

ALTERNATIVE METHODS OF FINANCING VOCATIONAL
AND TECHNICAL EDUCATION IN NIGERIA

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INTRODUCTION

From time immemorial, vocational education has been a useful source of developing skills, knowledge and attitudes needed to enter and make progress in socially useful employment. Prior to the introduction of Western education, manual training in handicrafts which was provided under the traditional apprenticeship system had vocational purposes. For vocational education to meet the requirement of this age of technology, it has to be properly funded.

The issue of funding is a critical thing to consider if vocational education is to meet the continually changing needs of the workforce. Researchers (Mangum, 1974; Evans & Herr, 1978; Adesina, 1990; and Osagie, 1992) continue to advocate for stronger and better vocational education to reduce unemployment and to equip citizens with saleable skills needed in the job market. Progress of vocational education is built on strong economic base because it usually involves more use of expensive equipment and a lower student - teacher ratio. The vocational education programme in the United States of America was nourished through a wide range of federal support and that which was provided through the Acts of Congress in 1917, 1929, 1934, 1936, 1946, 1963, 1968, 1972, 1976 and 1984 (Barlow, 1974 and Sorensen, 1984).

Vocational and Technical education is being emphasised in our educational system because it is concerned with the acquisition of technical knowledge and vocational skills necessary for agricultural, commercial and economic development. (Federal Republic of Nigeria, 1981) This is a progressive change because the former British system emphasised literacy education. Having accorded vocational education the proper recognition, efforts have been made to obtain equipment and supplies for instruction at the secondary school level. Between 1960 and 1962, five hundred and sixty-four thousand and two hundred pounds (£564, 200.00) was disbursed for Technical and Vocational education (Callaway & Musone, 1968) The sources of financing education in Nigeria between 1952 and 1962 were by the public sector, private sector and foreign aid. Government expenditure for technical and vocational education between 1952 and 1962 is £10.974.1 During the First National Development Plan period (1962-1968), technical

and trade schools were established and facilities for teaching the subjects were provided. The Federal and State Governments had a total of £12.3 million during the second National Development plan period (1970-1974) for the execution of Technical and Vocational Education projects (Federal Republic of Nigeria, 1975 : 47).

During the third National Development plan period (1975-1980) the Federal Government signed bilateral agreements with France, Bulgaria, Italy and Romania for the training of middle level human resource needs in Civil, Mechanical, Industrial, Automotive, Aeronautics, Electronic, Chemical and Petroleum Engineering (Federal Ministry of Education, 1978:3) After installing the 6-3-3-4 system of education in September 1982, the Federal Military Government bought a total of seven thousand, two hundred and fifty-four (7254) units of Junior Secondary School (JSS) equipment for the sum of N217,832,289.76 from the Governments of Bulgaria, Czechoslovakia and Hungary (Federal Ministry of Education, 1988).

Major constraints towards improved Vocational and Technical education in Nigeria includes inadequate funding, shortage of science and technical equipment, inadequate teaching personnel especially for pre-vocational courses, high cost of text books and educational materials. In order to reduce the problem of high cost of textbooks and equipment, the federal government secured a World Bank Loan of \$240 Million in 1991 for the procurement of text books and equipment for primary schools and Federal Universities (Central Bank of Nigeria, 1991). However, the demand for Vocational and Technical Education and its substantial economic advantages for its students at all ages and to the economy as a whole makes it imperative to seek alternative sources of funding the programme in the face of dwindling federal resources.

Is Nigeria in a position economically to support the present system of education? Fafunwa (1974) asked similar question twenty years ago in view of the situation as at that period. Our situation at present demands that we either seek alternative to suit our needs or commit more funds to education. Seeking new source of revenue to fund vocational and technical education would assist the states to expand, improve and develop quality vocational education programme in order to meet the needs of the nation's present and future workforce for marketable skills. Besides, it will improve productivity and promote economic growth. An articulation of the substance from relevant literature coupled with the experience from financing of education make the following questions pertinent;

- i. What is the status of educational sector in Government account?
- ii. How can the Federal funds be effectively utilized for vocational/technical education programmes?

- iii. What are the possible ways of generating funds from other sources?

Education in Government Accounts

In order to analyse the place of education in the national economy, the flow of educational finance between 1981 and 1991 reveals that educational expenditure vary from year to year. Expenditure data on education shows that there was a considerable growth in the financial flow to education since 1981 except for a sharp fall in 1987 (See Table 1) In nominal value, the 1989 expenditure represents more than three times the figures of 1981.

TABLE 1

GOVERNMENT EXPENDITURE FOR EDUCATION IN NIGERIA 1981-91 (IN MILLION NAIRA)

<u>Year</u>	<u>Recurrent</u>	<u>Capital</u>	<u>Total</u>
1981	712.8	217.2	930.0
1982	511.8	412.4	924.2
1983	588.8	367.2	956.0
1984	657.9	87.6	745.5
1985	697.2	126.2	823.4
1986	483.8	391.4	875.2
1987	354.1	94.6	448.7
1988	1,458.8	327.9	1,786.7
1989	3,011.8	387.5	3,399.3
1990	1,925.1	331.8	2,256.8
1991	1,256.3	297.0	1,553.3

Source: Central Bank of Nigeria (Dec. 1992) Statistical Bulletin 3 (2) 77-80

However, the capital and recurrent allocations have not been sufficient to meet the needs in educational sector. The shortage of funds resulted in delay in the payment of teachers salaries, inadequate supply of books and instructional materials. Many academic programmes in Universities and Polytechnics cannot be accredited on the grounds of deficiencies in staffing, buildings and equipment as well as library facilities. Education will continue to cost more and not less in the future because huge

investment is needed to sustain the present system of education in Nigeria. In consequence, it has become clearer that the federal government cannot continue to be the major source of financing education. Other sources have to be explored in order to achieve the national educational objectives.

Table 2 relates expenditure on education to magnitudes of total revenue collected by the Federal Government each year between 1982 and 1991.

Table 2

EDUCATIONAL EXPENDITURE FROM TOTAL FEDERALLY COLLECTED REVENUE (IN MILLION NAIRA)

<u>Year</u>	<u>Expenditure for Education</u>	<u>Total Revenue</u>	<u>Percentage of Total Revenue</u>
1982	924.2	11,764.4	12.7
1983	956.0	10,508.7	9.1
1984	745.5	11,191.2	6.7
1985	823.4	14,689.1	5.6
1986	875.2	12,302.0	7.1
1987	448.7	25,099.8	1.8
1988	1,786.7	27,310.8	6.5
1989	3,399.3	50,272.1	6.8
1990	2,256.8	68,570.5	3.31
1991	1,553.3	88,158.7	1.8

Source: Central Bank of Nigeria (1992) Statistical Bulletin 3 (2) 74-75.

The table reveals that the percentage of government expenditure on education is low. It also shows sharp fall in 1987 and 1991. This is an indication of poor funding. The nation cannot afford to starve the educational sector financially if the nation is to develop technologically. The situation becomes worrisome if the fund for Vocational and Technical education programme is to come from the small allocation. The

government had indicated that technical education forms the basis of our technological development and greater proportion of educational expenditure will continue to be devoted to technical education by government at both the Federal and State levels (N.P.E. 1981:30) It becomes obvious that Vocational/Technical education deserves special fund or allocation from the federal government while other avenues need to be explored to tap resources for the development of vocational and technical education.

Financing Vocational/Technical Education with Federal Funds

There is the need to commit substantial fund to Vocational/Technical Education each fiscal year. One way to ensure consistency in implementation and interpretation of principles required to meet appropriate targets is to enact the vocational education Act. The purpose of the Act is to assist State government to expand, improve, modernise and develop quality vocational education in order to meet the needs of the nation for increased productivity and production of workforce for marketable skills (Scrensen, 1984). This will promote the development of human resources, reduce structural unemployment and increase productivity.

The Act will ensure that individuals who need training in specific skills or retraining for second career are provided with quality vocational education in order to get job in the employment market or be self employed. This will also make vocational education to be more responsive to the labour market in Nigeria. Furthermore, the Act will assist the most economically depressed areas of a state to raise employment and occupational competencies of its citizens. Finally, it will improve the effectiveness of Industrial, Business, Agricultural and Home Economics Education.

For each fiscal year, a specific sum in billions of naira should be authorized for appropriation in order to carry out the provisions of the Vocational Education Act. The authorization in the Act for each year should be tied to the specific training or programme such as;

- (1) Consumer and Homemaking Education
- (2) Adult training, retraining and employment development
- (3) Industry-Education partnerships for training in high-technology occupations
- (4) Food technology, clothes manufacturing, service machine etc
- (5) Career guidance and counselling.

This will ensure that funds are reserved and utilised for programmes of national interest. The Act may be amended any year to focus on specific needs of the government such as (1) Youth unemployment,(2)

disadvantaged or minority employment programme, (3) the handicapped and adult needs. The Act could also stimulate the development of an aspect of education in all the states.

Allocation of Vocational Education Act funds to the States should be based on derived formula and shall be made on the basis of criteria established by regulation. Each State or local government area that meets the guidelines of the Act may apply for the federal fund for Vocational/Technical Education

Generating Vocational Education Funds from State Government

Each state in the federation is capable of providing vocational and technical education services by using portion of its allotment in any fiscal year to meet the needs of equipment, materials and services for quality vocational education. It can also use its resources to provide, improve and expand secondary prevocational and vocational education.

Part of the proceeds from Value Added Tax (VAT) may be used by State Government to service vocational education programmes. During the first quarter of 1994, a total of N1.2 billion was disbursed to the 30 states of the federation as the main beneficiaries of the new tax system. The Federal Government estimated a total income of N6 billion from VAT for the whole year (Shofowora, 1994) other revenue yielding sources that could be explored at the state level are (1) Education rates/levies, (2) state Educational Endowment fund and (3) registration fees on first enrolment in secondary school.

Funds from Local Government

Some Local Government Areas have the privilege to have Technical and Vocational Institutions. These local governments benefit in that they have the highest number of students and staff from the area based on the federal government requirement of 75% catchment area. Such local government should owe it as part of their responsibility and obligations to see to the growth and development of the institutions located in their area. In the course of distributing their municipal services such as electricity, water, construction of roads, they should consider the institutions in their area and use part of their funds for workshops/laboratory, equipment and materials. Part of revenue from property Tax, fees and licenses could be utilised for the purpose.

Contributions from Private Sectors

Business and industrial establishment operating in Nigeria are major sources of funding vocational and Technical education. Their co-operation is essential since the technical and business education curriculum must be

related to the requirements of Industry and Commerce. Also, the vocational education must provide specific skills needed for employment. At present, the Industrial Training Fund (ITF) is sharing cost burden between the public and private sector. The ITF executes its capital development projects and finances its recurrent activities through the contribution of all employers who have 25 or more employees on their payroll. Such employers contribute one percent of the total sum of their annual payroll to the ITF. With this input, the ITF has been providing various training and advisory services (Federal Republic of Nigeria, 1971).

Organisations that provide Industrial training either for their workers in their training schools or establish vocational schools should make trainees participate in the production of goods and services. The proceeds from sales may be used to support vocational education in their community. Examples here include production and sale of simple tools and farm implements, food retailing, repairs of radio, television and automobile, electrical wiring of buildings, construction and repair of upholstery. Besides, industry and business establishment may donate equipment such as personal computers, Typewriters, workshop equipment for wood, metal and electronics, to schools that have failed to provide adequate training.

Also, organisations selling products and services that are new may send them to formal schools that have not had the opportunity to incorporate such into their curricula. Examples include computers for use in classrooms, Robots, Laser, Computer-assisted design and Computer - assisted machining (CAD/CAM), Oscilloscopes, Board Master Diagnostic System (4000 series). On the other hand, manufacturers should be willing to train teachers of technology who are expected to teach practices that are based upon new developments and methods of work.

Summary and Conclusion

Our society is committed to quality technical education because it is capable of equipping the citizens with technical knowledge and vocational skills necessary for agricultural, industrial, commercial and economic development. Vocational and technical education would be able to survive in the public school curriculum through increased funding from Federal, State, Local Governments and private sectors. Vocational education is considered as an enterprise in developed countries and funds are supplied from many sources. For example, in 1984, the public vocational education in America was funded primarily by state and local government - almost \$9 billion annually. It was also assisted by Federal funds of over \$900 million or about 10 percent of total dollars spent on programs (Sorensen, 1984) There is the need, therefore, to have specific funding structure in Nigeria because of the strong economic justification for vocational education.

Additional sources of income to the public education system could be from endowments, receipts from fees, income from Value Added Tax (VAT), philanthropists, Aids from international bodies, school consultancy services, old students association and community development unions. The ever increasing cost of financing education in general and vocational education in particular requires joint cooperation from different financing units towards achieving the objectives of vocational and technical education.

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