

# IMPACT OF ECONOMIC CRISIS ON EDUCATION: CASE STUDY OF SOUTHWEST NIGERIA

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## Abstract

The national politics determines the quality of education policies, programs and processes and eventually the products (results or outcomes). Government underfunding and commoditisation of education is likely to worsen the crisis in education. The current economic crisis confronting many governments is creating severe conflicts in educational sector of many nations. On the one hand they had to reduce, their budget deficits to avoid excess indebtedness. On the other hand, they had to promote education firstly to alleviate unemployment as a short run crisis measure and secondly to avoid the deterioration of human capital in the long run. High percentage of national budgets focuses on the public funding, which greatly affect the education sector. Some governments carried out overall budget cuts. These had negative effects on teachers, students and families. This research studies the impact of economic crises on education in the South-West part of Nigeria. The collected survey data shows that the current economic crisis in Nigeria had an observable impact on the education sector as many State Governments proceeded to drastic budget cuts on education. Only few State Governments, however, acknowledged the importance of the educational sector in overcoming the current economic crisis. These few States see the need of increased spending on education, supporting students, families and education providers as a way to enhance productivity and efficiency of State economy. The result of this research shows a great difference between the States cutting budget on education because of economy, economic downturn and those pumping more fund into education sector in the mist of economic crises. This research concludes that adequately funded educational system, if genuinely promoted and honestly managed is capable of creating mass-fully developed human talents whose creative thinking would get any nation out of the economic crisis and permanently shut the door to its future occurrence.

Keywords: Economic Crisis, Funding, Education, Government.

## 1 INTRODUCTION

The crisis, which has ravaged many economics around the world has caused noticeable imbalance in Nigeria. Besides depleting the country's external reserves, it has led substantially to the crash of the stock market, the erosion of the country's revenue by over 60 percent and the depreciation of the national currency, among others [1] reported that, "Nigeria has been hit by the global economic crisis together with developed and developing countries all over the world. The term economic crisis can be defined as a situation where there is a recession in nation's economic activities, a situation where the world's economy seems to be standing on its head [2]. In Nigeria, the educational system is almost completely dependent on government budgetary allocation and with the economic crisis; the sector will no doubt witness its fair share of budget cuts which will affect not only the teachers but also students and families. Teachers' salaries represent around two-thirds of public expenditure on education, which explains why in some countries the first signs of a slowdown had a direct impact on pay [3]. When the economy is in crisis, and graduate unemployment is high, the teaching profession used to be a safer and more attractive choice than other occupations because of the respect given to the profession and regular payment of teachers' salary but nowadays contrary is the case. But significant salary reductions due to economic crisis can also have a negative impact on a country's attempt to attract the best individuals to the teaching profession. As a consequence, countries will find it more difficult to maintain the quality of learning in the future. [4] reported that the challenges faced by most of the developing countries which have some serious effect on education burdened by disappointments and shortfalls in expectations are rooted on social, economic and political factors, which also mutually interact with each other. The global economic crisis has effects on Nigeria economy which has led to depletion of stocks, loss of investment, loss of jobs occasioned by the closing down of many companies, devaluation of the naira, culminating in government inability to fund education, especially in Southwest.