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Taxation and Tertiary Education Enhancement in Nigeria: An Evaluation of the Education Tax Fund (ETF) Between 1999-2010

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Abstract
This research undertakes an eleven-year period study of the activities of Education Tax Fund (ETF) upon Nigerian tertiary institutions with the target of revealing how Education Tax Fund has helped in enhancing the educational development of Nigerian Tertiary Institutions. Various analytical tools were employed in appraising data generated from the publications of the operations department of the Education Tax Fund and some other Federal Government publications. The research found out that ETF has made significant positive impact towards improving the educational sector in Nigeria by construction of various intervention projects and improving the teaching and learning conditions of both students and lecturers., and that each tertiary institution has its own criteria (subject to TETfund directives) for determining which lecturer becomes a beneficiary. However, the principal officers such as vice chancellors, rectors, provosts and their deputies, the directors of works, librarians etc are not to be included as beneficiaries. The research also revealed that ETF distribution formula nationwide for tertiary institutions were 25%, 12.5% and 12.5% for Universities, Polytechnics and Colleges of Education, respectively while the remaining 50% was distributed to Secondary and Primary Schools. Conclusively, the researcher is of the opinion that the ETF has the potential of alleviating the chronic under-funding of the educational sector and that in future, if properly utilized the fund will continue in no small measure towards revitalizing the educational system in Nigeria.
Keywords: Education Tax Fund; Education trust fund; tertiary institutions; educational development; high impact projects

1. Introduction

Generally, Tax is a compulsory levy imposed upon taxable persons by the government of any nation. It is one of the major sources of government revenue used in executing the socio-economic activities of the country. There are various forms of taxes collected from individuals and companies by Nigerian government. These tax forms are as established by the notable tax legislations in Nigeria today. These taxes are administered by the authorities of the three tiers of Nigerian government namely: The Federal, State and Local Governments. These various authorities are the Federal Board of Inland Revenue (FBIR), the State Board of Internal Revenue and the Local Government Tax Authority for the Federal, State and Local Government respectively.

Education Tax Fund (ETF) however, was established by Education Tax Act No. 7 of 1993 and amended by Act No. 40 of (22nd Dec.) 1998. The Act imposes tax at the rate of 2% on the assessable profits of all incorporated bodies. The tax applies to all companies registered in Nigeria. These assessable profits of a company shall be ascertained in the manner specified in the companies Income Tax Act or the Petroleum Profits Tax Act as the case may be.

What necessitated the promulgation of this Education Tax Act was the widely recognized decline in Educational standards and the deep rot in infrastructure and other facilities at all levels of the Nigerian educational system. From the primary to secondary and tertiary levels, it was obvious that there was urgent need for emergency funding to improve educational facilities and infrastructure, restore high morale of teachers, attract and retain qualitative entrants into the profession, encourage professionalism in teaching and improve teacher education curriculum. There was also the need to create an enabling environment for conducive teaching and learning and thus ensure the creation of a disciplined, committed, highly motivated, respected and professional teacher.

The ETF was being regarded as a product of crises in the educational sector going back to the 80’s with the introduction of the Structural Adjustment Programme (SAP) when funding for education became a huge challenge, hence the Lande Committee Report and subsequently the negotiation between the Federal Government and Academic Staff Union of Universities (ASUU) in 1993 (Eze, 2011). The argument then was that government alone cannot fund education and it has to be done so the private sector has to come in to assist government to fund education properly, hence the idea to introduce public tax which culminated to the establishment of ETF.

The above-mentioned needs, therefore, prompted the organization of the “Education Tax Fund” (ETF) workshop in 6 major cities across Nigeria from November 30 – December 1, 1999 with the theme “Re-assessing Nigeria’s Education Future.” Consequently, the workshop communiqué urged the ETF to specifically:

i. Provide scholarships, grants and busaries to enable teachers continually re-tool and update themselves;

ii. Support the development of a National Policy on Resources/materials production locally;
iii. Support the development of libraries in primary and secondary schools, especially in rural areas;
iv. Support projects designed to enhance the reading culture;
v. Provide funds for the improvement of teacher education programme facilities in polytechnics, Colleges of Education and Universities; and
vi. Make funds available to Local Government Areas for the acquisition and distribution of teaching/learning materials and the renovation of classrooms through the school Advisory Boards and Community leaders.

To this end therefore, the researcher deems it necessary to evaluate the Impact of Education Tax Fund (ETF) in Nigerian Educational Development with a focus on the tertiary institutions and covering from 1999 to 2010 period. In carrying out this research, the following pertinent questions are asked and answered by this research: can enough funds be raised out of the only 2% tax on the assessable profits of incorporated bodies in Nigeria? Can fund trustees ensure the judicious use of the meagre resources as to equitably meet the numerous obligations to restore the declining education sector? Can all the supposed tax payers be convinced and encouraged to continue to support the programme? Can the teachers' morales and the students' performances be boosted enough to such a level as to positively rekindle interest in teaching and learning?

The objective of this study is to evaluate the impact of the ETF in Nigerian Educational Development with particular focus on Tertiary institutions for a period of eleven years. The study hypothesizes that: ETF fund allocations to Nigerian Tertiary Institutions do not have any correlation with the enrollment ratio to Nigerian Tertiary Institutions.

2.0 REVIEW OF RELATED LITERATURE

History of Education Tax Fund

The Education Tax Fund having been established by Education Tax Act No. 7 of 1993 and amended by the Act No. 40 of (22nd Dec) 1998 imposed the 2% tax on all assessable profits of all companies registered in Nigeria. The collection of the tax fund however started in 1994. And the ascertainment was as specified in the companies Income Tax Act or the Petroleum Profits Act Tax as the case may be. This amendment brought about the establishment of Education Trust Fund as an intervention agency with project management to improve the quality of Education in Nigeria (Tech., 2011). The Federal Inland Revenue Service (FIRS) is empowered by the Act to assess and collect Education Tax. The fund administers the tax imposed by the Act, and disburses the amounts to educational institutions at federal, state and local government levels. It also monitors the projects executed with the funds allocated to beneficiaries.

The mandate of the Fund as provided in Section 5(1) (a) to (g) of the Act No. 7 is to administer and disburse the amount in the Fund to Federal, State, and Local Government Educational Institutions, including primary and secondary schools, for any other matter ancillary thereto, but specifically to the following: Work centres and prototype development; Staff development and conference attendance; Library systems at the different levels of education; Research equipment procurement and maintenance; Higher Education Book Development Fund; Redressing any imbalance in enrolment mix as between the higher educational institutions; and Execution of the 9-year compulsory education programm**e;**

ETF ensures that funds generated from education tax are utilized to improve the quality of education in Nigeria without direct contract awarding by: Providing funding for educational facilities and infrastructural development; Promoting creative and innovative approaches to educational learning and services; Stimulating, supporting and enhancing improvement activities in educational foundation areas like Teacher Education, Teaching Practice, Library Development etc.; and Championing new literacy-enhancing areas such as scientific, information and technology literacy.

The research examined the structure and management of the fund and saw that for effective and efficient realization of mandate, implementation of its function and general organization of work, the Fund is structured into two segments: The Board of Trustees and the Secretariat.

The fund is managed by an eleven (11) member Board of Trustees headed by Dr Musa Babayo, with members drawn from the six-geo political zones of the country as well as representatives of the Federal Ministry of Education, Federal Ministry of Finance and the Federal Inland Revenue Service. The Board of Trustees has the following responsibilities as stated in the Acts: Monitor and ensure collection of tax by the Federal Inland Revenue Service and ensure transfer collected to fund; Disburse the tax to the appropriate ministries responsible for collection of the tax; Receive requests and approve admittable project after due consideration; Ensure disbursement to various levels and categories of education; Update the Federal Government on its activities and progress through annual audited reports; Review progress and suggest improvement within the provisions of the Acts; Invest funds in appropriate and safe securities; Monitor and evaluate execution of projects; Manage and disburse the tax and liaise with appropriate Ministries and bodies responsible for collection or safekeeping of the tax; and Do such other things that are necessary or incidental to the objective of the Fund under these Acts or as

may be assigned by the Federal Government.
The secretariat is headed by the Executive Secretary, who is the Chief Executive and the Accounting Officer of the Fund. Directors and Heads of Department and Unit assist him in the day-to-day running of the Offices of the Fund.
Goals: The goals of the fund are to: Continuously improve Education Tax Revenue by ensuring that the tax is collected and made available for ETF intervention programmes; Deliver appropriate and adequate intervention programmes with due regard to the sensitivities of beneficiaries and stakeholders; Promote cutting-edge technologies, ideas and organizational skills in education, and ensure that projects are forward-looking as well as responding to present needs; Ensure successful completion of intervention projects; Form a viable and enduring partnership between the ETF and its stakeholders; Manage Education Tax in a way that is most beneficial to the Nigerian people; Recruit, retain, train and retrain a highly motivated workforce; Plan, undertake research and create reliable databank for improvement of education in Nigeria; and Ensure accountability and transparency in all its undertakings.
By the year 2008, the Tertiary Education Trust Fund (TETfund) came into being (Uzondu, 2012). This Tertiary Education Trust Fund (TETfund) was established as an intervention agency under the TETfund Act – Tertiary Education Trust Fund (Establishment, ETC) Act, 2011. This Act repeals the Education Tax Act Cap E4 Laws of Federation of Nigeria 2004 and Education Tax Fund Act No. 17, 2003 and establishes the Tertiary Education Trust Fund – charged with the responsibility for imposing, managing and disbursing the tax to public tertiary institutions in Nigeria (TETfund News Panaroma, 2013). To enable the TETfund achieve the above objectives, TETfund Act 2011 imposes a 2 percent Education Tax on the assessable profits of all registered companies in Nigeria.
The vision of the TETfund is to be a world-class interventionist agency in Nigeria's Tertiary Education. Its mission is to provide focused and transformative intervention in public tertiary institutions in Nigeria through funding and effective project management. For the reason of efficient management and other reasons best known to the fund Board, they ruled out the inclusion of principal officers such as vice chancellors, rectors, provosts and their deputies, the directors of works, librarians etc as beneficiaries.
For the ETF operations, assessment and collection as at 1994 – 1999, and the distribution formula, the Act approves a secretariat for the fund, headed by an Executive Secretary and assisted by other management and support staff, under the direct supervision of the Board of Trustees. It also provides for zonal offices all over Nigeria to liaise with beneficiaries in project identification, data collection and communication with education institutions. The zonal offices also liaise with the Federal Inland Revenue Service in the respective zones to ensure that there is close monitoring of the assessment and collection of Education Tax.
The actual fund is managed by the Board of Trustees which oversees the allocation of tax collected in any one year among the various tertiary, secondary and primary institutions as provided for in the Act setting up the fund. The Board of Trustees has resolved to expend in any one year only what was collected in the previous year.
The procedure for assessment and collection of education tax is similar to those of other taxes especially the Companies Income Tax. Section 2 sub-section 1 of Act No. 7 of 1993 states that, "the Federal Board of Inland Revenue shall proceed to assess the company for the tax due when assessing a company for companies' income tax or petroleum profit tax for an accounting period of the company."
The Education Tax Fund Act assigned the responsibility of assessment and collection of the education tax from respective companies to the Federal Inland Revenue Service. The Board at its inauguration inherited the balance of the N10.3 billion being the amount collected as at the end of December 1998 less the amounts disbursed by the previous Board. Within the first five year period after the inception of the ETF, there was a gradual decline in the amounts of assessment and collection of taxes but with the inauguration of the Board on 28th September 1999 and a management put in place, the trend was reversed and prospects improved upon. The Education Fund (according to Section 5(2) of the Act No. 7 of 1993) is to be distributed as follows:-

- Higher Education – 50% of the total tax collected in any one year.
- Primary Education – 40% of the total tax collected in any one year.
- Secondary Education – 10% of the total tax collected in any one year.

The distribution for tertiary education is to be shared as between universities, polytechnics and Colleges of Education in the ratio of 2:1:1 OR 25%:12.5%:12.5%. The 1998 amendment changed the disbursement to 50% (Tertiary education); 30% (Primary education) and 20% (Secondary education).
For an effective collection of the tax, any Education Tax imposed by this Act shall be due and payable within 60 days after the Board has served notice of the assessment on a company. Should such a company contravene or fail to comply with the provisions of the Act, such a company becomes guilty of an offence as contained in offences Section 6(1) of the Act. All offences as well as their specific penalties are contained in Section 7(1) of the Act.
With regards to the ETF projects cycle, identification and prioritization, there are some procedures needed for adoption for initiating projects within the Board's terms of reference and so to ensure that such projects are

completed on time and within predetermined cost limits. Thus, the fund shall monitor and evaluate execution of projects, review progress and suggest improvement within the provisions of the Act setting it up.
There are procedures, according to one of the publications of the ETF (of 26th April, 2001), that must be followed and the project cycle adopted by ETF shall be Jan-Dec i.e. 12 months in any particular year. For identification and prioritization, the beneficiaries are to identify very critical areas (in their various establishments) that need immediate interventions, which in most cases are many and depend on the age of the institutions). The projects would need to be prioritized (because of competing needs) by the beneficiaries in conjunction with the Departments of Operations of the ETF based on the available fund but in the specific areas of ETF mandate, such that the projects would have immediate and lasting impact on the program of the institutions.
Large projects shall be carefully phased in a way that each phase can be completed to a functional level within a maximum period of 12 months i.e. the beneficiary is expected to adopt modular form of development for large projects where applicable.
Based on prioritization, the beneficiaries would submit their proposals to the Department of Operations of the ETF for approval on behalf of the Board. The approval of such projects shall be set against predetermined cost limit, and on no account should projects already approved with cost limits be altered without the consent of the fund for timeliness, effectiveness, and to ensure easy supervision of the projects. The Department of Operations of the ETF will vet the submission from the beneficiaries, using the prevailing market rates and setting the cost limit for each project. And a letter of approval of projects setting the cost limits shall be released to the beneficiary together with the first tranche of the allocation to be determined by the Board from time to time. Approval is followed by tender and award of the contract. When project is awarded, the implementation involves the actual execution phase of the projects using the approved fund; disbursing the funds to the institutions in three (of 40%, 35% and 25%) or two (75% and 25%) installments depending on the types of projects being embarked upon. At the end, evaluation phase will analyze the impact of the projects – highlighting the gains or otherwise of the institution's during and/or after the implementation. The Department of Operations would document the lesson learnt from the experience on the projects to be used to improve the performance of future projects of the Education Tax Fund. The final accounts of the projects must be clearly presented by the beneficiary where the as-built-in costs would be reflected.
In consideration of ETF challenges and contributions, the crisis situation at the birth of the ETF posses a lot of challenges on the management of the fund in solving the myriads of problems facing the education sector. The challenges of the funding in these situations, mostly the state-owned tertiary institutions, are very appalling (ETF Publications, 2000).
Consequently, the ETF is being looked upon by the education sector as the alternative source of funding to run the system. Despite this demand, ETF largely depends on resources/revenues from the profits of companies which are not doing too well due to several years of government neglect.
The real challenges therefore are:-

a. Ability to equitably manage the available funds to meet the yearnings of stakeholders;
b. Ability and capability to ensure the judicious use of the meagre resources available;
c. Ability to make sufficient impact in the intervention sector to encourage the payers of tax to continue to support the programme;
d. Ability to influence decisions to enhance and boost teachers' morale to such a level as to positively rekindle interest in teaching and learning;
e. Ability to sufficiently sensitize and collaborate effectively with the Federal Inland Revenue Service to ensure and build maximum revenue base from tax collected.

In what is said to be proper conceptualization of projects, Education Trust Fund (ETF) in the past used the funds on what they later considered as not being core needs. Hence, teaching and research was re-examined and re-considered as the core areas of intervention. The ETF laid emphasis on facilities that will add value to the teaching and learning environment and also insisted that there should be stern line to things that add value to research and academic development in general. The Tertiary Institutions from inception has been receiving 50% of the yearly allocations hence the projects of the ETF are visibly instituted in every public tertiary institution in Nigeria.
Perhaps, the ubiquitous presence of ETF in virtually every educational projects nationwide, rather than attracting accolades, had succeeded in creating erroneous perception of the interventionist agency as "an alternative proprietor" that has come to solve all problems in the education sector (Rufai, 2012). By their mandate as an intervention agency, their role being limited to supplementing the main budgets of federal and state governments for their institutions, the agency has already been saddled by unmitigated requests for one form of assistance or the other especially from those who seem to have abdicated their roles because of the misconception they already have that the agency is there to do everything.
The TETfund agency is also attending to a growing number of our tertiary institutions, and even the funding of

the construction of nine newly established universities by the federal government has been added to TETfund.
With regard to **contributions**, the TETfund has greatly impacted to the growth of Nigerian educational sector. Uzondu (2012) reported that Prof. Mahmud Yabuku in his Media Forum in Abuja said that TETfund has sponsored 5,277 lecturers for post-graduate studies overseas between 2009 and 2011. As at then, 1204 out of this number have either started or completed their studies and returned back home. Thus, 1759 lecturers on the average have been sponsored from Nigerian public tertiary institutions for post-graduate studies for the past three years. That was said to be the most aggressive training of lecturers in the tertiary institutions ever in history of higher education in Nigeria. He said that the aim was to enhance staff capacity development as well as improve their ability to deliver quality teaching to students. "The fund started 2008 by initiating and making available to each university N50 million for young lecturers to go for post-graduate studies outside the country."
Emphasis was placed on science and technology, due to the expensive nature of training within the country. The funding was increased to N60 million in 2009 and then to N80 million. In all, each university, federal and states on equality basis from 2008 to 2011 have received N240 million for staff training alone. "Virtually, all the capital projects seen in many of the state institutions certainly not all, are actually ETF funded. And there is no institution in this country, public tertiary institution, where there is no ETF projects." (Rufai, 2012). The agency has been attending to a growing number of institutions, as seen in geometric rise in the numbers of the institutions: from 37 universities in 1994, to the present funding of 73 universities, with new additions streaming in, 43 polytechnics in 1999 to 50 present polytechnics; and 60 colleges of education in early 2000 to 63 now, with Gombe and Bayelsa about to establish their colleges of education, hence by next year, there will be 65 colleges of education. Several other ancillary funding that the agency has undertaken include the Graduate Teachers Training Scheme, the Academic Publishing Scheme, The National Research Fund, the Almajiri Education Programme, the Textbooks Distribution Projects for primary and junior secondary schools which was recently flagged off by the President.
The provision of needed infrastructure for learning at the tertiary level represents one major milestone in the achievement recorded by TETfund. The appointment of the boss of the agency to chair the NEEDS assessment committee visits to universities, no doubt contributed immensely to the resuscitation of dilapidating infrastructures in our higher institutions of learning. Today, TETfund had drawn the attention of government to the yearning needs of our universities, and the global ranking of our universities have as well improved (Rufai, 2012). Introduced by the TETfund (in 2009) with the support of the government is what is also called "The Special High Impact Project," where certain amount, N3 billion is given to a university and N1 billion to polytechnics and colleges of education on the equality of each of the six geopolitical zones to have one university and a polytechnic, or one university and a college of education.
In its entirety, for the last 16 - 17 years – from 1994 till date, a total of about N463 billion education tax has been collected out of which the sum of N178 billion was collected between 1994 and 2007, while N284.9 billion was collected between 2008 and 2010.
The summaries of the ETF allocations to Nigerian tertiary institutions are as shown in table 1 below, and fund disbursement started in March 1999. Thirty percent (30%) of these allocations were released to the beneficiaries between March and May 1999 for the take off of the various projects.

Table 1: ETF Fund Allocations to Nigerian Tertiary Institutions (1999 – 2010).

Yrs	University (N)	Colleges of Education (N)	Polytechnics (N)	Total(N)
1999	2,124,999,960.12	1,099,137,930.00	1,087,209,288.00	4,311,347,178.12
2000	1,050,000,000.00	520,000,000.00	450,000,000.00	2,020,000,000.00
2001	1,794,128,000.00	1,108,048,500.00	967,500,000.00	3,869,676,500.00
2002	3,243,500,000.00	1,742,625,000.00	1,642,500,000.00	6,628,625,000.00
2003	1,440,500,000.00	678,625,000.00	634,500,000.00	2,753,625,000.00
2004	1,515,750,000.00	744,625,000.00	722,750,000.00	2,983,125,000.00
2005	2,025,000,000.00	1,249,000,000.00	1,657,500,000.00	4,931,500,000.00
2006	2,475,000,000.00	1,240,000,000.00	1,302,000,000.00	5,017,000,000.00
2007	3,659,000,000.00	1,579,900,000.00	1,430,000,000.00	6,668,900,000.00
2008	7,112,000,000.00	3,824,160,000.00	3,611,520,000.00	14,547,680,000.00
2009	6,858,000,000.00	3,760,920,000.00	3,472,320,000.00	14,091,240,000.00
2010	16,672,700,000.00	9,587,370,000.00	9,055,000,000.00	35,315,070,000.00

Source: Federal Ministry of Education, Abuja as in Shu'ara 2010.

Since this study assesses the impact of ETF on Educational Development, the study deems it necessary to determine the measures of educational development; thus saw that Harbison and Myers (1964) observed that there is a good correlation between Gross National Product (GNP) and Per Capita and different levels of enrollment. Lewis (1967) also found some positive relationship between secondary education and National Development. The outcome of such research efforts could possibly be responsible for the aggressive policy of most countries in their drive towards making education available to their citizens.

3.0 METHODOLOGY

This study relies mainly on data generated from the publications of the Operations Department of the Education Tax Fund and some other federal government publications. The period under study ranges from 1999 – 2010 (an eleven-year period).

The Hypothesis

HO: ETF fund allocation to Nigerian tertiary institutions does not have any relationship with the enrollment ratio to Nigerian Tertiary Institutions.

HA: ETF fund allocations to Nigerian tertiary institutions have some relationship with the enrollment ratio to Nigerian tertiary institutions.

To gain better insight on the impact of education tax fund (ETF) allocations on tertiary educational development in Nigeria, the research disaggregated the ETF allocations into the different tertiary institutions components and examines each component growth rates and the share of each component in total ETF allocation using simple descriptive statistics. The research then finds how each component allocation correlates with tertiary educational development indicators (enrollments in tertiary institutions) using the Pearson correlation matrix. In this study, annual data, spanning a period of eleven years, from 1999-2010 were used. Data were obtained from Federal Ministry of Education, Abuja; publications of the operations department of the Education Trust Fund; and from the website of National Bureau of Statistics.

M tertiary educational development indicators, a generic regression equation specified in the following form was adopted:

$Yt = f\ (ETF_t) + u_t$……………………………………………………………………….(1)

Where Yt = Enrollment into Nigerian Universities

ETF = Education Trust Fund Allocations to Universities.

$Yt = f\ (ETF_t) + u_t$………………………………………………………..………………(2)

Where Yt=Enrollment into Nigerian Colleges of Education

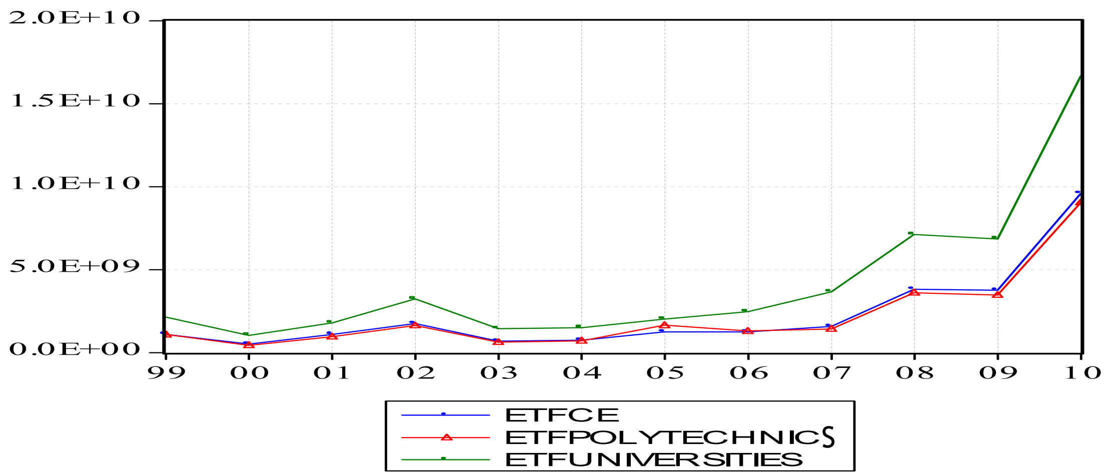
ETF = Education Trust Fund Allocations to Colleges of Education.

To minimize the scale effect of numbers, the actual linear estimation was performed using the variables in their natural log.

4.0 FINDINGS AND DISCUSSIONS

The tables and figures below display ETF allocations to Nigerian Universities, Colleges of Education and Polytechnics over the period under review with regards to Education Tax Fund (ETF) fund allocations to tertiary institutions in Nigeria.

Figure. 1. Graphical Representation of ETF Allocations to Tertiary Institutions.



Source: Table 1.

Where ETFCE = Education Trust Fund Allocations to Colleges of Education.

ETFPOLYTECHNICS = Education Trust Fund Allocations to Polytechnics.

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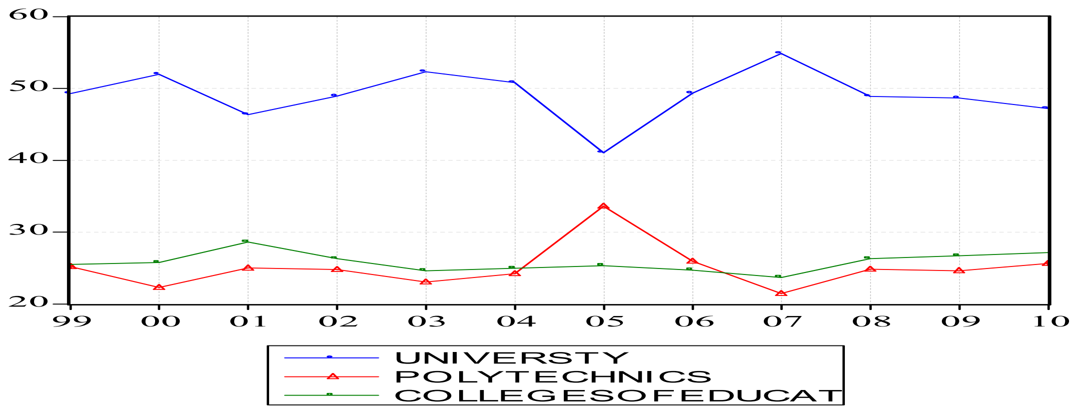
ETFUNIVERSITIES = Education Trust Fund Allocations to Universities.

Table II: ETF Fund Allocations to various Nigerian Tertiary Institutions as a % of total yearly Allocations.

Years	University	Polytechnics	Colleges of Education
1999	49.29	25.22	25.49
2000	51.98	22.28	25.74
2001	46.36	25.00	28.63
2002	48.93	24.78	26.29
2003	52.31	23.04	24.64
2004	50.81	24.23	24.96
2005	41.06	33.61	25.33
2006	49.33	25.95	24.72
2007	54.87	21.44	23.69
2008	48.89	24.83	26.29
2009	48.67	24.64	26.69
2010	47.21	25.64	27.15

Source: Author's Computation.

Figure . II: ETF Allocations to various Nigerian Tertiary Institutions (%).



Source: Table II.

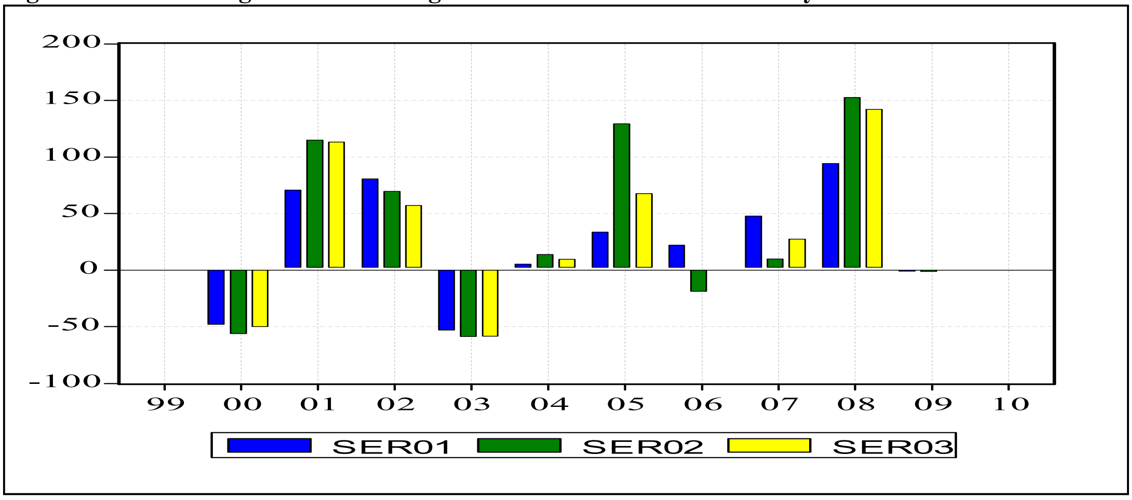
Table III: Percentage Growth Changes in ETF Fund Allocations to Tertiary Institutions.

Years	University	Polytechnics	Colleges of Education
1999	NA	NA	NA
2000	-50.588234	-58.6096	-52.6902
2001	70.8693333	115	113.0863
2002	80.7842027	69.76744	57.26974
2003	-55.588099	-61.3699	-61.0573
2004	5.2238806	13.90859	9.725548
2005	33.5972291	129.3324	67.73544
2006	22.2222222	-21.448	-0.72058
2007	47.8383838	9.831029	27.41129
2008	94.3700465	152.5538	142.0508
2009	-3.5714286	-3.85433	-1.6537
2010	143.11	160.77	154.92

Source: Author's Computation.

The percentage change in yearly ETF fund allocation is calculated as: ($Yr_2 - Yr_1 / Yr_1$) X 100%.

Figure. III: Percentage Growth Changes in ETF Allocations to Tertiary Institutions.



Source: Table III.

From the figures (I and III) and tables (I and III) above, the fund disbursement recorded (-) decreases in % changes in years 2000, 2003 and 2009 for all the tertiary institutions under review. Also, the fund disbursement recorded above 50% (+) increases in fund allocations in the years 2001, 2002, 2008 and 2010 with year 2010 recording the highest % increase in fund allocation. However, the year of peak allocation does not really matter much since ETF management had the policy that no fund will be given for next year until the beneficiary have satisfactorily and verifiably accounted for what was collected from the previous year, a reason why sometimes some institutions have accumulated non-access fund. Any decline or increase (as shown in percentage growth changes (Table III and figure III) in fund allocations any year, depends on the efficiency of collections of the 2% tax with the cooperation and support of the Federal Inland Revenue Service (FIRS) and the Nigerian Extractive Industries Transparency Initiative (NEITI).

Table II and figure II shows the percentage of individual institutions fund allocations to total allocations for all the tertiary institutions under review and depicts that an average of 50% of the total yearly allocations goes to the University system and the other 50% shared between Colleges of Education and Polytechnics.

The paper also examined whether the fund allocation from Education Tax Fund has any relationship with students enrollment into tertiary institutions (see tables IV, V and VI and figures IV, V and VI) while figure IV and V graphical represents students' enrollment into Nigerian Universities and Colleges of Education.

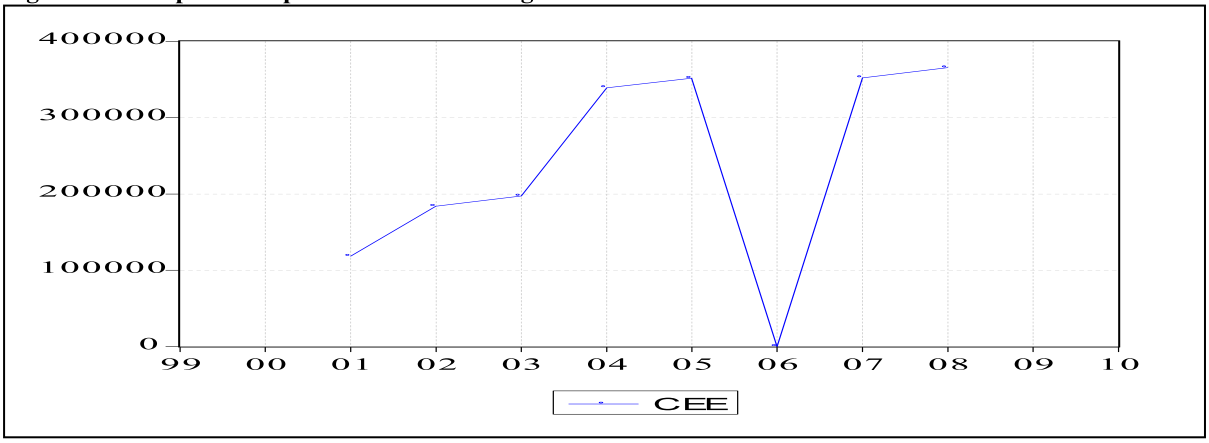
Table IV: Admissions / Enrollment into Nigerian Universities and Colleges of Education in '000.

Years	Universities	Colleges of Education
1999	NA	NA
2000	NA	NA
2001	NA	118,277
2002	NA	183,518
2003	107,857.00	196,992
2004	122,492.00	339,002
2005	76,984.00	351,483
2006	118,056.00	0
2007	47,472.00	351,998
2008	NA	365,180
2009	NA	NA
2010	NA	NA

Source: National Bureau of Statistics.

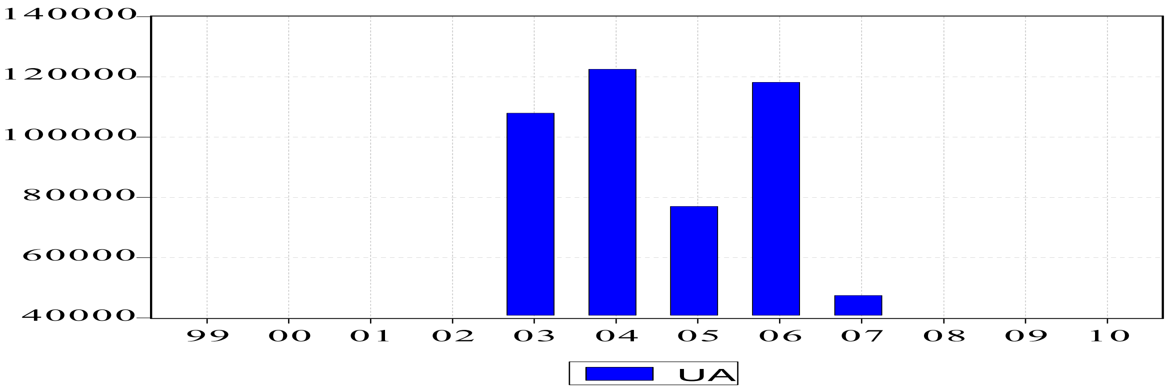
NA= No available data

Figure IV: Graphical Representation of Colleges of Education Enrollment.



Source: Table IV.
Where CEE = Colleges of Education Enrollment.

Figure V: Graphical Representation of Admissions into Nigerian Universities.



Source: Table IV.
Where UA = Admissions into Nigerian University.

Table V: Correlations Analysis Result.

Correlations			
		nlogAdmissions	nlogETFUNI
Pearson Correlation	nlogAdmissions	1.000	-.384
	nlogETFUNI	-.384**	1.000
Sig. (1-tailed)	nlogAdmissions	.	.109
	nlogETFUNI	.109	.

Source: Author's SPSS Output.
Where: nlogAdmissions = natural log of students' Admitted into Nigerian Universities.
nlogETFUNI = natural log of ETF funding to Nigerian Universities.

The above table shows the Pearson correlation matrix displaying the relationship between ETF fund allocation to the Universities in Nigeria and admissions into Nigerian Universities. The correlation analysis shows a negative relationship between ETF funding to Nigerian Universities and admissions into Nigerian Universities. This result suggests that an increase in ETF funding to Nigerian Universities is yet to result into a positive increase in students' enrollment into Nigerian Universities.

Table VI: Correlations Analysis Result.

Correlations			
		nlogEnrollmentCE	nlogETFCE
Pearson Correlation	nlogEnrollmentCE	1.000	-.215
	nlogETFCE	-.215**	1.000
Sig. (1-tailed)	nlogEnrollmentCE	.	.251
	nlogETFCE	.251	.

Source: Author's SPSS Output.
Where:nlogEnrollmentCE = natural log of students' Enrollment into Colleges of Education.
nlogETFCE = natural log of ETF funding to Colleges of Education.

The above table displays the Pearson correlation matrix showing the relationship between ETF allocations to the Colleges of Education in Nigeria and the students' enrollment into Nigerian Colleges of Education. The correlation analysis shows a negative relationship between ETF fund allocations to Colleges of Education and students' enrollment into Colleges of Education This suggests that an increase in ETF funding to Nigerian Colleges of Education have not brought about a corresponding increase in students' enrollment into Nigerian Colleges of Education.

There was no available data to access the enrollment of students to polytechnic system. The study would have included other indicator variables that are also used to measure educational development or achievement in humans such as literacy ratio, equity in education opportunities (e.g. gender equity, social equity, equity with students having special needs) (Narayana, 2006; Harbison and Myers, 1964), but there were no accessible data in bureau of statistics to work with as at the time of this study.

However, there are reports of ETF positive impact in improving the quality of tertiary institutions in Nigeria. For instance, according to Uzondu (2012), in January 2012, there were a number of Nigerian Universities among the top 50 in Africa. In 2009 when ETF started, there was not a single Nigerian University among the top 50 in Africa. Thus, through the special high impact projects of ETF, eight Nigerian universities are now among the top 50 in Africa and six of them are beneficiaries of the special high impact. The best university by their ranking in Nigeria is University of Benin even though it's still number 17 in Africa; the University of Ibadan, a beneficiary comes 25th; University of Nigeria, Nsukka is 3rd and 31st in Africa. Obafemi Awolowo University is 32nd; Ahmedu Bello University, Zaria came 35th and the University of Ilorin, which is the 40th in Africa (Uzondu, 2012). It is also recorded that a very good number of buildings and laboratory projects are now available in tertiary institutions (Rufai, 2012).

The argument then is: why is it that the increased infrastructures have not translated into increased students' enrollment as shown in the correlations output? The enrollment ratio may not have increased because a good number of some of the structures of the intervention projects are still under construction and have not been put to use. For instance, a visit by this research study to the site where Institute of Management and Technology, Enugu, is utilizing the ETF N1 billion allocated to her for the fulfillment of the purpose for "The Special High Impact Project" shows many building structures under construction. In like manner, the visit of the research study to the site where Michael Okpara University of Agriculture, Umudike Umuahia in Abia State, Nigeria, is utilizing her own N3 billion naira in building structures in the school raises a hope of better tomorrow for the Nigerian educational system. Similar things are expected to be happening in other tertiary institutions in Nigeria who benefited from the "Special High Impact Project" donations subject to the priority of their needs. Perhaps, further reason why the enrollment may not have increased may be due to shortfalls in the employment of academic staff. A system wide staff audit carried out in Nigeria 2007 (Shu'ara, 2010) as shown in table VII reveals quite a good number of shortfalls of academic staff in virtually all Nigerian tertiary institutions.

Table VII: Faculty Staff in Tertiary Institutions

S/N	Tertiary System	Academic	Numbers Required	Shortfall	Shortfall %
1	Universities	30,452	50,000	19,548	39.1
2	National Open Universities (NOUN)	5,220	15,000	9780	65.2
3	Poly/Monotechnics	12,938	30,016	17078	56.9
4	National Teachers Institute	6,526	7,000	474	06.8
5	Colleges of Education	11,256	26,114	14858	56.9

Source: System Wide Staff Audit of 2007, Shu'ara, 2010.

The hope of this research is that soonest there will be corresponding increase in students enrollment especially if the impact of the allocations translates to a greater functional infrastructures, corresponding enrollment ratio; and perhaps remedies to the shortfalls in available academic staff in the tertiary institutions.

5.0 CONCLUSION

The Education Tax Fund, though sourced only at a rate of 2% on the assessable profits of all registered companies in Nigeria, it seems to be a mustard seed which grows into a giant tree only to fruit in thousands.

The findings of this research therefore review that ETF has been able to make significant positive impact towards improving the educational development in Nigerian tertiary institutions. Hence, this paper agrees with Mohammed and Adamu (1999) in their saying that the fund's establishment was certainly one of the most positive developments in the Nigerian educational system, for it has the potential of alleviating the chronic underfunding of the sector. The paper hence recommends that the intervention agency should be encouraged towards prompt tax collection and budget allocations and cooperation from Federal Inland Revenue Services (FIRS) for an efficient service that can induce more wonderful outcome from ETF efforts.

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