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Impact of Economic Hardship on Education in Nigeria

Ekundayo Bosede Omolewa
Department of Educational Administration and Planning, Nasarawa State University, Keffi, Nigeria

Conrad Ugochukwu Ukozor, Sunmonu, Iyabo Sakirat
Department of Educational Management, University of Abuja, Nigeria

Abstract: This paper assessed the impact of economic hardship on education in Nigeria. The paper is a position paper. Secondary data were used to support every point raised in the paper. The secondary data were collected from relevant books, seminar papers, workshop papers, articles, etc. The paper revealed that economic hardship has affected education development in Nigeria. Specifically, the paper disclosed that economic hardship has affected the quality of education, investment in education, budgetary allocation to education, reduction in enrolment and procurement of educational resources. Based on these results, the paper recommends that federal and state governments should diversify the economy by creating opportunities for more local investment to boost employment generation and increment in goods and services. The government should increase the budgetary allocation to the Ministry of Education. The government should increase the salaries of teachers. The government should provide school buses to schools across the country. The government should subsidy educational resources for schools and students. The government should provide a social safety net for the underprivileged across the country.

Keywords: Economic Hardship, Education, Impact.

Introduction

Education is a process by which society helps the younger generation to know the heritage of their past, participate creatively in the society of the present and as well contribute to the future. Sequel to the above reasons, “education draws inspiration and nourishment from society, but in turn, it contributes to the growth, renewal and development of that society (Charles & Chukwugozie 2016). Esu and Junaid (2016), in general, education is seen to be the means through which a people's culture is handed down from one generation to another. It is an exercise that ushers in relatively a lasting change in human behaviour. Being the oldest industry, it is the major tool used by society to preserve, standardize and improve its social balance. Education is the instrument used in passing on to the new generations the extant knowledge of their physical environment, a means of orientating individuals to the organization of society, a means of passing on skills for performing their daily jobs and enjoying their leisure, cum instilling sound morals in them for their good and that of the society. Education is the most important weapon that individuals and society can use to fight different forms of vulnerabilities. Education paves the way for the acquisition of knowledge and skills that are worthwhile (Echor & Lohor, 2022).

Education has long been recognized as a basic instrument of economic growth, social development and technological advancement of any society or nation. It is in recognition of this fact that governments are required to commit immense resources to ensure the provision of education for their citizens and also tailor their policies towards ensuring that it is made accessible to the generality of their citizenry (Unknown). Education has proved to be the vehicle for individual growth and national transformation in human history; it is to nation-building as blood is to human life. Without adequate education, it will be difficult for development to take place. In other words, education is the only weapon that can be used to change the world. All over the world, education is recognised as a key measure of socio-economic, political, cultural, technological development and skill acquisition (Unknown). Education promotes the culture of productivity by enabling individuals to discover their creative potential and apply the same to the improvement of the existing skills and techniques of performing specific tasks, thereby increasing the efficiency of their personal and societal efforts (Obasanjo, 2012). Education is a means of teaching or training people to be useful to themselves and the society they live. By this, recipients have to be productive and discover their creative abilities, which can be used to perform specific tasks to attain self-actualisation (Sagaya, 2015). There are many factors affecting education development such as political instability and economic hardship.

Ogunode, Afolabi and Daniel (2024) defined economic hardship as an economic situation whereby there are difficulties faced by individuals, institutions and organizations due to income loss, unemployment, job instability, and economic insecurity. Economic hardship can also be seen as an economic condition that is characterized by inflation, high unemployment, high debt rate, low income and reduced standard of living of the people (Ogunode et al 2024). Economic hardship is defined by (Fenny 2022) as the inability to meet reasonable basic living expenses caused by many factors. Economic hardship is defined as "a significant decline in economic activity spread across the economy, lasting for some time, normally visible in real Gross Domestic Product (GDP), real income, employment, industrial production (According to the National Bureau of Economic Research (NBER, 2012). Business cycle analysts generally use the concept of economic hardship to refer to weak economic phases, of which duration, depth and diffusion exceed the usual bounds; thus, one speaks of the three key dimensions of a recession, known as the depth and diffusion (Faruta, 2013). Economic hardship refers to the difficulties faced by individuals or families due to income loss, unemployment, job instability, and economic insecurity. Consequently, economic hardship is closely related to how one's economic resources compare to others. Hardship is also related to competitive disadvantage, which describes when an individual is disadvantaged relative to competitors in hierarchical social structures. When one perceives themselves as having fewer resources compared to their competition – due to such factors as economic hardship – they may infer a competitive disadvantage (Refaie & Mishra 2019).

Hardship is contrasted with poverty, which is simply the lack of economic resources. Economic hardship does not need to involve an actual lack of economic resources, but simply a perception of this deficit. Economic perceptions are heavily influenced by comparative processes (Kraus and Park 2014). In this paper, economic hardship is viewed as **a** significant reduction in economic activity spread across the economy, lasting more than a few months. Economic hardship is characterized by a slow economic growth rate and low output, low direct foreign investment, high inflation, unemployment and low standard of living. Economic hardship can lead to job loss, which affects the stability of families and individuals, extremely high unemployment rates, high debt rates and poverty. Economic hardship can triggered by financial crisis, high unemployment, and low investment, as well as demand and supply side shocks. Economic hardship is linked to inflation is observed by Gagarawa and Mehrotra (2017) as affecting citizens' standard of living. They maintained that for households to maintain their standard of living or meet their expenditures, which always increase during inflation, many households have to resort to extra income-generating activities, which is a sign of a dip in leisure time, productivity, and better social as well as physical health. This explains the effect of inflation on the level of the living standard of citizens as it reduces the real income of households, thereby compelling them to cut down on their budget and avoid unnecessary expenditure while focusing more on how to increase their income to make ends meet in the challenging period. Inflation in Nigeria has led to the obvious devaluation of the naira, and this has grossly reduced the value of fixed-income earners, of which the teachers are the worst hit. Inflation appears to be militating against the effective operation of institutions, especially educational institutions like tertiary education. Inflation has pushed up the operational cost and cost of procurement of educational resources. Given the above, this paper seeks to assess the impact of Impact of Economic Hardship on Education.

Impact of Economic Hardship on Education

For schools to operate or meet their expenditures, which always increase during inflation, many schools have to resort to borrowing, which is not good for school business. As such, inflation increases the operational cost of schools. The economic hardship experienced in Nigeria has its toll on individuals, families, firms, societies and social institutions of the nation. Individuals, firms such as schools and society at large are compelled to make major changes to cope in the face of economic recession (Graetz, 2017). Economic hardship via inflation has increased the operational cost of running schools in Nigeria (Ogunode & Ukozor, 2023). Most institutions in Nigeria are confronting economic constraints and this slows down the speed of achieving the institutions' activities. Since the funding of education is solely external at most levels (public or government schools), they are mostly affected by economic hardship (Obiakor, 2021). The study also revealed that economic recession had a significant impact on teachers' and students' quality, and finally, the economic recession had a significant impact on households. The investigation concluded that the economic downturn had a major detrimental impact on Benue State's educational system (Echor & Lohor 2022).

Economic hardship in Nigeria has affected the quality of education. This submission is confirmed by the study of Oladipupo and Oluwole (2008) on Inflation and educational performance in Nigeria and they discovered that inflation harms the educational performance of school-going adolescents in Nigeria. It was found that the higher the inflation rate, the lower the educational performance of students. Another study by Okeke and Nwankwo (2011) on Inflation and educational performance in Nigeria at the Federal University of Technology Owerri, Imo state, Nigeria, revealed that there was a significant negative relationship between inflation and educational performance in Nigeria. The study concluded that inflation affects educational performance in Nigeria. There was a positive but weak correlation between inflation and educational performance in Nigeria. Inflation had a negative and statistically significant effect on educational performance. The effect of inflation on educational performance was stronger in private universities than in public universities according to (Ejiofor & Okonkwo, 2013). World Bank (2018) found that higher inflation rates were associated with lower quality education, including lower student learning outcomes. Economic hardship as a result of subsidy removal affected operation of schools (Kasimu, & Ogunode, 2023; Ogunode, & Ukozor, 2023a)

In the areas of investment in education, economic hardship that has resulted to economic crisis has impacted negatively on education investment. Foreign Direct Investment inflows according to Alli, (2024) in Nigeria declined by 35.2 percent in the first quarter of 2024 as more multinationals continued to exit the country. According to the latest capital importation report by the National Bureau of Statistics (NBS), FDI fell to $119.2 million in Q1 from $183.9 million in the previous quarter. But it rose on a year-on-year basis by 150.4 percent from $47.6 million. The country's harsh business environment which has worsened by the removal of petrol subsidy and naira devaluation has forced seven multinationals to exit one of Africa's biggest economies in the last 11 months. This situation could affect the country's $1 trillion economy target by 2030. Direct investment reduced due to high operational rates and insecurity challenges in Nigeria which are waning investors' confidence (Alli, 2024; Adenikinju 2024). Adenikinju 2024 observed that since the macroeconomic conditions are stifling, investors outside go for portfolio investment because it's less risky and it allows them to quickly take away their money. But in the long term, we need FDI for a stronger economy. The decline in FDI inflows to Nigeria in recent years is primarily due to a challenging macroeconomic environment, reduced investment by international oil companies, infrastructure deficits, and ongoing security challenges. The reduction in the FDI in Nigeria also affected investment in education. Bhattacharjee (2016) explained the impact of inflation on education. Inflation is a burning issue that hinders economic growth of the country. Inflation is dangerous because it directly affects investment in education. Inflation is price raise of goods and services, which decreases the purchasing capacity of the people and institutions. When the general price level rises, for each unit of currency fewer goods and services can be purchase. Consequently, the purchasing power of customer and investors would gradually decrease. In this situation, the real value of currency would loss, the value of goods and services will increase.

In the areas of budgetary allocation to education, the economic hardship in Nigeria has affected public spending on education. Adegoke (2011) carried out a study titled the impact of inflation on the quality of education in Nigeria and discovered that majority (90.4%) of the respondents indicated that the government has not provided enough funds to improve the quality of education because of inflation. Obiakor (2021) examined the impact of inflation and economic recession on education of secondary school students in Oji River Educational Zone of Enugu. Findings revealed that economic recession has caused unemployment, lower wage, high taxation, budget deficit, rising bond yields and untold hardship on the people to a great extent and propel poor quality and ineffective teaching in secondary schools to a great extent. This poor teaching can be linked to low budgetary allocation as a result of economic hardship. Akpomi, Singer, and Isaac, (2018), which opined that the lives of all citizens suffered economic hardship during the period of inflation. Inflation in Nigeria, has led to the devaluation of naira and this had grossly reduced the value of the funds available for schools internal operations. Economic hardship such as inflation has implication on public financing of education. Economic hardship spur up by inflation according to Giami (2023) had increased geometrically, and had reduced the standard of living that had inadvertently affected the education sector where the teachers are the centre of focus in the implementation of educational policies for the attainment of predetermined goals and objectives. The situation becomes more pathetic with the steady decline in the budgetary allocation to the education sector in the past years. This had resulted to the near lack of provision of instructional materials, facilities and equipment, stagnated salaries, no promotion and payment of increment arrears, poor working condition, and unconducive teaching, increment in infrastructure facilities development and learning environment among others (Giami 2023; Ogunode, Cletus, & Tswenji 2024).

State budgetary allocation to education was also affected by the economic crisis in Nigeria. For instance, in the 2024 budget, ICIR (2024) noted that the Lagos State government allocated N158.27 billion in total expenditure for education. It comprises N62.78 billion for personnel expenditure, N57.84 billion for recurrent expenditure and N37.65 billion for capital expenditure. Similarly, it allocated N162.08 billion in total expenditure for health. It consists of personnel expenditure of N68.97 billion; recurrent expenditure of N58.93 billion; and capital expenditure of N34.18 billion. Further computation shows that in percentage terms, these amount to 6.98 per cent allocated for education and 7.15 per cent for health. This represents a far cry from the 18 per cent and 15 per cent of the state budgets that the governor promised for the sectors. ICIR (2024) reports that budget allocation for the two sectors declined in 2024 relative to 2023. In 2023, the Lagos state government allocated N156.75 billion for education and N149.06 billion for health out of the N1.77 trillion overall budget for that year, representing 8.86 per cent allocation for education and 8.42 per cent for health, respectively. Also, the findings of Bamigboye et. al (2016) also supported the view above when they discovered that States cutting budget on education because of economy, economic downturn and those pumping more fund education sector in the mist of economic crises. The study concluded that economic recession has impacted negatively on education in Southwestern Nigeria.

In the areas of enrolment into different forms of education in Nigeria, inflation which is a product of an economic hardship has disrupted students in enrolment in schools across the country. Ahmed and Tochukwu, (2024) concluded that there was significant relationship between inflation caused a decrease in enrollment and in enrollment in educational institutions in Nigeria. That it Inflation has been an ongoing challenge for educational institutions and their students in recent years. According to a report by the Organization for Economic Co- operation and Development (OECD), inflation has had a "significant negative effect" on enrollment in educational institutions in many countries. The OECD conducted a study in 2018 in which they found that countries with higher rates of inflation tend to have lower enrollment rates in both primary and secondary education. The report states that the rising cost of tuition, books, and other educational expenses can place a financial burden on students and their families, making it difficult for them to afford an education. The report also found that higher inflation rates can lead to a decrease in the availability of scholarships and other financial aid, which can further reduce enrollment. Inflation can have a significant and negative effect on enrollment in educational institutions, as it can make an education more costly and can reduce the quality of the education available (Ahmed et al 2024; Ogunode, Eze, & Olumodeji, 2024). Bamigboye, Ede and Adeyemi (2016) investigated how the economic crisis affected schooling in southwest Nigeria. The study's findings indicate a difference between states that cut education spending due to the economy or a financial crisis and those that increase funding for the sector during those times. According to the study's findings, the economic downturn in Southwestern Nigeria has had a negative effect on schooling.

In the areas of procurement of educational resources to aid implementation of educational services in schools, economic hardship of inflations has affected school procurement of educational resources. Ahmed et al (2024) noted that there was relationship between perceive influence of inflation and the quality of education within the educational system in Nigeria. That it Inflation has a significant effect on the quality of education within the system. This is because inflation represents a rise in the general price level of goods and services over time, which means that educational institutions also face a rise in the cost of running their operations. This can lead to a decrease in resources for educational institutions, such as decreased funding for teachers, textbooks, technology, and other supplies. Yenle (2017) opined that economic recession experienced in Nigeria also led to decrease in recruitment of teachers and other personnel needed for effective education curriculum delivery. The author further stated that there was massive retrenchment in schools especially private ones where parents cannot afford payment. No meaningful teaching and learning can take place where school buildings and laboratories are dilapidated or are in dire need of urgent attention from stakeholders. The findings on the impact of economic recession on funding of secondary school education revealed that recession affected the provision of instructional materials and infrastructure, school renovation and maintenance was difficult and that education allocation in the budget was reduced (Echor & Lohor 2022). Inflation in Nigeria as caused by subsidy removal from fuel affected procurement in educational institutions (Ogunode & Aregbesola. 2023;Ogunode & Chukwuemeka, 2023).

Findings

The paper discovered that economic hardship has affected education development in Nigeria. The paper also revealed that economic hardship has affected quality of education, investment in education, budgetary allocation to education, school enrolment and procurement of educational resources.

Conclusion and Recommendations

This paper assessed the impact of economic hardship on education in Nigeria. The paper established that economic hardship has affected education development in Nigeria. The paper also revealed that economic hardship has affected quality of education, investment in education, budgetary allocation to education, school enrolment and procurement of educational resources.

Based on this results, the paper recommends that federal and state government should diversify the economic by creation opportunities for more local investment to boost employment generation and increment in goods and services. Government should increase the budgetary allocation to the ministry of education. Government should increase the salaries of teachers. Government should provide school buses to schools across the country. Government should subsidy educational resources for schools and students. Government should provide social safety net for the underprivileged ones across the country.

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