

Towards Improved Funding of Tertiary Institutions in Nigeria

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Abstract

Education defines the quality of life; it is the foundation on which the society is built. Higher learning takes the intellect to the next level of success and provides a deeper understanding of relevant subjects; it also provides the necessary foundation for economic growth. The success of any educational system hinges on proper planning, effective administration, and adequate funding. Funding is essential for the survival of any institution and tertiary institutions in Nigeria are not left out. It is due to these reasons that this paper examined how tertiary institutions can be better funded in Nigeria. The paper equally recommends alternative means of improving funding of tertiary institutions in Nigeria. It is the view of this paper that all the stakeholders in education which include parents, guardians, the general public, government, non-governmental agencies, international partners and the private sector should support and subsidize the funding of tertiary education in Nigeria.

Keywords: Funding; Subsidy; Tertiary institutions; Higher education; Economic growth; Resource Allocation

1. INTRODUCTION

Tertiary education can be defined as the level of education acquired after secondary education in higher institutions of learning such as Universities, Polytechnics, Colleges of education and other institutions of higher learning offering correspondence courses, diplomas and certificates. Ahmed (2011) opined that the challenges confronting tertiary institutions in Nigeria include financing and funding, the growth of private tertiary institutions, management challenges and so on but the challenge dealing the worst deathblow is that of underfunding of tertiary institutions. Nwangwu (2005) stated that the foundation of education is frail when education is not well funded and the products of such foundation are weak intellectuals. When there were just few tertiary institutions, Government saddle the burden of funding the institutions solely but from the mid-1980's there was a massive increase in the number of tertiary institutions and in students' enrolment in Nigeria. This increase has gotten to the point where Government openly acknowledged that it can no longer saddle the responsibility of funding institutions alone.

The Federal Government of Nigeria is increasingly finding it difficult to meet the high cost of funding tertiary education in Nigeria and if tertiary institutions in the country are to survive, there is an urgent need to seek out means of improving their funding. It is instructive to note that education is a right and not a privilege and if this is to become a reality in the Nigerian context then education needs to be subsidised and better funded at the tertiary level. In the face of the declining financial resource allocation to the education sector, there is the need

for alternative channels of funding which will ensure qualitative education and graduates from Nigerian education system.

1.1 The Tertiary Institutions in Nigeria

The history of higher education in Nigeria dated back to the period of colonial era with the establishment of Yaba Higher College in 1932 which marked the turning point of higher education in Nigeria. The Higher College was established to produce “assistants” who would relieve colonial administrators of menial tasks (Olujuwon, 2002). The establishment of higher educational institutions was in pursuit of meeting the global requirements of producing manpower that will serve in different capacities and contribute positively to the nation’s socio-economic and political development in Nigeria (Abdulkareem, Fasasi and Akinubi, 2011). The Federal Government of Nigeria promulgated enabling law to institute higher education towards producing high level relevant manpower training, self-reliance, national development through the establishment of both conventional and special universities, polytechnics, monotechnics and colleges of education in different parts of the country by the Federal, state governments, private organizations and individuals (Abdulkareem, Fasasi and Akinubi, 2011).

The Nigerian tertiary institutions comprise of Universities, Polytechnics, Colleges of Education, Institutes of Technology and other professional institutions operating under the umbrella of their parent ministries. The institutions can be further categorised into State Government Institutions and Federal Institutions. Tertiary institutions are also grouped into Public Institutions owned by the Federal and State Government and private Institutions owned by Individuals, Religious bodies and other private organisations. In 1948, there was only one University in Nigeria but now the Nigerian Tertiary Institution can boast of 129 Universities, 81 Polytechnics, 27 Monotechnics, more than 60 Colleges of Education, 36 Colleges of Agriculture, 50 Colleges of Health Technology, 132 Technical Colleges and 108 Innovative and Vocational Enterprise Institutions (IEIs & VEIs)

Table 1.1: Number of Tertiary Institutions in Nigeria

Institutions	Federal	States	Private	Total
Colleges of education	21	38	4	63
Colleges of health technologies and allied Institutions	9	40	1	50
Monotechnics/specialised Institutions	23	2	2	27
Colleges of Agriculture	17	19	0	36
Polytechnics	21	38	22	81
Universities	40	39	50	129
Total	131	176	79	386

Source: National Commission for Colleges of Education, 2011; National Board for Technical Education, National Universities Commission 2014

2.TREND OF FUNDING TERTIARY INSTITUTIONS IN NIGERIA

In the last three decades, higher education in Nigeria has witnessed a significant growth in terms of population expansion through increase in enrolment and establishment of additional institutions. However, it is saddening to note that many of the indices that can guarantee qualitative higher education are not taken into

consideration in the country's quest to meet quantitative target. The demand for higher education is so high because education is not only an investment in human capital, but also a pre-requisite for economic development. According to Udoh (2008), Nigeria as a developing nation is currently witnessing increased enrolment of university students. This increase in enrolment demands corresponding increase in funding which is not the case in Nigeria. Fund allocation does not increase to meet the demand of funds occasioned by the enrolment increase.

Imhabekhai and Tonwe (2001) reported that government provide for over 80 per cent of all the funds needed for capital and recurrent expenditures in the tertiary institutions in Nigeria while the reverse is the case in most developed countries where payment of tuition fees is the most essential source of funds for tertiary institutions. Various propositions have been made on how to lessen the burden of funding being carried solely by the government in Nigeria by introducing tuition fee in the public universities, checking corruption and fraudulent practices, increasing commercial activities on the various campuses, seeking for funds from international development partners, carrying out researches, rendering consultancy services, offering long distance and part time programmes through the internet, making giant strides in scientific breakthroughs and becoming the forerunners in technological advancements and implementation etc (Arikewuyo 2001). Ezekwesili (2006) affirmed that underfunding of education especially at the tertiary level has become a persistent occurrence in Nigeria as funds released to the tertiary sector can no longer meet the increasing demands and growth of Nigerian tertiary institutions.

Funding of Nigerian higher education is imperative because of the costs involved in maintaining an institution. John and Parson (2004) observed that the continuing cost of governance is ascribed to increasing higher educational bills of many countries of the world especially the developing countries, coupled with growing overhead costs.

Investment in higher education revolved around capital and recurrent expenditure that are cogent to academic survival of higher institutions in the current period of global competition for attracting funding and best hands. However, Nigerian government has not been able to fund higher education adequately in order to achieve best result. Ajayi and Ekundayo (2006) argued that the Nigerian government over the years has not met the United Nations Educational Scientific and Cultural Organisation (UNESCO) recommendation of 26% of the total budget allocation to education sector despite the government's allocation towards education on yearly basis. (Tables 1.2 and 1.3 refer).

The underlying rationale for public funding of education is to equip people with the requisite knowledge, skills and capacity to enhance the quality of life, productivity and enable them to participate actively in the development process. Hinchiliffe (2002), highlighted that federal budgetary allocation to education in nominal terms rose from =N6.2 million in 1970 to =N1, 051.2 in 1976. Thereafter, it declined to =N667.1 million in 1979, rose again to N1,238.5 million in 1980, declined in succeeding years before rising to N3,399.3 million in 1989. It dropped further to =N1, 553.3million in 1991 before rising gradually to =N9, 434.7 million in 1994. Thereafter, the declining trend continued. Specifically, in 1996, the federal government funded its polytechnics at the rate of \$251 per student, its colleges of education at the rate \$394 per student and its universities at the rate of \$300 per student. However, in the year 2000, funding for tertiary institutions, did improve significantly.

TABLE 1.2: Federal Ministry of Education Recurrent Budgetary Appropriations and Releases, 1999-2005

Sub-Sector	1999		2000		2001		2002		2003		2004		2005	
	Appropriation (000,000)	Actual Release	Appropriation (000,000)	Actual Release	Appropriation (000,000)	Actual Release	Appropriation (000,000)	Actual Release	Appropriation (000,000)	Actual Release	Appropriation (000,000)	Actual Release	Appropriation (000,000)	Actual Release
NUC (Universities)	10,36	10,36	28,20	28,20	28,20	28,20	26,72	23,11	34,75	31,30	36,56	35,24	43,54	40,56
	5	5	3	3	3	3	7	5	7	8	7	7	8	2
NCCE (Colleges of Education)	2,443	2,443	5,411	5,411	5,411	5,411	4,207	3,920	4,785	4,785	6,471	6,326	10,33	9,450
													4	
NBTE (Polytechnics)	4,700	4,700	8,133	8,133	8,133	8,133	7,879	7,227	8,832	8,848	10,48	10,28	15,50	13,96
											3	0	9	9
Total	23,70	23,70	49,12	49,12	52,54	52,54	50,00	42,68	62,81	58,30	70,10	68,30	90,16	87,61
	1	1	6	6	8	8	2	3	8	9	7	7	6	9
% of Recurrent Releases		100.0		100.0		100.0		85.36		92.82		97.43		97.18

Source: FME (2007) Statistics of education in Nigeria, 1999-2005 P.175

TABLE 1.3: Federal Ministry of Education Capital Budgetary Appropriations and Releases, 1999- 2005

Sub-Sector	1999		2000		2001		2002		2003		2004		2005	
	Appropriation (000,000)	Actual Release	Appropriation (000,000)	Actual Release	Appropriation (000,000)	Actual Release	Appropriation (000,000)	Actual Release	Appropriation (000,000)	Actual Release	Appropriation (000,000)	Actual Release	Appropriation (000,000)	Actual Release
NUC (Universities)	5,143	3,646	5,502	2,020	5,168	4,651	7,491	-	7,220	2,114	12,283	12,283	11,483	9,003
NCCE (Colleges of Education)	1,065	532.6	1,969	561.1	1,970	1,773	1,729	-	1,719	600.0	1,680	1,680	2,372	1,814
NBTE (Polytechnics)	524.0	262.0	967.2	493.0	1,700	1,530	2,829	-	2,753	1,081	1,825	1,825	2,693	2,111
Total	11,042	6,871	23,359	15,112	24,796	22,316	22,100	2,772	15,723	5,161	21,615	21,615	20,813	16,271
% of Recurrent Releases				64.70		90.00		12.54		32.80		32.80		78.18

Source: FME (2007) Statistics of education in Nigeria, 1999-2005 P.173

From tables 1.2 and 1.3 above, we can deduce that there is need to increase the amount allocated to education because qualitative education can only be attained through sufficient funding. It is imperative therefore for government to meet the UNESCO recommendation and increase the annual budgetary allowance to 26 per cent of the total federal budget. Capital expenditure should also be given top priority as there is need to build the needed physical infrastructure and other support structures to facilitate learning.

The Nigerian education as a proportion of federal funding is some 7.6 per cent (average from 2008 to

2010). It is roughly 50 per cent of total federal capital budget and 11 per cent of total recurrent budget. There is a decreasing trend over the years (see table 1.4).

Table 1.4: Capital versus Recurrent Education Budget, 2008-2010

Year	Educ. Budget(NB)	Recurrent	%Recurrent	Capital	%Capital
2008	218	167.5	76.8	50.5	23.2
2009	224.7	184.7	82.2	40	17.8
2010	271.2	196.3	72.4	75	27.6

Source: Report of the Presidential Task Team on Education, May 2011, P.37

The simulation exercise carried out by Chang (2007) revealed that funding gap exist in achieving the policy goals set for tertiary institutions, the funding gap is relatively high ranging from around 50 per cent to 90 per cent across 2010 to year 2020. This implies that the key players in tertiary education in Nigeria will have to search for alternative and improved means of filling the void created by underfunding by reviewing accountability, resource management, good leadership and administration, promotion of public-private partnership in providing education at all levels. The challenge of underfunding of Nigerian Tertiary institutions has a significant effect on the performance of staff and students who are at the receiving end. According to Udoh (2008), the government finds it increasingly difficult to match the growing enrolment of students with qualitative funding due to drastic reduction in revenue and economic despondency experienced in the country. Bamiro and Adedeji (2010) noted that the quality of lecturing and research work has significantly declined over the years leading to overcrowding and unconducive learning and teaching environment. Oyeneeye (2006) affirmed that making qualitative education available to all citizens is a right but there can't be quality education without adequate funding. He further stated that in Nigeria, it is difficult to ascertain the pattern of fund allocation. Ekundayo (2008) posited that most of the capital projects being undertaken to meet the increasing number of students have been abandoned due to lack of funds. He also affirmed that the pressure on the inadequate resources has led to a decline on the staff welfare package and remuneration coupled with depreciation of working conditions and environment. The resultant effects are high brain-drain of professional staff, persistent strike action, rioting, high crime rate, and cultism, extortion of students, admission runs, embezzlement and all sorts of vices. According to Imhabekhai & Tonwe (2001), inadequate funding deters growth in the tertiary institutions.

The higher education system has been criticized for being inefficient and ineffective, major issues of higher education in Nigeria are similar to those in most countries around the world. Overcrowding in our higher institutions and inadequate funding resources are contributing factors to the decline in the quality of higher education. The system has far outgrown the resources available for it to continue offering high- level quality education. Inadequate funding has resulted in problems such as the breakdown and deterioration of facilities, shortages of new books and current journals in the libraries, supplies for the laboratories, and limited funding for research.

The Federal government is the major funder of higher education; however, the growth in expenditure by the government has been inconsistent over the years. The funding pattern has not reflected inflation rates and the growing enrolment figures in our higher institutions.

2.1 Ways of Improving the Funding of Higher Institutions in Nigeria

The financing of higher education can be improved from fees paid by parents, repayable loans to parents, local government taxes, general budgetary funds, gifts and remission of taxes. UNESCO (1968) remarked that in developed countries, education is entirely financed by taxation, but in developing countries other sources could be explored. Higher institutions should explore alternative sources of funding such as fee-paying students and improved relations with industry to supplement their income. There is an increasing demand and willingness to pay for chargeable programs offered on a part-time basis. Many Nigerian higher institutions are starting to rely on this mode of income generation as an alternative source of funding for other programs within their institutions. Satellite campuses in some instances have been set up to cut down on non-academic costs such as accommodation and other expenses. Short-term courses offered on part-time basis have become popular among people who are already employed and wish to study, and can also afford to pay the fees or have their employers pay for them.

Considering the foregoing, it is necessary to suggest other means of improving higher education funding in Nigeria. These include:

Education Tax: Public resources for education could be raised from taxation. Resources raised therefore are used for the general purposes of government and funds for education are shared from a general pool of public revenue. In 1994, the government of Nigeria set up the Education Trust Fund in which companies operating in Nigeria were made to pay 2 per cent of their annual profits as Education Tax. The resources garnered therefrom were distributed among all levels of education in the country. However the fund has since been transformed into tertiary Education Trust Fund (TETFUND), meant specifically for the tertiary institutions. Since 2009 the Fund (TETFUND) has made several interventions to improve the quality of teaching and research in higher education.

External Support: This always comes in the form of technical assistance, grants, credits and loans. Due to paucity of funds for tertiary institutions the Nigerian government has often sourced for loans/grants from foreign and international development partners. These are largely in form of bi-lateral and multi-lateral loans. As regards foreign grants, it is nowadays largely confined to the offer of scholarships for specialised training particularly at the graduate level outside the country. Sometimes it takes the form of technical assistance.

Internal Generated Revenue: The individual tertiary institutions could supplement their funding stream through the establishment of revenue yielding ventures/project. Such projects/venture like bookshops, hotel and catering services, printing press, consultancy service, etc., are veritable means of raising funds needed to enhance their service delivery.

Contributions from Users of Education: The need for adequate funding of the tertiary institutions in the face of falling public resource allocation necessitated the recourse to the users of education-(students) to contribute towards the funding of their institutions. This could be in form of payment of school fees, development levy, caution fee (against the possibility of damage to school property), admission, and registration and examination fees.

2.2 Alternative Methods of Funding Tertiary Institutions in Nigeria

Funding of tertiary institutions in Nigeria is at present very dismal, No thanks to the current crisis in the nation's economy coupled with high rates of inflation and falling revenues. With the increasing evidence of financial constraints, solutions to the funding bottlenecks must involve a combination of short, medium and

long term interventions. According to Famade (2000), this will be in the area of cost recovery and redistribution of the financial burden of investing in education. He opined that the following steps should be taken as a way out of funding challenges.

As a first step, a cost-sharing and funding partnership arrangement between the government, parents, communities and the private sector should be explored on a remarkable scale. Parents and local communities should be more involved in the provision of books, equipment and materials to schools. This can be done through the Parents' Teachers Association. The communities could undertake to build schools and provide goods and services in kind (e.g. food or accommodation for teachers).

Secondly, the efficiency profile of the school system should be improved. A way of improving the internal efficiency of the education system is to reduce wastage, which is always in the form of high failure, drop out and repeater rate, as well as low teacher productivity.

Measures that could help reduce wastage within the school system include the improvement of teacher training so that empirical learning will replace memorization and rote learning: as well as strengthening pedagogical research as an instrument for improving educational efficiency. If this were done, the education system would achieve much more than it is achieving with the current level of funding.

Thirdly, appropriate designs and efficient contract management in all the tertiary institutions should be put in place to ensure substantial cut in costs.

Fourthly, a market-oriented approach should be adopted in delivering essential services. Proper deregulation of these services should be carried out. For instance, efficient or appropriate pricing of most services- boarding, feeding, tuition, and examination etc. will go a long way in the mobilization drive for scarce resources towards efficient financing.

3. CONCLUSION

The funding of higher education in Nigeria needs to be improved upon. This is as a result of the increasing need and demand for specialized services in different sectors within the academic institutions. There is also an increasing growth in student's enrolment and the available resources in the higher institutions are not sufficient to meet up with the funding requirements. Higher institutions need to explore alternative means of funding and become less dependent on Government allocations. Stakeholders in education which include parents, guardians, the general public, non-governmental agencies, international partners and the private sector should support and subsidize the funding of tertiary education in Nigeria.

The private and public sector assistance or contribution should be encouraged in order to boost the productivity of the tertiary institutions. External assistance in form of loans or grants for meaningful and profitable projects, personnel training for capacity building and technical know-how in the institutions should be sought. Also, the Federal Government could explore the re-introduction of loans to students, while the scholarship schemes could be revamped at the both the federal and state levels.

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