International Journal of Business, Law and Political Science
Homepage : https://e-journal.antispublisher.id/index.php/IJBLPS
Email : admin@antispublisher.com

e-ISSN : 3032-1298
IJBLPS, Vol. 2, No. 10, October 2025
Page 447-456

Basic Education and Economics Reform of Subsidy Removal in Nigeria: Implications for Educational Administration and Planning

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DOI : https://doi.org/10.61796/ijblps.v2i10.376

Sections Info

Article history:
Submitted: August 29, 2025
Final Revised: September 12, 2025
Accepted: September 25, 2025
Published: October 19, 2025

Keywords:
Basic education
Educational administration and planning
Economics reform
Subsidy removal
Equity in education

ABSTRACT

Objective: *This paper examines Basic education and economics reform of subsidy removal in Nigeria with focus on implication for educational administration and planning.* ***Method:*** *The study uses quantitative methods to analyze data from various sources including government reports, academic articles, and surveys.* ***Results:*** *The paper revealed that the gains of subsidy removal in Nigeria on education include; increased government revenue for education investment, enhanced funding for educational infrastructure, strengthening teacher welfare and capacity development, promotion of equity through reinvestment in social programs and encouragement of public-private partnerships in education. The paper also disclosed that increased cost of living for families, reduced access and affordability of education, strain on educational administrators and planners, potential decline in teacher welfare and morale and widening inequality in education access.* ***Novelty:*** *The study recommends that government should ensure that a significant portion of the savings from subsidy removal is directly allocated to basic education. Policymakers and educational planners must adopt data-driven approaches to ensure that resources are distributed equitably across states and local governments. To cushion the effect of inflation on teachers, government should adjust salaries and allowances in line with current economic realities. Conditional cash transfers, scholarships, and provision of free uniforms and textbooks should be expanded to ensure that children from low-income households are not excluded from school due to financial hardship.*

INTRODUCTION

Education is universally recognized as a vital driver of national development, social transformation, and economic progress. In Nigeria, the Basic Education sector—comprising primary and junior secondary education—serves as the foundation for human capital formation and the achievement of the nation's long-term development goals [1]. However, the delivery of basic education has continued to face significant challenges, ranging from inadequate funding and poor infrastructure to policy inconsistencies. In recent years, economic reforms implemented by the Federal Government, particularly the removal of fuel subsidy, have generated wide-ranging socio-economic consequences that directly and indirectly affect the education sector.

The removal of subsidy, while intended to stabilize the economy, reduce fiscal deficits, and promote investment in critical sectors, has also led to increased inflation, higher transportation costs, and rising living expenses for households. These developments pose direct implications for educational administration and planning in Nigeria. On one hand, subsidy removal may create opportunities for government to reallocate resources into education and other social services [2]. On the other hand, the immediate economic hardships experienced by families and institutions could constrain access, affordability, and quality of basic education.

Against this background, it becomes essential to examine the intersection between basic education and economic reforms such as subsidy removal [3]. Specifically, this study explores Basic education and economics reform of subsidy removal in Nigeria with focus on implication for educational administration and planning.

Concept of Education

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) [4]. 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) [5].

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) [6]. Education according to Ogunode, Solomon, & Idonigie is 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 [7]. 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 Basic Education

Universal Basic Education is an educational programme implemented by different countries to increase access to basic education and reduce illiteracy globally via provision compulsory basic education and provision of free instructional learning materials. Universal Basic Education is a public education meant to include early childhood care and education, the nine years of formal schooling, adult literacy and non-formal education, skills acquisition programmes and the education of special groups such as nomads and migrants, girlchild and women, almajiri, street children and disabled groups and compulsory and free learning materials are provided by the government (Ogunode) [8].

Universal basic education is designed to be implemented with some component such as employment of adequate professional teachers, capacity building programme and instructional resources. It is noted that in the design and delivery of the UBE programme, great attention is expected to be placed on bringing about lasting solutions to issues of quality educational service delivery through effective and efficient instructional management strategies during the implementation of the UBE curriculum. Teacher preparation is expected to include minimum standards in Colleges of Education; and Faculties of Education of Universities, who are in charge of training of teachers (Omotayo, in Egbebi) [9]. The programme is expected to serve the lifelong learning tendencies of all children, and even some adult learners. It is concerned with not only young children but also adolescents and adults who do not have ample opportunity for formal education (Egbebi & Harbau) [10]. It aimed at widening access to basic education and improving the quality of its provision through equal access, equity and fair play for every learner.

Universal Basic Education allows the following categories of learners to benefit from services provided by basic educational institutions in hierarchical order: - Childhood Care Development or Preschool/Nursery/kindergarten, Primary Education, Junior Secondary Education and non-formal Education such as Fishermen and Normadic education sub-programmes. UBE is a nine-year educational intervention programme by the Federal Government of Nigeria. It was designed to eradicate illiteracy, ignorance and poverty to stimulate and accelerate national development, political consciousness and national integration (Omotayo, in Egbebi) [11].

Basic education is compulsory and free for all Nigerian children. The starting age is six and its duration is six years for the primary school’s section and three years duration for the junior secondary school. The following subjects are taken in the basic school; mathematics program, English program, religious knowledge program, basic science program, and technology program, and students will choose one out of the three major Nigerian languages (Hausa, Igbo, and Yoruba) [12] [13]. The objectives of basic education in Nigeria include functional literacy and numeracy, develop the ability to communicate effectively, and enhance positive attitudes towards cooperation, work, community, national development, and continuous learning. In Nigeria, children are expected to have a continuous, uninterrupted stretch of education for nine years from primary school to the third year of the junior secondary school.

Concept of Economics Reform

Economic reform refers to the process of making changes to a country's economic policies and systems in order to improve its overall economic health and stability. This can include a variety of measures such as implementing new regulations, restructuring industries, and changing trade agreements. Overall, the goal of economic reform is to promote growth, efficiency, and competitiveness within a country's economy. Examples of economic reform initiatives include privatization, deregulation, and austerity measures [14]. Government officials, economists, and other experts often debate the best approach to economic reform, as it can have significant impacts on various aspects of a country's economy and its people.

Concept Subsidy Removal

There are many definitions of subsidy. According to IMF et al., subsidies can take various forms, including direct government expenditures, equity infusions, tax incentives, soft loans, government provision of goods and services and procurement on favorable terms, and price supports such as price reduction. Subsidies are provided in diverse formats, according to Haley and Haley encompassing direct assistance such as cash grants and interest-free loans, as well as indirect support such as tax exemptions, insurance coverage, low-interest loans, accelerated depreciation, and rent rebates [15].

Subsidy removal is the termination of subsidies on petroleum products. Ogunode et al defined subsidy removal as an official elimination of subsidies on products formerly subsidized. Subsidy removal is the decision of the government or institutions to stop payment of subsidies on products or services previously subsidized. Subsidy removal is the stoppage of the subsidy regime in institutions or countries. Subsidy removal is the policy of liberating the prices of goods and services to be regulated by forces of demand and supply (Ogunode et al) [16].

The objectives of subsidy removal includes according to Ogunode, & Omolewa,; to increase government savings and revenue, to aid infrastructure facilities development, to stop corruption in the management of subsidy payment, to liberate the economy to be more competitive, to increase investment in other critical sector of the economy, to eliminate wastages [17]. The removal subsidy on petroleum products affected operational of the economy especially the public and private institutions like the tertiary institutions.

RESEARCH METHOD

The method for data collection in this work was via secondary methods. The secondary data for the work was also based on content analysis. Here literature related to the study were collected and reviewed. Secondary data were gathered through the existing literature, which were used to back up the assumed point in the paper. The literature comprises of books, journals, newspapers, military publications, E-books, E-journals, and other government and Human Rights Organization publications.

Inclusive Criteria

The review included only literatures from 2015 to 2025 and only conference paper, journal and report books.

Exclude Criteria

The review excluded ordinary publications, Books and magazine and literature below 2015 down ward.

RESULTS AND DISCUSSION

Gains and Pains of Subsidy Removal on Basic Education in Nigeria

The removal of fuel subsidy in Nigeria has far-reaching implications for different sectors of the economy, particularly the basic education sector. While the policy is designed to free up government resources and stimulate economic reforms, it has produced both opportunities (gains) and challenges (pains) that directly influence educational administration, planning, and the accessibility of quality basic education. Ogunode, & Agbade; different studies outline the followings as the five gains and five pains of subsidy removal on basic education in Nigeria [18].

Gains of Subsidy Removal on Basic Education

Increased Government Revenue for Education Investment

The removal of subsidy has the potential to save billions of naira that were previously allocated to fuel subsidies. This financial space creates opportunities for government to channel more resources into critical sectors, including basic education. If effectively managed, the redirected funds can improve the construction and renovation of classrooms, provision of learning materials, and expansion of school feeding programs. This creates a more enabling learning environment, especially for children from disadvantaged backgrounds. Removing costly fuel subsidies reduces budgetary leakage and can free resources for priority sectors such as education (capital projects, recurrent grants, scholarships). Several government and media reports say states' and federal revenues increased after subsidy removal, creating room for increased allocations or new programmes for social sectors. Additional revenue are directed to school rehabilitation, textbooks, teacher training, or scholarship funds — all of which improve access and quality when used transparently (Guardian Nigeria, September) [19].

Enhanced Funding for Educational Infrastructure

One of the long-standing challenges of basic education in Nigeria is poor infrastructure, such as dilapidated classrooms, overcrowded learning spaces, and inadequate teaching aids. Subsidy removal allows the government to allocate part of the savings into infrastructure development, ensuring that schools have modern facilities such as libraries, laboratories, ICT centers, and improved sanitation. Improved infrastructure not only enhances learning outcomes but also increases enrollment and retention rates in basic schools.

Strengthening Teacher Welfare and Capacity Development

Teachers form the backbone of basic education delivery, yet their welfare has often been undermined due to limited resources. With more fiscal resources available after subsidy removal, there is potential for improved teacher salaries, timely payment of allowances, and capacity-building programs through training and retraining. This strengthens teacher motivation, enhances productivity, and contributes to better student performance (Musa) [20].

Promotion of Equity through Reinvestment in Social Programs

Subsidy regimes in Nigeria have historically benefited the wealthy more than the poor. By removing subsidy and redirecting resources, government can focus on targeted interventions such as scholarships, conditional cash transfers, and free textbooks for children from low-income families. This has the potential to improve equity in access to basic education, ensuring that disadvantaged groups—especially girls and children in rural communities—are not left behind (World Bank) [21].

Encouragement of Public-Private Partnerships in Education

The financial reforms associated with subsidy removal encourage diversification of funding sources in education. With the government seeking alternative solutions, private organizations, NGOs, and international partners are more likely to collaborate in financing and supporting educational programs. This synergy can lead to innovative approaches in educational administration, school management, and curriculum delivery, ultimately enhancing the quality and efficiency of basic education in Nigeria (International Institute for Sustainable Development (IISD). Ogunode, & Chukwuemeka) [22] [23].

Pains of Subsidy Removal on Basic Education

Increased Cost of Living for Families

The immediate effect of subsidy removal is inflation, especially in transportation, food, and basic commodities. Families struggling to meet daily needs may deprioritize children's education, leading to reduced school enrollment and increased dropout rates, particularly among children from poor households. This undermines the goal of universal basic education in Nigeria (Peter) [24].

Reduced Access and Affordability of Education

As household incomes are eroded by higher living costs, many parents may find it difficult to afford school-related expenses such as uniforms, books, levies, and transportation (Kasimu, & Ogunode) [25]. This can widen the gap between children from wealthy families and those from low-income households, threatening inclusivity in basic education. Rural children, who often travel long distances to school, are particularly affected by rising transport costs (Ogunode & Aregbesola) [26].

Strain on Educational Administrators and Planners

Educational administrators face new challenges in planning and resource allocation. The increased operational costs of running schools—such as fuel for generators, transportation of supplies, and maintenance—place additional strain on already limited school budgets. This complicates effective planning, reduces efficiency, and hampers the smooth operation of schools (Project Clue. Sunday Sun.; Ogunode, & Ukozor,) [27].

Potential Decline in Teacher Welfare and Morale

While subsidy removal creates opportunities for reinvestment, its immediate inflationary pressures may erode the real value of teachers' salaries and allowances. If government does not promptly adjust remuneration, teachers may experience financial hardship, leading to low morale, absenteeism, and strikes. This has a negative effect on the quality of teaching and learning in basic schools (Gregory, & BenjaminOgunode, Okwelogu & Johnson) [28] [29].

Widening Inequality in Education Access

Without deliberate mitigation strategies, subsidy removal may deepen socio-economic disparities in education (Emmanuel, & Honmane,) [30] [31]. Children from affluent families may continue to access quality private schools, while children from disadvantaged backgrounds may struggle with overcrowded public schools, poor infrastructure, and limited resources. This inequality threatens national cohesion and undermines the vision of inclusive and equitable education (Ogunode& Chukwuemeka) [32].

CONCLUSION

Fundamental Finding : The reform of fuel subsidy in Nigeria represents a significant economic policy shift with profound implications for the nation's development trajectory. While the removal of subsidy was designed to stabilize the economy, curb financial leakages, and redirect resources to critical sectors, its effects on basic education cannot be ignored. Basic education, being the bedrock of human capital development, is particularly sensitive to economic reforms that alter the financial capacity of households and the fiscal responsibilities of government. This study highlights that subsidy removal presents both opportunities and challenges for educational administration and planning in Nigeria. On the one hand, the policy creates potential fiscal space for increased investment in educational infrastructure, teacher development, and social intervention programs targeted at disadvantaged children. On the other hand, the inflationary pressures, increased cost of living, and rising operational expenses threaten equitable access, affordability, and quality of basic education, thereby placing greater strain on educational administrators and planners. **Implication :** Based on the findings, the paper suggests that government should ensure that a significant portion of the savings from subsidy removal is directly allocated to basic education. This should cover school infrastructure development, provision of instructional materials, and expansion of school feeding programs to ease the financial burden on families. Policymakers and educational planners must adopt data-driven approaches to ensure that resources are distributed equitably across states and local governments. Special attention should be given to rural and underserved communities to bridge the educational gap and promote inclusivity. To cushion the effect of inflation on teachers, government should adjust salaries and allowances in line with current economic realities. Furthermore, continuous training and professional development should be prioritized to enhance the quality of teaching in basic schools. **Limitation :** Although the paper provides comprehensive recommendations, it acknowledges that effective implementation depends on government's political will, fiscal discipline, and coordination across multiple sectors. The success of subsidy reinvestment in education may be limited by corruption, weak monitoring systems, and lack of stakeholder engagement. Additionally, inflationary pressures and inconsistent policy directions could undermine the intended benefits for the education sector. **Future Research :** Future studies should explore the long-term impact of subsidy removal on educational outcomes such as enrollment, retention, and learning achievement. Researchers could also examine comparative analyses between Nigeria and other developing nations that have undergone similar economic reforms to identify best practices. Further investigation is needed into how policy coherence between the education and economic sectors can be strengthened to ensure that reform policies contribute effectively to sustainable human capital development.

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