

## Students Loan Programme in Nigeria

**Niyi Jacob Ogunode**

Department of Education, University of Abuja, Nigeria

**Dr. (Mrs.) Awah Oluchi F.**

Academic Programme Department, National Commission for Colleges of Education, Abuja, Nigeria

**Karimat Suleiman**

Department of Educational Management, Faculty of Education, University of Abuja, Abuja, Nigeria

### Article information:

**Manuscript received:** 04 Sep 2024; **Accepted:** 04 Oct 2024; **Published:** 11 Nov 2024

**Abstract:** This paper discussed the implication of the Nigerian tertiary education students' loan programme on Nigeria. The paper is a position paper that depends on secondary data. The secondary data were collected from print and online publications. The paper concluded that the students' loan programme in Nigerian will enhance access to tertiary education, increase development of manpower in Nigeria, development of infrastructure facilities, recruitment of more academic staff and reduction in social vices among youth. The paper recommends that the federal governments should ensure adequate funding of the students loan programme for sustainability. The federal government should widen the scope of the programme to accommodate more students in the various tertiary institutions in Nigeria.

**Keywords:** Students loan programme, Tertiary education.

---

### Introduction

The concept of higher education also includes such post-secondary institutions like polytechnics, colleges of education, and "*grandes école*." Under the umbrella of higher education come all forms of professional institutions. Even this wide spectrum does not exhaust the possibilities of forms of higher education (Assié-Lumumba, 2005). Ogunode, Edinoh & Okolie (2023) conceptualized tertiary education as a planned and organized educational system designed for the total development of man/woman and for the total transformation of the society through the utilization of teaching, research and provision of community service. Tertiary education, encompassing a diverse array of higher learning institutions extends beyond universities to include various organizational structures. These institutions may be integrated within a university setting or exist independently, such as universities and other tertiary learning institutions (Alemu, 2018).

Tertiary institutions, functioning as microcosms within the broader society, are purposefully structured for teaching programs, research endeavors, and community service. They represent an organized subset of the larger society, comprising diverse individuals with varying cultures, lifestyles, and values (Ogunode & Odo, 2023). Tertiary education, synonymous with higher education, constitutes the university as a subset within its scope. Nevertheless, in certain contexts, the terms higher education and university are used interchangeably (Assié-Lumumba, 2005). The National Policy on Education (2013)

defines tertiary education as the educational phase following Post Basic Education. It encompasses institutions like universities, Inter-University Centres (e.g., Nigeria French Language Village, Nigeria Arabic Language Village), Innovation Enterprise Institutions (IEIs), Colleges of Education, Monotechnics, Polytechnics, and specialized entities like Colleges of Agriculture, Schools of Health and Technology, and the National Teachers' Institutes (NTI). From the above, tertiary education is an educational institution that saddled with the responsibilities of teaching, research and community service implementation for the purpose of manpower development and nation building.

Nigerian tertiary education is plagued with many challenges such as poor funding, inadequate infrastructure facilities, shortage of lecturers, poor quality of education, brain-draining, strike actions and low enrolment rate (Daniel-Kalio, 2019; Ogunode, 2020; Ogunode & Adamu, 2021; Ogunode, Akin-Ibidiran & Ibidiran 2022; Ogunode, Haliru, Shehu, & Peter, 2023; Ogunode, Ayeni, & Ogwuche, 2024; Musa 2024). Statistic.com (2022) revealed that as of 2020, around 68 per cent of the young population in Nigeria had secondary education as their highest educational level. Moreover, some 17 percent had achieved the post-secondary level of education, while 15 percent had completed primary education. There are about 2.9 million students in universities across the country out of over 276 million population which is a very low ratio compared to other countries with more of their students in the university system. The NUC former executive secretary noted that access to universities remains a major problem in the country's education sector. He went further to say Nigeria has a little above two million students in the university system, adding that the figure represents about one percent of the country's population (Thisday, 2022).

To address the problem of low access to tertiary education, different countries in different times have come up with programme of students loan programme to enable students acquire loan to pursue their higher education and after graduation to pay back. Nigeria also joined other international communities and started the students' loan programme in Nigeria in 1977 but the students' loan programme was faced with a lot of problems that led to the failure of the programme. Recently, the Nigerian government relaunched the students' loan programme and the programme has started fully in the Nigerian tertiary institutions. It is import to examine the implication of the students loan programme in the Nigerian tertiary education. Tertiary institutions student loan scheme is a global program with objectives of increasing accessing to tertiary education. The student loans are common forms of financial aid that help students cover the costs of their education (Fatimayin, Edinoh & Oche, 2024).

### **Concept of Students Loan Programme**

The student loan scheme is an organized system that makes it possible for tertiary institution students to finance their education through loan facilities that will be repaid after graduation in Nigeria. Students' loan is a financial facility that higher institutions access to finance their education and after completion repay the loans to the financial institutions. Students' loans are financial service facilities that students in tertiary institutions can access to sponsor their education and after completion pay back the facilities (Ogunode, Ukozor, & Ayoko, 2023). Students' loan scheme is a special loan designed for students especially those in tertiary education to finance their education and repay the loans after graduation. The students' loan scheme comes in different model. Some students' loan scheme is free interest rate while others are with interest rate (Ogunode, Dahiru, & Jogbojogbo, 2023). From the above, students loan programme is a financial support that comes in form of loan to the students in tertiary institutions to enable them finance their higher education and after graduation repay the loan facilities.

Objectives of the Student Loan according to Oshone, (2023) includes; to provide financial

support to qualified Nigerians for tuition and other fees during their studies in approved tertiary institutions within Nigeria. These loans aim to: Increase access to education; reduction in the financial burden on students and their families. The introduction of student loans in Nigeria is highly impactful due to its long-term benefits. The repayment terms are manageable, allowing students to complete their education before repayments begin.

1. **Increasing Higher Education Enrollment:** – The loans have the potential to significantly increase higher education enrollment rates by reducing financial barriers.
2. **Contributing to a Skilled Workforce:** – By promoting education, these loans contribute to the development of a skilled workforce, which is essential for national development.
3. **Opportunities for the Less Privileged:** – Student loans provide opportunities for students from less privileged and disadvantaged backgrounds to access higher education.
4. **National Development:** – Student loans contribute to economic growth, create responsible citizens, and encourage positive social behavior. – They improve the standard of living and lead to overall national development (Oshone, 2023).

The objectives of students' loans differ according to countries but specifically to help students' access education. The reasons for opting for the student loan schemes are diverse. State-supported student loan scheme not only eases government budget, but also helps the students and their families because, besides easing the pressure on public funds, it would enable students study now and pay for their education later when they are in receipt of the higher salaries that generally accrue to university graduates (Ogunode, et al 2023)

### **Implication of Students Loan Programme in the Tertiary Education in Nigeria**

There are many impact of students loan programme in Nigeria. Some of the implications includes; enhanced access to tertiary education, increment in development of manpower, development of infrastructure facilities, recruitment of more academic staff and reduction in social vices among youth

#### **Enhanced access to tertiary education**

Students' loan programme in the Nigerian tertiary institutions has the capacity to enhance access to tertiary education in Nigeria. The loan facilities will assist students who cannot afford before to have access to the education. Investigations by Ziderman, and Shen, (2009) revealed that students' loan programme has increased access to tertiary institutions in the countries where the facilities are provided for students to benefit. Abdulrahman, and Nwachukwu, (2023) concluded that the students' loan programme has helped to improved tertiary education access in Ghana and in Kenya. The implementation of students loan programme in the Nigerian tertiary institutions will help to reduce drop-out rate among tertiary institutions students. Oluwole (2023) maintained that access to financial aid through student loans could make education more affordable and accessible for students who might not have the means to pay for their expenses upfront. This could increase enrolment rates and help more students pursue higher education. Additionally, student loans can provide an incentive for students to complete their education as they would be motivated to repay their loans once they secure employment. This could contribute to a more skilled workforce and overall economic development. (Sadiq, 2016) submitted the relevance of the students' loan scheme is that its primary target is disadvantaged students. This increases access to tertiary education giving the minority section of the society an opportunity to acquire higher education. This goes a long way in ensuring equity in the society. Students through these loans are able to study in variety of areas leading to the loosing of the skilled labour bottleneck that inhibits the development of the nation. Daily Trust, (2023) ascertained that student loans provide access to education for individuals

who may not have the immediate financial resources to fund their studies. By allowing students to borrow the necessary funds, it creates a pathway for upward mobility, enabling talented individuals from lower-income backgrounds to pursue higher education and secure better employment prospects.

### **Increment in development of manpower**

Another benefits of the students loan programme in Nigeria is that it will lead to more production of manpower especially in the engineering and other science professions. With the implementation of students loan programme, more professionals in different fields will be produced and this will lead to an increased in the size of manpower development in Nigeria. NOUN (2012) observed that the need for higher education is partly based on the fact that those with higher education qualifications have a better chance of securing a job in a tough market compared to those without higher education qualifications. Leadership (2023) cited Sarki that maintained that education empowers minds that can conceive good thoughts and ideas. Education enables individuals to analyze while making life decisions. It was pointed out that the top ten most literate nations in the world are at peace, while almost all of the top ten least literate nations in the world are in a state of either outright war or general insecurity. "From the foregoing, it is neither exaggeration nor understatement to say that the higher a nation attains education, the stronger the nation's security, hence, education contributes to the security of the nation,". Research has shown that tertiary education are contributing to the social, economic and technological development of the country. Higher education has also contributed to the living standard of the people because the higher qualifications one earns, the higher his or her wages or salaries.

### **Development of infrastructural facilities**

Tertiary institutions in Nigeria will now generate more revenue from the school fees hike to develop their infrastructure facilities. According to Lawinsider (2020), infrastructural facilities are defined as any works, structures, or improvements on land or water, excluding Ancillary Project Area Infrastructures. These facilities, whether directly or indirectly, provide services or other benefits to: (a) the general public; or (b) the Island community. This includes (c) offices, depots, and staff housing for or on behalf of the Commonwealth of Australia, the State, any local government, statutory authority, or government-owned corporation; (d) electricity generation, distribution, or transmission facilities; (e) public education facilities; (f) public health facilities; (g) police facilities; (h) emergency facilities; (i) transport facilities (such as pedestrian paths, cycleways, transfer facilities, freight storage and logistics areas, bus stops and layovers, ferry stops, taxi stops); (j) sewage pump stations and sewerage treatment facilities; (k) solid waste transfer and treatment facilities; (l) water supply pump stations, raw water storage, clear water storage, dams, weirs, bore field infrastructure; (m) items listed in section 24KA(2) of the Native Title Act to the extent that they are not Ancillary Project Area Infrastructure; and (n) any IBIS Store. However, this definition excludes (o) Social Housing. These facilities are inadequate in many tertiary institutions due to poor funding and lack of fund to develop the facilities (Femi 2021). The implementation of the students loan programme will not help the tertiary institutions to generate more funds from internally generated and school fees hike. The factors leading to the introduction of student loans schemes in African countries include the need to reduce public expenditure on higher education and shift its costs to the major beneficiaries; improve the quality of higher education to make it more competitive in the global labour market; and make higher education more equitable and accessible (Ogunode et al 2023). Funds generated in internally generated revenue such from school fees, business investment, leasing of school properties etc can be used to develop school facilities (Adio, 2022).

### **Recruitment of more academic staff**

The implementation of the students loan programme that provide financial facilities to students to pay their school fees and fund their accommodation will allow the various tertiary institutions to increase their school fees and more revenue will be generated that will assist the various institutions to employ more academic staff to improve the quality of teaching and research in the various institutions across the country. With the students' loan facilities, the various institutions can now generate more funds from the school fees because of increment in the school fees.

### **Reduction in social vices among youth**

The implication of the students loan programme in the Nigerian tertiary institutions will help to reduce the high social vice in Nigeria. Many Nigerian youths due to lack of money to pursue higher education after secondary school education have gone into all forms of social vices like yahoo boys, etc. The implementation of this programme will help many of the youths to access higher institutions and the rate of social vices across the country will reduce. Femi (2021) submitted that the provision of students' loans to Nigerian tertiary institutions will help to address the problem of social vices among the youths. Ogunode, et al (2023). Noted that the students' loan programme if accessible by many youth across Nigeria has the capacity to reduce the high rate of crime which have been linked to youth restiveness. The scheme will make it possible for many Nigerian youths to have access to higher education and this may likely reduce the high rate of social vices in the country.

### **Findings**

This study revealed that enhanced access to tertiary education, increment in development of manpower, development of infrastructure facilities, recruitment of more academic staff and reduction in social vices among youth are the implication of the Nigerian tertiary education students' loan programme on Nigeria.

### **Conclusion and Recommendations**

This paper discussed the implication of the Nigerian tertiary education students' loan programme on Nigeria. The paper concluded that the students' loan programme in Nigerian will enhance access to tertiary education, increase development of manpower in Nigeria, development of infrastructure facilities, recruitment of more academic staff and reduction in social vices among youth.

The paper recommends that

1. Federal governments should ensure adequate funding of the students loan programme for sustainability.
2. The federal government should widen the scope of the programme to accommodate more students in the various tertiary institutions in Nigeria.

### **References**

1. Abdulrahman, H. & Nwachukwu, A. (2023). Students Loan: Revolutionizing Access to Higher Education in Nigeria. <https://radionigeria.gov.ng/2023/06/18/students-loan->
2. Adio, W. (2022) Changing How We Fund and Run Public Universities <https://www.thisdaylive.com/index.php/2022/02/20/changing-how-we-fund-and-run-public-universities/>
3. Adekunle, A.A. (2023). Nigeria's New Student Loan Bill is Commendable, but there are Limitations. <https://venturesafrica.com/nigerias-new-student-loan-bill-is-commendable->
4. Alemu S. K. (2018). Meaning, Idea and History of University/Higher Education in Africa:

- A Brief Literature Review. *Forum for International Research in Education*. 4 (3), 210-227
5. Allen, M. (1988). *The Goals of Universities*. USA: *The Society for Research into higher Education and Open University Press*.
  6. Atobauka, I.S. & Ogunode N.J. (2021). Inadequate Infrastructural Facilities in Nigerian Public Universities: Causes, Effects and Ways Forwards. *American Journal of Social And Humanitarian Research*, 2(4),92-102
  7. Assie-Lumumba, N. (2005). Higher Education in Africa: crises, reforms and transformation. Senegal: *Council for the Development of Social Science Research in Africa (CODSERIA)*.
  8. Daily Trust (2023). Student Loans: Lessons and Insights from other Places. <https://dailytrust.com/student-loans-lessons-and-insights-from-other-places/>
  9. Daniel-Kalio, B. (2019). Policy Implementation and the Challenges of Leadership in Nigerian Universities. *International Journal of Scientific Research in Education*, 12(2), 326-350. :
  10. Fatimayin, F., Edinoh, K., Oche, I.G. O (2024) Perception of Undergraduate Students on Implementation of Student Loan Programme in Tertiary Education in Nigeria. *Central Asian Journal of Social Sciences and History* 2024, 5(3), 6–11. <https://doi.org/10.17605/cajssh.v5i3.1077>
  11. Femi, T. (2021). *Students Loan in Nigeria*. Abuja.
  12. Federal Republic of Nigeria (2013). *National Policy on Education*. 4th ed. Lagos: Nigerian Educational Research and Development Council.
  13. Law Insider (2023). Definitions and Meaning of Infrastructure Facilities. <https://www.lawinsider.com/dictionary/infrastructure/facility#:~:text=Infrastructure%20facility%20means%20any%20publicly,%2C%20energy%2C%20fuel%20or%20communications.>
  14. Li, W. (2007). Family Background, Financial Constraints and Higher Education Attendance in China. *Economics and Education Review*, 26, 725-735. <http://dx.doi.org/10.1016/j.econedurev.2007.09.001>
  15. Leadership (2023) NANS Warns on Danger of School Fees Hike by Varsities <https://leadership.ng/nans-warns-on-danger-of-school-fees-hike-by-varsities/>
  16. NOUN, (2012). *Issues and Problems of Higher Education in Nigeria*. Lagos, Nigeria.
  17. Ogunode, N. J. Akin-Ibidiran T. Y. &Ibidiran J. A.(2022) Analysis of Factors Responsible for Poor Ranking of Public Universities in Nigeria and Way Forward. *European Multidisciplinary Journal of Modern Science* (5), 1-15
  18. Ogunode, N. J. (2020) Administration of Public Universities in Nigeria: Problems and Solutions. *Journal Sinesthesia*, 10 (2), 86-96
  19. Ogunode, N.J, &Adamu, D.G. (2021) Shortage of Academic Staff in the Higher Institution of Learning in Nigeria. *Central Asian Journal of Social Sciences and History*, 2 (3), 109-123
  20. Ogunode, N. J, Haliru, S. Shehu, M. & Peter, T. (2023) Vice Chancellors in Nigerian Public Universities: Roles, Problems and Ways Forward. *Modern Journal of Social Sciences and Humanities*, (15), 12-24.
  21. Ogunode, N. J., Ayeni, E. O., & Ogwuche, J. (2024). Roles of Tertiary Institutions in Curbing Corruption in Nigeria. *International Journal of Learning Development and Innovation*,

- 1(1), 32–44. Retrieved from <https://gscjournal.com/IJLDI/article/view/7>
22. Ogunode, N. J., Dahiru, K. M & Jogbojogbo, S. S (2023). Students' Loans Programme and Tertiary Education in Nigeria. *Miasto Przyszłości (37)*, 79-86
23. Ogunode, N. J., Edinoh, K. & Okolie, R. C. (2023). Public Private Partnership Model and implementation of tertiary education program in Nigeria. *AMERICAN Journal of Science on Integration and Human Development*, 01(06), 1-12.
24. Ogunode, N. J. Ukozor, C. C. & Ayoko, V. O. (2023). Students' Loan in Tertiary Education in Nigeria: Pre-conditions for Effective Implementation. *Best Journal of innovation in Science, Research and Development*, 2(2), 97-104.
25. Ogunode, N. J. . . , Ukozor, C. U. . . , & Ayoko, V. O. . . (2023). Students' Loan in Tertiary Education in Nigeria: Pre-conditions for Effective Implementation. *Best Journal of Innovation in Science, Research and Development*, 2(2), 97–104. Retrieved from
26. Oluwole, V. (2023) Nigeria's Student Loan Bill: Pros and Cons Explained. <https://africa.businessinsider.com/local/careers/nigerias-student-loan-bill-pros-and-cons-explained/bw2m66s>
27. Statistic.com (2022) Educational Level of the Young Population in Nigeria 2020. <https://www.statista.com/statistics/1268195/educational-level-of-the-young-population-in-nigeria/>
28. Thisday (2022) NUC Approves the New Curriculum and gives Provisional Licences to 12 New Universities. <https://www.thisdaylive.com/index.php/2022/05/13/nuc-approves-new-curriculum-gives-provisional-licences-to-12-new-varsities/>
29. Ziderman, A. & Shen, H. (2009). Student Loans Repayment and Recovery: International Comparisons. Stanford Series on Education and Public Policy. London: Falmer Press. High Educ.