

Inflation and Education in Nigeria: An Analysis

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Abstract

This paper examined the impact of inflation on education in Nigeria. Examination of the impact of inflation on education in Nigeria is a position paper that depends on secondary data to affirm its' assumption. The secondary data used in the paper were collected from online publications, government documents and print resources. Content analysis was used to select the final literature that was in line with the theme of the study. The paper revealed that inflation has affected education in Nigeria. Specifically, inflation impacted negatively on educational administration by increasing the operational cost of running educational institutions. Inflation has led to an increment in the cost of building infrastructural facilities, and educational resources, a reduction in students' enrolment and lower quality education, poor teachers' job performance and lower student learning outcomes. The government should increase the budgetary allocation to education. A social safety net programme should be implemented for students and teachers. The salaries of teachers should be increased and the students' loan programme should be implemented to lessen the burden on students. The government should diversify the economy by developing the agricultural sector and industrial sectors.

Keywords: Educational administration, education, inflation, operational cost, educational resources.

Introduction:

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). It is the key

to upward mobility that leads to the progressive modernization of societies. Education indeed empowers any nation to rise to the challenges of social, cultural, economic and technological change (Oyebade et al., 2008). Education is said to be a means of developing human resources by cultivating appropriate skills, knowledge and attitudes without which the nation cannot harness resources to industrialise and take part in the global knowledge economy (Durosaro, 2012). Education is the process of acquiring skills, knowledge, values, competencies, and generally the acceptable behaviour of a society to enable the individual to live successfully and contribute to the development of the society (Abdulkareem, 1990). Atolagbe (2011) concluded that no nation ever rises above its investment in education. The need to eradicate illiteracy in the world has however been attracting the attention of individuals, communities and governments.

Nigerian education comprises early child education, basic education, junior secondary, senior secondary school education and tertiary education. Nigerian educational system is the largest. The Nigerian educational system has been plagued by a lot of deteriorating pressure such as poor management, poverty and shortage of teachers, inadequate facilities, poor supervision, inadequate funding and inflation among others (Femi, 2022). The impacts of inflation on education cannot be overemphasized especially on the quality of tertiary education in Nigeria. The Federal Ministry of Education (FMR) vision says, to advance Nigeria's economic growth and global competitiveness through the provision of accessible, relevant, high-quality education in our tertiary education institution, however, it is rather contradicting the condition of the tertiary education in Nigeria today. There is no accessible and high-quality education in the system because the major driver of quality education which is funding has become a major challenge for education in Nigeria (Akeredolu, 2022; Ahmed & Tochukwu, 2024). Many factors appear to be affecting educational development. Some of these factors include; maladministration, poor funding, shortage of professional teachers, shortage of infrastructure facilities, poor supervision, economic recession and inflation. The impacts of inflation on education cannot be overemphasized especially on the quality of tertiary education in Nigeria. Ogunode & Ukozor (2023) defined inflation as the steady increase in prices of goods and services over some time while Femi (2022) viewed inflation as occurring when a lot of money can only be used to buy a small number of products and services.

Inflation which is defined as the sustained increase in the general price level of goods and services in an economy though can be beneficial to some areas of the economy, like stimulating economic growth, it can also cause some serious problems, especially when it comes to the cost of feeding, acquiring teaching and learning materials, tuition fees, salaries of teachers and transportation costs of both students and teachers (Ahmed & Tochukwu, 2024). Inflation is a sustained increase in the general price level of goods and services in an economy over some time. To break it down; it means that the value of money decreases over time, causing the prices of things to go up the roof. The same amount of money can buy fewer goods and services than usual (Pans pressui, 2024). Inflation is an increase in the general level of goods and services over a given period across boards resulting in a fall in the purchasing capacity of the fixed wages and income earners (Hages, 2016). Inflation is the continuous fall in the purchasing value of money, in that, more money chases fewer goods and services, which adversely affects negatively the economy and reduces the standard of living of the population (Ogbebor et al., 2020).

The increase in the prices of commodities reduces consumer's marginal propensity to save, which adversely affects the people's standard of living. The uncertainty in prices of goods and services had in individuals the desire to earn more income by getting engaged in more income-generating jobs sometimes at the expense of their health in a bid to maintain a minimum standard

of living (Farid et al., 2012). Gagarawa & Mehrotra (2017) maintained that for households to maintain their standard of living or meet their expenditures, which always increase during inflation, many households have resort to extra income-generating activities, which is a sign of a dip in leisure time, productivity, better social as well as their 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 is anti-workers economic growth and prosperity because it allows for arbitrary increases in prices of goods and services to the detriment of workers' fixed income even when it is glaring that their purchasing power is being reduced persistently and that eventually erodes their propensity to save. In other words, the purchasing power of a given amount of money will be smaller over time when there is inflation in the economy (Giarni, 2023).

According to Ogunode et al. (2024a) during inflation, managers of schools due to a shortage of funds available to schools decide to reduce procurement of all needed educational resources and only purchase a few as a result inflation increases the operational cost of the schools. This decision of not buying the required and adequate teaching and learning resources affects the quality of education because education can be likened to a system in that all resources must be provided with the right qualities and deployed. The failure to do this will affect the quality of education. The cost of living of teachers is affected by inflation because teachers who have access to little money at hand are constrained in terms of their movement to school and attendance in the classroom. When teachers miss class and cannot teach the entire period as planned in the scheme and syllable as a result of inflation; the missed classes and lessons will imply students resulting in poor quality of education because students do not learn what they are supposed to learn at the right time. During inflation many poor parents cannot afford to transport their wards to schools regularly and some wards do not eat well in their rooms due to the high prices of foodstuff in the market. The poor feeding of the children at home leads to malnutrition and poor class attendance. This action affects student learning and has led to poor quality of learning. Inflation can hamper education development because it makes all educational resources unreached to school managers, students and parents. Inflation leads to an increase in school fees that affect student enrolment, retention and school completion. Inflation affects facility development and maintenance in schools and can lead to poor quality of education if those resources are not provided as a result of inflation (Ogunode, et al 2024b). It is important to examine the impact of inflation on education in Nigeria.

Purpose of the study:

The purpose of this study is to investigate the impact of inflation on education in Nigeria. The specific objective is “to find out the impact is to critically examine the impact of inflation on education in Nigeria.”

Research Question:

To guide this study, the paper formulated the following question;

“What is the impact of inflation on the Nigerian educational system?”

Method:

Examination of the impact of inflation on education in Nigeria is a position paper that depends on secondary data to affirm its' assumption. The secondary data used in the paper were collected from online publications, government documents and print resources. Content analysis was used to select the final literature that was in line with the theme of the study.

Literature Review:

There are many investigations on the impact of inflation on education. For instance, Ahmed & Tochukwu (2024) carried out a study that investigated the perceived influence of inflation on the Nigerian educational system: a case study of Federal Polytechnic, Oko, in Orumba North Local Government Area of Anambra state. Based on this analysis and findings, it was discovered that there was a significant relationship between the perceived influence of inflation and education in Nigerian University ($r(399) = .670^{**}$, $p < .05$), also result reveals that there was relationship between perceive influence of inflation and the quality of education within the educational system in Nigeria ($r(399) = .606^{**}$, $p < .05$) and there was significant relationship between inflation and decrease in enrollment in educational institutions in Nigeria ($r(399) = 0.464$, $p < 0.05$). Also, Ogunode et al. (2024b) conducted a study and the study revealed that inflation affected the running of the universities in Nigeria by increasing operational costs. The result also indicated that inflation affected project completion, and led to project abandonment, poor project financing and poor project maintenance. The result finally revealed that inflation affected the implementation of teaching programmes, research programmes and community service programmes in Nigerian universities. Examination of the impact of inflation on infrastructural facilities development of Basic schools in Nigeria was done by Ogunode, et al. (2024b). They concluded that contract review, increment in cost of building materials, increment in labour, suspension of projects and delay in the commencement of new projects are the impact of inflation on infrastructure facilities development in the Basic schools in Nigeria.

Ogunode & Ukozor (2023) discovered that inflation has led to an increment in the operational cost of running universities, an increment in the cost of infrastructure facilities provision, an increment in the cost of teaching program implementation, an increment in the cost of research programme implementation and an increment in cost of community programme implementation, increment in universities fees and increment in students drop out. Also, Giami (2023) examined the impact of inflation and standard of living on teacher's job performance in public senior secondary schools in Obio-Akpor Local Government Area, Rivers State, Nigeria. Based on the analysis of the data, the result revealed that inflation and standard of living have negative impacts on teachers' job performance among teachers in the study area. The study recommended the following; that the government should as a matter of urgency increase the budgetary allocation of not less than a minimum 20% of the state budget to the education sector.

Akeredolu (2022) conducted an online survey to assess how inflation affects tertiary education students. The survey was shared with over 700 undergraduate students from more than 10 Nigerian universities. 80% of the students were from federal universities while 10% were from private universities and 10% were from state universities. From the responses gathered, 52.5% confirmed that their institution increased tuition fees by 10-30% in the past year and their room and board fees increased by 10-30% in the same period, 47.5% confirmed that the cost of transportation increased by 10-30% while 35% confirmed a 40-90% increase in transportation cost.

45% of the students confirmed that the increase in feeding cost has mildly affected their school schedules, 22.5% confirmed that it has greatly affected their school schedules and 2.5% confirmed that it has extremely affected their school schedules. The objective of this study is to determine the impact of inflation and economic recession on the education of Secondary School Students in Oji River Educational Zone of Enugu State by Obiakor (2021). Findings revealed that economic recession has caused unemployment, lower wages, high taxation, budget deficit, rising bond yields and untold hardship on the people to a great extent and propelled Poor quality and ineffective teaching in secondary schools to a great extent, and; government failure to respond to the cry of the masses to a great extent.

Nwankwo (2018) carried out a study titled Inflation and Education in Nnamdi Azikiwe University, Awka, Anambra state, Nigeria. The sample of the study consisted of 500 respondents, which were randomly selected using the stratified random sampling technique. The instrument used for data collection in this study was a structured questionnaire. The data collected were analyzed using descriptive statistics such as frequency distribution tables, mean scores, percentages, and correlation coefficients. The findings of this study revealed that there is a positive and significant relationship between inflation and education. The study also revealed that inflation has a negative effect on the quality of education. It was also found that inflation has a negative impact on the availability of educational resources, such as classroom space and textbooks. The study also revealed that inflation has a negative effect on the level of teachers' salaries, which in turn affects the quality of education. OECD conducted a study in 2018 and they found out 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. The report further noted that inflation can also lead to a decrease in the quality of education available, as educational institutions may have to reduce their budgets due to the rising costs of goods and services. This can result in reduced access to educational materials, as well as a decrease in the number of teachers available. Aubrey et al. (2018) did a study and they found that inflation has a significant influence on the salaries of teachers and other education expenses, such as the cost of tuition. This means that the cost of tuition and salaries of teachers increases as the rate of inflation increases.

This paper is set to investigate the effects of inflation on the living standard of public primary school teachers in Gagarawa Local Government Area of Jigawa State–Nigeria in terms of their monthly income, expenditures and their comparative standard of living over the period (2014-2016) by Gagarawa, & Mehrotra (2017). Major findings and conclusion are that since inflation erodes teachers' income, increased expenditures subject them to receiving loans with high interest, forcing the teachers to take extra income-generating work in an attempt to maintain their normal life, these consequently undermine their living standard. McCarthy (2017) concluded that inflation has a significant influence on the salaries of teachers and other education expenses, such as tuition. This implies that the cost of tuition and salaries of teachers increases as the rate of inflation increases. Furthermore, the findings also point to other factors, such as the rising cost of living, increasing demand for higher education, and decreasing purchasing power of the currency, which all contribute to the increasing cost of education. McCarthy (2017) carried out a study and the study discovered that inflation is a major factor impacting the cost of education. The article further

pointed out that the increasing cost of education is also linked to a range of other factors, such as the rising cost of living, increasing demand for higher education, and the decreasing purchasing power of the currency.

OECD in 2016 did a study and discovered that a 1% increase in inflation was associated with a 0.3% decrease in student test scores. Similarly, a study by the World Bank found that higher inflation rates were associated with lower-quality education, including lower student learning outcomes. Ejiofor & Okonkwo (2013) carried out an empirical study titled Inflation and Educational Performance in Nigeria. The study was conducted in four tertiary institutions in Nigeria: the University of Ibadan, the University of Nigeria, Nsukka, Obafemi Awolowo University, Ile-Ife, and the University of Lagos. The findings of the study showed that there was a positive but weak correlation between inflation and educational performance in Nigeria. The results also showed that inflation had a negative and statistically significant effect on educational performance. Furthermore, the study revealed that the effect of inflation on educational performance was stronger in private universities than in public universities. Okeke & Nwankwo (2011) carried out a study titled Inflation and educational performance in Nigeria at the Federal University of Technology Owerri, Imo state, Nigeria. The findings of the study 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.

Adegoke (2011) carried out a study titled The Impact of Inflation on the Quality of Education in Nigeria. This study was conducted at two tertiary institutions in Nigeria, namely; the University of Ibadan and the University of Lagos. The findings of the study revealed that the impact of inflation on the quality of education in Nigeria is significant. Most of the respondents (66.7%) reported that inflation has led to an increase in the cost of basic education. Additionally, the majority (80.1%) of the respondents reported that the quality of education has deteriorated due to inflation. Moreover, the majority (90.4%) of the respondents indicated that the government has not provided enough funds to improve the quality of education. Oladipupo & Oluwole (2008) carried out a study titled Inflation and Educational Performance in Nigeria. The findings of the study revealed that inflation has a negative effect on 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. The findings also revealed that the gender of the student, the type of school the student attends, and the location of the school had a significant effect on the educational performance of the students.

Specifically, inflation affects the budgetary allocation to education according to World Bank (2018). This reduction in the budgetary allocation has affected the procurement of educational resources, employment of teachers and starting and completion of new infrastructure facilities projects in educational institutions. Inflation affects teachers' job performance according to Giami (2023) and the implication of this is poor implementation of curriculum that may lead to poor academic outcomes in students and general education outcomes. Due to inflation, many students cannot constantly attend classes, feed themselves adequately and buy their educational resources to support their learning programme.

Findings:

The paper discovered that inflation has affected education in Nigeria. Specifically, inflation impacted negatively on educational administration by increasing the operational cost of running educational institutions. Inflation has led to an increment in the cost of building infrastructural

facilities, and educational resources, a reduction in students' enrolment and lower quality education, poor teachers' job performance and lower student learning outcomes.

Discussion of Findings:

The paper revealed that inflation has affected education in Nigeria. Specifically, inflation impacted negatively on educational administration by increasing the operational cost of running educational institutions. Inflation has led to an increment in the cost of building infrastructural facilities, and educational resources and with lower quality education, poor teachers' job performance, reduction in students' enrolment and lower student learning outcomes. This study is in line with Ejiofor & Okonkwo (2013), Ahmed & Tochukwu (2024), Giambi, (2023), and Ogunode & Ukozor (2023) who found that inflation had an effect on educational output, led to the increment of educational resources, reduction in enrollment in educational institutions. Inflation affected teachers' job performance, students' academic performance rising cost of living, increasing demand for higher education, and decreasing purchasing power of currency, which all contribute to the increasing cost of education.

Conclusion:

This paper discussed the impact of inflation on education in Nigeria. The paper concluded that inflation has affected education in Nigeria. Specifically, inflation impacted negatively on educational administration by increasing the operational cost of running educational institutions. Inflation has led to an increment in the cost of building infrastructural facilities, and educational resources and with lower quality education, poor teachers' job performance, reduction in students' enrolment and lower student learning outcomes.

Recommendations

Based on the findings, the paper recommends the following:

- i. The government should increase the budgetary allocation to education.
- ii. A social safety net programme should be implemented for students and teachers.
- iii. The salaries of teachers should be increased and the students' loan programme should be implemented to lessen the burden on students.
- iv. The government should diversify the economy by developing the agricultural sector and industrial sectors.

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