

## The Impact of Economic Hardship on Education in Nigeria

**Dr Niyi Jacob Ogunode**

*Department of Education, University of Abuja, Nigeria*

**Dr Ajape Temitope Solomon**

*Department of Public Administration, Mewar International University, Nasarawa State Nigeria*

**Dr Adolphus Idonigie**

*Department of Public Administration, University of Abuja, Nigeria*

**Abstract:** A position paper that depends on secondary data that were obtained from both hardcopy and softcopy such as books, seminar papers, workshop papers, articles among others discussed the impact of economic hardship on education in Nigeria. The paper established from the various literatures reviewed and analyzed that economic hardship has affected education development in Nigeria. The paper noted that economic hardship in Nigeria has led to; increment in operational cost of running schools, slowing down investment in education, increment in student dropout rate, reduction in school' revenue, retrenchment of teachers, delivery of poor-quality education and increment in prices of instructional resources. Based on the findings, the paper put down the following recommendations; Government should diversify the economy by involving more private sector in the economy. Government should increase the funding of education in Nigeria by increasing more allocation to the education budget. Government should provide school buses to all educational institutions to aid transportation to schools for both teachers and students. Government should increase the salaries of teachers. Government should provide palliative for students such as bursaries and grants. Government should provide free instructional resources such as note books, textbooks, school bags, pens etc for students.

**Key words:** Education, Economic Hardship.



This is an open-access article under the [CC-BY 4.0](https://creativecommons.org/licenses/by/4.0/) license

### Introduction

There is no doubt that Nigerian economic is in crisis. The economic crisis started about two decades ago. World-Bank (2024) observed that during 2015-2022, growth rates decreased and GDP per capita flattened, driven by policy missteps compounded by shocks. Monetary and exchange rate policies become increasingly distortive and eroded confidence, fiscal deficits increased due to lower oil production and costly subsidies (for electricity, gasoline, and implicitly to maintain an increasingly overvalued official exchange rate), and trade protectionism increased.

The economy was also buffeted by external shocks such as the COVID-19 pandemic, and higher global food and fertilizer prices following Russia's invasion of Ukraine, and domestic shocks such as a destructive demonetization policy in early 2023, and devastating floods in October 2022 and September 2024.

Following a change in administration in May 2023, the country has been pursuing bold reforms to re-establish macroeconomic conditions for stability and growth. The gasoline subsidy has been substantially eliminated, and the exchange rate has been unified and allowed to be market-reflective, eliminating the parallel market premium and generating large fiscal and economic benefits. The Central Bank of Nigeria has appropriately tightened monetary policy and refocused on its price stability mandate, facilitated by the authorities' commitment to end deficit monetization. Although these measures are helping Nigeria's economy turn the corner, poverty, inflation remains high and economic hardship has continue to affect individual and institutions such as health, banking, tourism, insurance and education (World-Bank 2024).

Nigeria is currently facing difficult economic challenges. The weakening of the naira, coupled with a high inflation rate, has made it tough for many Nigerians public and private institutions to operate optimally (Ekut, 2024). Operational resources prices have skyrocketed due to removal of fuel subsidy and high inflation, which has prevented firms and institutions especially educational institutions to operate at a low cost. As a result, many Nigerians schools now operate at high cost and generate low internally generated revenue. It is based on this that this paper seeks to examine the impact of economic hardship on the Nigerian education.

### **Concept of Education**

Education is the most important weapon that individuals and the society can use to fight different forms of vulnerabilities. Education paves way for the acquisition of knowledge and skills that are worthwhile. Education is regarded globally as a potent instrument for introducing and sustaining social change in human societies as well as shaping its destiny. Apart from serving as a vehicle for enhancing upward social and economic mobility, education has been widely adjudged as the most vital instrument for human development (Eze 2011). Education encompasses a broad range of activities and processes that facilitate learning and promote intellectual, social, emotional, and physical development (Verma, Doharey, & Verma, 2023).

Education involves the transmission of knowledge, values, and skills from one generation to another, ensuring the continuity and advancement of civilizations. Education goes beyond formal schooling, extending to informal and non-formal learning experiences. Education is the acquisition of information that include cultivation of critical thinking, creativity, problem-solving abilities, and ethical decision-making. Education empower individuals to become lifelong learners, adaptable to the challenges of a rapidly evolving world (Verma, et al 2023). Education means studying in order to obtain a deeper knowledge and understanding of a variety of subjects to be applied to daily life. Education is not limited to just knowledge from books, but can also be obtained through practical experiences outside of the classroom (University of the people 2024).

Education is the process where an individual acquires or imparts basic knowledge to another. It is also where a person develops skills essential to daily living, learns social norms, develops judgment and reasoning, and learns how to discern right from wrong. The ultimate goal of education is to help an individual navigate life and contribute to society once they become older (Worldvision,2023). From the above, education can be seen in this paper as the as a process that transfer knowledge, skills, and character traits that comes or manifests in various forms to empower the individual to be social and economic useful to himself or herself and the society. Education is an organized and planned process that leads to acquisition of knowledge from an institute of learning for personal and national development. Education is an organized learning

process that facilitate acquisition of general knowledge, development of intellectual and skills for personal development as well as community development.

### **Concept of Economic Hardship**

Economic hardship is defined as the inability or struggle to meet reasonable basic living expenses such as food and shelter (Cunningham, 2019). In the same vein, National Bureau of Economic Research (NBER, 2012) defines economic hardship 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. Economic hardship means an onerous and excessive financial burden that destroys reasonable and beneficial use of property and that would amount to the taking of property without just compensation, or failure to achieve a reasonable economic return in the case of income-producing properties (Lawinsider, 2022). Economic hardship according to Ogunode, Olofinkua, & Sunmonu, (2024) is an economic activities that is constantly decrease and the decline affects wide economic activities which leads to inflation, unemployment and high standard of living among the citizens. Economic hardship also implies an economic situation that whereby citizens of a country cannot afford to meet up with their economic need as a result of inflation unemployment, high debt burden, low direct investment and high poverty.

Economic hardship refers to the perception of a deficit of resources compared to others. Those who suffer from economic hardship are competitively disadvantaged, with resultant consequences for survival and reproduction. The perception of economic hardship may motivate individuals to adopt different behavioral strategies including both increased conflict behaviors and increased cooperation (Refaie & Mishra, 2019). Economic hardship and economic activities decrease substantially, and the decline affects wide portions of the economy and it has some permanence (Sabitu, 2023). "Economic hardship in this paper is 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. Economic hardship is a condition of economic meltdown where citizens of a country cannot afford their basic needs due to inflation and a high rate of unemployment that is caused by bad leadership, corruption and unstable economic policies" (Ogunode, Afolabi, & Adi 2024). From the above, economic hardship can be seen as economic challenge people, firms and institutions faced because of high inflation, income instability, unemployment and economic insecurity. Economic hardship also known as financial burden, financial distress, financial hardship, financial stress, and financial toxicity is an economic era whereby high inflation, high unemployment rate and high exchange against international currencies affects the economic and the people and institutions negatively. The example of economic hardship include; instability economic policies. Inflation, high national debt, high exchange rates against dollars, unstable financial loss incurred by the families and loss of job.

### **Impact of Economic Hardship on Education in Nigeria**

The impact of economic hardship in Nigeria include; increment in operational cost of running schools, slow down investment in education, increase student drop out, reduction in school revenue, retrenchment of teachers and poor quality of education and increment in prices of Instructional Resources

#### **Increment in operational cost of running schools**

The impact of economic hardship includes; increment in the operational cost of the schools. School administrators in Nigeria now spend more funds in the operational and administration of the schools. Oludun (2024) reported that the standard of living in Nigeria has gone high and this has impacted almost all facets of life including education. Inflation has become a major concern to

schools, whether private or public since they are experiencing a rise in their operational costs including staff salaries, utilities, and learning materials. Due to this, many schools have been forced to increase tuition fees to survive. Schools are not immune to financial problems either as inflation affects all aspects of the school budget, including employees' wages, electricity bills, and teaching materials. Some schools have argued that the fee increases are justified to sustain the quality of education and meet the increasing costs of operation. School administrators have defended the fee increases as necessary for the survival of schools and some parents may consider it as unfair. If these changes do not occur, schools may not be able to offer the appropriate resources and services that may be important to the students. Ogunode, and Ukozor (2023); Giami, (2023) and Afolabi (2024) concluded that the recent announcement by the Nigerian government to remove fuel subsidies in Nigeria has led to inflation and also led to an increment in the operational cost of various tertiary institutions in the country and schools. More money is needed to procure administrative resources that will support administrative functions. With the removal of fuel subsidies, the cost of diesel and petrol used for power in tertiary institutions has increased. Also, as a result, transportation companies, including buses, taxis, and motorcycles, are likely to increase their fares to offset the higher fuel costs.

### **Slow down investment in education**

Economic hardship has affected the development of education in Nigeria by reducing direct investment in the sector. Direct investment on educational institutions in Nigeria has been affected by the economic hardship in Nigeria. Tunji, (2024) reported that Nigeria's Foreign Direct Investment (FDI) for the second quarter of 2024 has dropped to \$29.83 million, marking the lowest level recorded based on available data up to 2013. This is according to data from the latest capital importation report by the National Bureau of Statistics (NBS). The FDI figure represents a steep decline of 65.33% compared to the \$86.03 million recorded in Q2 2023. It also shows a significant reduction of 74.97% from the \$119.18 million reported in the preceding quarter, Q1 2024. Nigeria's FDI includes equity and other capital. The majority of the FDI in Q2 2024 came from equity investment, amounting to \$29.82 million. This represents a sharp decrease of 74.98% compared to \$119.17 million recorded in Q1 2024. On a year-on-year basis, equity investment declined by 65.33% from \$86.02m in Q2 2023. The other component of FDI, classified as "Other Capital," recorded a minimal inflow of \$0.0085 million in Q2 2024. This is down by 33.33% from \$0.01275 million in both Q1 2024 and Q2 2023. Although this category traditionally accounts for a very small fraction of FDI, the decline indicates a further reduction in this already limited source of capital. The decline in FDI highlights the challenges Nigeria faces in attracting long-term investment amid a challenging global economic environment and domestic issues. The declined in the FDI in the Nigerian economy also include educational investment too.

### **Increment in student drop out**

Economic hardship and inflation in Nigeria has the potential to increase the school drop rate among the Nigerian children. Yenle (2017) stated that economic recession denied students' access to good learning environment as parents' teachers associations and the government had limited access to financial resources because the banking sector and other informal financial institutions were all affected by the global financial crunch. Also, United Nations Educational, Scientific and Cultural Organization [UNESCO], (2009) submitted that the current economic crisis or hardship will certainly negatively affect enrollments in Nigeria in particular and may even undo recent progress achieved toward the elusive goal of universal primary school completion. Where students incur some direct schooling costs, however small, poorer students may have to forego schooling. Arbache & Page (2007) noted that school completion rates are significantly lower in nations that are suffering growth slowdowns brought on by things like economic recessions, and they are inversely connected with growth falls. A 2023 report by UNICEF highlights that children from the poorest families are more likely to be out of school compared to children from wealthier families.

This inequality is compounded by geographical disparities, with children in northern Nigeria facing higher barriers to education due to insecurity and poverty. At the same time, southern regions tend to have better access to resources. 'The educational gap between wealthy and poor families in Nigeria according to Ifezue, (2024) will widen with inflation, exacerbating already existing inequalities. As the cost of living rises, low-income families are increasingly unable to afford basic educational expenses such as tuition fees, textbooks, and other learning materials. In contrast, wealthier families can absorb the rising costs without significant strain, allowing their children to access higher-quality education. This growing divide threatens to create a bifurcated system where only the affluent can afford the benefits of a well-resourced education'.

### **Reduction in school' revenue**

The current economic hardship in Nigeria has resulted to a drop in government allocation to educational sector and this has negatively affected the education curriculum delivery. Bamigboye, Ede and Adeyemi (2016) study' 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. Akuh, (2024) submitted that economic hardship in Nigeria has negatively affected financing of educational institutions. Both public and private education institutions are faced with the problem of economic hardship in Nigeria. The economic hardship has led to reduction in the available of funds for the management of schools in Nigeria. Ogunode, Cletus, and Tswenji, (2024a) concluded that schools running cost increased during economic recession and economic hardship. Ogunode, Eze, and Olumodeji, (2024b) noted that the high cost of educational resources takes a lot from the school management during economic hardship. Teaching materials' costs increased as a result of the economic downturn. Given the high foreign currency rate brought on by the poor economic conditions, the high cost of teaching supplies and equipment keeps them out of the grasp of the majority of institutions (Akuh, 2024).

The economic hardship in Nigeria according to Ogunode, Cletus, & Tswenji, (2024); Ahmed, and Tochukwu, (2024) and Ogunode, and Ukozor, (2023) has affected revenue generation of both public and private educational institutions in Nigeria. The economic hardship has affected the masses reducing their salaries due to inflation. The reduction in salaries of Nigerians as a result of inflation caused by fuel subsidy removal have led to reduction in the spending of many Nigerians. Many parents and guardians cannot afford to pay the school bills of their wards and children in the various educational institutions. The economic hardship has affected their purchasing power and educational spending. Inflation which is one of the attribute of economic hardship affected revenue generation of schools and facilities development.

### **Retrenchment of teachers**

Economic hardship and inflation in Nigeria has led to mass retrenchment of teachers especially in the private education institutions in Nigeria. 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 economic hardship in Nigeria according to Akuh, (2024) has led retrenchment of teachers in private educational institutions. The economic hardship in Nigeria affected the private educational institutions more than the public schools. Also Anele (2020); OECD (2016) and Oladipupo, and Oluwole, (2008) discovered that economic recession negatively influences social activities as well as the teaching-learning process, laying off of teachers in public and private schools.

### Poor quality of education

The stagnation in teacher salaries has a direct impact on the quality of education. Low pay results in reduced morale and productivity, with many educators forced to take on second jobs to supplement their income. This extra burden diminishes their ability to focus on teaching, leading to less effective classroom instruction. Moreover, the lack of financial security has contributed to a significant brain drain in the education sector. Qualified teachers are leaving the profession in large numbers, seeking better-paying opportunities in other sectors or moving abroad (Punchng 2024). This exodus is particularly harmful in a country already grappling with a shortage of educators, further widening the pupil-teacher ratio, which is a key indicator of education quality. According to reports, Nigeria's current pupil-teacher ratio falls well below international standards, a reality that hampers student learning outcomes (Punchng 2024; Ifezue, 2024).

The impact of inflation according to Ifezue, (2024) on educational quality extends to student learning outcomes in significant ways. Schools facing budget cuts and reduced resources are forced to operate with overcrowded classrooms and lower student-teacher ratios, which severely limits the ability to provide personalized attention and high-quality instruction. In regions across Nigeria, student performance has declined for a variety of reasons, but the lack of funding is a key factor. Research shows that schools with inadequate infrastructure and insufficient teaching resources contribute to poorer academic achievement. In such environments, students struggle to concentrate and engage effectively in their studies due to discomfort and lack of essential materials. Additionally, larger class sizes resulting from budget cuts diminish the quality of education, as teachers find it challenging to cater to the diverse needs of individual students. Schools are also limited in their ability to invest in modern teaching aids or provide extracurricular activities that promote holistic development. Many Nigerian schools lack even basic instructional materials, and those that are available are often outdated and irrelevant to current curricula. Ejiofor and Okonkwo (2013) carried out an empirical study titled *Inflation and Educational Performance in Nigeria*. 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. Inflation has negative impact on students' performance in the school (Oladipupo, & Oluwole, 2008). Omoniyi (2023) remarked that subsidy removal will have effects on the academic performance of the students as they now go hungry due to the prices of food that have gone beyond the reach of the common man. And, also, the withdrawal of subsidies will further harm students because crime rates will rise as cultism becomes more rampant.

### Increment in prices of Instructional Resources

Ifezue, (2024) noted that inflation has not only affected tuition fees but also the cost of textbooks, school supplies, and other learning materials. Textbooks that would ordinarily cost ₦2500 now cost over ₦5000. For most students in tertiary education, their monthly allowances, which once sufficed for basic expenses, now barely cover their needs due to skyrocketing prices. For instance, the cost of food and transportation has doubled or even tripled, which means students must often forego essential materials and services. As families face soaring living expenses, purchasing necessary school supplies will most likely become a lower priority, further hindering students' ability to participate in their education fully. Also, Ifezue, (2024); Okonkwo (2023) and Giami, (2023) maintained that schools are also struggling to acquire modern technological resources and teaching aids essential for enhancing learning outcomes and supporting teaching. The high cost of importing educational technologies, such as computers, projectors, and internet services, has left many schools unable to provide students with the tools they need for a 21st-century education. As a result, students, particularly those in rural areas, are being left behind in a world where digital literacy is increasingly critical for future success.

## Conclusion and Recommendations

This paper critically examined the impact of economic hardship on the Nigerian educational system. The paper discovered from the various literatures reviewed and analyzed that economic hardship has affected education development in Nigeria. Economic hardship in Nigeria has led to; increment in operational cost of running schools, slowing down investment in education, increment in student drop-out rate, reduction in school' revenue, retrenchment of teachers, delivery of poor quality education and increment in prices of instructional resources.

Based on this findings, the paper put down the following suggestions;

1. Government should diversify the economy by involving more private sector in the economy.
2. Government should increase the funding of education in Nigeria by increasing more allocation to the education budget.
3. Government should provide school buses to all educational institutions to aid transportation to schools for both teachers and students.
4. Government should increase the salaries of teachers.
5. Government should provide palliative for students such as bursaries and grants.
6. Government should provide free instructional resources such as note books, textbooks, school bags, pens etc for students.

## References

1. Akuh, E., A (2024) Economic Hardship and Educational Management in Nigeria. *American Journal of Alternative Education* 1(7), 38-42
2. Afolabi, I. O. (2024). Inflation and Educational Administration in Nigeria *Electronic Research Journal of Social Sciences and Humanities*, 6, (III), 1-9
3. Ahmed, O. A., & Tochukwu, O. A. (2024). Perceived influence of inflation on Nigeria educational system: a case study of Federal Polytechnic, Oko. *International Journal of Research and Innovation In Social Science*, 8(3), 1602-1613.
4. Bamigboye, G., Ede, A., & Adeyemi, G.(2016). Impact of economic crisis on education: case study of Southwest Nigeria. Proceedings of INTED2016 Conference 7th-9th March 2016, Valencia, Spain
5. Cunningham, C.V. (2023). *What Are the Root Causes of Economic Hardship?* <https://medium.com/@candicevcunningham/what-are-the-root-causes-of-economic-hardship-88cf1bf2f065>
6. Ifezue, G. (2024). *The Soaring inflation: A Threat to Educational Access and Quality in Nigeria.* <https://gloryifezuefoundation.org/2024/09/20/the-soaring-inflation-a-threat-to-educational-access-and-quality-in-nigeria/#:~:text=Inflation%20in%20Nigeria%20has%20led,form%20of%20higher%20tuition%20fees.>
7. Ideumange, J (2024). Adopting Strategies to Overcome Economic Hardship in Nigeria. <https://www.modernghana.com/news/1300168/adopting-strategies-to-overcome-economic-hardship.html>
8. Eze, O. I. & Anthony, O. (2011). The Challenges of insecurity in Nigeria: a Thematic exposition: *Interdisciplinary Journal of contemporary Business*, 3(8), 17-26.
9. Ejiofor, A. E., & Okonkwo, O. C. (2013). Inflation and educational performance in Nigeria: an empirical study. *International Journal of Humanities and Social Science*, 3(13), 160-167.

10. Ekut, P. (2024) How to survive economic hardship <https://punchng.com/how-to-survive-economic-hardship/>
11. Giami, C. B. (2023). 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. *International Journal of Scientific Research in Education*, 16(4), 380-388.
12. Lawinsider (2022). *Definition of Economic Hardship*. <https://www.lawinsider.com/dictionary/economic-hardship>
13. NBER (2012). National Bureau of Economic Research on economic recession, definitions, causes and quotes. <https://nber.org>
14. Maduka, C. (2024). *Effect of Fuel Subsidy Removal on UNILAG Lecturers* <https://unilagsun.com.ng/the-effect-of-fuel-subsidy-removal-on-unilag-lecturers/>
15. Ogunode, N., J. Olofinkua, V., K. & Sunmonu, I. S. (2024)..Economic Hardship and Tertiary Education Finance in Nigeria: Implication for Decision Making for Sustainable Tertiary Education Development. *American Journal of Corporate Management*, 1,(2),39-49.
16. Ogunode, N., J. Afolabi I. O. & Adi D. (2024). Economic Hardship and its Effect on Tertiary Education Development in Nigeria. *Spanish Journal of Innovation and Integrity* (33), 73-84
17. Ogunode, N. J., & Ukozor, C. U. (2023). Impact of inflation on university administration in Nigeria. *International Journal on Economics, Finance and Sustainable Development*, 5(9), 204-214.
18. Ogunode, N. J., Eze, I. N., & Olumodeji, I. M. (2024b). Assessment of the impact of inflation on university management in north-central, Nigeria. *American Journal of Science and Learning for Development*, 3(3), 1-6. <https://doi.org/10.51699/ajsld.v3i3.3462>
19. Ogunode, N. J., Cletus, A. N., & Tswenji, S. (2024a). Impact of inflation on infrastructure facilities development of basic schools in Nigeria. *International Journal of Educational Technology Research*, 2(1), 309-320.
20. Okonkwo, O. (2023). Explainer: How fuel subsidy removal affects you. <https://nairametrics.com/2023/06/01/how-fuel-subsidy-removal-affects-smes-employees-andstudents-in-nigeria/?amp=1>
21. Omoniyi, A. (2023). "Impact of fuel subsidy removal on Nigerian students - Tribune Online" <https://tribuneonlineng.com/impact-of-fuel-subsidy-removal-on-nigerian-students/>
22. Oludun, M (2024) Parents struggle as schools raise fees amid rising costs <https://inquirer.ng/2024/09/13/parents-struggle-as-schools-raise-fees-amid-rising-costs/>
23. OECD. (2016). *Education at a glance 2016: OECD Indicators. Economic Policy*, 16 (1), 20-82. Oladipupo, O. E., & Oluwole, S. (2008). Inflation and educational performance in Nigeria: an empirical study. *International Journal of Educational Development*, 28(2), 265-273.
24. Tunji, T (2024) Nigeria's FDI drops to \$29.83 million in Q2 2024, lowest level ever on record <https://nairametrics.com/2024/10/09/nigerias-fdi-drops-to-29-83-million-in-q2-2024-lowest-level-ever-on-record/> UNESCO Institute for Statistics (UIS) and the UNESCO Culture Sector 2009 University of the people (2024). What is education?. <https://www.uopeople.edu/blog/10-reasons-why-is-education-important/>
25. Worldvision (2023). Why is education important and how does it affect one's future?. <https://www.worldvision.ca/stories/education/why-is-education-important> World-Bank (2024) The World-bank in Nigeria. <https://www.worldbank.org/en/country/nigeria/overview>

26. Yenle, M. S. (2017).Effects of economic recession on education in Nigeria. PEOPLE: *International Journal of Social Sciences*, 2(1), 502-509.
27. Verma, A, Doharey, R,.K & Verma. K (2023). Education: Meaning, Definitions and Types.