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EDUCATION BUDGET ALLOCATION AND MANAGEMENT EFFICIENCY: A CROSS-NATIONAL REVIEW OF PUBLIC SPENDING OUTCOMES, WITH NIGERIA AS A CASE

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ABSTRACT

This study examined the patterns of education budget allocation and management efficiency in Nigeria, contextualized within a cross-national review of public spending outcomes. Using a qualitative comparative approach, the paper evaluates Nigeria's decade-long trends (2009–2018) in budgetary prioritization for education, juxtaposing them against benchmarks set by UNESCO and practices from peer nations such as Ghana, Kenya, South Africa, and Malaysia. Findings reveal that Nigeria's education allocations have remained consistently below the recommended 15–20% of total public expenditure, with peak allocation reaching only 9.94% in 2014. In addition to low funding, weak institutional capacity, corruption, delayed fund release, and poor monitoring systems further diminish the effectiveness of education spending. In contrast, comparator countries have achieved relatively better educational outcomes through transparent financing frameworks, performance-based budgeting, and community-inclusive oversight. The study concludes that Nigeria must not only increase education funding but also address systemic inefficiencies to ensure impactful resource utilization. It recommends strategic reforms including improved fiscal discipline, digitalized monitoring, capacity building in education ministries, and the institutionalization of accountability mechanisms to ensure that budget allocations translate into tangible educational development and national growth.

Keywords: Education Financing, Budget Allocation, Public Spending, Management Efficiency, Education Policy Reform.

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INTRODUCTION

Education remains a cornerstone of national development, playing a critical role in shaping the socio-economic, political, and technological progress of nations. It is both a fundamental human right and a public good with far-reaching implications for health, employment, productivity, and civic participation. In recognition of these, global frameworks such as the United Nations Sustainable Development Goal 4 (SDG 4) advocates for inclusive and equitable quality education and lifelong learning opportunities for all by 2030. Central to realizing this goal is the commitment of governments to allocate and manage adequate financial resources for the education sector. However, for many developing countries including Nigeria, there exists a significant mismatch between policy ambition and fiscal prioritization, raising concerns about not only the volume but also the efficiency of education spending (UNESCO, 2021).

In Nigeria, the challenge of educational development is multifaceted and deeply rooted in financial neglect, weak policy implementation, and institutional inefficiencies. Despite being Africa's most populous nation and one of its largest economies, Nigeria’s public education financing has been persistently low and erratic. Between 2009 and 2018, the percentage of the national budget allocated to education consistently fell below 10%, peaking at just 9.94% in 2014 well below the UNESCO-recommended minimum of 15–20% (UNESCO, 2015; Budget Office of the Federation, 2020). The consequences of this underfunding are evident in dilapidated infrastructure, teacher shortages, low enrolment rates, and poor learning outcomes, particularly in rural and conflict-affected regions. These outcomes challenge Nigeria’s ability to harness the demographic dividend of its large youth population.

While increased funding is crucial, how funds are managed and utilized is equally important. The concept of management efficiency in education budgeting refers to the ability of institutions to ensure timely disbursement, transparent procurement, evidence-based planning, and effective implementation. In Nigeria, however, systemic inefficiencies ranges from bureaucratic bottlenecks and corruption to inadequate monitoring frameworks undermine the potential impact of available resources. Numerous reports from development agencies and accountability institutions reveal widespread fund mismanagement, ghost workers, and stalled capital projects across the education landscape (Independent Corrupt practices and other Related offences commission, ICPC, 2021; Socio-Economic Rights and Accountability Project, SERAP, 2022). These inefficiencies not only waste scarce public funds but also erode trust in governance and reduce the quality of education delivery.

This study adopts a cross-national comparative approach to evaluate Nigeria’s education budget allocation and management efficiency in relation to selected countries including Ghana, Kenya, South Africa, and Malaysia. These countries were chosen for their relevance in offering regional and developmental contrasts to Nigeria’s experience. Comparing education financing structures, institutional practices, and outcome indicators, the study aims to identify both gaps and good practices that can inform Nigeria’s policy reform. This paper further explored the implications of budget implementation failures, weak institutional capacity, and public spending outcomes on the effectiveness of education systems. Ultimately, this inquiry contributes to the broader discourse on sustainable education financing in the Global South and the role of public accountability in achieving development targets.

CONCEPTUAL FRAMEWORK

Education Budget Allocation

Education budget allocation is central to the financing of public education systems and reflects a nation's commitment to human capital development. According to UNESCO, countries should allocate between 15% and 20% of their total government expenditure to education to meet the Sustainable Development Goal 4 (SDG 4) on quality education (UNESCO, 2015). In Nigeria, however, education budget allocations have consistently fallen short of this benchmark. For instance, in 2022, only 7.9% of Nigeria's national budget was allocated to the education sector, far below not only the international threshold but also below the commitment made by African Union states in the 2015 Addis Declaration (BudgIT, 2022). The underfunding is even more pronounced at the state level, where education is often deprioritized in favor of other political expenditures. This trend not only hampers infrastructural development and teacher recruitment but also weakens the system's ability to address disparities in access and quality. Without adequate and sustained investment, the foundational systems necessary for efficient service delivery in education remain fragile and ineffective.

Management Efficiency

Management efficiency in the education sector determines the extent to which budget allocations are translated into tangible outcomes. It involves prudent planning, timely fund disbursement, transparent procurement practices, competent administrative personnel, and effective monitoring and evaluation mechanisms. In Nigeria, while allocations to education are often inadequate, even the available funds are not always effectively managed. Reports from the Office of the Auditor-General of the Federation regularly highlight cases of unspent capital budgets, misappropriated funds, and inflated contracts in the education sector (OAGF, 2021). These inefficiencies are exacerbated by weak institutional capacity and fragmented responsibilities between federal, state, and local governments. Unlike in countries like Kenya and Ghana where performance-based budgeting and digital accountability tools enhance financial efficiency, Nigeria still relies heavily on manual processes and opaque budgeting systems (World Bank, 2021). Strengthening management efficiency requires not only capacity development and civil service reform but also the institutionalization of accountability frameworks such as the Integrated Personnel and Payroll Information System (IPPIS) and the Open Treasury Portal.

Public Spending Outcomes

Public spending outcomes in education are typically assessed by indicators such as enrolment rates, literacy levels, school infrastructure development, teacher-pupil ratios, examination pass rates, and overall quality of learning. Ideally, higher and well-managed education spending should lead to improved educational outcomes. In Nigeria, however, the outcomes often do not correspond with the levels of investment, largely due to inefficiencies in allocation and utilization. For instance, the 2022 Multiple Indicator Cluster Survey (MICS) revealed that while primary school enrolment has increased modestly, learning poverty remains high, with over 70% of 10-year-olds unable to read and understand a simple sentence (UNICEF, 2023). Comparatively, countries like Malaysia and South Africa, though also facing socio-economic disparities achieve better outcomes due to their strategic investment in teacher training, early childhood education, and digital learning tools (OECD, 2022). Nigeria's suboptimal outcomes are further worsened by regional inequalities, insecurity in the North-East, and inadequate teacher deployment. Thus, improving public spending outcomes will require aligning investment strategies with evidence-based interventions, strengthening data systems, and fostering an outcome-oriented policy environment.

Education Budgeting and Spending Trends in Nigeria

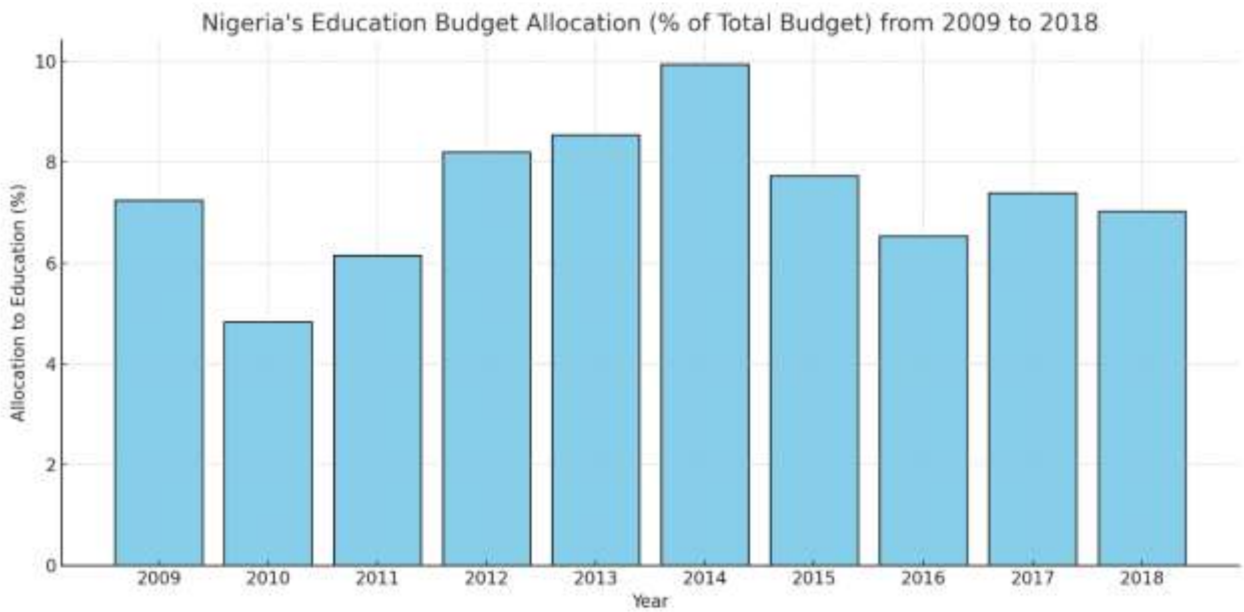
Between 2010 and 2024, Nigeria's federal education budget has consistently fallen short of the global benchmark recommended by UNESCO, which advises governments to allocate between 15–20% of their national budgets to education. Instead, Nigeria's allocations have fluctuated within a narrow band of 6–8%, reflecting chronic underinvestment in a sector fundamental to human capital development and national productivity. For instance, in 2016, only 6.01% of the total national budget was allocated to education, and while there was a modest rise to 7.9% in 2022, this still fell significantly below both international expectations and Nigeria's own policy target of 26% set in its National Policy on Education (Federal Ministry of Education, 2014). Compounding the issue of low allocations is the fact that these budgeted figures are often not fully released. Delayed or partial fund disbursements particularly affect capital projects such as school construction, ICT deployment, and teacher development programs, thereby limiting the transformative potential of the allocated resources (UNICEF, 2021; NBS, 2022).

Moreover, the structural composition of education spending in Nigeria reveals a heavy skew toward recurrent expenditure. On average, over 70% of the education budget is spent on salaries and overheads, leaving less than 30% for capital investment (BudgIT, 2022). While remunerating personnel is essential, the lopsided expenditure pattern leaves little room for infrastructural development, teacher training, and curriculum modernization elements that are crucial for improving education quality and accessibility. A 2022 report by BudgIT revealed that although the government budgeted N1.29 trillion for the sector, only about 60% of these funds were eventually released and utilized. Alarmingly, the Auditor-General's annual reports have documented widespread instances of leakages, unretired expenditures, and ghost projects within education funding frameworks (Office of the Auditor-General for the Federation, 2021). This mismanagement not only compromises learning outcomes but also erodes public trust and disincentivizes both domestic and international investments in Nigeria's educational system. Without reforms aimed at budget transparency, efficient fund utilization, and outcome-based planning, the country's aspirations for educational transformation will remain elusive.

The bar chart illustrates Nigeria's education budget allocation as a percentage of the total national budget from 2009 to 2018. Notably, the highest allocation was recorded in 2014 at 9.94%, while the lowest was in 2010 with just 4.83%. The trend reflects significant volatility and persistent underfunding, especially when compared to the UNESCO benchmark of 15–20% of national expenditure for education.

This erratic pattern underscores a lack of sustained policy commitment to the education sector, despite increasing population growth and rising demand for quality educational services. The brief uptick from 2012 to 2014 suggests that higher allocation is possible when aligned with stronger political will and economic prioritization. However, the subsequent decline after 2014 reaffirms challenges such as poor revenue performance, competing fiscal pressures, and systemic inefficiencies in public financial management. Without deliberate efforts to stabilize and elevate education funding, Nigeria risks further widening educational inequality and diminishing its human capital development potential.

Nigeria's Educational Allocation as Percentage of Total Budget (2009 -2018)



Source: Central Bank of Nigeria Statistical Bulletin (2018)

The underfunding in education compromises infrastructural development, limits teacher recruitment and training, and restricts access to quality learning materials—factors that cumulatively depress educational outcomes. Second, Nigeria's failure to meet international spending benchmarks diminishes its credibility in the global development arena and may restrict international aid or technical support in the sector. Moreover, when education receives less than 10% of the total national budget in a country with one of the world's highest out-of-school populations, the consequences are long-term: weakened human capital, entrenched poverty cycles, and diminished capacity for innovation and industrial growth. Without sustained and strategic investment, the country risks failing to meet its own Vision 2030 education goals and the broader Sustainable Development Goal 4 (Quality Education).

CROSS-NATIONAL COMPARISONS

Comparative analysis offers valuable insight into how different countries manage education financing to improve public service delivery. Although resource constraints are common across many developing nations, the efficiency and accountability frameworks surrounding education budgets vary significantly, leading to differing outcomes. The following cases of Ghana, Kenya, South Africa, and Malaysia presents instructive contrasts to Nigeria's education budget management and spending performance.

Ghana

Ghana stands out in West Africa for its consistent and substantial investment in education. Over the past decade, Ghana has regularly allocated more than 20% of its national budget to education, exceeding UNESCO’s minimum benchmark and surpassing Nigeria's 2022 allocation of 7.9% (UNESCO UIS, 2023). In 2021, Ghana allocated 23.8% of its national budget to education, representing approximately 6.1% of its GDP (Ministry of Finance Ghana, 2022). A key enabler of this fiscal commitment is the Ghana Education Trust Fund (GETFund), which provides earmarked financing sourced from a dedicated VAT levy. This framework ensures predictable and sustained investment, particularly in capital projects and tertiary education. Moreover, Ghana’s participatory budgeting process and school-level accountability mechanisms have improved the transparency and alignment of education spending with community needs. As a result, the country achieved a primary net enrolment rate of 88% in 2022 and a literacy rate of 79% among youth aged 15–24, compared to Nigeria's 65.4% (UNESCO, 2023).

Kenya

Kenya has implemented an innovative approach to education financing, combining performance-based budgeting with fiscal decentralization. Education receives about 5.3% of Kenya’s GDP, equivalent to 25.9% of total government expenditure in 2022—one of the highest ratios in Sub-Saharan Africa (Zoe Talent Solutions, 2025). A significant portion of funds is transferred directly to schools under the Free Primary Education (FPE) and Free Day Secondary Education (FDSE) programs. These transfers are monitored using digital accountability platforms, such as the National Education Management Information System (NEMIS), which tracks real-time data on student enrolment, teacher distribution, and school infrastructure. Community participation through Boards of Management (BoMs) enhances local oversight and ensures funds are used for intended purposes. These innovations have improved primary school completion rates to 84% and significantly reduced regional disparities in access (UNESCO UIS, 2022). The country’s gains highlight the importance of combining fiscal resources with technological tools and decentralized decision-making for efficient education spending.

South Africa

South Africa devotes significant financial resources to education, spending about 5.9% of its GDP and 19.5% of total government expenditure on the sector in 2022 (OECD, 2022). Despite persistent inequality from apartheid-era legacies, the country has made strategic investments in curriculum reform, teacher development, and infrastructure particularly in under-resourced provinces. South Africa’s National Treasury operates under a Medium-Term Expenditure Framework (MTEF) that aligns funding with measurable outcomes and three-year planning cycles. In addition, rigorous evaluations by the Department of Basic Education (DBE) and oversight by the Office of the Auditor-General have improved budget execution rates and reduced inefficiencies. The integration of data from the South African School Administration and Management System (SA-SAMS) also allows for granular performance tracking. In 2022, South Africa recorded a youth literacy rate of 98% and a gross enrolment ratio of 109% in secondary education indicators far ahead of Nigeria’s performance (UNESCO UIS, 2023).

Malaysia

Malaysia exemplifies how middle-income countries can use strategic planning and results-based financing to enhance education outcomes. The country spent approximately 4.7% of its GDP on education in 2022, representing 17.6% of total government expenditure (World Bank, 2023). The *Malaysia Education Blueprint 2013–2025* guides long-term reforms focusing on teacher quality, digital literacy, school infrastructure, and equitable access. Under this plan, Malaysia introduced performance-linked financing for schools and teachers, digital learning platforms, and public-private partnerships that mobilize additional resources. The country's emphasis on continuous teacher professional development has contributed to improved PISA scores, where Malaysian students outperformed many peers from developing nations in reading and science (OECD PISA, 2022). Moreover, nearly 99% of primary-aged children are enrolled in school, and the transition rate to secondary education exceeds 95%. Malaysia's model illustrates how disciplined fiscal management, innovation, and institutional collaboration can transform education delivery even in resource-constrained contexts.

KEY CHALLENGES IN NIGERIA

Despite nominal allocations to the education sector in Nigeria, systemic challenges continue to undermine the efficiency, transparency, and impact of public spending. These structural and institutional weaknesses diminish the sector's capacity to deliver quality education and hinder the nation's progress toward meeting SDG 4.

Poor Budget Implementation

One of the foremost challenges affecting Nigeria's education sector is poor budget implementation. Delayed release of funds especially capital allocations has remained a recurring issue, leading to stalled or abandoned infrastructure projects across the country. According to the Budget Office of the Federation, less than 60% of capital allocations to the Federal Ministry of Education were utilized in 2021, largely due to late cash backing and weak procurement cycles (Budget Office, 2022). State education ministries face even more severe implementation delays, often compounded by political interference and overcentralized expenditure processes. The result is a chronic under-execution of projects and the persistent presence of uncompleted or poorly maintained school facilities. Underfunding mid-project, alongside frequent virement of funds to non-educational priorities, further undermines sustainability and long-term planning (Gafar, 2019).

Weak Institutional Capacity

Institutional capacity deficits at both federal and state levels hinder effective education planning and project execution. Many Ministries of Education lack the necessary human resources, planning frameworks, and data systems to manage large-scale educational interventions. For instance, a World Bank assessment of Nigeria's education sector capacity in 2020 noted that only 30% of state ministries could produce credible, costed education sector plans, while less than 40% maintained functional Education Management Information Systems (World Bank, 2020). These shortcomings lead to resource misallocation, poor project design, and ineffective use of available funds. Furthermore, high turnover of technical staff, limited investment in training, and outdated bureaucratic processes continue to hamper institutional performance. Without strong administrative and technical capacity, even well-funded programs struggle to achieve meaningful results.

Corruption and Leakages

Corruption remains a significant threat to education financing in Nigeria. The procurement process is frequently undermined by inflated contracts, favoritism, and lack of competitive bidding, resulting in poor-quality infrastructure and wasted resources. Moreover, the problem of "ghost workers" non-existent teachers drawing salaries persists, particularly in rural and conflict-affected regions. A 2021 investigation by the Independent Corrupt Practices and Other Related Offences Commission (ICPC) uncovered over 5,000 ghost teachers on the federal payroll, with state figures estimated to be even higher (ICPC, 2021). Similarly, Transparency International reports that leakages in the payroll and procurement systems significantly reduce the value of actual education expenditure by diverting funds away from intended beneficiaries (Transparency International, 2024). These corruption-related inefficiencies erode public trust, discourage donor support, and reduce the effectiveness of government efforts to expand access and improve quality.

Inadequate Monitoring and Evaluation

The lack of robust monitoring and evaluation (M&E) systems undermines the ability to track performance, assess impact, and ensure accountability in Nigeria's education sector. Many states lack dedicated M&E departments or rely on manual reporting systems that delay or distort feedback. Consequently, decision-makers often operate without reliable data on school attendance, teacher deployment, textbook distribution, or learning outcomes. The Universal Basic Education Commission (UBEC) has acknowledged that weak M&E contributes to ineffective program design and repeated budgeting errors across budget cycles (UBEC, 2020). In comparison, countries like Kenya and Malaysia have institutionalized digital M&E platforms that provide real-time updates and facilitate timely course correction. In Nigeria, enhancing the use of digital tools, geospatial tracking, and independent audits could significantly improve project transparency and expenditure outcomes.

CONCLUSION AND RECOMMENDATIONS

This study reveals that Nigeria's persistent underinvestment in the education sector, coupled with inefficient management of allocated funds, has significantly undermined the attainment of equitable and quality education. Over a decade (2009–2018), federal budgetary allocations to education never met the UNESCO benchmark of 15–20%, with the highest allocation peaking at only 9.94% in 2014. This chronic shortfall is compounded by administrative inefficiencies, weak institutional capacity, and systemic corruption, all of which have constrained the delivery of essential educational services and infrastructure. In comparison with countries like Ghana, Kenya, South Africa, and Malaysia, Nigeria trails behind in both spending volume and value-for-money outcomes. While these nations have implemented strategic reforms such as performance-based budgeting, participatory monitoring systems, and transparent funding frameworks Nigeria's progress remains hampered by fiscal indiscipline and policy discontinuities

To reposition Nigeria's education sector as a driver of national development, several recommendations emerge from this review. First, the government must demonstrate political will by progressively increasing the budgetary allocation to education, with a target of meeting at least the lower limit of the UNESCO benchmark. Second, institutional reforms are urgently needed to enhance public financial management systems within the Ministries of Education at both federal and state levels. This includes strengthening budget implementation capacity, deploying digital procurement and monitoring tools, and institutionalizing community-based accountability mechanisms. Third, anti-corruption agencies and civil society actors must intensify oversight in procurement, payroll, and capital projects, ensuring transparency and sanctioning leakages. Lastly, Nigeria can learn from best practices in countries like Malaysia and Ghana by investing strategically in teacher training, ICT integration, and results-based financing. These measures, if implemented with consistency and integrity, can significantly improve education outcomes and contribute to the nation's socio-economic transformation.

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