

THE STUDY OF ECONOMICS OF EDUCATION: IMPERATIVE FOR MANAGING UNIVERSITY EDUCATION FOR SUSTAINABLE DEVELOPMENT IN NIGERIA

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Abstract

In Nigeria, University education plays an important role in sustainable development of the nation. However, university managers are constantly confront with economics related problems such as allocating, limited resources to various educational units, making education investment decisions, and financing educational programs to effectively provide skilled manpower for sustainable national development. The need to provide solutions to these problems necessitated the study of the Economics of education. Therefore, this paper examines the Economics of Education as imperative for managing university education for sustainable development in Nigeria. The development and meaning of economics of education as well as the meaning and management of university education were all discussed in this paper. The paper also highlighted the importance of Economics of Education in managing university education for sustainable development, followed by the conclusion and recommendations.

Key words: Economics, Education, Management, University and Sustainable Development

Introduction

Sustainable national development is a continuous improvement in the all-round development of a nation. It is the process that seeks to sustain socioeconomic, political and technological development in a nation so as to satisfy the needs of the immediate and future generations. Ebirim, Chimezie and Duruchukwu (2025) described sustainable national development as an all-round improvement that takes place in all sectors of a nation's economy that meet the needs of both the present and future population. It is a collective improvement

in all sectors of the economy which brings about improvement in the living standard of the citizens. Sustainable development is a United Nations call for achieving a development that will meet the needs of the present without compromising the needs of the future generation (Bashar and Buhari, 2023).

Education, especially University education plays a significant role in enhancing sustainable development of many nations. University education is ranked high in Nigeria as an instrument through which individuals acquire

skills and knowledge for sustainable economic, political, social and technological development. It offers individual specialist education, making them special or expertise in their respective disciplines of learning including medical Doctors, Engineering, Lawyers, Accountants, Architects, Surveyors etc. University education is acquired in the universities. Universities are centres of learning and research. They are a component of sustainable national development. Universities play a specific and significant role towards achieving the national goals in terms of knowledge dissemination, ideas and skills development, and training of human capital through research, teaching and technology invocations (Agboola and Akporehe, 2018).

Okorosaye-Ombite, Godgift and Abraham cited in Agboola and Akporehe (2018) described the University as thus;

“University as an institution is entrusted with the responsibility of training and providing manpower equipped with the knowledge and relevant skills that would develop capacity for transformation and analytical skills to enhance industrial and technological development, drive local economics, support civil society, teach children, lead effective government and make important decisions that affect and influence the entire society. The university is more or less an industrial establishment for turning out the most precious products – the accomplished individuals. It is thus an agent for shaping not only the destiny of man but also of the entire state”.

Universities are established to satisfy specific needs of the nation through teaching, conducting research and dissemination of knowledge as well as community service activities. As noted in Obono and Eteng (2025), the original mission of Universities in Nigeria was to train individuals and provide the nation with skilled and knowledgeable manpower for socio-economic, political and technological development. As enterprises that specialise in the production of skills for national development, Universities achieve their mandate through effective and efficient management. Management is critical and central to the success of any organisation. It entails the process of coordinating, planning, mobilizing, controlling and utilising both human and non-human resources to achieve organisational goals and objectives. Allocation of scarce resources to various educational programs, projects and activities to optimise their contribution to educational and national development is the focus of education managers.

Hence, the development of Economics of Education aimed to help education managers to effectively and efficiently finance and allocate limited educational resources to various educational needs thereby providing education that is vibrant, responsive and relevant to the needs of individuals and society. Economics of Education studies the relationship between economics and education. From the background, it can be deduced that there is a nexus between the study of Economics of Education and the management of Universities. Thus, this study examines the role of Economics of Education in the management of University education in Nigeria for sustainable development.

Development and Meaning of Economics of Education

Education is a human capital investment that requires vast resources, including – human, materials and financial resources, to produce required manpower for national development. However, these resources are not always available or adequate to satisfy unlimited educational wants at the same time; thus, creating a fundamental problem of how to allocate available resources to competing educational needs. In the quest to address this problem, decision makers in education decided to apply economics principles such as opportunity cost, choice, scale of preference, etc. in solving this problem and many others within the education system. Since it is not possible to satisfy all educational wants at the same time given limited resources, school managers need to make choices among competing educational wants, the ones to satisfy first before others. This development led to the study of the Economics of Education.

Today, Economics of Education is one of the numerous courses offered in many universities in the world. There is no consensus definition of the Economics of Education because of the variety of its usage. Different scholars in the field perceived the Economics of Education from different perspectives. Some scholars view Economics of Education as the study of how choices regarding the use of educational resources can be made. Others see it as a study that is concerned with how educational resources can be allocated optimally among the competing educational wants. Yet to some others, Economics of Education studies how the provision of education can be pursued to benefit the individual and the society. While

many others perceive Economics of Education as a field of study that seeks to establish how investments in education can be made to maximise benefits to both the school and the society.

For instance, Undie (2007) defined economics of education as a collective body of knowledge, ideas and arguments that seek to establish rational criteria and explain how the provision of education as a veritable tool for the development of human resources can be pursued to maximise benefit on production, economic growth, and sustainable national development. Ekanem (2014) viewed Economics of Education as a study that is concerned with the process of making choices in the of educational resources to satisfy the unlimited educational needs of society. This definition stresses the fact that since all educational needs cannot be satisfied at the same time given limited resources, decision makers have to make choices among the competing educational needs. It is rational that the most pressing needs are satisfied before the less pressing ones, when wants are competing for limited resources. On his part, Agabi in Undie (2007) defined Economics of Education as a branch of development economics that seeks to establish how investments in education can be pursued within the context of diverse institutional constraints to maximise benefits for the individual and the society. Although there are variations in the definitions above, all tend to explain what economics of education portray or represent.

However, it can be deduced from the various definitions above that Economics of Education is concerned with how families, institutions and the government can finance and allocate scarce resources to provide a quality

education that individual requires for successful living and sustainable national development. Economics of Education is guided by the principles, laws, and theories of Economics in the course of financing, producing, distributing, and consuming educational services. Economics of Education as an area of study focuses on the following issues; demand and supply of education, education finance, education budgeting, cost and benefits of education, education investment decisions, efficiency in education, wastage in education, productivity, among others.

Concept of Management

As stated earlier, management is the process of coordinating, mobilising, planning, controlling, directing, supervising, organising and utilising organisational resources such as human, finance and material resources in implementing organisational programs with a view to achieving the goals and objectives of the organisation. It is the process of directing the affairs of an organisation with the hope of achieving the set goals of the organisation and that of the society (Etuk, Etudor-Eyo & Etor, 2015). Olagboye (2004) defined management as the process of planning, organising, influencing and controlling the efforts of the operators to achieve stated goals and objectives of the organisation. It is a process that is primarily concerned with the overall formulation of plans, programs and policies directed towards achieving the objectives of an organisation. Okeke (2007) defined management as the process of effective utilisation and coordination of resources such as capital, plants, material and labour to achieve defined objectives of the

organisation with maximum efficiency. Agih (2015) defined management as a result-oriented activity that involves group efforts and organised work and performance toward attainment of certain predetermined goals. Imeh (2018) posited that management as a universal concept is needed in all type of organisations to achieve the goals and objectives of the organisations.

Management of Universities

Management of universities focuses on the development, formulation and implementation of policies and programs geared toward achieving the goals of the Universities. It involves the process of planning, organising, coordinating, implementing, reviewing, evaluating, supervising and utilising resources available to the universities in a manner in which the educational goals of the Universities can be achieved maximally. Unachukwu and Okorji (2014) viewed educational management in relation to Universities as the process of planning, organising, directing and controlling the activities of the Universities by utilising both human and materials resources so as to effectively and efficiently accomplish teaching and learning.

Anamu and Ukpabio, cited in Obono and Abana (2023), stated that the management of university education is a capital intensive project that requires ample investment of resources necessary to sustain the Universities. This implies that huge resource is needed to effectively and efficiently manage the affairs of the Universities, including staff management, students management, and facilities management. Staff management has to do with recruiting the right number and quality of both

academic and non-academic staff, developing their skills and knowledge annually for effective service delivery, supervising them to ensure that they carried out their duties effectively, and motivating them for improved job performance. Student management has to do with admission management, hostel management, management of students' academic activities, student welfare management and students' security management. Management of school facilities has to do with procuring teaching and learning facilities as well as routine maintenance of the facilities to ensure that they are in good condition for use in teaching and learning.

The Role Of Economics Of Education In Managing University Education For Sustainable National Development

Economics of Education play important roles in the management of University education for sustainable national development in the following areas;

a) Resources planning:

Resource planning is the process of determining in advance the quality and quantity of resources needed to execute educational programmed or projects. Aghenta, cited in Obono (2023) noted that planning serves as the basis for determining required resources for the effective operation of education and sustainable development. The study of Economics of the Education provides the basis through which university managers plan the needed resources for implementing educational programs and projects for sustainable national development.

b) Resources mobilisation:

Resources mobilisation refers to the process of acquiring or making available the needed resources for achieving the goals and objectives of education. The study of Economics of Education provides skills that enable university managers to know the various ways of mobilising resources, identify donors and engage in alternative revenue-generating ventures to finance educational programs or projects for sustainable national development.

c) Resource allocation:

Resource allocation is the process of utilising available resources among educational programs or projects in order to achieve set educational goals and objectives. It is a diligent deployment of scarce resources to tasks and projects where they can produce the highest rate of returns. The study of Economics of Education provides criteria for making sound and rational policies concerning how scarce and limited resources can be allocated optimally among competing educational projects so as to provide the needed manpower for sustainable national development.

d) Investment decision making:

Investment in education is the commitment of resources to educational programs or projects with a view to yielding future returns. Choosing of an investment project or programs is one of the difficult decisions in the management of Universities. Hence, the study of Economics of Education provides the means through which decisions regarding the choice of education investment are made to maximise future returns. The returns of

education investment is the provision of manpower for sustainable national development.

e) Wastage management:

Wastage is a condition where educational resources are over utilised in the course of carrying out educational services. According to UNESCO (2008), wastage can be in the form of student attrition or repetition. Attrition is when a student dropped out of school. While repetition is when a student fails to pass examination and is asked to repeat. When a student drops out of school, all the resources that were used in training him/her are wasted. Also, students' repetition results to over-utilisation of resources which constitutes wastage. Eteng (2018) posited that when a student repeats the same class, he/she take up space, time, textbooks, desks and other resources. The study of Economics of Education provides university managers with measures through which educational wastage can be managed and enhanced efficiency for sustainable national development.

f) Enrollment management:

As enrollment in Universities increases regularly, available resources become over utilised and ineffective. Hence, the study of Economics of Education enables school managers to project and acquire resources needed to manage the ever-increasing enrollment so as to provide the nation with the need skills for sustainable development.

g) Financial administration:

Economics of Education provides university managers with the skills of financial administration, which enable them to effectively

and efficiently coordinate financial resources of the school in a manner that ensures accountability in the use of funds and attainment of school goals and objectives.

h) Human capital development:

Human capital development is the process of implementing programs through which staff of an organisation can acquire skills and knowledge that are necessary in improving job performance and organisational productivity. The study of Economics of Education enables school managers to understand that the capacity of university to attain its goals does not only depend on the school facilities but also on the human capital stock. Therefore, there is a need to implement programs that will enhance job performance and productivity.

Conclusion

Economics of Education is the application of economic principles, tools, laws and theories in making decisions to solve educational problems or achieve educational goals. It addressed fundamental issues in education, such as education resources allocation, education financing and budgeting, choice of education investment projects, education cost and benefits, education wastage, efficiency, education production process, demand and supply of education, as well as deregulation of education. Thus, it can be concluded that Economics of Education is not just a course of study, but also a strategy for managing university education for sustainable national development.

Recommendations

The following recommendations were made:

- 1) There is a need for university managers to have the basic knowledge of Economics of Education and its applicability in the management of University education for sustainable national development.
- 2) Policies regarding financing and resource allocation should be made by experts in the Economics of Education for sustainable national development.
- 3) University managers should always collaborate with Economics of Education experts in making economics-related decisions that will have a positive impact on the management of University education for sustainable national development.

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