Northwestern Nigeria with lowest school enrolment.
- The CTE may increase net enrolment in the schools as it has happened in some Latin American countries, which may necessitate the introduction of double shifts. Splitting shifts can make it possible to accommodate the large, rapid enrolment as it was done in Tanzania.
- The Policy of free tuition for Universal Basic Education in Nigeria should be made effective by abolishing payment of formal and informal charges in primary and secondary school in Nigeria as done in some Sub Saharan African countries.
- There may be need to scale up scholarship for girls and disabled children at primary and secondary level as it was done in Nepal.
- There may be need to harmonize aid support to education in Nigeria. It should be directed more to provide infrastructures for schools in the rural areas as done in Nepal.

PROGRESSIVITY OF EDUCATION SPENDING IN NIGERIA

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Abstract

This study examines the distributional impact of education spending in Nigeria. It also tested the progressiveness of this spending on primary and secondary school enrolment in Nigeria. The study made use of primary and secondary data from Nigeria. The primary data were obtained from National Living Household Survey of 2004 and Core Welfare Indicator Questionnaire of 2006 from National Bureau of Statistics in Nigeria. The secondary data were obtained from Central Bank of Nigeria Statistical Bulletin and Abstract of Statistics from National Bureau of Statistics. The relevant data were analyzed using Graphical Analysis, Benefit Incidence Analysis and Kakwani Progressivity Index. The study reveals that the richest group benefits more than the poorest group in public education expenditure in Nigeria and they spend more on their children than the poor. The study also demonstrates that education spending in Nigeria is progressive in relative terms, primary education being more progressive than the secondary schools. However, the spending is regressive in absolute terms, meaning that the spending is not strongly income-equity enhancing. It also shows that the spending is not well targeted at the poor, hence is not pro-poor. As a result of the existence of a positive link between access to, and level of, education on one hand and involvement in the more remunerative activities on the other, this study recommends a pro-poor educational financing in Nigeria.

- Pro-poorness demands that equity should be at the centre of education financing strategies in order to reach the disadvantaged households and children in Nigeria.
- A focused education programme for the children of the farmer and the fishermen in the rural areas may also be relevant to increase the pro-poorness of education funding in Nigeria.

- There should be need to increase spending on education with focus on primary education. The percentage of GDP devoted to education should be increased to an average of 5% which is the average for the Sub Sahara African countries. The proportion of education budget allocated to basic education should be increased to 50% as the case in other Sub Sahara African countries and as the case in Nigeria before independence.
- The policy of Public- Private Partnership of Obasanjo's government should be rigorously pursued. In the partnership arrangement, the private organizations are expected to take care (provide financial support) of the primary schools located close to their firms. This serve as community and social responsibility.