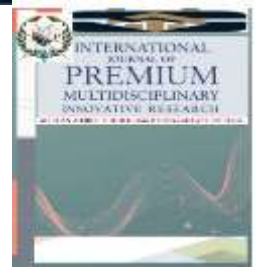




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POLITICAL ECONOMY OF NIGERIAN EDUCATION

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ABSTRACT

Education is an indisputable instrument for improving a country's social and economic conditions. The government invests in the education of her citizens. These investments are associated with expenditure and cost. The paper began with an introduction and thereafter explained the meaning of the welfare cost of education and the consumption criteria in education. This is followed by the concept of education and the benefits of educational development from individual and societal perspectives. Next, the influence of normative, welfare, and allocation economics on the scope and provision of educational facilities in Nigeria was discussed. It was recommended among others that the government should allocate 26% of the national budget to the education sector for the payment of wages and the purchase of equipment and facilities in the school system.

Keywords: Political Economy, Education, Welfare Cost, Consumption Criteria, Normative Economics, Welfare Economics

1.1 Introduction

In a developing country like Nigeria, education remains a potent factor in eradicating poverty and transforming the misfortune of underdeveloped nations. It is commonly considered a tool for poverty alleviation, increasing economic growth, empowering people, cherishing personal earnings, encouraging a friendly and flexible environment, and paving the way for a competitive economy. Education is also a basic human right and its purpose is to develop individuals' talents to the fullest extent possible. Since education is a basic human right, it is the government's responsibility to ensure that her citizens are not deprived of it. Education is regulated by



government policies and politics. The policies adopted by any educational system are essentially drawn up by the government in power (the political system).

Education does not function in a vacuum but has always been regulated by Government policies and, therefore, by implication, it is a necessary function of the political economy of any education. The political economy determines the type of education in a given country. The rising cost of education is largely borne by the public purse, constituting the welfare cost of education.

1.2 Welfare Cost of Education

Welfare cost of education is the change in individuals' well-being resulting from acquiring education. Welfare cost of education arises in any decision that involves a trade-off between two or more options. It is expressed as the relative cost of one alternative compared to the next-best alternative.

Welfare cost of education is the forgone basic physical and material well-being of people in order to acquire education. It also captures the earnings forgone by students and the sacrifices society makes to provide education to its members. They are the costs borne by society, represented by the costs incurred by federal, state, and local governments in providing education to citizens (Efanga & Idante, 2014). Investment in education competes for limited public and private resources. Governments at all levels had forgone the opportunity to provide infrastructure to improve their citizens' welfare because of the financial resources allocated to the education sector. Welfare cost of education exists as long as there is a scarcity of resources.

2. Consumption Criteria in Education

Dash (2010) outlined two Consumption Criteria in Education: the cost-benefit criterion and the ability-to-pay criterion.

1. **The cost-benefit Criterion:** Cost-benefit is used to analyze consumption decisions in education. The costs and benefits of receiving education influenced the demand for education. A country may have a very low literacy rate compared to other countries, but if it has recorded success in some areas, such as doctors and engineers. It will induce individuals to study those courses in the country. The certainty of a job after completing studies influences educational consumption. Nwakpa (2017) highlighted four major steps in the processing of comparing the cost-benefit of consumption in education as follows;
 - a. Identification of all the advantages and disadvantages of the consumption of education
 - b. Quantification of identified merits and demerits so as to place numerical values on each cost and each benefit
 - c. Monetization of the quantified merits and demerits so as to bring all quantifiable costs and benefits to a common denominator of money
 - d. Aggregation of monetized costs and benefits using an appropriate formula, which included: (a) Net present value (NPV), (b) Internal rate of returns (IRR), (c) Benefit cost ratio (BCR).
2. **The ability-to-pay criterion:** The cost of education and the ability to pay are determinants of educational consumption. The exorbitant cost of education may adversely affect educational consumption. Many individuals may be willing to get educated, but are constrained by their ability to pay.

3. Concept of Education

Education is a continuous process of training, molding, and developing individuals' attitudes, abilities, skills and knowledge to attain their aspirations and societal needs. According to Okorji and Nzewi (2023), education is an instrument for imparting knowledge and skills to individuals, enabling them to become self-reliant, improve their well-being and contribute to the development of society. Ololube, Dudafa, Uriah and Agbor (2013) defined education as a means of transmitting culture from one generation to another and the process of bringing about a relatively permanent change in human behavior. In all human societies, Ololube et al asserted that education is meant to pass on to new generations existing knowledge of their physical environment, to introduce them to the organization of society, give them skills for performing their daily jobs and enjoying their leisure, and inculcate sound morals in them for their own benefit and that of the society. Implicit in these definitions is the idea that education is an instrument for acquiring requisite skills and knowledge.

Education is an indispensable tool for equipping individuals with sound knowledge and the requisite skills to better their living standard and make useful contributions to the development of society. Okoye, Asogwa and Ugbala (2023) defined education as the guided process of facilitating and transferring knowledge to learners for the overall development of society. It is also the means of inculcating desirable habits and values that enable individuals to behave in accordance with societal norms. Education brings desirable changes in human behaviour by exposing people to the right norms and values of society. Onedigbo and Okorji (2023) opined that education is an indispensable instrument for nurturing creativity, boosting self-confidence, and enhancing individuals' problem-solving capabilities, enabling them to reach their full potential. Education is the tool for disseminating information to younger generations, enabling them to understand their heritage, participate productively in society and contribute to the future. Contextually, education is the process of imparting requisite skills, knowledge, values and desirable qualities to learners to enable them to become useful members of society.

4. Benefits of Educational Development from Individual Perspectives

Educational development enables individuals to fully develop their mental, physical and social potentials and to acquire appropriate skills, knowledge and attitudes. Education helps students grow and develop, provides them with desired skills and professional abilities, assists them in acquiring the necessary understandings, concepts, values and attitudes to manage future tasks, and shows them how to be productive members of society (Lawal, 2003). Education helps individuals discover their creative potential and apply it to improve their existing skills and techniques for performing specific tasks.

The elements of the value system include: respect for elders, honesty and accountability, cooperation, discipline, self-confidence and moral courage. Moral courage is acquired through education. Orji and Maekae (2013) noted that education also develops in individuals' values that make for good citizenship, such as honesty, selflessness, tolerance, dedication, hard work, and personal integrity.

Educational development helps to inculcate good interpersonal skills among individuals in society. Orji and Maekae (2013) noted that in the school system, there are official clubs and organizations. Learners who participate in these organizations and clubs gain experience working with others outside their individual organizations and, to some extent, with outside groups, with minimal friction. This goes a long way toward promoting national unity and peaceful coexistence,



which will lead to national development. Educational development inculcates healthy living habits among individuals. More educated men and women tend to invest more in their own and their children's health (Ozturk, 2001). Indeed, the author added that education may be the single most important personal determinant of a person's health and life expectancy.

Human capital development through schooling is often associated with access to big jobs and higher incomes (Omojinite, 2010). In Summary, Shah (2011) stressed that education is generally considered an essential and powerful instrument for upgrading economic growth, enhancing earnings at the private level, discouraging and reducing poverty, empowering people, encouraging health and environmental flexibility and developing economic competitiveness.

5. Benefits of Educational Development from Society Perspectives

Education equips individuals with the requisite skills and knowledge, making them functional and contributing to the nation's overall development. Education helps to train and supply the needed manpower for societal development. Education speaks not only to the productivity of the labor market but also to the scarcity of the skills required, sometimes serving as one of the vital constraints on the economic growth of nations (Munir, Rafiqat, Faisal, Anisa & Amin, 2017). This is very true for poor countries, where workers have no basic literacy and numeracy skills; consequently, such nations also lack experts in various fields (Berg, 2010). Education creates a more productive labor force and equips them with the requisite knowledge and skills, thereby increasing production in the country. Education inculcates skills such as typing, accounting, teaching, law and medicine, which are useful in the production process. The trained lawyers, engineers, teachers, and medical doctors, inter alia, are all products of educational development.

A better education helps individuals become more responsible citizens who help build a strong economy and contribute to a healthier environment with lower crime. It is clear that without education, a nation cannot obtain the manpower needed for material advancement and the enlightenment of the citizenry (Orji & Maekae, 2013).

Education, as a key component of human capital formation, is recognized as vital for increasing people's productive capacity. Odeye (2012) posited that education, especially at higher levels, contributes directly to economic growth by making individual workers more productive and fostering the creation of knowledge, ideas, and technological innovation. Education is also an important contributor to technological capability and technical change in industry. Todaro and Smith (2007) stressed that education not only helps supply the essential human capital, which is a necessary condition for sustainable economic growth, but is also a key to poverty reduction and a major vehicle for promoting equity, fairness, and social justice.

Education is a tool for creating awareness and enlightening members of society on health-related issues. Education is one of the most important means of combating dangerous diseases such as HIV/AIDS across the globe (Munir, Rafiqat, Faisal, Anisa & Amin, 2017).

6. Influences of Normative, Welfare and Allocation Economics on the Scope and Provision of Educational Facilities in Nigeria

6.1 Normative Economics

Normative economics is a branch of economics that incorporates subjectivity within its analyses. It is value-based, originating from personal perspectives, feelings, or opinions. It presents 'what ought to be' rather than 'what actually is'. It is based on opinions or recommendations. Shifa (2014) stressed that normative economics heavily relies on value judgments and theoretical

scenarios. Normative economic statements typically contain keywords such as ‘should’ and ‘ought’. It is based on individual opinions.

The influences of normative economics on the scope and provision of educational facilities are that its statements are opinion-based, so they cannot be proved or disproved. For instance, the statement that “government should provide basic education facilities to the school system” is a normative economic statement. There is no way to prove whether the government should provide educational facilities; the statement is based on opinions about the role of government in providing educational facilities for her citizens. Disagreements between the Federal Government and ASUU over the provision of education facilities typically revolve around normative statements. Normative economics is based on one’s opinion.

Normative economics helps summarize people’s preferences for various educational facilities by asking what should happen or what ought to be. The United Nations Economic and Social Organization recommended allocating of 26% he national budgets to the education sector. It is deduced from this recommendation; it is value-based, rooted in perspective and satisfies the requirement of what should be.

The Government should provide education facilities is a normative statement. Under the right conditions, education facilities can enhance teaching and learning in the school system. Educational facilities constitute inputs that can create a conducive learning environment and enhance the attainment of educational objectives. Educational facilities are non-human, non-financial resources such as buildings, furniture, equipment, machinery, libraries, laboratories, sports facilities, and sanitary facilities, among others. Normative economics expresses ideological judgments about what may result in the education sector if facilities are provided to the school system. In normative economics, conclusions and results are not based on facts; rather, they are based on considerations such as social, cultural, political, and religious issues, which are subjective in nature.

6.2 Welfare Economics

Welfare economics is a branch of economics that seeks to determine the optimal allocation of resources in society (Pettinger, 2017). Welfare economics is concerned with improving the quality of living standard of people in a country through the allocation of resources. It deals with allocation efficiency and social efficiency. Pettinger noted that allocation efficiency occurs when goods and services are optimally distributed, taking consumers’ preferences into account. Social efficiency is the optimal distribution of resources in society, taking into account all external and internal costs and benefits.

Welfare economics facilitates the optimal provision of educational facilities, taking into account the student enrollment population and needs, external costs to the government and the benefits of education to society.

7. Conclusion

From the discussions of this paper, we discovered that education is indispensable to economic development. No economic development is possible without good education. A country that desires overall national development must invest adequately in the education of its citizens at all levels. A balanced education system promotes not only economic development but also productivity, and generates individual income per capita. Its influence is noticeable at the micro level of an individual family.

8. Recommendations

Based on the foregoing issues, the following recommendations were put forward:

1. The government should consider the opinions of education stakeholders on the provision of educational facilities to enhance teaching and learning in schools.
2. The government should allocate 26% of the national budget to the education sector for the payment of wages and the purchase of equipment and facilities in the school system.

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