FUNDING OF UNIVERSITY EDUCATION IN NIGERIA: CHALLENGES AND PROSPECTS

Samuel O. Faboyede¹, Adekemi O. Faboyede², Samuel A. Fakile³

¹,³PhD, Department of Accounting, College of Business and Social Sciences, Covenant University, Canaanland, Ota, Ogun State, Nigeria
²PhD, Department of Biological Sciences, College of Natural and Applied Sciences, Crawford University, Faith City, Igbesa, Nigeria

Abstract:
Higher education is the instrument par excellence for development and there is the ultimate need to make it relevant and responsive to the needs of the society. A reliable and sufficient funding platform is a necessity for achieving access to and excellence in university education in Africa. Sources and systems of funding for Nigerian Universities have proven inadequate and innovative or alternative funding mechanisms have become very important more than ever before. This paper examines the funding debacle in Public and Private Universities in Nigeria. It presents the case study of Nigeria Higher Education Foundation (NHEF). Using the secondary data research methodology, it finds that private higher education is the fastest growing segment of higher education worldwide and African universities can as well be more active in getting funds from local institutions and global philanthropic support sources. It recommends, amongst others, the putting in place of a National University educational budget reform which gives unflinching priority to allocation of more funds and that actualizing the realization of suggested intensified creative financing strategies should be the responsibility of all major stakeholders of University education in Nigeria.

Keywords: university, funding, Nigeria, National Higher Education Foundation, challenges

¹Correspondence: email samuel.faboyede@covenantuniversity.edu.ng
1. Introduction

Financing African higher education has become a very crucial subject. There has been rapid increase in demand for university education as a vehicle for socio-economic transformation. Although it is the objective of Government to provide adequate access to university education for those who desire it, the sporadic student enrollment increase over the years has made very obvious the critical challenge of finding the necessary resources to support such massification of university education. Inability to realize funding expectations has raised concerns about quality of university education.

On the basis of the budget earnings projections of the executive arm of Government in Nigeria, a budget cap to all economic sectors is provided for, universities funding inclusive. One challenge of higher education in Nigeria is the fact that federal universities are by law, not allowed to charge tuition fees and the schools complain of inadequate funding. Making available quality higher education to citizens is a must but this is not possible without adequate funding. The Federal Government of Nigeria has been investing less than two per cent of Gross Domestic Product (GDP) on education in the last 10 years. As such, the segment for university education is estimated to be in the region of 1.6 per cent. Since this apportionment has failed to deliver on quality, there is need to re-calibrate the funding model scheme to guarantee making the university system more nationally relevant and globally competitive (Akinyemi, Ofem, and Adebisi, 2012; Deji-Folutile and Oketola, 2014).

A sufficient and reliable funding platform is fundamental for achieving an easily accessible and excellent education. The common African style of full state or free tuition funding to a small number of universities has failed. Free tuition or highly subsidized accommodation has proven simply unsustainable. Finding alternative funding mechanisms has become very imperative. In Africa and the world at large, private higher education is rapidly expanding. The fact really is that private higher education has recorded the fastest-growing rate in higher education globally. The private sector has turned out to be very instrumental to societal development. However, it is enough to say that this private sector growth trend presents some common challenges such as low standards, lack of transparency, and a financial strategy that places institutional profits above quality or standards. This is why efforts to teleguide the private sector developments for the public interest have become essential (Altbach, 2012).

This paper is a contribution that attempts to fill the gaps created by the challenge of inadequate funding of University education in Nigeria and underscores the imperative for creation of innovative financing models for quality and sustainability. It is underlined by the null hypothesis: creative funding mechanisms are not crucial for sustainable and high quality University education in Nigeria. Research questions
answered in this work are: what is the severity of University education underfunding in Nigeria? What are the ways of enhancing adequate University education funding through creative income strategies? What is the significance of alternative funding strategies for University education in Nigeria? And how can Nigerian Universities be brought out of the woods?

2. Literature Review

The subject matter of funding University education is one that cannot be overemphasized. The political, social and economic factors, which are currently having significant impact on the world economy, have necessitated the need to diversify the sources of education funding, mainly because reliance on only one source of revenue can inhibit educational growth. The supply of university education in Nigeria has always been limited by the amount of funds that the owners (governments) have been willing and capable of giving to universities as grants. Much as the federal government has been struggling to increase statutory allocations to the universities, these subventions have continued to be insufficient to cope with the increasing enrolment and the increasing contending alternative users of the government scarce resources (Akpotu and Akpochafo, 2009; Oseni, 2012).

Poor infrastructure and inadequate funding have continued to trouble many state and federal universities in Nigeria. In spite of the huge federal allocations particularly accruing to the states, little physical impact has been the lot of the education sector especially in terms of structures on the campuses. Rather than funding their universities adequately, many state governments are injecting huge money into building expensive government houses amid other bogus projects. The developmental conditions of most Nigerian Universities are appalling. Of the federal, state and private universities assessments in terms of overall performance, state universities present the poorest report card in terms of quality of programmes.

In 2012, the Federal Government commissioned a nationwide survey of the needs of the university system and the result of the study was that majority of the universities were grossly under-staffed; many laboratories and workshops were old with inappropriate furnishing; classrooms/lecture rooms were overcrowded and overstretched; equipment and consumables were absent, inadequate or outdated; kerosene stoves were being used as Bunsen burners in some laboratories; engineering workshops were operating under zinc sheds and trees; and in many universities, science-based faculties were running 'dry lab' for lack of reagents and tools to conduct physical/real experiments. It was also found that: where major equipment existed, the ratio to student, in some universities, was as high as 1:500; of the 701 physical
development projects dotted across the universities in the country- 163 (23.3 per cent) were abandoned projects and 538 (76.7 per cent) were on-going projects; there was rapid deterioration of hostel facilities, overcrowding and undue congestion in rooms, in addition to poor sanitation and overstretched lavatory and laundry facilities (Deji-Folutile and Oketola, 2014, Adebayo, 2013).

Ubogu (2011) listed the possible consequences of underfunding university education in Nigeria as: curtailment of laboratory/practical classes, limited number of field trips, curtailment in the attendance of academic conferences, curtailment of the purchase of library books, chemicals and basic laboratory equipment, freezing of new appointments, virtual embargo on study fellowships, reduction in research grants, too narrow strategic profiles and core areas, loss of variety in research and teaching, close down of studies not in demand at present or expensive (unprofitable) studies, loss of autonomy through increased dependence from external principals (third party funding), internal centralization and expansion of administration, increased administrative burdens at the expenses of research and teaching, and reduced coordination (harmonization) between universities because of increased competition. Other untoward effects of dwindling funding include deteriorating staff working conditions, academic staff brain drain, incessant strike actions, student riots, lecture boycotts, and downward pressure on staff remuneration. Akpotu and Akpochafo (2009) also mentioned enlarged teacher/student ratio, overcrowded classes, poor quality teaching and research, examination malpractice, cultism and incessant strikes of staff as consequences.

Because the demand for higher education has been growing faster than the willingness of government to supply it, the advent of private universities education has been on the increase in Nigeria. Private education is a reality and its impact is fast growing around the world together with globalization, in particular at non-compulsory levels-preschool, tertiary and postgraduate. The Nigerian Government, which initially denied states and private ownership of universities, has come to acknowledge the obvious reality of problems of ever-increasing expenditure burden, equity, access and imbalance as regards higher education (Akpotu and Akpochafo, 2009).

In 2012, the Nigerian Government through the Secretary to the Government of the Federation, Anyim Pius Anyim gave indications that the Federal Government might stop funding universities in Nigeria. The government expressed pessimism that it would continue to effectively fund tertiary institutions in the country and suggested that institutions should source their own funds by attracting investors to assist in the development of the education sector. It was advised that such funds generated should be managed prudently by getting everyone involved from the management staff to the lecturers and that the attitude of some university management members who are only
interested in what they can get without caring for the welfare of the institutions should stop (Olokor, 2012). There are different possible options for funding University education in Nigeria. Some of them include funds from owners (government or private); tuition and fees; gifts; grants; endowments; investment incomes; incidental incomes such as incomes from enterprises, licenses, parents and alumni association; consultancies and research activities, as well as community participation. (Akinsanya, 2007).

2.1 University Education Funding Challenges/Peculiarities in Nigeria

The National Policy on Education in Nigeria recognizes education as an expensive social service that requires adequate financial provision from all tiers of government for successful implementation of the educational programmes. The Nigerian educational funding policy has government’s ultimate goal as making education free when practicable at all levels with joint financing responsibility of the federal, state and local governments, and the private sector which is comprised of local communities, individuals and organizations. While no tuition fees are paid in all federal universities, their students pay other fees such as acceptance (for new students), registration and certification, sports, identity card, examination, laboratory, library, caution fees (for science students), hostel maintenance, departmental registrations, etc the proportion of which varies by institution. However, the state and private universities are not restricted from collecting tuition fees/other school charges (Akinyemi, Ofem, and Adebisi, 2012).

In Nigeria, it has become very clear that government alone cannot fund university education because of the increasing costs of delivery in university education brought about by a combination of enrolment pressures, resistance or failure of institutions to adapt more efficient and productive financial management styles and inability of government to keep pace with cost pressures in the face of other competing social demands which have resulted in various cost-sharing measures being introduced, including user charges, which were previously non-existent. Over the years, the government’s budgetary allocations to education in Nigeria have left much to be desired. Public financing of University Education in Africa has encountered challenges such as: the placement of limits on admission by government, very low government educational budget, reducing financial support from foreign donors, the economic growth in Africa that is no longer strong enough to fund programmes in higher education, as well as poverty, unemployment and uneven distribution of wealth (Akinsanya, 2007). In the United States, tuition fee is a major fund source. This is unlike Nigeria where the government is expected to be responsible for a substantial portion of funding for government owned Universities (Kpolovie and Obilor, 2013; Olaleye, 2012).
Financing University education is both capital and labour intensive as well as very expensive. University education is currently underfunded in Nigeria. Inadequate funding puts the university management under stress and strains. Hence, they are incapacitated in providing essential services. The country’s financial policies are found to be so complex and irrational that they thwart schools’ efforts to educate as the sector is very poorly funded with less than 6%, on the average, of its total annual budgetary allocation as against UNESCO’s recommended 26% benchmark for developing nations (Kpolovie and Obilor, 2013). This financial challenge has led to rampant crisis in the system resulting in strikes by academic and non-academic staff, dearth of equipment and facilities, indiscipline among staff and students, and upsurge in the activities of secret cults among others. Nigeria as signatory to the United Nation Education Scientific and Cultural Organization (UNESCO) programme is still unable to meet the statutory requirement of the international body which required that 15% of their total yearly budgets be devoted to education sector (Udoh, n.d.).

Private proprietorship of educational institutions has become the global trend over the years even in socialist countries. Tuition fees are higher in private universities than State and Federal Universities because private universities are mostly profit-oriented institutions owned, financed and managed by either individuals or organizations which do not benefit from government funds. The price of university education in Nigeria is higher than the income of an average household. However, household demand for university education in Nigeria is inelastic because every increase in tuition fees/other charges does not significantly affect enrolments (Akinyemi, Ofem, and Adebisi, 2012). Private universities are being financed mainly by the tuition and other fees paid by the students and the cost of running and sustaining university education is very high and may remain so because of the prevailing economic situation (Ajadi, 2010).

Internally Generated Revenue (IGR) is an important funding source to financial wellbeing Nigerian Universities (Onuaha, 2013). However, many universities in Nigeria are yet to maximally explore their potential for internal generation of revenue. Over 80 per cent of the public and private universities depend on these sources to augment proprietor funding. The typical area of focus is on fees from sub-degree and postgraduate programmes. Universities that are in commercial ventures hardly make a success of it because of weak management structures and corruption by the operators. Few creatively explore endowments as well as local and international consultancies involving university staff.

Most of the Universities established by the government were done for political reasons. Thus, some Universities are lacking a strong drive for purposeful or objectives accomplishment. This is unlike most private universities that have strong objectives.
underlying their creation from the outset. Politicians play politics with institutions and that is why the Federal Government has not been able to announce that students of federal institutions should pay tuition fees. The government is paying lip service to education. Adequate resources to ensure excellence are not committed and no clear vision or mission mapped out. Since there is no plan, management style is not expected to be outstanding.

The issue of corruption in the education sector still needs to be dealt with headlong by the government for the sector to fare well. Government appointed people are not always capable of leading public universities to great heights as most of the officials of supervisory bodies in the education sector are only selected based on political affiliations and not merit. Also, discipline is important in attaining any significant achievement in human organization. There are supervisory bodies (School Boards, Governing Councils, Committees on education, science, health, technology etc.) set up to monitor growth and development of education in Nigerian institutions of higher education whose members (some of them) are generally uninformed about the responsibilities attached to their offices. While some work hard for excellence, others see membership of such bodies as opportunities to ‘make it’. Projects become manipulated and no results to show, funds are usually taken to be ‘for sharing’ while deceit, insincerity and abuse of office become rampant.

2.2 History of University Education in Nigeria
The creation of the University College of Ibadan (a federal university) in 1948 following the Elliot Commission recommendation of 1945, marked the commencement of University education in Nigeria. This was followed by the establishment of the University of Nigeria in 1960, while the Ahmadu Bello University Zaria, Obafemi Awolowo University Ile-Ife and University of Lagos were established in 1962. In 1970, the University of Benin was founded while in 1975; seven second generation universities which were located in Jos, Calabar, PortHarcourt, Sokoto, Ilorin and Kano were established. During the 1980s, the Federal Government of Nigeria (FGN) converted its military training school (the Nigerian Defence Academy-NDA) to a University. In 1980, the FGN established seven universities of Technology at Abeokuta, Akure, Bauchi, Makurdi, Owerri Minna and Yola. In 2007, the FGN also established Federal University of Petroleum Resources (FUPRE). In Nigeria, federal universities are often categorised by age into 1st, 2nd and 3rd generations (Okojie, n.d.). First generation universities are the six universities established in the 1960s and early 1970’s; second generation universities are seven universities established in the mid 1970’s; while third generation universities refer to the eleven institutions, including the universities of technology, established in the 1980’s and 1990’s (Ishengoma, 2002).
In 1980, the first state university-Rivers State University of Science and Technology (RSUST) was established. During the 1980s, 1990s, and 2000s, more state universities were established. The promulgation of Decree 9 of 1993 made provision for the establishment of private Universities. Many private universities have to date been issued licenses to operate in Nigeria.

2.3Sources and Systems of Government Funding Strategies for Nigerian Universities

The legal framework for funding federal universities in Nigeria constitutionally requires the National Assembly, on recommendation by the executive arm, to make appropriation to all sectors including education. The Federal Law (LFN 2004, CAP N81, Sections 4(1)f and 4(8) empowered the National Universities Commission to receive block grants from the Federal Government for the purpose of disbursements to Federal universities. Past Block Grant funding system has ensured that the Federal Government made Block grants to the universities through the National Universities Commission (NUC). The grants were structured into capital and recurrent components while the recurrent grants were further divided into Overhead and Personnel costs at ratio of 40:60 (Okojie, n.d.).

Some of the funding criteria of the National Universities Commission include: (i) the use of ratio 60:40 for personnel costs to overheads (ii) adoption of rate guides such as: Library 10%; Research costs 5%; Capacity building 1% of total recurrent in the minimum, ratio of academic to non-academic funding 60:40, proportion of expenditure on central administration - 25% in the maximum, and internally generated revenue which is not less than minimum of 10% (Okojie, n.d.).

Nigeria currently practices funding system by direct legislation. This ensures funding is made to individual universities through legislative appropriation by the National Assembly, upon recommendation of the NUC and consideration by Federal Ministry of Education, Federal Ministry of Finance, and National Planning Commission in a medium-term, three-year, needs-based budget planning process. The Private universities are owned by individuals or corporate bodies which are mostly religious organizations. Private universities are wholly funded by the proprietors; hence, they do not benefit from the NUC government grants (Idumange and Major, 2006).

Traditional funding sources for financing Universities in Nigeria include: For Federal Universities- (i) Proprietor – the Federal Government (ii) Internally Generated Revenue (IGR)- Investments, Charges on services, Donations received – in cash & kind, Rent of facilities, Endowments, etc and (iii) External linkages; For State Universities- (i) Subvention by State Government from appropriation on education (ii) deduction from Local Governments’ allocation accruing from Federation Account (some States), and
Tertiary Education Trust Fund (TETFund) is a major funding source to some Nigerian Federal and State Universities. TETFund is an intervention agency set up to provide supplementary support to all level of public tertiary institutions with the main objective of using funding alongside project management for the rehabilitation, restoration and consolidation of tertiary education in Nigeria. The main source of income for TETFund is the two per cent education tax paid from the assessable profit of companies registered in Nigeria. The funds are disbursed for the general improvement of education in federal and state tertiary institutions specifically for the provision or maintenance of essential physical infrastructure for teaching and learning, institutional material and equipment, research and publications, academic staff training and development, and any other need which is considered critical and essential for the improvement and maintenance of standards in the higher educational institutions (Deji-Folutile and Oketola, 2014). TETFund provides a veritable source of funding that universities in the country can leverage for growth. For example, Abia State University (ABSU) constructs an average of seven new structures annually courtesy of the N1bn annual TETFund allocation.

The clamour by proprietors of private universities in Nigeria for inclusion in the supplementary education funds from the Tertiary Education Trust Fund (TETFUND) is gradually but steadily gathering momentum. Of the 129 universities currently in operation in Nigeria, private universities constitute 50, representing over one-third of the number of universities with operating license to award degree certificates (Ewuzie, 2014).

It is a pleasant development that many Nigerian universities have begun the engagement of creative fund generation strategies. Examples include University of Lagos, University of Maiduguri, University of Ilorin, University of Benin, Bayero University Kano and Nnamdi Azikiwe University (NAU). For instance, among other strategies, NAU introduced a levy after consultations with Parent Teachers Association and University Board approval. As a result, it was able to move all its operations to its main campus; 40% of revenue to meet its recurrent needs was generated this way in 2006/2007. Also, Osun State University of Science and Technology (OSUSTECH), a public university, has taken bold steps in establishing a university farm where students and members of the public are trained in practical agriculture. The university has 91 fish ponds (42 fibre tank ponds and 49 earthen ponds), poultry, goat and sheep rearing, snailery and a piggery. Apart from cassava and oil palm plantations, it also established a fruit juice factory, water factory and a bakery and confectionery.
2.4 A Variety of Creative Funding Strategies that Nigerian Universities May Utilize

According to Okojie (n.d.), Universities may utilize a variety of creative strategies such as the following:

a) Alumni relations and Associations: These include alumni tracking, database provision for alumni, periodically contacting alumni – this maintains sense of belonging in alumni, and ensuring transparency and accountability through alumni representation.

b) Consultancy services: Universities have enormous resource of knowledgeable competencies which could be along the lines of capacity building services, advisory/technical services, and management development services.

c) Linkages/Partnerships: These may include philanthropist/donor agencies, collaborative research and development, or creation of departments to provide services such as Information Communication Technology (ICT).

d) Small and Medium Scale enterprises: Shops or halls may be built up for rent; business outfits such as cybercafés, fee-for-service parking lots, laundry or cleaning services, transportation services, or student-work based programmes ventures may be leveraged upon.

e) Manufacturing/Processing: Illustrations here could include fabricating tools from idle time of training foundries, processing of foods, and developing useable products from research results.

f) Community participation: Host communities could donate infrastructures or land to universities as a result of some good community relations while the existence of a Parents Forum also provides an avenue for community relations.

g) Other opportunities abound for fund generation e.g. Waste to wealth initiatives (recycling of papers, plastics, bottles, and foods.

In order to lessen the burden of funding university education almost alone by the government, other suggestions which have been made include: payment of tuition fees (currently in Nigeria, university owned by government is tuition free), graduate tax, checking fraudulent practices, commercial activities on campuses, commercializing accommodation, endowment funds, scientific breakthrough, consultancy, part-time programmes, staff exchange programme, loans, scholarship, tax-relief; vacation and part-time job (Udoh, n.d.).

According to Onuka (2008), suggested alternative sources of funding should include: Increased government subvention; Increased philanthropic gestures; More endowments; Re-introduction of moderate tuition; Property ownership; Development and sundry fees; Provision of research and invention (patent); Soliciting funds/fund raising; Revenue from increased public services by universities; Mounting of specialist training programmes; Improved alumni contribution; Involvement by the corporate...
world; Improved revenue consultancy services; and More investments by the universities /hiring out of facilities.

Okebukola as cited in Deji-Folutile and Oketola (2014), proposed four models of creatively sustaining funding for the Nigerian University system. The models are: Access-Equity-Cost-Sharing Model, Contextualized Formula-Funding Model, Performance-Based Funding Model, and the Host-Proprietor-University-User-Funding Model. The Access-Equity-Cost-Sharing Model demands the lowering of financial barriers to higher education while ensuring equity in sharing of the funding burden by different stakeholders based on ability to pay. The Contextualized Formula-Funding Model stipulates that universities should be funded based on a formula which factors in individual peculiarities and current state of physical development and a desire to encourage programmes in science and technology with potential to accelerate impact on Nigeria’s socio-economic development. The Performance-Based Funding Model is aimed at rewarding universities for efficiency in teaching, research and community service and encourages competition among universities which will stimulate the evolution of centers of excellence. The model makes funding allocation more transparent and more competitive through redistributive funding formulae mainly based on performance. The Host-Proprietor-University-User Funding Model implicates all beneficiaries of the location and service of the university in contributing to funding the university. It helps universities to be committed to their visions and removes the current corruption that appears to be the hallmark of what Universities are doing now.

The performance-based funding system is based on research journal publication, number of post-graduate students, students’ population, number and quality of professors, teaching outputs, institutional outreach/community engagements, amount of external grants attracted, and number of foreign students and staff in the university. The model has been identified as the best for public universities in the country because it is capable of promoting competition and enhancing growth and development of the Nigerian university system. The Contextual-Formula-Funding Model is feasible if Nigerians will not corrupt the scholarship process. The model is capable of promoting competition and enhancing growth and development of the Nigerian university system. This model will also encourage growing IGR in deficient campuses, although it requires commitment of all stakeholders especially the government.

The Host-Proprietor-University-Funding Model is seen to be excellent for the recurrent expenditure but university can only grow if sufficient funding is provided for capital. Contributions to capital development could include direct contribution by the stakeholders such that the proprietors will contribute 30 per cent, host -30 per cent, university- 30 per cent and user (students)- 10 per cent.
2.5 Case Study of Nigeria Higher Education Foundation

In 2004, after many years of supporting higher education in Nigeria, the John D. and Catherine T. MacArthur Foundation challenged a small group of US based Nigerian professionals concerned about the future of Nigeria to carry on the work of helping Nigerian Universities to build their capacity and become self-sustaining. The Nigeria Higher Education Foundation (NHEF) was established in 2004 with seed funding from the MacArthur Foundation, and the Board is comprised of successful and highly respected Nigerian-Americans in a number of fields. The Foundation has made steady progress toward fulfilling its mission of promoting excellence in higher education and in assisting key universities in Nigeria to become self-sustaining by raising public awareness and support for them. The Nigeria Higher Education Foundation’s initial effort was geared toward providing its programs to support five top universities in Nigeria namely Ahmadu Bello University, Bayero University, University of Ibadan, University of Nigeria Nsukka, and University of Port Harcourt.

NHEF US-based Board members play key strategic, intellectual and financial roles in supporting endeavors such as leadership and strategy development, capacity building and capital development, advancement and scholars program. Board members return to Nigeria annually as visiting professors to lecture, lead workshops and participate in research projects. They have led initiatives to help raise funds and have given financially towards capital development projects and implementation of new programs (Nigeria Higher Education Foundation, 2014).

3. Findings

Universities that will thrive are designed to be self-sustaining with in-built mechanisms that sustain. It is not ideal for universities to depend solely on government for funding. Rather, they should devise means of raising funds and attracting grants while the institutions are run under a strict demand of accountability and transparency placed by all stakeholders. There is need for government-run institutions and private universities to be business-oriented. IGR is inevitable as long as the government and other university proprietors fail to provide adequate funding for the universities’ operating and capital needs. Parents, guardians, the society in general, the private sector and non-governmental agencies must become involved in financing education in the country. The findings of this research agree with other works such as Oseni (2012) and the University stakeholders communiqué issued from the National Summit on Education organized by all staff unions in the Nigerian university system between October 27 and 30, 2014, which called for an increase in the funding levels to universities to enable them improve on the provision of facilities and services. Universities ought to increase their
internally generated funding levels and encourage all stakeholders towards sharing in the cost of education by paying some fees in order to attain and sustain a reasonable level of funding of higher education in Nigeria. This means that while it is good for the government of Nigeria to increase budgetary allocations beyond the target of minimum 26% of total annual budget to the education sector at all levels, a proper mix of public finance, corporate finance, and individual finance of education should be absolutely encouraged.

4. Conclusion and Recommendations

A nation’s overall advancement is a direct function of the quality of the educational attainment of its citizens and quality of education is dependent on sustainable funding. The financial constraints in Nigeria have made education to suffer as the Government has not been able to fund higher education effectively and efficiently due to politics, planlessness, prevalent economic crises, and corruption. The burden of providing university education in Nigeria is too much for the Federal Government alone. The society needs to get involved in the provision of university education because laudable objectives can hardly be accomplished if university education is not adequately funded. To sustain higher education in the country, all stakeholders—parents and guardian, the society in general, the private sector and non-governmental agencies must become involved in financing. African universities can be more active in getting funds from local institutions and philanthropic organizations.

The committed pursuit of alternative or creative funding strategies such as Internally Generated Revenue (IGR) offers the opportunity of not just enhancing good education quality but of training students to be hard-working, self-reliant, job creators and positive contributors to the socio-economic and political development of Nigeria after their university education. Clearly, charging tuition is a necessity for all of African higher education. IGR has a very significant role to play as a source of critical funding for all categories of universities in Nigeria. Private sector participation in the provision and management of university education will ensure the production of quality graduates.

In order to bring the Nigerian University system out of the woods of underfunding, the following pertinent recommendations become important:

a) All stakeholders must be involved in the provision of university education through integrated approach to University education finance.

b) The burden of users’ fees/other charges should be mitigated by making available targeted scholarship, and bursaries, loans or grants with emphasis on low and middle income households. Students from low and middle income households
should be engaged in income generating projects of their universities on part-time basis to generate funds for their education.

c) National budget should be put in place with the education sector given priority to allocations of more funds into university education. An increase in the funding levels to universities is required to address current abysmal decadence. Federal and State levels Government should provide and release minimum of 25 per cent of national/state budget for education with minimum of 40 per cent of the education budget for universities.

d) Knowledge, based on good research, is necessary if policies are to be thoughtfully planned and implemented. Locally-focused research and analysis will enhance the generation of sound or viable strategies to tackle challenges.

e) Universities must increase their internally generated funding levels and make all stakeholders to share in the cost of education. It is important that funding for postgraduate training and research be enhanced.

f) Accountability, transparency, due process and budget disciplinary tools are sine qua non to the management of funds in educational institutions. There should be good governance and effectively established mechanisms for checks and balances (e.g. internal and external audits). Universities should be prudent and honest in funds management (e.g. funds assessed from the Tertiary Education Trust Fund, IGR etc).

g) Development partners should be encouraged as they have great potentials to bring in significant resources to the Universities. Well-to-do individuals should endow Universities and fund their researches.

h) The legal provision of Section 10 (150e) of the 2013 National Policy on Education which directs that contractors, consultants and other service providers are to contribute minimum of 1.5 per cent of contract sum/fees to a Special Education Corporate Social Responsibility Fund for providing additional government funding support to education should be efficiently implemented for success.

i) Truthfulness, dedication, focus, well defined vision and mission are all essential for success in quality educational funding.

j) Universities should have an internal dynamism that ensures standard and builds into it a standard-maintaining paradigm. For example, brilliant university lecturers do not essentially depend on salaries. They are able to attract funding and grants.

k) Governments should imbibe the culture of patronizing their universities to encourage putting into realistic use ideas emanating from the ivory towers. Universities are supposed to have laboratories and equipment that hospitals outside can make use of and pay for. Like the American education system that is
more pragmatic, Nigerian Universities must be able to solve problems and make money from their services and output.

l) To derive sustainable maximum contribution from IGR sources, university managements should seek professional and more efficient ways of developing their IGR initiatives. They should restructure to accommodate an IGR coordination office to ensure that creative revenue generating initiatives are not stifled by long bureaucratic bottlenecks.

m) The Government should make loans available to private universities at a single digit interest rate for infrastructural development.

n) The act setting up TETFund should be reviewed by the National Assembly to include private Universities among the beneficiaries.

References


