AN ECONOMIC ANALYSIS OF FUNDING AND ENROLMENT

IN NIGERIAN UNIVERSITIES: 1970- 2003

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ABSTRACT

The study examined the relationship between funding and enrolment in Nigerian universities between 1970 and 2003. It also analysed the trends and patterns of funding and enrolments in Nigerian universities and the causality between them. These were done with the aim of drawing out the implications of the findings for effective planning on university enrolment.

The study utilized secondary data and these were obtained from the National University Commission (NUC), Annual Abstract of Statistics of the Federal Office of Statistics (FOS) now Bureau of Statistics and Abstract of Statistics of the Central Bank of Nigeria (CBN). Analytical techniques were both descriptive and inferential. Data were expressed in ratios, percentages and tables for the descriptive analyses. The inferential aspects used Ordinary Least Square regression analysis on students' enrolment, funding, academic staff and unemployment.

The study showed that only recurrent grants had significant positive effect on university enrolment ($t=2.50$, $p<0.05$), while capital funding had positive but insignificant effect on enrolment ($t = 0.47$, $P>0.05$). The result also showed that the size of academic staff had positive but insignificant effect on enrolment ($t = 1.31$, $P>0.05$). Moreover, the Granger causality test showed that funding had significant causal effect on enrolment ($F= 3.37$, $p< 0.05$), suggesting that students' intake were determined by the quantum of financial resources available to the universities.

The study concluded that running and management of universities in terms of students' intake require adequate funding and that funding was the main determinant of enrolments in the university system.