

Education financing of public secondary schools: Contributions of internally generated revenues in Ondo state from 2010-2015

Lawal Bilikisu Oluwakemi¹, *Oyewale Babatunde Yunus² and Aladejebi Olubunmi Adejoke³

^{1,3} Department of Educational Foundations, Adeyemi College of Education, Ondo, Nigeria

²Department of Educational Management, Obafemi Awolowo University, Ile-Ife, Nigeria

Email: kemgold1012@gmail.com¹, olubunmiadejoke1@gmail.com³, Tel.: +2348062372854³

*Corresponding Author Email: oyewalebabatundeyunus@yahoo.com², Tel.: +2348036194804²



Corresponding Author

Oyewale Babatunde Yunus

Department of Educational
Management, Obafemi Awolowo
University, Ile-Ife, Nigeria

*Corresponding Author E-mail:
oyewalebabatundeyunus@yahoo.c
om², Tel.: +23480361948042

Abstract

Funding of schools has been an issue of great concern in Nigeria and this has brought about the poor quality of education at a period when globalisation demands much from the educational system in terms of preparation of skilful labour force. In Ondo State, the government has encouraged public secondary schools to generate funds internally to compliment the inadequate grants being provided by the state government to facilitate the proper functioning of schools. Despite all these, education stakeholders have not ceased to complain about the insufficient fund. There is therefore the need to assess the mathematical relation between IGR and government subventions and examine the prospects of IGR in public secondary schools in Ondo state. The study adopted a descriptive survey-ex facta research design. The population for the study comprised of 304 school principals from public secondary schools in Ondo State. The sample of the study was 60 school principals which were selected using simple random sampling technique from the 304 principals in secondary schools in Ondo state. The sample population was divided into clusters using the senatorial districts. Thus, twenty (20) school principals were selected in each of the three (3) senatorial districts in Ondo state. The research instrument used for this study was a self-designed questionnaire. Data were analysed using the frequency count and simple percentage alongside other appropriate statistical techniques. The results showed that IGR and government subventions to public secondary schools in Ondo State are significantly correlated, as the IGR increased, the government subvention also increased. The study recommended that Ondo state government should increase government subvention to schools to facilitate the execution of more projects and that they should also try to set-up proper monitoring committee that would see to the collection, management and accountability of the monies that is being generated across public secondary schools in Ondo State.

Keywords: Internally Generated Revenue, Financing, Funds Generation, Educational, Tuition fee

Introduction

Education has become a very big enterprise all over the world and it has been recognized as the greatest investment that any economy can make for the quick development of its economic, political, sociological and human resources. It is a social service whose financial burden has for a long time rested on the shoulders of federal, state and local governments (Nakpodia, 2015). The relationship between education and development is well established such that education is a key index of development. It has been recorded that schooling improves productivity and health thereby reducing negative features of life such as child labour as well as bringing about development (Balogun, 2010). Overall, the rapid increase in educational expenditure by the government has slowed down in both developed and developing countries of the world, whereas the pressure for expansion and qualitative improvements continue unabated.

According to FRN (2004), the secondary level of education has been programmed to achieve the following objectives in Nigeria as stated in the National Policy on Education:

- i. Provide an increasing number of primary school pupils with the opportunity for education of higher quality, irrespective of sex, religious and ethnic backgrounds;
- ii. Diversify its curriculum to cater for the differences in talent, opportunities and roles possessed by or open to students after their secondary school course;
- iii. Equip students to live effectively in our modern age of science and technology;
- iv. Develop and protect Nigerian culture, art and languages as well as the world's cultural heritage;
- v. Raise a generation of people who can think for themselves, respect views of others; and
- vi. Inspire its students with a desire for achievement and self-improvement both at the school and in later life.

For secondary schools to achieve these objectives, the Nigerian government decentralised secondary education. The 1954 and 1999 constitutions spelt out the constitutional responsibilities imposed on the three tiers of government. The State governments have the sole responsibility of financing secondary schools in Nigeria (except for federal government colleges and private schools). No appreciable development however, is carried out and noticed at this level of education as adequate resources are not allocated to the system in the right proportion (Olowoselu & Aishatu, 2015).

Although Nigeria as a nation strives toward the provision of quality and affordable education for its citizens through the guiding principle of National Policy on

Education (2004) which is aimed at equipping every citizen with the acquisition of knowledge, desirable skills, attitude and values as well as to enable him or her derive maximum benefits from his or her society, and also contribute his/her quota meaningfully towards the development of the nation at large. However, the rapid expansion of educational system after the independence is compounded by the more recent economic crisis and fiscal stringency (which started towards the end of 2013) due to over dependency on oil which has rendered educational sector in Nigeria underfunded in relation to the demand imposed on it by the populace.

In Nigeria, the democratic government, since the assumption of power in 1999 has placed priority on providing basic education for Nigerian children of school age which was in line with the tenets and principles of the founding father of free education in Nigeria, Chief Obafemi Awolowo. However, Obafemi Awolowo could only prioritize the primary level of education at the inception of free education while only providing scholarships for deserving students to further their education. Various politicisation of this free education by politicians to gain the favour of electorates especially in the build up to the 2003 election made education free at all levels of education in Nigeria and this was greeted with massive enrolment in all the various levels of education in Nigeria.

Prior to the 2011 general elections, most state governors in Nigeria had banned all levies payable by students, thus, schools were not able to generate funds. Therefore, issues of underfunding began to arise and the government began to provide grants for schools at the rate of a hundred naira per student. However, the dwindling rate of the Nigerian economy towards the end of 2013, as well as embezzlement on the part of the political class coupled with lip services brought about compounding issues of underfunding of education in Nigeria (Osho & Osho2000).

Problems of inadequate instructional materials, dilapidated buildings are among the notable difficulties being faced by various schools due to poor funding by government. Government could no longer embark on infrastructural projects in schools and could neither provide grants due to dwindling economy and could only pay workers as allocation from the Federal Government was reducing due to falling crude oil prices. However, some state governments such as the Ondo State government had to re-examine some policies to allow schools generate funds from within by lifting the embargoes placed on collection of some funds such as Parents' Teachers' Association (PTA) levy, Examination Levy as well as Sports Levy to generate funds by schools. Such funds are termed internally generated revenue (IGR).

Internally generated revenues (IGR) are monies collected by schools through the imposition of levies and taxes on facilities, incomes, sales of goods and services, transfer of property and other domestic transactions. These

include examination levy, PTA levy, sports levy, proceeds from school farms, lease of school fields, buses and other school properties etc. However, for monies to be generated properly by the school, school heads seek the consent of the PTA and as well as encourage their participation while being accountable to them. These monies are used to effectively run the schools especially when government grant is not forthcoming or inadequate.

Literature Review

It is no gainsaying that secondary education is unique in the educational development of a child, being the link between primary and tertiary education. The knowledge, skills, values, and traits which a child acquires at this stage will complement those acquired at the primary level and when these are combined will prepare such child for tertiary education. Despite the role of secondary education, Ajayi (2002) and Omoregie (2005) reported that it is riddled with crises of various dimensions and magnitude all of which combine to suggest that it is at crossroad.

Complaints of inadequate fund for the development of secondary education in Nigeria abound in literatures (Omoregie, 2005; Jaiyeoba and Atanda, 2003; Moja, 2000; Federal Ministry of Education, 2003), which is attributed to lack of/inadequate as well as decay infrastructural facilities in secondary schools (Omoregie, 2005; Ahmed, 2003). To worsen the situation, the limited allocation to secondary education is being threatened by increase in enrolment as a result of the rise in the demand for it (Federal Ministry of Education, 2007; CBN, 2010; Jaiyeoba and Atanda, 2003).

The importance of adequate funding in educational development cannot be overemphasized. No organization can carry out its function effectively without adequate financial resources at its disposal. According to Obe (2009), without adequate funding, standards of education at any level shall be tantamount to a mirage, which means, building castles in the air. Money is important in a school because it is used to construct buildings, purchase needed equipment, pay staff salaries and allowances, maintain the plants and keep the services going. In Nigeria, secondary education derives its major fund from the annual allocation to the education sector.

Unfortunately, allocation to the education sector on which secondary education depends has been consistently low in spite of the strategic role of the sector in the training of manpower for the development of the economy. Statistics (Central Bank of Nigeria, 2010) revealed that between 2000 and 2010, allocation to the education sector by Federal Government in Nigeria was not more than 14% of the annual budget, which was even low when compared to the allocation of countries such as Kenya, Malawi, Botswana, Angola, Sierra Leone, South Africa, all in Sub-Saharan Africa (United Nations Development Programme, 2011).

Furthermore, out of the three levels of education in Nigeria, tertiary education receives the largest share of education vote, thus implying that the remaining fund is to be shared by primary and secondary education (Hinchliffe, 2002). It has even been the practice of states to make provision for secondary education from the allocation to the education sector, which in most cases has been in form of running grant to schools, on term or session basis and depending on the size of enrolment of each school.

Jaiyeoba and Atanda (2003) posited that availability of infrastructures and facilities in the right quantity and quality is germane in education provision and are the things which enable a skillful teacher to achieve a level of instructional effectiveness that exceeds what is possible when they are not provided. A school with inadequate classrooms and facilities such as chairs, lockers, libraries, textbooks, laboratories, workshop etc will be uncomfortable for students to learn. Unfortunately, there are inadequate infrastructure and facilities in many secondary schools in Nigeria (CBN, 2010). According to Ahmed (2003), in most secondary schools in the country, teaching and learning take place under unconducive environment, lacking the basic materials, thus hindering the fulfillment of educational objectives.

Statement of the Problem

Education in Nigeria is Bedevilled with the problem of gross under funding, shortage of qualified manpower, inadequate facilities and equipment, and over bloated student population (classrooms now accommodate more than the 35 pupils/students per classroom) particularly in urban and mega cities. A visit to public educational institutions in the country will reveal the sorry state of the education sector. The funding of secondary schools in Nigeria has brought about poor quality of education at a period when globalisation demands much from the educational system in terms of preparation of skilful labour force. The government claims that it is no longer buoyant as it used to be, therefore affecting the funding of education in Nigeria. While some governments have encouraged their schools to generate funds internally to cover lapses in the area of grants, others have resolved to continue to pay lip service even though grants are not forthcoming and this has caused significant malfunctioning of secondary schools in such states.

In Ondo State, government has encouraged secondary schools to generate funds internally so as to compliment the inadequate grants being provided by government in order to facilitate the proper functioning of schools. In spite of all these, education stakeholders have not ceased to complain about insufficient fund. There is therefore the need to assess the contribution of IGRs towards the educational funding in Ondo state.

Research Questions

- i. What is the mathematical relation between IGR and government subventions to public secondary schools in Ondo state? and
- ii. What are the prospects of IGR in public secondary schools in Ondo state?

Methodology

The study adopted the descriptive survey-ex facto research design. The population for the study comprised of 304 school principals from public secondary schools in Ondo State. The sample of the study was 60 school principals which were selected using simple random sampling technique from the 304 principals in public secondary schools in Ondo state. The sample population was divided into clusters using the senatorial districts. Thus, twenty (20) public school principals were selected in each of the three (3) senatorial districts in both Ondo state. The research instrument used for this study was a self-designed questionnaire titled “Contribution of Internally Generated Revenue to Financing of Public Secondary Schools in Ondo State (2010 – 2015)” Questionnaire. Also, a record of government subvention was collected from the planning division in the Ministry of Education in Ondo state.

To ensure the validity of the research instrument, the draft questionnaire was presented to senior colleagues for correction in the Department of Educational Foundation, Adeyemi College of Education, Ondo and Department of Education Management, Faculty of Education, Obafemi Awolowo University, Ile-Ife. Useful suggestions and necessary corrections were made to improve the quality of the instrument. The reliability of a questionnaire was estimated by a second administration of the instrument in order to compare responses with those of the first

administration, thus for this study, test-retest technique was used in determining the reliability of the instrument which was done in three (3) weeks interval. The instrument was administered to the same group of respondents but at different occasion and degree of consistency in order to ensure reliability and consistency of the instrument. The data supplied was established using Cronbach Alpha test of reliability and a reliability coefficient of 0.81 was obtained. This was considered high to say the instrument is consistent, and the instrument was found reliable. The Data from the Education Ministry was also collected directly from the planning department.

Relevant data were collected personally by the researcher and this was collected directly from the Education Ministry in Ondo state. Also, the questionnaires were administered and collected personally. These questionnaires were administered on principals of sampled public secondary schools in Ondo state. The questionnaire elicited responses from the school principals on the various means by which funds are generated by the school and the uses of such funds for educational advancement while the data collected from the Education Ministries were used to compare the impact of the revenues collected between public secondary schools in Ondo state. Data were analysed using the frequency count and simple percentage, quantitative and qualitative methods alongside other appropriate statistical techniques. Research questions were answered using the tools considered appropriate, relevant and suitable for easy interpretation and understanding of the contents.

Results

Research Question 1: what is the mathematical relationship between IGR and Government Subventions to public secondary schools in Ondo state?

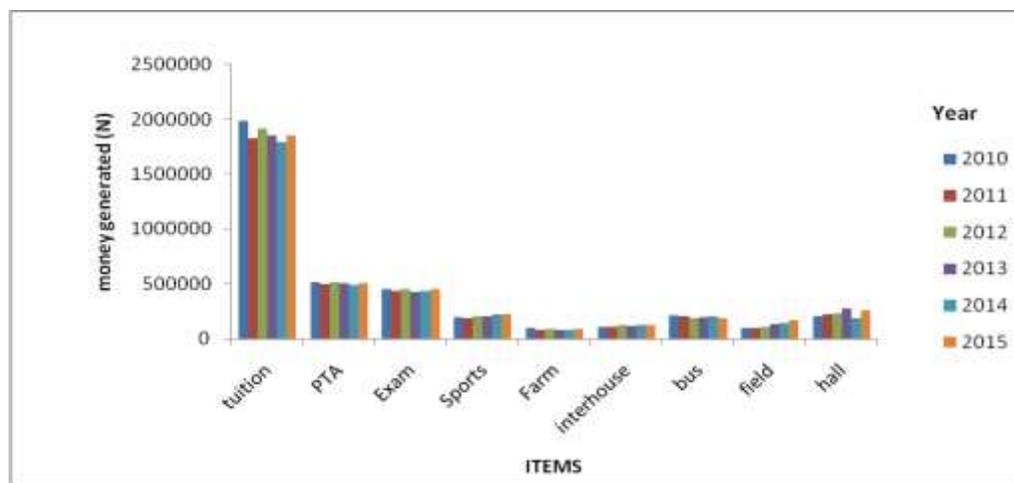


Figure 1: Graphical Representation of IGR generated yearly between 2010 and 2015

Figure 1 showed the graphical representation of these monies generated and this showed that tuition fee was the highest money generated, this happens to be the major factor towards generating of IGR while proceed from the school farm was the least money generated. Across all the possible means of IGR items, the most money was

generated in 2010 while the least money was generated in 2014 for tuition, PTA and proceeds from school hall, 2013 for examination and proceeds from farm, 2011 for Sports levy, proceeds from Sport activities and proceeds from school field while 2012 for proceed from bus lease.

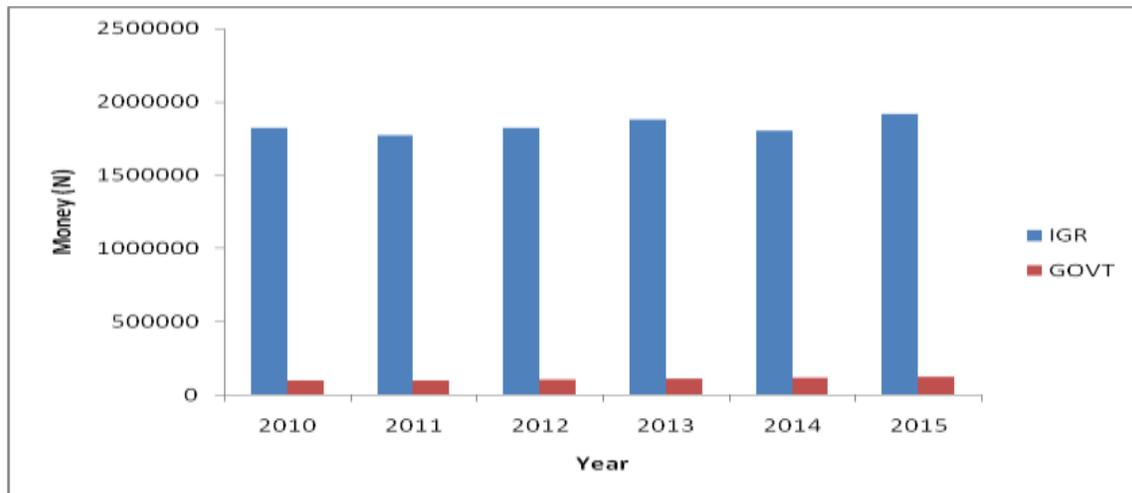


Figure 2: Graph Showing the Relationship between IGR and Government Subventions to Public Secondary Schools in Ondo State

Figure 2 showed the relationship between the government subventions and the IGR generated by the sampled public senior secondary schools in Ondo State between 2010 and 2015. The IGR and government subvention were most in 2015 and least in 2011. The IGR of the sampled public secondary schools in Ondo State between 2010 and 2015 were generally way more than the government subventions to secondary schools between the sampled years. Correlation analysis of the IGR of public secondary schools in Ondo State between the sampled period and the

government subventions to public secondary schools in Ondo State within the same period showed that the IGR and government subventions are significantly correlated.

However, current findings from schools after the sampled period between 2016 and 2020 showed that the IGR is still the most contributing factor to educational development when compared to government subventions. Also, the IGR and the government subventions in public secondary schools in Ondo State are still significantly correlated.

Table 1: Correlation analysis between the IGR and Government Subvention within the sampled period

		IGR	Govt
IGR	Pearson Correlation	1	0.869 ^x
	Sig. (2-tailed)		.025
	N	6	6
IGR	Pearson Correlation	0.869 ^x	1
	Sig. (2-tailed)	.025	
	N	6	6

Table 1 showed the correlation between government subvention and IGR. The results revealed that government subvention and IGR are related in all cases, that is, as IGR

is increasing, government subvention is also increasing and as IGR is decreasing, government subvention is also decreasing.

Research Question 2: What are the prospects of IGR in public secondary schools in Ondo state?

Table 2: Prospects of IGR in Public Secondary Schools in Ondo State

SN	ITEMS	SA (%)	A (%)	D (%)	SD (%)	TOTAL (%)
1.	Secondary schools should generate more revenues to compliment government grants	58.33	41.67	0.00	0.00	100
2.	The IGR compliments government grants to schools	76.67	23.33	0.00	0.00	100
3.	The IGR helps in the smooth running of the school	86.67	13.33	0.00	0.00	100
4.	IGR in helps in equipping and updating the library	40.00	56.67	3.33	0.00	100
5.	The IGR is key to the standard of laboratory in this school	26.67	53.33	20.00	0.00	100
6.	IGR creates a conducive environment for learning and has reflected in the performance of the students	26.67	40.00	33.33	0.00	100
7.	The impact of projects executed from the IGR reflects in external examinations	20.00	43.33	36.67	0.00	100
8.	The school would do well with more revenues generated	13.33	60.00	26.67	0.00	100
9.	Schools that generate revenues do better than schools that do not generate revenues	26.67	45.00	28.33	0.00	100
10.	Revenue generation in schools is key to the advancement of education	21.67	51.67	26.66	0.00	100

Table 2 showed the prospects of IGR in public secondary schools in Ondo State. The respondents agreed that government should allow secondary schools generate revenues to compliment government grants as 100% agreed to this submission with 58.33% of them strongly agreeing. The respondents also unanimously agreed that IGR has helped in complimenting government grant to their schools and that the IGR has helped in the smooth running of the school.

However, 96.67% agreed that the IGR in their schools is one of the major reasons why their library is well equipped and updated while 3.33 disagreed. The view that IGR is key to the standard of laboratory in their schools was agreed on by 80% while 20% disagreed. While 66.67 respondents agreed that IGR has helped to create a conducive environment for learning and has reflected in the performance of their students, 33.33% disagreed. The total of 63.33% of the respondents agreed that the impact of projects executed from the IGR is one of the major reasons their students do well in external examinations while 36.67% of the respondents disagreed. 73.33% of the respondents agreed that the school would do well with more revenues generated and this would reflect in the performance of their students while 26.67% disagreed. The response of 71.67% of the respondents agreed that schools that generate revenues do better than schools that do not generate revenues while those of 28.33 disagreed. Finally, 93.34% of the respondents submitted that revenue generation in schools is key to the advancement of education 6.66% of the respondents disagreed.

Discussion of Findings

The result of findings to research question one showed that the IGR and government subventions to public secondary schools in Ondo State are significantly correlated, which means that they are closely related in all cases. Research

findings showed that the government subvention to public secondary schools in Ondo State is a sum of ₦100 per student per session which implies that the more the number of students in a school, the more the volume of IGR and the government subvention. However, the IGR is way more than the government subvention in all cases, which also means that most schools in Ondo state are IGR based, that is, they dependent on IGR much more than government subventions. This finding is in line with the work of Osho and Osho (2000) who reported that the dwindling rate of the Nigerian economy as well as embezzlement on the part of the political class coupled with lip services to financing education brought about the compounding issues of underfunding of education hence, the reason why IGR is far more than the government subvention in public secondary schools Ondo State. Also, corroborating this finding is the report of United Nations Development Programme (2011), it was revealed that the statistics value of Central Bank of Nigeria between year 2000 and 2010 was not more than 14% of the annual budget allocated to the education sector by Federal Government in Nigeria and was considered low when compared to the allocation of other Sub-Saharan Africa countries like Kenya, Malawi, Botswana, Angola, Sierra Leone and South Africa. Furthermore, the findings aligned with the work of Hinchliffe (2002), who reported that out of the three levels of education in Nigeria, tertiary education such as colleges, polytechnics and universities receives the largest share of education vote, thus implying that the remaining fund is to be shared by primary and secondary education, another indication why IGR is far more than the government subventions in Ondo State.

The results of findings to research question two showed the prospects of IGR in public secondary schools in Ondo state as most of the respondents agreed that government should allow secondary schools generate revenues to compliment government grants as IGR has helped in

complimenting government grants to secondary schools in Ondo state which has also helped in the smooth running of the schools. The finding agreed with the work of Obe (2009), who reported that without adequate funding, standards of education at any level shall be tantamount to a mirage, hence, money is important in a school because it is used to construct buildings, purchase needed equipment, pay staff salaries and allowances, maintain the plants and keep the services going. Also, Jaiyeoba and Atanda (2003) support the above position that school with inadequate classrooms and facilities such as chairs, lockers, libraries, textbooks, laboratories, workshop etc will be uncomfortable for students to learn. Therefore, availability of infrastructures and facilities in the right quantity and quality is germane in education provision and are the things which enable a skillful teacher to achieve a level of instructional effectiveness that exceeds what is possible when they are not provided. Since projects executed from the IGR are such projects that would facilitate the better condition for learning, IGR should therefore be encouraged especially at this point in the country where the country's economy is in recession. The schools in Ondo state would be able to stand on their own through the generation of more IGR.

Conclusion

From the discussions, major findings in the study are that public secondary schools in Ondo State embark on various capital projects from their IGR and schools must have one project or the other that they embark on yearly. The relationship between government subvention and IGR is related in all cases as the government subvention and IGR are dependent on school enrolment which meant that as IGR is increasing, government subvention is also increasing, which is a function of the number of students in a school. The prospect of IGR in public secondary schools in Ondo State is high as schools appreciate IGR and use them judiciously.

Recommendations

Considering the findings of the study, the following recommendations are suggested:

- i. Ondo state government should increase government subvention to public schools in order to facilitate the execution of more useful and tangible school projects.
- ii. The state government should also try and set-up proper monitoring committee that would see to the collection, management and accountability of the monies that is being generated across public secondary schools in Ondo State.
- iii. Public school administrators in Ondo state should device other means of generating money so as not

to overburden the parents especially at this period of economic downturn.

References

- Ahmed, T. M. (2003). Education and National development in Nigeria. *Journal of Students Education* 10: 35-46.
- Ajayi, I. A. (2002). Resource factors as correlates of secondary school effectiveness in Ekiti State. *Nigerian Journal of Counselling and Applied Psychology* 1(1): 109- 115.
- Balogun, A. M. (2010). Challenges of higher education in Nigeria: A manager's perspective. Being a paper presented at the maiden edition of the Faculty of Education Annual Lecture Series, University of Ado-Ekiti, March 22nd.
- Central Bank of Nigeria (CBN, 2010). Statistical Bulletin. Abuja, Nigeria: Federal Government Press.
- Federal Ministry of Education (FME, 2003). Education sector status report. Abuja, Nigeria: Federal Government Press.
- Federal Ministry of Education (FME, 2009). Roadmap for the Nigerian education sector. Abuja, Nigeria.
- Hinchliffe, K. (2002). Public expenditure on education in Nigeria. Issues, Estimates and Some Implications. Abuja, Nigeria: World Bank.
- Jaiyeoba, A. O. and Atanda, A. I. (2003). Community participation in the provision of facilities in secondary schools in Nigeria. Paper presented at the skills improvement programme for effective performance of teachers in Nigerian schools at Ondo, Nigeria.
- Moja, T. (2000). Nigerian education sector analysis: An analytical synthesis of performance and main issues. Paper prepared for World Bank Monograph Series, 1(7), Abuja, Nigeria: NUC.
- Nakpodia, E. D. (2015). Techniques for improving private sector participation in the funding of educational institutions in Delta State, Nigeria. *International Journal of Sociology and Anthropology* 5(4): 133-139.
- National Policy on Education (2004) (Revised). Abuja, Nigeria: Nigerian Educational Research and Development Council
- Federal Republic of Nigeria Gazette (2004). No. 66(91): 113-124.
- Obe, O. (2009). Issues of funding education for standards: Counselling perspectives. *Journal of Educational Research Development* 493: 164-170.
- Olowoselu, A. and Aishatu, S. B. (2015). Challenges to secondary school principals' leadership in Northern Region of Nigeria. *British Journal of Education* 3(3): 1-5.
- Omoregie, N. (2005). Re-packaging secondary education in Nigeria for great and dynamic economy. Paper presented at the 2nd Annual National Conference of Association for Encouraging Qualitative Education in Nigeria (ASSEQEN). 9th-11th May.
- Osho, E. O. and Osho, I. (2000). The National Policy on Education and Functionality: The Case of Junior Secondary School (JSS). *Knowledge Revolution* 2(2): 79-84.
- United Nations Development Programme (2011). Human Development Report. New York, USA.