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ECONOMIC AND LEGAL PROSPECTS FOR NIGERIA'S EDUCATION MARKET: RECONCILING STATE DEVELOPMENT, SOCIETAL EQUITY, AND CONSUMER COOPERATION

Nigeria's education market faces a trilemma of state regulation, private expansion, and unmet demand. This article examines economic and legal prospects for reconciling these tensions through cooperative governance. It proposes three pillars: tiered regulatory licensing, constitutional recognition of dignity as education's purpose, and consumer cooperation models positioning families as stakeholders. The framework demonstrates that sustainable development requires aligning market incentives with human rights obligations, not choosing between state and market.

Образовательный рынок Нигерии сталкивается с трилеммой государственного регулирования, частного расширения и неудовлетворенного спроса. В этой статье рассматриваются экономические и правовые перспективы для урегулирования этих напряженностей посредством кооперативного управления. В ней предлагаются три столпа: многоуровневое лицензирование регулирования, конституционное признание достоинства как цели образования и модели потребительского сотрудничества, позиционирующие семьи как заинтересованные стороны. Рамка показывает, что устойчивое развитие требует согласования рыночных стимулов с обязательствами по правам человека, а не выбора между государством и рынком.

Key words: Nigeria; education market; consumer cooperation; regulatory reform; human dignity; constitutional rights; access equity.

Ключевые слова: Нигерия; рынок образования; потребительское сотрудничество; реформа регулирования; человеческое достоинство; конституционные права; равенство доступа.

Nigeria's educational services market, as the most populous African nation and the only sub-Saharan E-9 country, carries the dual burden of historical deficits and urgent demand for human capital formation. Recent transformations include 39% private school growth (2017–2022) versus 3.5% public growth, a doubled education budget to ₦3.52 trillion (2025), and novel financing instruments like student loans [1].

Yet quantitative expansion masks tensions: state closures of low-cost private schools in five states expose dependence on unregulated provision, while a moratorium on new tertiary licences acknowledges resource dilution [2]. These contradictions reveal no integrated framework reconciling state, market, and community. This article argues that such a framework must join economic mechanisms with legal ordering, grounding education in human dignity as its constitutional purpose. Analysis proceeds in four parts: state development, societal equity, consumer cooperation, and synthesis.

1. Prospects for State Development: From Gatekeeping to Stewardship

1.1. The Regulatory Trilemma

The state must ensure quality, manage fiscal limits, and prevent exploitation a trilemma. Nigeria's restrictive entry regime (multiple fees, inspections, mandates) unintentionally fuels informal schooling: 85% of private schools unapproved in Kano, 80% in Jigawa [2]. These are low-cost community schools serving the poor; abrupt closures threaten access without creating alternatives [2].

1.2. Towards Tiered Licensing and Supportive Oversight

Reconceptualizing regulation as stewardship, the 2025 National Policy on Non-State Schools pairs oversight with assistance [3]. Tiered licensing would grant provisional licences for basic safety, then higher tiers with quality benchmarks and access to public benefits (feeding programmes, textbooks, exam integration). This transforms approval from binary to developmental. Fiscal transparency 2025 directives for tertiary institutions to publish budgets further enables accountability [1].

1.3. The Constitutional Foundation: Reclaiming Human Dignity

Nigeria's constitutions (1979–1999) relegate education to non-justiciable Directive Principles, with no articulated purpose [4]. The Universal Declaration of Human Rights grounds education in human dignity, requiring full personality development. Thus reform requires not merely policy tweaks but constitutional recognition that education's goal is dignity, not only employability [4].

2. Prospects for Societal Equity: Access, Quality, and Inclusion

2.1. The Access Imperative

Over 10.2 million primary-age children are out of school (18 million including secondary), concentrated among northern girls, conflict-affected, nomads, and disabled [5]. The LUMINAH (L – Learning, U – Uniting, M – Modernising, I – Innovating, N – Nurturing, A – Accelerating, H – Harmonising) 2030 Initiative (March 2025) targets one million underserved girls and women with vocational/STEM (Science, Technology, Engineering, Mathematics) education, financial support, and safe centres. It institutionalizes a dedicated Universal Basic Education Commission (UBEC) unit and community-owned implementation, measured at local level [5].

2.2. Quality and Consumer Protection: Textbook Reform

The January 2026 Committee on Book Ranking and Selection caps approved textbooks at seven per subject, mandates three-year usage, and unbundles consumable workbooks from durable texts[5]. This uses regulatory authority to structure market incentives, reducing household costs and signaling government responsiveness to parental concerns.

2.3. The Digital Divide and Examination Integrity

Mandated Computer-Based Testing that is run by The West African Examination Council (WAEC) and National Examination Council (NECO) faces equity hurdles in 2026. 2025 glitches affected 370,000 Unified Tertiary Matriculation Examination (UTME) candidates; WAEC pass rates shifted 38%→62% after corrections. Solutions require offline-capable platforms, rural connectivity, and robust grievance mechanisms all reflecting consumer cooperation principles.

3. Prospects for Consumer Cooperation: An Emergent Paradigm

3.1. Conceptualizing the Educational Consumer

Traditional models cast learners as passive beneficiaries or nominal customers. Consumer cooperation reframes them as co-investors and co-producers, implying shared governance, transparency, collective voice, and stakeholder alignment.

3.2. Financial Literacy and Credit Cooperation

The February 2026 The University of Lagos (UNILAG) and Credit Registry Memorandum of Understading establishes the African Consumer Credit Academy, teaching budgeting, credit management, and financial profiling [5]. It addresses the market failure where brilliant ideas fail because individuals lack formal financial identities. This embeds consumer competence as integral to educational quality.

3.3. Community-State Cooperation: LUMINAH's Model

LUMINAH 2030 exemplifies subsidiarity: ownership at state and community levels, needs-based targeting, and caregiver empowerment (vocational training, economic support). It treats the family environment as part of the educational system [5].

3.4. Consumer Voice and Grievance Mechanisms

Formal redress remains underdeveloped. The 370,000 affected UTME candidates received reactive retakes, not pre-established consumer protection. Educational ombudsperson, class actions, and mandatory disclosure are needed, especially as the Nigerian Education Loan Fund creates a financed student constituency [5].

4. Synthesis and Prospects: An Integrated Framework

Three reform domains state, equity, cooperation are typically siloed. Integration is essential (Table 1).

Table 1 – **Integrated Framework for Educational Market Development**

Domain	Current Challenge	Economic Legal Mechanism	Cooperative Principle
State Development	Restrictive regulation informal periphery	Tiered licensing; conditional compliance	Stewardship over gatekeeping
Societal Equity	Access quality tradeoff; marginalization	Targeted equity funds; community targeting	Local ownership; subsidiarity
Consumer Cooperation	Information asymmetry; limited redress	Financial literacy; ombudsperson	Stakeholder governance; collective voice
Constitutional Foundation	Nonjusticiable rights no purpose clause	Judicial recognition of dignity as purpose	Alignment with international human rights law

4.1. Economic Prospects

Not further privatization or statism, but incentives aligning private initiative with public purpose: tiered licensing, textbook ranking, credit partnerships. Yet budget execution lags (Lagos released only 2.7% of Q1 2025 education allocation) [5].

4.2. Legal Prospects

– Soft law innovations (National Policy on Non-State Schools [3], textbook committee [5], UBEC unit) are promising. The frontier is justiciability: courts in other Commonwealth jurisdictions have expanded socio-economic rights; Nigeria has yet to do so for education [4].

4.3. Prospects for Society, State, and Consumer Cooperation

These three prospects are complementary. An education system centred on dignity serves society (citizenship), the state (human capital), and consumers (capabilities). Policy must construct institutions realizing these synergies.

Nigeria's youth bulge with a high proportion of citizens under age 25 creates rising demand for education at all levels. However, gaps persist:

– an estimated 10.5 million children of primary age are out of school, representing roughly one in five primary school-age children;

– learning poverty is high; about 75% of children aged 7–14 cannot read a simple sentence;

– many classrooms exceed recommended pupil-to-teacher ratios, and 60% of teachers lack adequate training.

These statistics highlight structural deficits that threaten learning outcomes and workforce readiness (Table 2).

Table 2 – **Education Demand vs. System Capacity**

Education Demand Indicators	System Capacity Indicators
10.5 million out-of-school children	Limited educational infrastructure
Rapidly growing youth population	Inadequate teacher training and professional development
Surging enrollment applications	60% of schools lack basic learning facilities
Increased transition to secondary/tertiary levels	Overcrowded classrooms (student–teacher ratio > 1:70)

Funding Realities: The Persistent Deficit

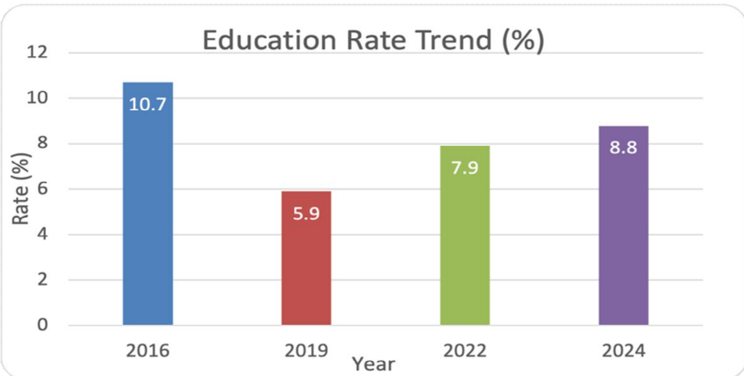
Public education budgets in Nigeria have consistently fallen short of international benchmarks:

– UNESCO recommends 15–20% of national budgets for education; Nigeria rarely meets this;

– in 2024, education comprised 8.8% of the national budget, far below global standards;

– over ₦46 billion in matching grants from the Universal Basic Education Commission (UBEC) were un-accessed by states, compounding infrastructure deficits.

Public Budget Allocation to Education



UNESCO Target: 15–20%

Chronic underfunding perpetuates infrastructure decay, overcrowded classrooms, and insufficient learning materials, especially in rural communities. These outcomes weaken the sector's developmental role and widen disparities.

Legal and Institutional Developments

Student Loan Reform: The Nigerian Education Loan Fund (NELFUND)

The Students Loan (Access to Higher Education) Act, 2024 established NELFUND as a statutory mechanism to finance tertiary education, aiming to expand access and ease financial barriers. Early implementation shows both promise and friction:

– Hundreds of thousands of students have registered and applied for loans, indicating demand.

– As of April 2025, NELFUND disbursed over ₦54 billion in fees and upkeep allowances to students, but delays and gaps in disbursement timing remain evident.

– Government and civil society have raised concerns about administrative transparency and alleged deductions or delays. Investigations by the Independent Corrupt Practices and Other Related Offences Commission (ICPC) and federal probes reflect tensions around accountability.

These legal reforms signal commitment to broadening tertiary participation but reveal the importance of strong oversight and transparent implementation.

Conclusion. Nigeria's education market is a means to human flourishing, not an end. An integrated framework rejects both pure markets and sole state provision. Evidence from low-cost schools, textbook reform, UNILAG Credit Registry, and LUMINAH shows that prohibitive regulation backfires, while cooperative, dignity-centred approaches work. Realization demands legislative reform, tiered licensing, judicial engagement, fiscal discipline, and political commitment to every child's inherent dignity. Nigeria's E-9 status is both indictment of past failures and opportunity to model how a large, diverse, lower-middle-income country can harmonize economic development, social equity, and human rights.

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