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Entrepreneurship Education in Nigeria: Funding Mechanisms (Pp.277-289)

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Abstract

The purpose of this study was to search for the appropriate funding mechanisms that would be adopted in Nigeria for effective and efficient planning, implementation, and sustainability of entrepreneurship education in Nigeria as perceived by stakeholders in education. Entrepreneurship education is capital intensive, and if not properly funded, will result into another 'investment in frustration' which seems to characterize Nigeria's development programmes. This paper presents empirical evidence, derived from a survey of 1,750 education stakeholders selected through a multi-stage random sampling technique from a heterogeneous target population of government officials, private sector officials, educational engineers, teachers, students, and parents, on the funding mechanisms that could be adopted for effective, efficient and sustained delivery of entrepreneurship education in Nigeria. The findings revealed that all the categories of stakeholders in education strongly believed and agreed that entrepreneurship education could be funded by government through different forms of grants, effectively and efficiently if corruption, in every form, could be bootied out. This way, Nigeria's wealth would be better and well channeled into funding the capital-intensive entrepreneurship education to enhance economic growth and national development.

Keywords: Financing Entrepreneurship Education Nigeria

Introduction

It is known that many economies of the world owed their industrialization and technological advancement to the enthronement of entrepreneurship vis-à-vis education. Thus, entrepreneurship has become globally acknowledged as the bedrock for achieving rapid economic growth, development, and modernization of nations. (Robert, 1985; Iziren, 1987; Bird, 1988; Crant, 1996; Tkachev and Kolvereid, 1999 Fayolle et al, 2006). In view of the disappointing economic development of African countries, including Nigeria, despite their investments in education, one begins to ponder on the following questions: Are nations developed because they are rich or are they rich because they are developed? If nations are developed because they are rich, why then are the oil richest countries of the world like Kuwait, Saudi Arabia, Qatar, and Nigeria, not as developed as they ought to be, while the countries not as rich, like Japan, China, and the North American counties, have become highly industrialized world powers? The answer that comes to mind is “Entrepreneurship: the missing link!”

Entrepreneurship transcends skill acquisition. It is the acquisition of necessary skills matched with innovativeness, creativity, boldness, confidence, drive, energy, and courage to be able to create employment for self and for others. It involves exploring, analyzing, evaluating, exploiting business opportunities and rigorously pursuing such opportunities to a successful end which eventually culminates in the opening of a business enterprise. It is a concept that focuses and pursues learning for achievement and desire to build, and surmounts obstacles along the way in order to attain success irrespective of seen and unforeseen difficulties. It leads to the development of small and medium scale enterprises, factories, and industries which begin to thrive and create employment and boost personal and economic development (Nwangwu, 2007). Also, Robert (1985) described entrepreneurship as a process of creating something different, new, and of value by devoting completely the necessary time and effort and assuming the accompanying financial, psychological, and social risks, as well as receiving the resulting rewards, monetary, and psychic or personal satisfaction. This means that entrepreneurship involves plenty of risk-taking and only people with large hearts for risks can successfully venture into entrepreneurship no matter how educationally knowledgeable and skillful. But if people are

trained from the very beginning in school to take and handle risks many successful entrepreneurs can be produced from formal education.

Entrepreneurship exists in both micro and macro levels. It is not just small scale activities carried out by artisans and illiterates or school drop-outs as is the case in many LDCs. It exists at the macro level in complex sophisticated organizations like the banks, the space and nuclear laboratories, and corporate organizations. It is therefore not enough to introduce make-shift programmes and informal and non-formal training centres for “crash” acquisition of skills, in the name of entrepreneurship, like Nigeria has been doing. If it is accepted that education contributes immensely to economic development and entrepreneurship education can do much more, why then are developing countries like Nigeria who have had economic development as a mirage despite various reforms in the education sector reluctant to pursue entrepreneurship education to the fullest? Why has Nigeria’s efforts at gross national development, with her laudable goals for various levels of education, her various impressive national development plans, her human and material inputs in education, her gigantic budgets for national growth in all the economic sectors, failed to yield any tangible economic development? It would be recalled that Nigeria has never crossed the line of poverty from world statistics studies. In 1992, for instance, World Development Report classified Nigeria among the low income economies with a GNP of \$290 per capita. Also, Nigeria was scored 49 per cent on current level of poverty by United Nations Development Report (UNESCO, 2005). We do not have recent available data on the poverty level of Nigeria at the time of this study, but from the look of things, especially given the high and increasing population growth in a declining economy, Nigeria is believed to have gone lower down the ladder in 2010.

In Nigeria today, school leavers including university graduates in their millions, roam the streets searching for non-existing collar jobs. It has become increasingly difficult for school leavers from all levels and types of education (including vocational/technical/business education graduates) to transit from school to wage earning employment as hundreds of thousands of them are turned into the labour market at the end of every academic session, without a corresponding rise in paid jobs. It is no longer like the oil boom years of the seventies and eighties when automatic transition from school to employment was the case. Employers of labour (private and public), now shortlist only first class and second class (upper) honours degree graduates for possible employment. Only a handful of Nigerian graduates fall into these

two categories. There is thus, a high rate of unemployment which keeps mounting as more students graduate. It is in this light that this study makes a case for entrepreneurship education in the nation's school curriculum, strongly believing that the only way to reduce the high unemployment and poverty rates in the country is to equip the students with such skills that would make them truly self-reliant and self-sustaining in the society. This, as well as the ability to explore further and wider horizons for present and future improvements in business ventures, examining and taking risks, along with quality decision-making is what entrepreneurship education offers, thereby empowering the school graduates to becoming themselves creators of jobs, and not seekers of jobs. Therefore, a sure way out of the strangulating menace of unemployment and abject poverty of majority of Nigerian citizens is to educate and train people to be creative, innovative, visionary, resourceful, confident, and courageous to engage in business ventures as well as take the risks involved. These would largely be achieved through well planned, well structured, and well implemented entrepreneurship education.

Fund refers to a sum of money saved or made available for a particular purpose, and could be called money or financial resources. Funding is the act of making funds available for a particular purpose, and the way it is done is funding mechanism. There are short-term and long-term sources of funds. Short-term sources are funds needed for a short period of time. It must be raised within the shortest possible time to be useful to and educational institution. If there is a delay in raising the fund it would no longer be beneficial to the educational administrator. They can be grouped into two – internal and external sources. Internal sources are available within the organization and include retained earnings, depreciation provisions, accounts payable, new equity and proceeds from sales of assets. External sources of funds are those sources outside the educational institution which require contact with external bodies like the United Nations Children's Education Fund (UNICEF), United Nations Educational, Scientific, and Cultural Organization (UNESCO), the World Bank. Financial control which is very closely linked to funding (because somebody must disburse and use funds) involves the task of keeping expenditures in check and controlling the inflow of revenue, safeguarding the assets and ensuring that resources are sufficient to implement the policies and programmes, as well as generally ensuring values for money in terms of the organization's resource management and application. Financial control is essential in educational institutions because public money is being deployed and the success of its deployment is not

always easy to measure. It is the responsibility of the chief accounting officer to maintain and review financial control systems because it is the cornerstone of his duties (Hornby, 1974; Anyanwu, 1997; Ogbonnaya, et al, 2006).

It is no longer news that poor funding and poor control of financial resources which are intricately tied together have destroyed many laudable programmes and policies of Nigeria's National Policy on Education. What should be the concern of educational engineers now is to evolve ways or mechanisms of ensuring adequate and appropriate budgeting and release of funds for educational ventures as at when due as well as the appropriate control. It is sad to hear over the media all the time that monies budgeted for capital and recurrent expenditures are returned to the nation's treasury while infrastructures, facilities, equipment and materials, and even stipends, remain grossly insufficient and inadequate to run and sustain the systems needing them.

Furthermore, ineffectiveness and inefficiency have prospered as a result of total neglect of the role and process of financial control. Accounting as a technique of financial control in schools (also in other organizations) serves the role of facilitating the task of school management, usually designed not only to promote efficiency but also to minimize opportunities for errors and frauds, has been thrown to the winds. Rather, the "Sambo Personality" seems to be gaining grounds in education and other sectors of the economy. "Sambo Personality" suggests the lack of mental capacity or reasoning particularly in terms of foresightedness. It describes individuals or a leadership that lacks the ability or faculty to plan, and plan strategically. It also suggests reactionary tendencies and proneness to corruption. It lacks the attributes of due process and good practices. It has all the attributes of self-centeredness, nepotism, tribalism, stateism, parochialism, godfatherism, laziness, double standards, treasury looting, pathological greed, inordinate quest for power and money, kleptomania, pathetic fallacy, mediocrity, warped value system, wasteful organizational practices, injustice, unpatrotism, not God fearing, and so many unwholesome and dysfunctional practices (Onuoha, 1999).

"Sambo Personality" permeates all spheres of human endeavour in the LDCs – politics, commerce, religion, education, judiciary, legislature, executive arm of government, the military, and even the traditional setting. It is a disease that is afflicting both the leaders and citizens of the LDCs, Nigeria inclusive. They have all exhibited the symptoms of this problem in various forms and degrees with the cumulative effect of inexcusable

backwardness and poverty. The concept of “Sambo Personality” has been accused of being responsible for the underdeveloped and culpable state of all developing nations. In fact, the attitudes of the elites of LDC societies have contributed immensely to re-enforce this concept from which black people and their leaders are viewed by the white race all over the world (Onuoha, 1999).

Introducing entrepreneurship education and training in mainstream curriculum is a major reform agenda, and because of the inherent challenges discussed above, a major task is to develop a strategic plan for effective implementation. This is important because a reform is not a cosmetic or window-dressing activity aimed at silencing critics or pleasing international financial friends, donor-agencies, and development partners like IMF, UNESCO, and the World Bank (Nwagwu, 2007). Reforms must lead to improvement in the way we do things (mechanisms) and in the outcomes of the educational industry, which should in effect, boost the “econo-socio-politico” development of the nation. A strategic plan involves the following actions: Underlying any strategic plan is the cost-implication of its actualization. Without proper and continuous inflow of funds and control, no strategic plan will be actualized.

Today in Nigeria, the funding of education is shared between government sources and non-governmental sources. Reason is that the education sector has so greatly expanded that it has become impossible for government alone to bear the burden of funding education. Government grants (Federal, State, and Local) constitute a principal source of funding education, while non-governmental sources include school fees, proceeds from school activities, community efforts, donations from individuals and charitable organizations, endowment funds, external aids, petroleum special trust fund, and education tax fund. It therefore becomes imperative to explore the mechanisms for effective and efficient funding and control of this capital-intensive entrepreneurship education. These would be adopted to ensure that the reform succeeds. It is in this light that this study was conducted to seek the opinions of stakeholders in education on the most effective and efficient mechanisms to be adopted in funding entrepreneurship education in Nigeria. To guide the study, two research questions were raised from which one null hypothesis was formulated.

Research Questions

1. What funding mechanisms should be adopted to ensure that entrepreneurship education is well planned, implemented and sustained in Nigeria schools?
2. Are the opinions of education stakeholders on funding mechanisms for entrepreneurship education significantly different in all categories?

Null Hypothesis

There is no significant difference among education stakeholders on desired funding mechanisms for entrepreneurship education in Nigeria.

Purpose of the Study

The major purpose of this study is to search for the appropriate funding mechanisms that would be adopted in Nigeria for effective and efficient planning, implementation, and sustainability of entrepreneurship education through policy statements. It is also important that these the major stakeholders working together to deliver entrepreneurship education should agree significantly on measures to be taken, so as to remove every form of friction or conflict that would negate goal accomplishment. Hence the study also sought to know whether there is any significant difference among their responses on the funding mechanisms to be adopted.

Methods

The research design is a survey which sought the opinions of education stakeholders on desired funding mechanisms to be adopted to ensure proper and sustained funding of entrepreneurship education in Nigeria. Six major stakeholders grouped as government officials, private sector officials, educational engineers (i.e. educational administrators and planners), classroom teachers (including lecturers), students, and parents formed the population of the study. Due to the vast target population, a multi-stage simple random technique was adopted to select the study sample. For the purposes of multi-stage sampling, Nigeria was first classified along States, with the Federal Capital Territory, Abuja, included in its geographical State – Niger State. Three stages of random sampling through, Senatorial Districts, Local Government Areas, and most populated metropolis were conducted to delimit the study sample area. 3,000 copies of the short structured questionnaire were then distributed to ministries, companies, schools, and

homes physically, assisted by research assistants, and targeting 500 for each of the stakeholder category. Retrieval was almost immediate. On the whole 1,934 copies (64.45%) were retrieved out of which 1,750 (58.33%) were usable. Each category recorded a response rate above 40 percent.

The four major items of the questionnaire along with seven sub-items in each were measured on a four-point Likert scale. The sub-items referred to questions that covered the current mechanisms used in Nigeria for financial control in education. In this study, Government Grants was item 1, Petroleum Special Trust Fund (PTF) was item 2, Education Tax Fund (ETF) was item 3, and Others – comprising school fees, proceeds from school activities, community efforts, donations from individuals and charitable organizations, endowment funds, and external aids – was item 4. The questions were designed in such a way as to camouflage the current funding mechanisms and were so simple that even the illiterate parent will understand what is being asked and will be able to give a candid opinion. The issue of control of funds was also included to help respondents make appropriate response options of extremely desired, highly desired, desired, and fairly desired, scoring 4, 3, 2, and 1 point respectively. The data were analyzed using simple percentage, mean, standard deviation, and analysis of variance. Research question one was answered using the simple percentage while the null hypothesis was tested using the ANOVA at 0.05 alpha level. The results were presented in Tables 1 and 2 respectively.

Results and Discussion

Research Question One was answered by analyzing the responses of all the categories of education stakeholders used in this study and the result was presented in Table 1.

The result in Table 1 was quite self-explanatory. The implication for education was also very interesting. A staggering 89.2 per cent of education stakeholders wanted government to fund entrepreneurship education while they indicated ‘Others’ should be left out completely. Only 0.6 per cent of them would want funding from Petroleum Special Trust Fund and 10.2 per cent from Education Tax Fund. Though the study did not set out to seek for reasons for choice, it appeared the majority of them strongly believed that if corruption were excluded, the Nigerian government could indeed fund entrepreneurship education from various forms of grants. It was also noteworthy that the private sector, though indicated some 28.1 percent response through the Education Tax Fund, agreed with other stakeholders

that government alone could bear the burden of entrepreneurship education in Nigeria.

The null hypothesis was tested by subjecting the computed independent means of the six categories of education stakeholders to the ANOVA statistic. Significances were established at the 0.05 level. The result was presented in Table 2.

Since the calculated F value (F-ratio) of 0.22 was smaller than the critical (Table) F value of 3.00, as shown in Table 2, the null hypothesis was retained. This meant that there was no significant difference between the six groups. This implied that the choice of funding mechanisms for entrepreneurship education was more or less the same in all categories of stakeholders in education. The implication was that government was perceived to be capable of effectively funding entrepreneurship education without necessarily seeking for “outside” help. This belief probably stemmed from the increased observation that enormous sums of government money which could otherwise have been used to fund education were continuously stolen by most public officers and leaders. Because they always get away with looting in all ramifications and manifestations of the word, they loot with impunity! This is what “Sambo Personality” (Onuoha, 1999) is all about. Most leaders in developing countries are corrupt, and corruption is anti-development. A corrupt society can never realize its fullest potentials to any significant extent. Corruption is the greatest manifestation of the failure of leaders (at all levels) to establish vital inner links with the poor and dispossessed. Most African leaders are continually impoverishing and dispossessing their fellow citizens through their greed for pecuniary and material fruits of power. There are evidences to indicate that virtually all top government officials in LDCs, such as Governors, Ministers, Legislators, Judges, Commissioners, Permanent Secretaries, Managing Directors, Directors of Government Parastatals/Corporations, Provosts, Rectors, Vice-Chancellors, Principals of schools, e.t.c. embezzle public funds. What aches the generality of the impoverished masses is that the abandoned education sector is only good enough for the poor, since their entire family school and train abroad as they all continue to get away with their loots. To show how obsessed and bizarre African leaders could be in turning national wealth and resources which would be enough to fund education into personal ones, we site two examples here, as given by Onuoha (1990).

In Zaire, where per capita income was about \$117, Mobutu Sese Seko Kuto's personal wealth was over \$8 billion. Apart from the money stashed away in numbered Swiss accounts, he had palatial homes in Cote d'Ivoire, Senegal, Morocco, Spain, Brazil, France, Belgium, Switzerland, and others.

In Nigeria, the late General Sani Abacha who bagged the notorious degree of returning Nigeria to the Stone Age, was simply a mad man with money. It is generally agreed that it is very difficult if not impossible to estimate his stolen wealth. The *Times* of London's report published after his death revealed he (and his family) were worth some 3.5 billion Pounds Sterling (equivalent of \$5.6 billion or N476 billion). These figures are a serious underestimation of the amassed wealth considering the massive corruption that characterized his dictatorship tenure.

Conclusion

The findings in this study revealed that all the categories of stakeholders in education –government, private sector, educational planners/administrators, teachers, students, and parents in Nigeria strongly believed and agreed that entrepreneurship education could be funded by government effectively and efficiently if corruption, in every form, could be bootied out. This way, Nigeria's wealth would be better channeled into funding the capital-intensive entrepreneurship education to enhance economic growth and development.

Recommendations

Based on the findings and conclusion drawn, we recommended that while government rethinks about accommodating a much higher responsibility in funding education in Nigeria than it is doing at present, serious efforts should be made about introducing strategies for ensuring financial control through transparent accountability and due process. Also Nigerians, both the leaders and the led, at all levels of human relationships, should reject the garment of "Sambo Personality", and wear those of honesty, integrity, and good practices. Corruption should be hated and shunned in all areas of our endeavours. This way her investments in education would begin to yield higher revenue for economic growth and development.

Entrepreneurship Education in Nigeria: Funding Mechanism

Table 1: Distribution of Education Stakeholders' Responses on Desired Funding Mechanisms for Entrepreneurship Education in Nigeria (N = 1,750).

Education Stakeholders	Government Officials n = 317		Private Officials n= 210		Educational Engineers n = 381		Classroom Teachers n= 322		Students n = 304		Parents n = 216		Mean N = 1750	
	f	%	f	%	f	%	f	%	f	%	f	%	f	%
Government Grants	281	88.6	151	71.9	343	90.4	305	94.7	299	98.4	182	84.3	1561	89.2
Petroleum Special Trust Fund	4	1.3	0	0	0	0	0	0	0	0	7	3.2	11	0.6
Education Tax Fund	32	10.1	59	28.1	38	9.6	17	5.3	5	1.6	27	12.5	178	10.2
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 2: Summary Table of ANOVA on Desired Funding Mechanisms for Entrepreneurship Education in Nigeria

Source of Variation	df	SS	MS	F-ratio	Table F-value	Decision
Between Groups	5	295.0755	59.0151	0.22	3.00	Not Significant
Within Groups	1744	472819.8512	271.1123			
Total	1749	4731149.9267	-			

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