

Post-2015 Development Agenda

Nigeria Perspectives



Education

SPEAKERS

George Psacharopoulos

Over the course of his career, George Psacharopoulos has made a deep impact on the way education is viewed in relation to economics and developing nations. Psacharopoulos was born in 1937 in Athens, Greece. He obtained a B.A. degree in 1960 in his home country before coming to the U.S. for graduate school. He received both his M.A. and Ph.D. degrees in economics from the University of Chicago in 1964 and 1968, respectively. Early on, Psacharopoulos took an interest in the economics of education, particularly in the returns of education across various nations. His conception of how investment in education can be approached has helped shape and influence research studies and policy formation, especially as they relate to developing nations. In addition to being involved in research and policy formation, Psacharopoulos has taught at higher education institutions such as the London School of Economics and Athens University. He was also elected to serve a four year term in the Greek Parliament as a state MP in 2000. Psacharopoulos held the O'Leary Chair at the University of Illinois' College of Education from 2005 to 2006--a position that focuses on financial management in education, especially in public schools.

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Summary: White Paper Report by George Psacharopoulos

Nigeria has a lower than expected level of educational achievement given its moderately high per capita income. Illiteracy rates are high and there are big gaps in achievement between rich and poor, boys and girls and different regions. Overall, Nigeria ranks 152 out of 187 countries in the UN's Human Development Index, below Kenya, Ghana, Botswana and Rwanda.

Investing in early years education gives the greatest benefit for each Naira spent. One of the most pressing problems is the low rate of attendance of pre-primary schools, which is only 13% in Nigeria compared to an average of 20% in sub-Saharan Africa. Attending preschool has a lot of benefits, including better performance during later schooling, a lower dropout rate, less likelihood of involvement in crime and higher adult earnings. For each year of preschool, there is a 7-12% increase in lifetime earnings, with the greatest gains for children from disadvantaged backgrounds.

Primary school is also important, but enrolment rates are relatively low. There are many over-age students and many who are repeating years: it takes nine years on average to complete the six primary school years. High levels of grade repetition have been linked to high dropout rates and only 77% of students complete basic education. This is a much poorer performance than a number of other countries in the region, and Nigeria has 7 million primary school-age children out of school.

Half of the population over 15 are classified as illiterate. Of the 41 million adult illiterates, 10 million are aged 15-24 which does not bode well for generations to come.

Education quality is a big problem, with Nigeria performing worst out of 22 sub-Saharan and North African countries rated by the World Bank in 2008. The main contributing factors are poor physical facilities, inadequate sanitation, lack of textbooks and the number of unqualified teachers. To make matters worse, the high percentage of male teachers in the North means that many families there opt to withdraw girls from school.

There are wide disparities between different social groups. In the Northern States, only one in three primary school children are girls. People in the North are four times more likely to have no education than those in the South. Half of all women in rural areas are illiterate, compared to 14% of men in towns and cities. The poorest 20% of women have a literacy rate of only 13%, compared to 92% in the wealthiest 20%. Three quarters of women in the poorest households have no formal education at all.

By way of comparison, Nigeria and South Korea both had a per capita income of about \$800 in 1950 (at 1990 values). By 2008, this had about doubled in Nigeria, but was over \$19,000 in South Korea: thirteen times higher than Nigeria. The difference has been attributed to education policy. South Korea chose to achieve universal primary education, while Nigeria invested mainly in universities while literacy rates remained low.

The answer to Nigeria's major educational problems is not to adopt vague, aspirational targets which have been missed in the past and are unlikely to be met in the future, but to focus on three vital areas where real progress can be made: improving school quality, getting more children into primary school and increasing preschool coverage.

Improving school quality and so raising test scores is associated with higher economic growth (2.6% higher for a one standard deviation improvement in test scores). In the case of Nigeria, this would increase annual earnings by \$37 a year for a lifetime. Investing one Naira would be worth on average 17 Naira over a working life.

Given the current low rates of literacy, expanding primary education would also be very beneficial, giving 13 Naira in benefits for each one invested. The most cost-effective target, though, would be to reduce by half the number of children not attending preschool. A Naira invested here would give social benefits valued at 65 Naira. In particular, this promises a better future for students from poorer families. Since the most vulnerable groups are in the Northern States, this is where educational investment should be a priority.

Finally, there is a pressing need to collect and report basic educational statistics since “if you cannot measure it, you cannot manage it”.

White Paper Report by George Psacharopoulos

In spite of some progress over the last decade, Nigeria's level of educational development is below that expected for its upper-middle-country per capita income. Millions of children do not have a head start in preschool. Millions of primary-school-age children are out of school. Among those in primary school only eight out of ten complete the cycle. School quality is below average for the country's level of per capita income. Nearly one third of the population is illiterate and there exist huge disparities in educational development across regions, gender and income groups.

There are two choices facing Nigeria now to fix its broken educational system: (a) riding the Post-2015 MDG wagon and setting targets for 2030 that we know from history they will never be fulfilled, or (b) focus on a few areas that would bring the most benefits to the country.

This paper argues that the first choice would be futile and goes on to identify the few areas that should be prioritized. Based on cost-benefit analysis, expanding preschool coverage, bringing to school many children who are still out, and improving school quality are the smartest investment choices. For every naira invested in these areas the country will get back 10 to 73 nairas.

The futility of MDG targets

There has been a long history of grandiose international proclamations on education targets to be achieved by 1980, 2000, 2010 and 2015. All of them have been missed, and Nigeria is no exception:

- In 1961 Unesco set the target of 100% primary school enrollment in Africa by 1980. Yet by the target date enrollment stood at 56% (Unesco, 1961a, 1961b, 1993).
- In 1990 Unesco, Unicef and the World Bank launched the "Education for All" (EFA) campaign setting the goal of universal primary education by the year 2000. Yet by 1999 the net enrolment ratio in Africa was 57% (WCEFA, 1990, Unesco, 2002).
- In 2000 the target year for EFA was shifted to 2015. Yet, according to the latest figures, today there are 58 million children out of school and over 100 million youth aged 15-24 lacking basic reading and writing skills (UNDP, 2013; Unesco, 2015a).
- In 2011 the World Bank issued its education strategy for 2020 pledging learning for all, meaning that "all students ...acquire the knowledge and skills they need to live happy, productive lives" (World Bank, 2011). Although the target year of this noble goal is five years away, one wonders how it would be achieved given the huge gaps in educational achievement documented in the recent OECD (2013) PISA report.

The reason for MDG failures is that education targets are formulated in such a vague way that defy measurement and evaluation, or they are outright unrealistic - e.g., "establish sufficient education system accessible to all at all levels". Many of the goals or targets are expressed in very general terms that defy rigorous economic analysis, e.g., calls for a "strong" or "sufficient" educational system. The keywords "all" and "every child" are used repeatedly, meaning elimination of the related problem by 2030.

The world press has been critical of the MDG process, e.g., The Economist (2015), The Guardian (2015). Unesco's (2015a) own and latest Education for All Monitoring Report admits many of the targets set for 2015 or 2030 are not likely to be reached by the end of the century.

So why play this charade again?

Key education issues in Nigeria

In setting targets for the future, and not necessarily for 2030, the starting point should be the current state of education in a country. And given that targets should be concrete and limited, rather than a long UN-type wish-list, focus is needed on the most pressing problems.

Piecing together the latest statistics reported by the Unesco (2015b) Institute of Statistics, the World Bank (2008, 2015), the UNDP (2015) and other publications, the following are the salient problems facing Nigerian education.

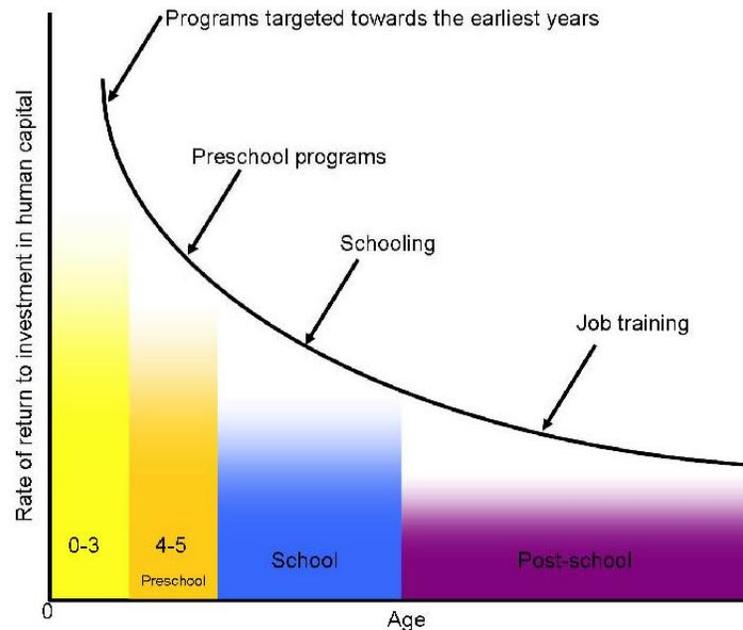
Overall. Nigeria's level of educational development ranks No. 152 at the bottom out of 187 countries in UNDP's (2015) Human Development Index - a ranking below that of Kenya, Ghana, Botswana and Rwanda.

Preschool. Preprimary education is very rare in Nigeria covering only 13% of young children, compared with an average for sub-Saharan Africa of 20%. More than one out of four preschoolers are in private schools indicating the low capacity of the public education system to accommodate demand.

This is a serious shortcoming given the importance of preschool education in the recent literature. Preschool gives a head start to the child's cognitive and non-cognitive development. The early years of education are the foundation for later cognitive development of the child. According to longitudinal studies preschool is associated with a long series of benefits that extend over a lifetime such as better performance later in school, lower dropout rate, less crime and higher earnings (Berlinski et al., 2009). For example, it has been found that poor children who attend one year of preschool stay in primary school 0.4 years longer than children who did not attend preschool. For each year of preschool, children have a 7-12% increase in lifetime income, with the larger increases gained by children from families whose parents had the least amount of schooling (Myers, 2004).

An extensive review of the literature on cost-benefit analysis of education by Economics Nobel Laureate James Heckman of the University of Chicago indicates that investment in early childhood programs has the highest social returns (Heckman, 2000; 2008; 2011; 2015).

A grand summary of education investment returns



Source: Heckman (2008)

Low primary school coverage. As it is the case for many other countries, the Education for All 2015 target of the last Millennium Development Goals for Nigeria has been missed by far. Unesco (2015a) reports a 66% “adjusted” net primary enrolment ratio. This must be a gross overestimate of the true net enrollment ratio because the adjustment includes children of the same age group in secondary education.

High grade repetition. The gross primary school enrolment ratio is 85%, meaning there are many over-age and grade-repeating students. As a result it takes on average 9 years to complete the six years primary school cycle. Grade repetition is negatively associated with performance in school and is more prevalent among disadvantaged students. It also contributes to children not finishing school.

High primary school dropouts. The pervasiveness of grade repetition has been linked to high dropout rates, only 77% completing basic education. This is a very low performance compared to other sub-Saharan African countries such as Ghana or South Africa. As a result of the high dropout rate, there are 7 million primary school-age children out of school. Nigeria is a major contributor to the 58 million out of school children in the world today.

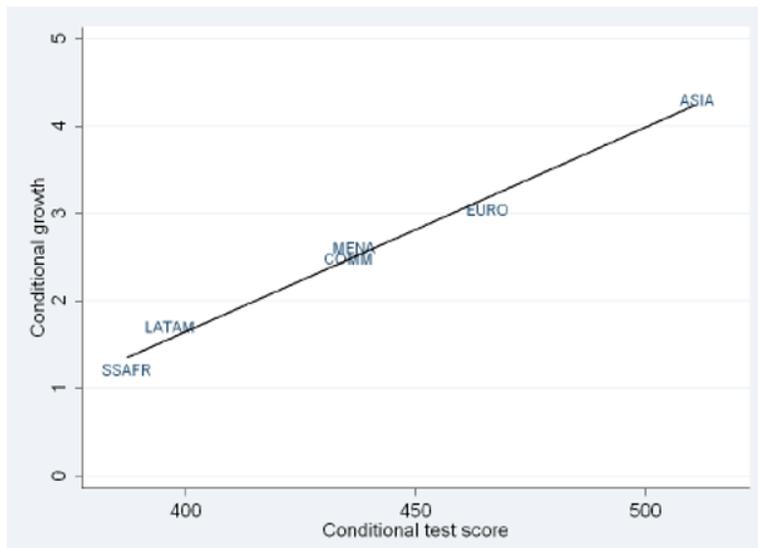
Scores of illiterates in the population. One half of the population aged 15 and above are classified as illiterate. Nigeria’s 41 million adult illiterates are a major negative contributor to the world’s literacy league. Out of them, 10 million are young people aged 15-24 – a dismal statistic not auguring well for generations to come.

Low education quality. Nigeria does not participate in international student achievement surveys such as PISA or PIAAC. Other studies assessing learning show that primary school children in Nigeria perform the worse out of 22 sub-Saharan and North African countries (Adekola, 2007; World Bank, 2008).

The main contributors to low school quality are poor physical facilities, inadequate sanitation, lack of textbooks and unqualified teachers. Teacher quality, along with systematic measurement of student achievement contributes substantially to improvement in student learning (Glewwe et al., 2011). Three quarters of the teachers in the North are males vs. one third in the South (World Bank, 2013). The gender distribution of teachers is perverse, in the sense that many families opt to withdraw girls attending a school with male teachers.

Poor school quality is a serious deficiency of the Nigerian education system given that cognitive skills are significantly associated with economic growth. In a world cross-section it has been found that a one standard deviation advantage in test scores is associated with a 2.6 percentage points higher per capita income growth rate (Hanushek and Woessmann, 2009).

Cognitive skills and economic growth conditional on income



Source: Hanushek and Woessmann (2009)

Disparities in educational development. In most countries, primary school children are distributed 50-50 between boys and girls - known as gender parity. Yet girls in Nigeria's Northern States account for only one third of the class roll – a significant gender disparity. One half of women in rural areas are illiterate against 14 percent of males in urban areas. Population in the North is four times more likely to have no education than those in the South (World Bank, 2013).

A literacy test showed that urban women are nearly twice as likely to be literate as rural women (77% and 41%, respectively). Literacy levels vary widely by zone, with the northern zones lagging behind the southern zones. Progression in the school system, from preschool to the university, favors those coming from wealthier families. Women in the lowest wealth quintile have very low literacy compared with those in the highest quintile (13% against 92%). (World Bank, 2013).

Primary school indicators in two States

Indicator	Anambra	Bauchi
Primary net enrolment ratio	80%	41%
Primary female share	50%	38%
Female teachers share	93%	21%
Qualified teachers	81%	20%
Student/teacher ratio	55	75

Source: World Bank (2013).

Educational attainment increases with household income. For example, 76% percent of women in the poorest households have no formal education, compared with just 4% among the most affluent. Among the lowest quintile, only three out of ten children attend primary school, compared to eight out of ten for the fourth quintile. Dropout rates are highest among the poorest. The lowest two quintiles account for more than half of primary school dropouts, while the dropout rate is four times lower for the highest two quintiles (World Bank, 2013)

Data. Education statistics are incomplete and vary significantly by source. In its country reports on Nigeria the World Bank (2008) raises serious concern about the reliability of the data and states that “the numbers cannot be trusted. Record keeping is poor at the school, local government and state level, with data often unavailable, incomplete, or not standardized. The lack of data is particularly acute regarding the cost and financing of education in Nigeria. No one really knows how the system is performing”

A tale of two countries

Nigeria and South Korea started in 1950 with the same per capita income of about \$800. Yet by 2008 South Korea’s income was thirteen times that of Nigeria’s. What accounts for such difference, given also that Nigeria had more natural resources than South Korea? Economic historians attribute the difference to the education policies followed by the two countries (Easterlin, 1981; World Bank, 1993). There seems to be a threshold of minimum literacy achieved by the population before a country escapes a low income equilibrium trap (Azariadis and Drazen, 1990).

South Korea put a lot of emphasis early on to achieve universal primary education. Nigeria instead put the cart before the horse and, in the mist of illiteracy, invested mainly in universities rather than primary schools.

Per capita income contrast (1990 constant \$)

Country	Year	
	1950	2008
Nigeria	753	1,524
S. Korea	854	19,614

Source: Maddison (2008)

Establishing investment priorities

The main tool adopted by CCC for assessing MDG targets is cost-benefit analysis. Achieving a given target entails the use of funds coming mainly from the country's state budget. The question is what value the country is getting back by implementing an education target. If the benefits exceed the costs, then the target passes the cost-benefit criterion. If not, there might be better investment opportunities in other sectors. In this context a series of papers have been produced by CCC covering each major sector of action from a global perspective, including education (Psacharopoulos, 2014).

Here we focus on the three most problematic areas in Nigerian education - preschool coverage, primary education coverage and education quality. Cost and benefits information on the above topics is scarce, contradictory or officially non-existent. In the last Unesco (2015a) report, education finance statistics for Nigeria appear with three dots ("...") meaning they are not available. Piecing together information from the World Bank, the Unesco Institute of Statistics and various publications, we were able to estimate plausible values of benefit-cost ratios on the three key topics.

Improving school quality. Based on Hanushek and Woessman (2009) an improvement of one standard deviation in student test scores is associated with a 2.6 percentage points higher growth rate of the economy. Applying this growth rate to Nigeria's \$1,440 per capita income, yields an annual benefit of \$37 per graduate per year lasting a lifetime. Given the absence of unit cost statistics in Nigeria, we use as a base the average cost per primary school student for sub-Saharan Africa of \$136 (Unesco, 2015a). We assume that school quality improvements add \$30 to the average cost per student, and that the quality treatment is applied during three years to a particular student cohort. Discounting the above costs and benefits over the lifetime of a given cohort gives benefit-cost ratios of 14 and 20 at 5% and 3% discount rates, respectively.

School quality could be improved by training teachers, reducing excessive class size, providing physical infrastructure and distribution of class materials

Expanding primary education coverage. Given the absence of Nigeria-specific statistics, we use the benefit-cost ratios for achieving 100% primary school coverage in sub-Saharan Africa reported in the CCC global assessment paper of 5 and 8 at discount rates 5% and 3%, respectively (Psacharopoulos, 2014). Given Nigeria's state of educational development, increasing the literacy of the population must

have a higher impact than in the average sub-Saharan country, so we adopt benefit-cost ratios of 10 and 16 at discount rates 5% and 3%, respectively.

Increasing preschool coverage. Given the absence of Nigeria-specific statistics, we use the benefit-cost ratios for reducing by 50% the proportion of students who are not attending preschool in sub-Saharan Africa reported in the CCC global assessment paper of 56 and 73, at discount rates 5% and 3%, respectively (Psacharopoulos, 2014). .

Benefit-cost ratios of three education policies in Nigeria

Policy	Benefit-cost ratio	
	At 3% discount	At 5% discount
Expand preprimary school coverage	73	56
Improve school quality	20	14
Expand primary school coverage	16	10

Equity

Beyond efficiency, the three priority education policies identified above have implications for reducing inequities in Nigerian society. The student’s socioeconomic background is a very important determinant of scholastic achievement. Regretfully, educational attainment transmits from generation to generation. Providing preschool to students from poor families compensates for their adverse socioeconomic background, breaks the intergenerational path and promises a better future for the student.

Those who benefit most from increased access and better quality education are those who are now excluded. Since these vulnerable groups are concentrated in the country’s Northern States, this is an area where education investment should be a priority.

Data needed

The fact that the country is big and diverse is no excuse for not reporting basic education statistics. Remembering that “if you cannot measure it, you cannot manage it”, a complementary policy to the above is the introduction of an education management information system.

Conclusion

Based on the above, what should Nigeria do in order to get the maximum benefit for every naira spent on education?

- Forget about the multiple and vague Post-2015 MDG targets for 2030 and focus on today’s most critical problems.
- Offer more preschool places so that children get a head start, especially in the North.
- Bring to primary school the 6-11 years old who are now out of school, especially in the North.

- Improve school quality by training teachers and ensuring all students have writing materials and textbooks, especially in the North.
- Institute an education management information system.

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Post-2015 education in Nigeria: What are the priorities?

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Global education problems

- All countries in the World face education problems
- No matter how poor or rich a country, educational systems around the World are in a continuous crisis
- But some countries are doing worse than others, and Nigeria is one of them

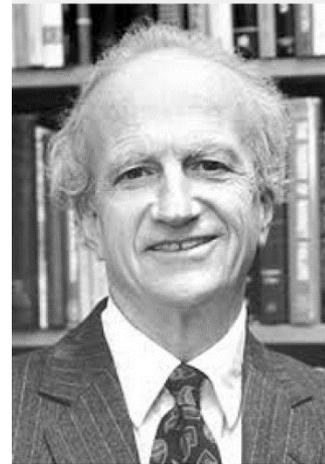
The Post-2015 MDGs hope

- Can Nigeria hope to solve its education problems by riding the Post-2015 MDGs wagon?
- The answer is NO!

Economics of education 101

Stream of theoretical and empirical
research in the last 60 years

... instigated by....



...established beyond reasonable doubt

**... that education is important for
economic and social development**

Hence education is dominant...

... in the very-long short-list of the

Post-2015 United Nations Development Goals

But

- **What “education”?**

and

- **For whom?**

“Education” can be

- ... at the primary, secondary or higher level
- It can be general or technical/vocational
- Obtained by training on the job
- Of poor or good quality

... and offered perversely

...subsidized by the state

to the rich and the poor alike

The UN answer

- **Education of all levels and kinds**
- **For All**

UN targets are not feasible

- **Limited state funds**
- **Limited international aid**

Previous targets have failed

Grandiose education declarations known as

- Addis Ababa, 1960
- Jom Tien, 1990
- Dakar, 2000

Priorities must be established

- **By treating education as investment**
- **applying cost-benefit analysis**

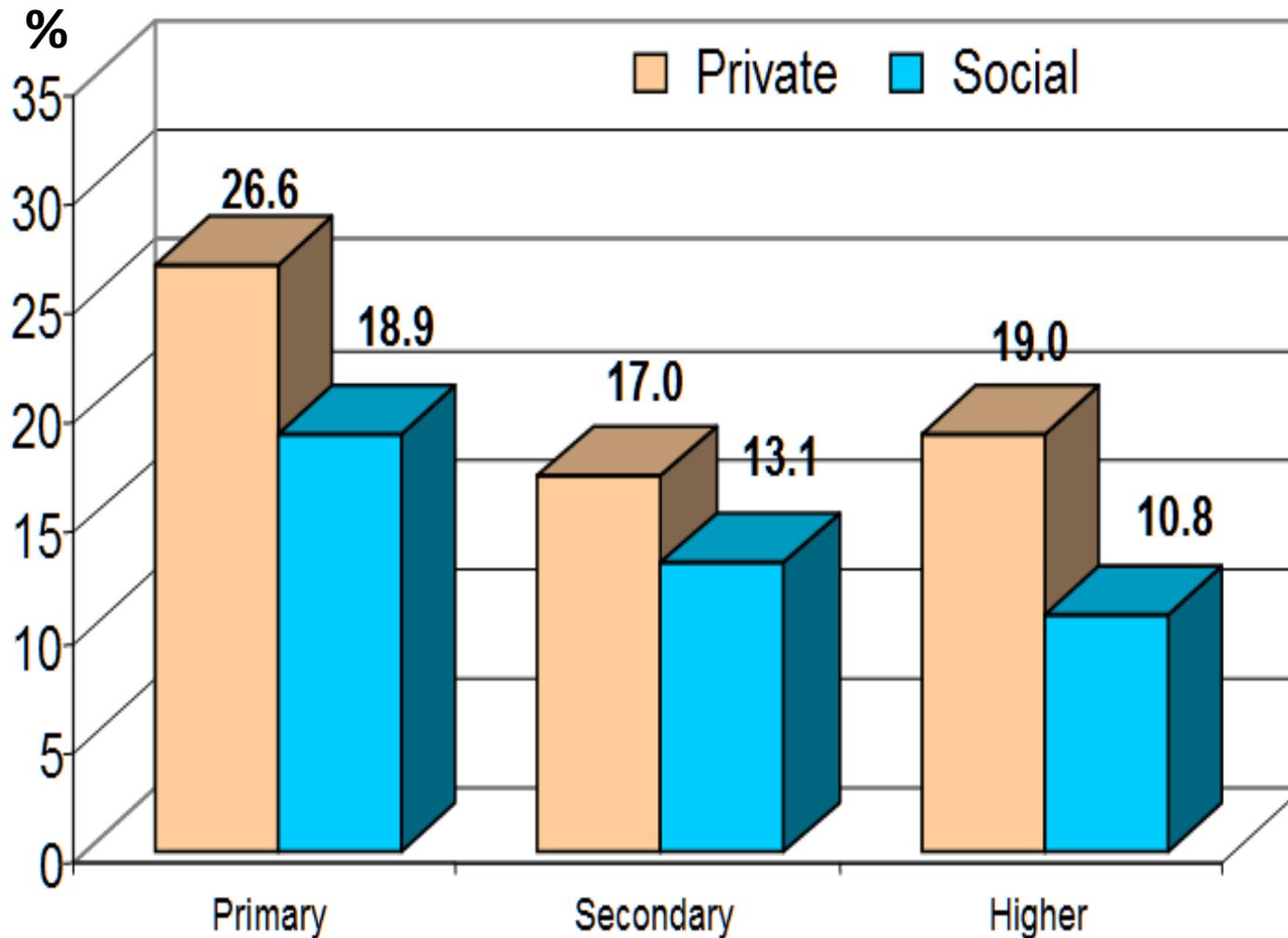
We have accumulated cost-benefit evidence

- For over 100 countries

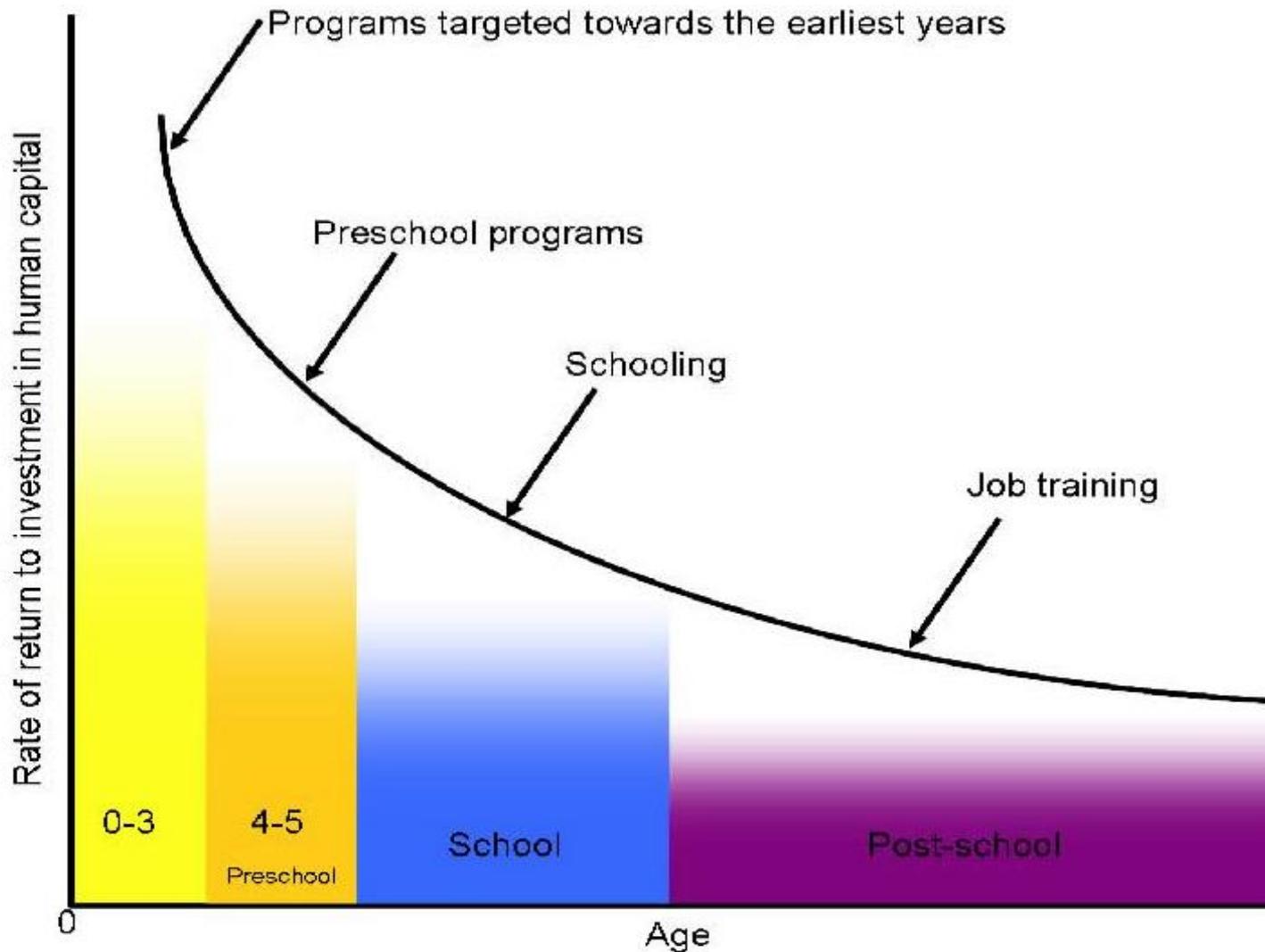
and

- for different levels and types of education

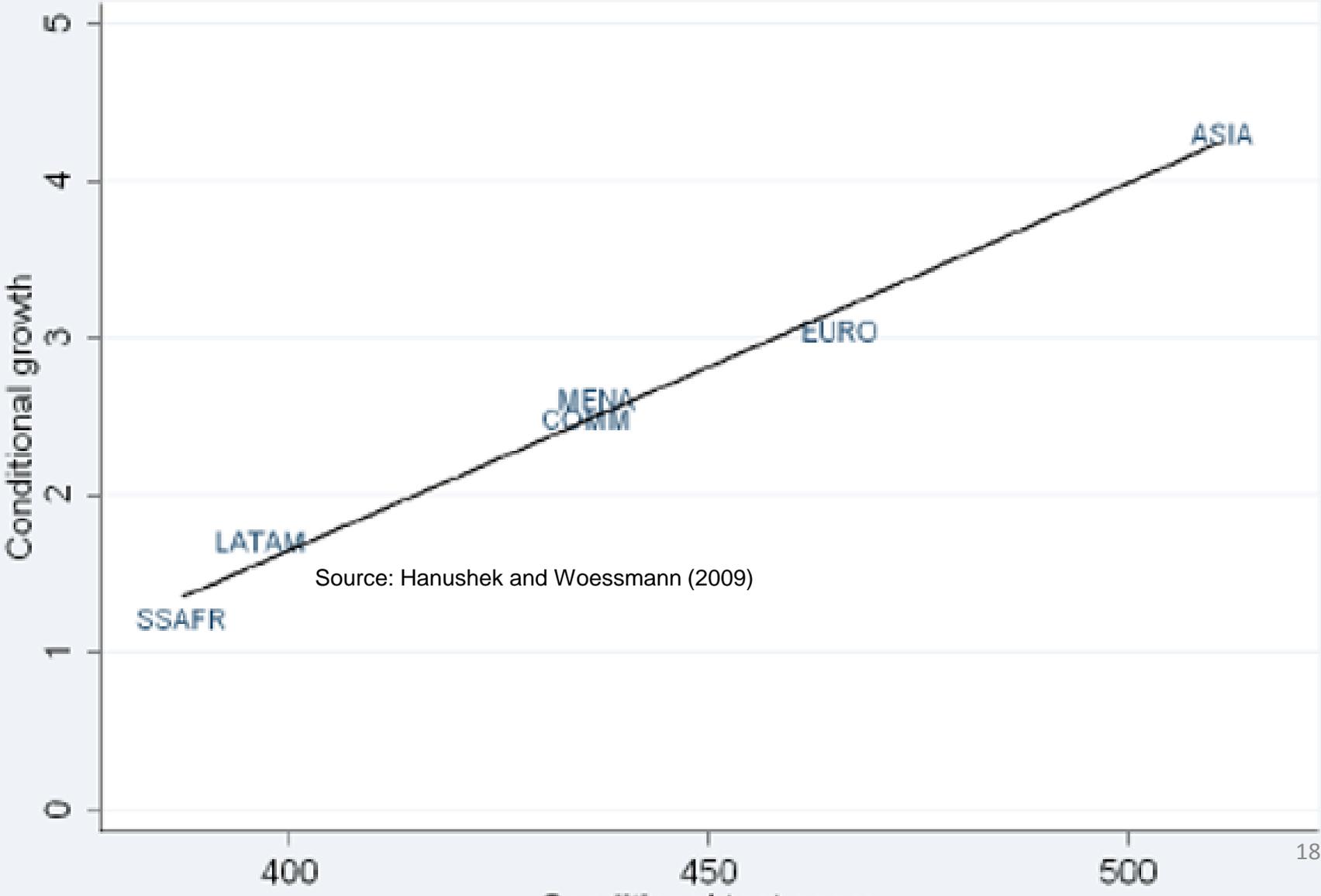
Returns to Education by Level



Heckman's grand summary



Cognitive skills and economic growth conditional on income



The importance of school quality

- A one standard deviation advantage in test scores,
- is associated with a 2.6 percentage points higher per capita income growth rate

Nigeria's salient education problems

- Out of the many problems facing an education system, we focus on those that are most critical to the country's socio-economic development
- Selection of the problems is based on the most recent rigorous research on the subject

Nigeria's education problems

- Low preschool coverage
- Low primary school coverage
- Low education quality
- Severe inequities

Preschool

- Only 13% of 3-year-olds are enrolled in early childhood programs, compared with 20% in sub-Saharan Africa countries
- More than one out of four preschoolers are in private schools indicating the low capacity of the public education system to accommodate demand.

The importance of preschool

- This is a serious shortcoming since preschool gives a head start to the child's cognitive and non-cognitive development.
- Preschool is associated with a long series of benefits that extend over a lifetime such as better performance later in school, lower dropout rate, less crime and higher earnings

Low primary school coverage

Unesco reports a 66% “adjusted” net primary enrolment ratio.

This must be a gross overestimate of the true net enrollment ratio because the adjustment includes children of the same age group in secondary education.

The Education for All 2015 target of the last Millennium Development Goals for Nigeria has been missed by far.

High grade repetition

- The gross primary school enrolment ratio is 85%, meaning there are many over-age and grade-repeating students.
- As a result it takes on average 9 years to complete the six years primary school cycle.
- Grade repetition is negatively associated with performance in school and is more prevalent among disadvantaged students.
- It also contributes to children not finishing school.

Many illiterates in the population

- One half of the population aged 15 and above are classified as illiterate.
- Nigeria's 41 million adult illiterates are a major negative contributor to the world's literacy league.
- Out of them, 10 million are young people aged 15-24 – a dismal statistic not auguring well for generations to come.

High primary school dropouts

- Only 77% complete basic education.
- This is a very low performance compared to other sub-Saharan African countries such as Ghana or South Africa.
- As a result of the high dropout rate, there are 7 million primary school-age children out of school.
- Nigeria is a major contributor to the 58 million out of school children in the world today.

Low education quality

- Nigeria does not participate in international student achievement surveys such as PISA or PIAAC.
- Other studies assessing learning show that primary school children in Nigeria perform the worse out of 22 sub-Saharan and North African countries

Regional disparities

Primary school indicators in two States

Indicator	Anambra	Bauchi
Primary net enrolment ratio	80%	41%
Primary female share	50%	38%
Female teachers share	93%	21%
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Student/teacher ratio	55	75

Missing data

World Bank quotes:

“The numbers cannot be trusted”

“Record keeping is poor at the school, local government and state level”

“The lack of data is particularly acute regarding the cost and financing of education”

“No one really knows how the system is performing”

Overall

- Nigeria's level of educational development ranks No. 152 at the bottom out of 187 countries in UNDP's Human Development Index
- This is a ranking below that of Kenya, Ghana, Botswana and Rwanda.

Establishing investment priorities

- The tool adopted by CCC for assessing MDG targets is cost-benefit analysis.
- Achieving a given target entails use of funds coming mainly from the country's state budget.
- The question is what value the country is getting back by implementing the target.
 - If the benefits exceed the costs, then the target passes the cost-benefit criterion.
 - If not, there might be better investment opportunities in other sectors.

Benefit-cost ratios of education policies in Nigeria

Policy	Benefit-cost ratio	
	At 3% discount	At 5% discount
Expand preprimary school coverage	73	56
Improve school quality	20	14
Expand primary school coverage	16	10

Equity

- Those who benefit most from increased access and better quality education are those who are now excluded.
- Since these vulnerable groups are concentrated in the country's North, this is an area where education investment should focus.

Data needed

- The fact that the country is big and diverse is no excuse for not reporting basic education statistics.
- Remembering that “if you cannot measure it, you cannot manage it”, a complementary policy to the above is the introduction of an education management information system.

A tale of two countries

Per capita income contrast (1990 constant \$)

Country	Year	
	1950	2008
Nigeria	753	1,524
S. Korea	854	19,614

Conclusion

- Setting MDG targets for 2030 is a pointless exercise
- Investing in the most profitable levels and types of education should be a continuous process
- “Education for All” should be replaced by “Education for Some”, i.e. the most needy