

# Funding: A Bane to Mainstreaming TVET for Skill Development, Mobility and Resilient Economy in Nigeria

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## ABSTRACT

The paper critically examined the funding of Technical and Vocational Education and Training (TVET) as a skill for the development of mobility and resilient economy in Nigeria. The study used content analysis to evaluate relevant literature from secondary sources such as academic journals, textbooks, and articles. From the analysis, it was found that inadequate funding of the education sector poses a significant challenge to the development of TVET in Nigeria. To address this challenge, the study advocates for various constructive measures that can be implemented. These include increasing budgetary allocation to institutions offering technical and vocational training in line with UNESCO procedures, investing in modern facilities and equipment to enhance practical sessions, and seeking external assistance from international agencies such as the World Bank and the European Union.

**Keywords:** TVET, Nigeria, Funding, Skill, Challenges, Economy

## INTRODUCTION

Technical Vocational Education and Training (TVET) in Nigeria is an establishment that has been recognized by UNESCO with a formal and non-formal system. The formal TVET system which includes All TVET institutions polytechnics and mono-technics and is under the supervision of the National Board for Technical Education (NBTE) TVET dates far back when Nigeria came in touch with foreign merchandise and also missionaries. Nigeria has so much neglected the vocational and technical education in the country. The common method of vocational and technical education is through apprenticeship, handicrafts, and others. (Oviawe, 2019) TVET is a form of learning at the secondary and lower tertiary level that helps in the acquisition of skills as well as scientific knowledge which can help students prepare for different programs like agricultural industry, commerce, and others. With the involvement of TVET, youths or students can explore different career options which will support skills, high academic standards, and others that involve a lot of practical activities. TVET has been developed in various nations of the world with rapid changes to the technological advancement of the 21st century which has led to a relevant integral part of national development for skill development and resilient economic growth. The growth of TVET has raised a skilled workforce and self-reliant youths which has contributed to the national development of both

rural and urban centers of the nation. (Nkechi, Solomon, Patrick & Modupe, 2016; Jane, 2020; Adamu, 2017, Oviawe, 2019) According to (Shi & Bangpan. 2022) Technical Education can be described into four major types which include;

1. Technical education refers to the theoretical vocational preparation of students for jobs involving applied science and modern technology and is classified above the skilled crafts but below the scientific or engineering professions.
2. Vocational education and training are traditionally non-theoretical organized activities to prepare students for jobs in designated trades or occupations with a focus on the actual attainment of proficiency in manual skills.
3. On-the-job training is “workplace-based training that uses real jobs as a basis for instruction and practical purposes”
4. Apprenticeship training refers to training that combines on-the-job training for a highly skilled craft or trade with academic or theoretical instruction, ranging from informal work-based learning-by-doing to formally structured programs sponsored by large industrial firms.

Technical and vocational education and training (TVET) has attracted wide attention with its potential to alleviate poverty and improve youth employment in low and middle-income countries therefore TVET is expected to reduce structural unemployment and supply the labor market with skilled workers, as the engine of the economic development and international competitiveness (Neroorkar & Gopinath 2019; Van der Bijl & Lawrence 2019). Over the years, it has been observed that TVET has not been given adequate attention as an integral aspect of the 21st Century of education policy in Nigeria. One of the functions of Technical Education especially in Nigeria is to train technical personnel to implement and facilitate the technological development of the nation which will catalyze the awareness of literacy in technology among the youth and young school leavers which will lead to the enhancement of skills and development in the atmosphere where unemployment dominated.

Technical education in Nigeria is experiencing a lot of challenges which include non-availability of technical personnel, poor equipped laboratories and workshops, obsolete instructional facilities and inadequate ICT facilitate of modern trends, inadequate funds from the government which fall below the standard of UNESCO, the inadequate collaboration between the institutions and industries within Nigeria and outside the country that can facilitate the skill development of the youth, poor remuneration for few technical staff which has led to staff turnover and just of recent JAPA syndrome of leaving the country (Nigeria) for greener pasture in developed technological nations of the world has constituted a major setback and barred TVET to performed its roles and functions in Nigeria. The outcome has led to the churn out of graduates who do not have the specific skills development and knowledge that is required by the job market.

In Germany, for instance, approximately 68% of latter systems graduates joined the workforce in the company where they were trained immediately after their VET (Vocational education and training) program, all 51% of workers in Germany are skilled in VET while 11% of workers are master craftsmen and vocational and technical college graduates. It will interest us that German vocational schools have collaborated with 430,000 companies and more than 80% of these companies are large-scale in nature with hire apprentices and this makes them have over 500,000 apprenticeships positions available across all sectors of the German economy (Cedefop 2021; Ogbuagu, 2017)).

The issue of Technical and Vocational Education and Training (TVET) in Nigeria has been extensively researched, and while there have been some improvements, the country's educational system still faces numerous challenges. This paper aims to provide a detailed examination of the trends of funding and budgetary allocations towards education in Nigeria in recent years, with a focus on identifying areas where the government can improve its approach to funding, teaching, and learning to enhance the resilience of the economy. To achieve this objective, we will compare Nigeria's funding approach with that of other African countries that have followed UNESCO's education funding recommendations. We will also analyze the outcomes of these funding approaches to identify best practices and potential areas for improvement.

### **Funding of TVET in Nigeria**

TVET in Nigeria is divided into formal and Informal systems where the Ministry of Education, the Ministry of Finance, and the Ministry of Labour and Productivity are solely responsible for financing. The Federal Government allocates the budget for the operation of TVET. Although additional resources are mobilized through the Tertiary Education Trust Fund (TETFUND) where TETFUND imposes a 2% education tax on the assessable profit of all registered companies in Nigeria and the Federal Inland Revenue Service (IFRS) assesses and collects the education tax. TETFUND is expected to administer the tax and disburse the resources to tertiary educational institutions both at the Federal and state levels. (Oviawe, 2018)

### **Funding of the Education in Nigeria**

Nigeria's attitude towards funding education has been a major issue since its inception even when the government transited to a democratic era. Up till today, the state of education in Nigeria remains poor and disappointing far below the benchmark of UNESCO suggestion. It will be of interest that as soon as education is poorly funded TVET as a body under the Ministry of Education will suffer a setback in their operations. There are various reasons that some scholars have envisaged which constituted the poor funding of education in Nigeria and this includes; financial accountability issues, unclear delineation of intergovernmental roles, lack of coordination among governments, inadequate statistical data, and political instability. Since 24 years of Nigeria returning to democracy, poor funding has led to frequent strikes, especially in Tertiary Institutions. Stakeholders such as the Academic Staff Union of Universities (ASUU), Colleges of Education Academic Staff Union (COEASU) and the Academic Staff Union of Polytechnics (ASUP), have embarked on several strike actions to show their grievances over the state of education in the country and demand action from the Government (Adedigba, 2018; Akintoye &Uhunmumangho, 2018; Agbese, 2017)

### **Overview of Nigeria Economy**

According to the report of World Bank in 2013, Nigeria's economy has faced significant challenges in recent years, with decreasing growth rates and inflation reaching a 24-year high of 31.7%. This has pushed millions of Nigerians into poverty, making it essential for the government to pursue bold reforms to stabilize and grow the economy. Recent reforms, such as the partial elimination of the petrol fiscal subsidy and unifying FX markets, offer hope for a better future. Efforts to tighten monetary policy and refocus the Central Bank of Nigeria on maintaining price stability are also underway. Continuing this reform momentum is crucial for Nigeria's sustained growth and prosperity. Structural reforms will be necessary to achieve higher growth rates, and exchange rate liberalization will contribute to both fiscal and external balances. Furthermore, strengthening state capacity and infrastructure will enable efficient public services and a conducive economic environment for the private sector to flourish and create quality jobs for Nigerians.

Nigeria's challenges in providing opportunities for its citizens, such as limited access to education and health, weak job creation, and spatial inequality, must be addressed. The poverty rate is estimated to be high, with a large population living below the poverty line. However, the potential for a better-funded and more effective state that provides efficient public services and a conducive economic environment offers hope for a new social compact that will benefit all Nigerians. By continuing to pursue bold reforms and addressing these challenges, Nigeria can achieve sustained growth and prosperity for all its citizens.

### TVET and Economy of Nigeria

Technical and Vocational Education and Training can benefit not only individuals but also the economy as a whole. One of the ways TVET can support economic growth is by filling the skills gap in the job market. By equipping students with practical and in-demand skills, TVET can help businesses find the right talent they need to expand and grow. This, in turn, can lead to more job opportunities and ultimately boost the economy. Moreover, TVET can also create jobs by itself. Many TVET programs are designed in collaboration with local employers to cater to the specific needs of the job market. By doing so, they can create new job opportunities for the community while retaining local talent. (Nkechi, 2016; Nerorkar, 2019)

### Education Budget in Nigeria from 2016 – 2023

Year	Education Allocated Fund	Percentage of Allocated Fund
2016	369.6 billion	7.9
2017	550.5 billion	7.4
2018	605.8 billion	7.04
2019	620.5 billion	7.05
2020	671.07 billion	6.7
2021	742.5 billion	5.68
2022	1.18 trillion	7.2
2023	1.79 trillion	8.8

Source: Macro Trends Economics Database 2023

In 2016, a total budget of N6.06 trillion was approved by the National Assembly; N369.60 billion was allocated to the education sector which is about 7.9 percent of the total volume calculated for the time. Also, in 2017, N550.0 billion was allocated to the sector, representing about 7.4 percent of the N7.30 trillion total budgets for the time. In 2018, the approved budget for the time rose to N9.2 trillion, and N605.80 billion which is about 7.04 percent was allocated to the education sector while in 2019; President Muhammadu Buhari presented N8.83 trillion estimates to the National Assembly as the time's budget. The education sector got N620.50 billion, about 7.05 percent of the total budget. In 2020, the sector entered an aggregate of 686.82 billion which is about 6.7 percent of the total approved budget for the time. In 2021, N742.52 billion was allocated for education which is about 5.68 percent of the entire budget the ever-smallest budget received compared with the former budgets allocated to the sector in history and of 2022 budget

totaling 1.18 trillion was allocated to the sector. Also in 2023 subject to approval of the National Assembly, the federal government spends N8.074 trillion on five priority sectors for the government from the total budget of #20.5 trillion presented by President Muhammadu Buhari. The sectors are defense & security, education, health, infrastructure and social development & poverty reduction programmes. From the N1.79 trillion which represent 8.8 percent was allocated to the education sector, paltry N470 billion is earmarked for tertiary education revitalisation and salary enhancement, indicating that government may be heading for another showdown with university lecturers. N1.23 trillion is the amount provisioned for Federal Ministry of Education and its agencies (recurrent & capital expenditure) with the other amount voted for UBEC and TETFUND.

In 2024, the senate approved the sum of #28.78 trillion as budget for the fiscal year whereby the sum of #2.18 trillion which represent 7.9% was set aside for the funding of education in Nigeria. #1.23 trillion – Amount provisioned for Federal Ministry of Education and its agencies (Recurrent & Capital expenditure), #251.47 billion – Amount provisioned for Universal Basic Education Commission (UBEC) and #700.0 billion – Transfers to the Tertiary Education Trust Fund (TETFUND) for infrastructure projects in Tertiary institutions. In 2024, Nigeria's education sector is facing a severe and urgent challenge due to the persistently low budget allocation. This situation is unacceptable, and it poses a significant threat to the nation's future development. It is high time the government takes immediate and decisive action to address this issue. The implications of such a financial constraint on education are multifaceted, impacting various aspects of the nation's socio-economic landscape. A low budget leads to insufficient funds for building and maintaining school infrastructure, resulting in a shortage of textbooks, teaching aids, and modern educational resources. This hinders effective teaching and learning processes, and the government must provide adequate funds to ensure learning environment that is very attractive and conducive.

Moreover, budgetary constraints contribute to low salaries for teachers, affecting their motivation and performance. This situation is unacceptable. The government must prioritize increasing teachers' salaries and provide opportunities for them to attend training programs and workshops to adopt modern teaching methods and technologies. In addition, a low budget may limit the government's ability to provide scholarships and grants, reducing access to education for economically disadvantaged students. This is a severe injustice, and the government must provide adequate financial support to ensure that every Nigerian child has equal access to quality education.

Furthermore, limited funding may impede research activities in universities and research institutions, hampering innovation and the development of solutions to local challenges. This is a critical issue that needs to be addressed urgently. The government must provide adequate funding to support research activities in universities and research institutions. Insufficient investment in education may result in graduates with inadequate skills for the job market, contributing to high unemployment rates and hindering economic growth. Entrepreneurial education and skill development may suffer, impacting the country's ability to foster innovation and create a robust entrepreneurial ecosystem. The government must provide adequate funding to ensure that graduates have the necessary skills for the job market.

Though the figure increased, the budget is at 7.9 percent of the total budget approved by the National Assembly. In a nutshell, The United Nations Educational Scientific and Cultural Organizations (UNESCO) recommended that developing nations should give up to 15- 20 percent of their periodic budget to public education as we speak Nigeria's allocation to the Education sector fall drastically to UNESCO standard and procedures. The allocation for education never reached 10% of the total budget during the period. It declined from 7.93% in 2016 to 4.95% in 2023. There were fluctuations in the percentage allocated, with light increases and decreases in certain years. The allocations for education were generally lower than the

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UNESCO recommendation of 15 to 26% of the total budget.

### **Five African countries that has highest spending on education as a share of GDP**

In 2021 education expenditure for Namibia was 9.64% between 2016 and 2021; this dropped on an normal of 0.15% each time although it grew from 6.03% in 2006 to 10.64%, in 2016, education expenditure for Sierra Leone was 9.09% which increased from 3.43% in 2001 to 9.09% in 2021 growing at an average periodic rate of 6.59%, while the expenditure on education for Belize was 8.71 which increased from 5.8% in 2001 to 8.71% in 2021 this is an average periodic rate growth of 3.13% meanwhile 8.70% was calculated for education in Lesotho during 2021 spending indeed though education expenditure changed mainly in recent times, it tended to dropped through 1999- 2021 period which end at 8.71% in 2021 and incipiently Nauru education expenditure was at position of 7.09% which was raised from 5.17% in the former time( Knoema, 2023)

### **Launching of Strategy for TVET BY UNESCO in 2022-2029**

According to UNESCO, the International Centre for Technical and Vocational Education and Training which held a Hybrid International Conference in October 2022 in Germany rowed out a strategic agenda for TVET from 2022-2029. It will be recalled that TVET has a critical role to play in the recovery and reshaping of the education system and that of the labor market as a whole worldwide. But the emergence of the global pandemic in 2020, constituted a major setback for TVET in performing their functions where schools, training centers, and workplaces experienced a closedown and this greatly affect young people. Before the pandemic, the statistics of the young people who are employed, without education and training was extremely high with a total number of 267 million in which 31% of young women were involved and 14 % of young men were also affected in 2019. As of 2020, over 34 million were out of Jobs (UNESCO, 2023) with over 17% of young minds stopped working.

Given this, there is a rapid change in technological changes which was driven by the expansion of Artificial Intelligence (AI) and automation which turned into the fourth industrial revolution. In an attempt to reduce the challenges facing TVET the new UNESCO strategy for TVET 2022-2029 in transforming technical and vocational education and training for successful and just transitions was officially launched and it was approved during the 214th session of the UNESCO Executive Board in 2022 which was built upon the achievement of TVET 2016-2022 strategy. The new strategy is expected to focus on three strategic priority areas that include;

1. Development of skills for all individuals to learn, work and live that will support flexibility of lifelong learning pathways in which it will focus on the inclusion and target some measures with technical assistance to mitigate the impact of technology and climate change on gender equality, marginalized communities and those who solely depend on informal economics and subsistence agriculture for survival.
2. To develop skills for inclusion and sustainability economic that will support job growth, participation of the private sector with effective skills anticipation, and the main key focus is on the transition towards a digital and green economy, STEM and 21st-century skills, innovation, and strong governance and investment.
3. To develop skills for inclusion of peaceful societies which will greatly support rights-based education for sustainable development and the key focus will be on global participation of

citizenship education and TVET for social integration and cohesion.

For proper implementation and adoption of a range of modalities and cross-cutting interventions this strategy will be among the three levers

1. National, regional, and global policy learning interventions such that performing comparative analyses of TVET policies, monitoring the emergence of regional TVET agendas and cooperation and expansion of regional policy dialogue platforms
2. Collection of data, research, and analysis. This will be through the support of member states in collecting and analyzing adequate data on TVET programs with their outcomes.
3. Networking and partnerships which include Global Education Coalition, the UNEVOC Network, the Inter-Agency Group on TVET (IAG- TVET), and the International Taskforce on Teachers for Education 2030.

### **TVET and Resilient Economy**

According to the report of the World Bank, more than 10 million young Africans often poorly skilled leave the school system every year in search of jobs in local employment markets which are not expanding fast enough to create jobs. Because most of these job seekers lack the requisite skills employers want without employment-related skills, school leavers cannot benefit from even the minimal employment opportunities that are available to job seekers. Therefore, for the economy to survive and thrive, especially in Nigeria there is a need to strengthen the program of TVET with all seriousness. TVET can improve the relevance, quality, and employability of training, improve the policy environment and management of training provision which can eradicate poverty, promote the creation and growth of the enterprise, and stimulation the economy when there is an increase and expansion in businesses demands new or additional technical and vocational skills will emerge that will create training opportunities and additional jobs. Also when there is the revitalization of manufacturing, agriculture, and agro-processing sectors will offer enormous possibilities for industrialization and employment generation which will promote the learning of science, technology, engineering, and mathematics (STEM) at all levels. Because of this TVET will serve as a drive and key to technological progress, rapid industrialization, wealth creation, and poverty reduction that will make the economy flourish and grow

### **CONCLUSION**

As of today in Nigeria, TVET is doing a great job, and no need to hide from the truth the program is suffocating and needs revitalization through massive and adequate funding like other countries of the world. For TVET to produce quality and competent graduates that can stand the test of time inadequate knowledge of technical and modern equipment with saleable skills which can generate employment and boost the economy that will reduce the menace of unemployment even to the lowest minimum there is a need for other sources of funding which will serve as an alternative since funding from government alone cannot be sufficiently enough. Nigeria has several effective strategies and sources available to fund Technical and Vocational Education and Training (TVET) initiatives. Government budget allocation, public-private partnerships, international donor support, corporate social responsibility initiatives, and TVET funds are all viable funding sources

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## RECOMMENDATIONS

The study suggested various ways where TVET programs can be funded towards effective delivery and fulfillment of aims and objectives. Based on this, the following recommendations were made:

1. Federal government should increase and provide enough budgetary allocations to Institutions offering technical and vocational training.
2. The government should endeavor to procure modern facilities and equipment for workshops and laboratories and repair the existing ones where necessary
3. There should be the creation of a marketing unit which will sell the products being produced by the students during their practical session and the proceeding should be properly accounted for
4. Creation of good awareness by various institutions under TVET on courses they are offering on Technical and vocational education to have increase in the number of enrolment of the students
5. There should be up to date review of the curriculum so as to meet up with modern trends in technological advancement
6. The three tiers of government should make adequate provision for special grants for technical personnel, lecturers, and researchers to serve as motivation in the area of technical and vocational and technical education
7. Institutions under TVET should partner with some local industries who are into vocation and fabrication of various tools but they are not formally inclined and they them certified with little charges
8. Institution should endeavor to set up an alumni association which will assist them in donations and even purchase some of the needed equipment
9. Funds should be generated by the work Bank, European Union, and other International Agencies.
10. Government should increase the Tertiary educational tax of 2.5% imposed on every Nigerian company
11. TVET institutions can also consider revenue-generating activities such as fee-based training programs.
12. Skill development levies and philanthropic foundations focusing on education and skills development can also provide funding support for TVET initiatives.

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