

FUNDING UNIVERSITY EDUCATION IN NIGERIA: THE CHALLENGES AND WAY FORWARD

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Abstract. Most of the challenges facing Nigerian universities are traceable to inadequate funding. The sector often blames the government for inadequate funding of public universities while the government complains of scarce resources. The incessant closure of universities as a result of unresolved issues between labour/student unions and management, as well as the government is usually as a result of funding such as unpaid outstanding allowances and dilapidated facilities among others. This paper explored other alternatives to funding university education in Nigeria as the beneficiaries of university education were identified because every rational individual will contribute to a project because of the benefit they will get from it. The paper recommended that all beneficiaries of university education should be informed through appropriate medium to contribute their quotas to the funding process. Managements of universities are also challenged to judiciously use available resources.

Keywords: funding, university education, universities, beneficiaries

Introduction

The smooth running of any educational institution depends largely on the availability of resources, be it human, material or financial. These resources also determine to a large extent the achievement of the set goals of any organisation. Ozigi & Canham (1979) opined that no organization can carry out its functions effectively without adequate financial resources at its disposal. Funding which represents financial resources plays a vital role in the development of universities. Therefore, the funding of education is a vital area of Economics of Education (Akangbou, 1986).

The history of University Education funding in Nigeria dated back to the period of establishment of tertiary institutions. This dates back to 1948 when the University College Ibadan (UCI) was established following the Elliot Commission's recommendation in Nigeria. The Elliot Commission was set up in the year 1943 "to report on the organisation and facilities of the existing centres of higher education in British West Africa, and to make recommendations regarding future university development in that area" (Fafunwa, 1971). At creation, UCI operated as a college affiliated to University of London, it was however accorded university status in 1962 and named as University of Ibadan (UI). Ukeje (2002) noted that UCI was funded from two main sources. The Nigerian government provided 70 per cent of the funds while the United Kingdom provided 30 per cent of the total recurrent cost.¹⁾ Since then and up till now, there is low level of University education funding and it is often an issue among stakeholders with its effects on quality of university education in Nigeria. The World Bank in 2010, cited in Famurewa (2014) reveals that the problem of higher education financing, especially University education is more serious in Africa than the rest of the world. In Nigeria for instance, apart from global economic recession which is ravaging the economy, other factors like huge foreign and domestic debts, declining revenue from non-oil sectors due to neglect, declining revenue from the oil sector which the government

highly depend upon, huge budget that government earmarked for debt servicing on yearly basis, mismanagement of economic resources, high rate of corruption in all sphere of the economy etc. had made it difficult for the government to generate adequate resources to fund the public tertiary institutions in the country.

Most of the recently recorded crisis in Nigerian Universities are traceable to funding issues. Many universities have been under lock and keys, at one time or the other because of agitations on issues bordering on money. While some were shut down on account of non-payment of allowance of workers, some others are as a result of issues concerning poor welfare services of students. The problem of insufficient buildings, under-equipped laboratories and facilities in Nigerian universities can be traced to inadequate funding. Most student riots in the university and even most of the crisis between university unions and federal government of Nigeria can be traced to monetary issues which revolve around inadequate funding of their institutions.

Overview of funding of University education in Nigeria

In recent times, the allocation of fund to federal universities by the federal government has not been palatable to other university stake holders. University education sector often blame the government for inadequate funding of university education in Nigeria while the government in turn blames the sector of inefficient utilization of resources allocated to them. Also, the government complain of scarce resources, especially in this period of recession.

Table 1 shows the share of education on the National Budgets from 2009 to 2018. From the table, the highest percentage share of the National Budget to education since 2009 till date is 9.94 which is even lower than the United Nations Educational Scientific and Cultural Organisation (UNESCO) minimum standard of 26%. This is a pointer that we need to explore other alternatives if our universities must be adequately funded.

Table 1. Share of education on the national budgets 2009-2018

Year	Total National Budget	Allocation to Educa- tion	% Share to Educa- tion sector
2009	3,049,000,000,000	221,019,000,000	7.25
2010	5,160,000,000,000	249,090,000,000	4.83
2011	4,972,000,000,000	306,030,000,000	6.16
2012	4,877,000,000,000	400,015,000,000	8.20
2013	4,987,000,000,000	426,053,000,000	8.55
2014	4,962,000,000,000	493,000,000,000	9.94
2015	5,068,000,000,000	392,200,000,000	7.74
2016	6,061,000,000,000	369,600,000,000	6.10
2017	7,444,000,000,000	550,000,000,000	7.38
2018	8,612,000,000,000	605,800,000,000	7.03

Challenges of funding University education in Nigeria

One major challenge of funding university education is the question of who should finance or fund it? There has been a lot of debate about cost of education especially on who should bear the cost. Many individuals and corporate bodies in Nigeria have the opinion that university education should be financed by the government while the government on the other hand, complain of scarce resources. University system, students and parents often rely on the government for funding Nigerian universities, forgetting the fact that not only the government benefit from university education in Nigeria.

The way and manner the available funds are utilized is also an issue of concern in Nigerian universities. It is no longer news that the economic recession in the country has greatly affected government's monetary support for universities. It is however worrisome that the available funds in universities are not judiciously used for the purpose for which it is meant. Corruption which has become the order of the day in the Nigerian polity is also becoming prominent in universities. The Provost of Anti-Corruption Academy of Nige-

ria, Professor Sola Akinrinade on an online platform (pulse.ng) on 7th July 2015 expressed fear on the increasing level of corruption in Nigerian universities when he said the high incidence of corruption in the university system threatens Nigeria's future. In essence, universities are facing the problem of funding not only because of the hard times the economy of the nation is undergoing but because the available funds are actually not judiciously utilized by the management of universities. One of the Federal universities in south west Nigeria was shut down for over two months in 2016 and the members of staff in the university alleged the management of mismanagement of funds which was meant to pay backlog of certain allowances.

The way forward

Every rational individual embarks on a project because of the benefit they will derive from it, therefore the question of who should fund university education in Nigeria can be answered by indentifying who benefits from university education in the country. Identifying the beneficiaries of university education will lead us to how to fund university education in Nigeria because the benefit an individual or group will gain from a project can motivate them into putting their resources into it. Some of these beneficiaries include:

Students of university education

The attendance at a university has a significant impact on an individual's lifetime earnings. University students pursue university degrees mostly because of the private benefit (benefits that accrue solely to the individual) they will derive from it. Adelokun et al. (2010) identified Wesbroid's Seven-Point-Analysis of Benefits of Education as Direct financial returns, Financial option, Hedging option, Non-market option, Residence-related beneficiaries, Employment -related beneficiaries and Societal benefits. They revealed that the first beneficiaries of higher education are the higher education graduates.

Students of university education benefit from being trained in the university after graduating. University education helps in moulding an individual thereby making it possible for such an individual to be useful to himself in terms of earning money that would serve as avenue for making life comfortable. University education can lead to an increase in the future level of income or output of the educated individuals through improved productivity of labour. Alan B. Krueger, an economics professor at Princeton, says that, up to a point, an additional year of schooling is likely to raise an individual's earnings about 10 per cent. It can also lead to psychological satisfaction (non-monetary) in the graduates and it can bring “spill-over” or “neighborhood” benefits as identified by Adelokun (1997) on the rest of the members of the community in which the graduates live. In the same vein, education has indirect effects on health, fertility and life expectancy of university graduates.

Since students benefit from their university education in the long run, they should be actively and willingly (not grudgingly) involved in the funding of university education through the payment of school fees if they want to receive the best education. Students should be encouraged to secure paid jobs while in school during long vacations and be involved in businesses that will not distract them from their academics in order to have an input in the payment of their fees.

Parents / Guardian

Parents / Guardian benefit from the university education of their children/ wards. Parents benefit from resident- related benefit as identified by Adelokun et al. (2010) in Wesbroid's Seven-Point-Analysis of Benefits of Education. In Nigeria, most parents have the mentality that their children must take care of them after graduating from the University, so they should be willingly involved in funding university education through the payment of their wards school fees and through donations if our universities must be adequately

funded. Many political parties in Nigeria promise free education to its citizens, they do this at the detriment of good education, and because they can not solely fund the educational system, schools automatically, become under-funded and poor education becomes the order of the day. Adaralegbe (1990) also questioned free education in a depressed economy like Nigeria while Adesina (1990) elaborated that in countries where education is free, there is a programme of raising funds directly or indirectly within the system to finance the educational system.

Therefore, to have good education, schools must be well funded and for schools to be well funded, parents must see the funding of schools as a joint responsibility.

The University system

The University has a lot to gain from the education she offers to students. Some alumnus return to the universities where they graduated from to donate some equipment, build lecture halls, halls of residence and so on, so universities must be involved in funding or financing their universities. They can achieve this through Internally Generated Revenue (IGR) within the University community. Apart from the school fees collected from students, universities in Nigeria can generate income internally through transportation businesses within the community, they can set up a bakery to produce bread, manufacture water, set up large scale farming to feed the community, they can also set up primary and secondary schools, have tutorial centres, they can also run consultancy services as an arm of their investment company etc. All these have the ability to generate income to the university community so that they can also be involved in funding the system. However, caution must be taken to ensure that the quest to generate internally generated revenue should not conflict with the pursuit of its three cardinal goals of teaching, research and community service. It is only when the university system is adequately funded that

good education can be imparted and when good education is imparted, the students will be willing to give back to their universities in the future.

Organisations within and outside the country

Organisations benefit from university education in Nigeria and even outside the country. This can be classified under the Employment –related beneficiaries. Graduates put into practice all they learnt from the university in organisations that recruit them thereby benefiting from their university education. Therefore organisations in and outside Nigeria who recruit Nigerian graduates should be involved in funding university education in Nigeria through donations and by giving of grants and endowment funds. (Adeyemi, 2011) recommended that since the educational system needs to be financed, the private and public sector assistance or contribution should be more encouraged. Some of the organisations that have been funding Nigerian universities include: Commonwealth Grant Scheme (CGS); Higher Education Loan Program (HELP); Commonwealth Scholarships; Disability Support Program (DSP); Indigenous Support Program; Structural Adjustment Fund; Higher Education Participation and Partnership Program (HEPPP); Promotion of Excellence in Learning and Teaching in Higher Education; Superannuation Program; Australian Maths and Science Partnerships Program (AMSPP).

Individuals / citizens in the country

Individuals in the community benefit from university education of university graduates living in the community. Graduates use some skills and knowledge that has been acquired in the university for the benefit of those living around them. For example, a doctor trained and practising in Nigeria treats people who come to the hospital, his neighbours and family members based on the training he received from the university. Lawyers advocate for companies and individuals in the country, Pharmacists prescribe drug to citizens, engineers help citizens, companies and the government to build, university trained

teachers give good education to pupils and students in the country, educational planners help in planning the educational system, etc.

Therefore, individuals should be involved in financing university education because they benefit from university education in the country. In some developed countries, individuals/ citizens get involved in the financing of university education. For example, in Britain, a citizen named Mr. Robinson, at his death in 1970, gave all his life savings of £20m to the University of Cambridge. That was the same reason why the Robinson College, was named after him in Cambridge. Some Colleges were even established in Cambridge by philanthropists, some of them include, Pembroke College (founded in 1347 by the Countess of Pembroke), Gonville and Caius College (1348, by Edmond Gonville Dr Caius) and Downing College (1807, by Sir George Downing).

The Government

University education has always and will continue to be a pivot of national development. Education is not just a private good, it is a public good because it confers some benefits on the country which includes tax among others. The government benefits from the education of its citizens directly and indirectly, it benefits directly from the payment of tax by working educated citizens and indirectly by the tax they pay on goods and services in the country. It helps to sustain and accelerate overall development. The stock of highly-educated individuals produced by higher education institutions plays an important role in the innovation and the sustainable development of any society (Akinyemi, 2012). Also, Johnstone (2006) opines that higher education is an agent of change and national growth. No country can grow beyond the growth of its university education.

The Federal government of Nigeria should play her role in allocating minimum 26% of its national budget to education as advised by UNESCO,

thereby increasing the amount that will be allocated to university education if our universities must be adequately funded.

Conclusion

Since education is both a private and public good and all the benefits of university education does not go to the government alone, all the other beneficiaries of university education as identified in this work should be given proper orientation on the benefits of university education and how it affects them so they can be encouraged to be a part of funding of universities in Nigeria.

The Management of universities should also be judicious in the use of available resources as other beneficiaries join efforts together in the funding of university education in the country because if there is no effective and efficient utilisation of resources, the university system will still be under-funded even if all the beneficiaries are involved in the funding process.

There is also need for government to provide an enabling environment for private individuals to be part of the provision of university education. Government should not place too much burden on private universities in terms of the cost of registration as well as taxes. By so doing, the private universities will be able to complement the government-owned universities in the provision of university education in the country.

NOTES

1. <https://www.intechopen.com/books/sustainable-development-education-business-and-management-architecture-and-building-construction-agriculture-and-food-security/alternative-perspective-to-funding-public-universities-in-nigeria>

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