

Exploration of Pragmatic Funding Sources in Funding Higher Education in Nigeria

Bagiwa Zulaihatu Lawal

Faculty of Education, Umar Musa Yar'adua University Katsina State, Nigeria.

E-Mail : zulaihalawalbagiwa@yahoo.com

Abstract

The funding of academic institutions has always been a problematic issue irrespective of the economic environment within which the institutions operates. For this reason, institutions of higher learning in the developed world and to some extent in developing countries including Nigeria, are constantly exploring ways of achieving financial self-sufficiency. This is supported in the Nigerian National Policy on Education (Section 8:2004, revised) stating "Universities and other tertiary institutions are encouraged to explore other sources of funding such as endowments, consultancy services and commercial ventures". Thus handling financial resources for academic institutions has posed a threat to the quality of their programs and hence the products. This paper suggests awareness for addressing the issue of financial shortfalls in Nigerian institutions of higher learning. This is achieved through detailed explanations of some possible avenues by which funds may be sourced to finance institutional programs and activities. Additionally, the paper provides insights on various external constrain on educational costs.

Key words: Pragmatic funding sources of higher education, external constrain on education cost.

1. Introduction

Since education is regarded as dynamic instrument of change Nigerian government accepts education to be a huge government venture and thus gives it a whole hearted support (National police on education, 2004) However institutions of learning like other sectors within the economy are facing savage financial problems, this according to Ekpo (1991) is in response to the world economic crunch which has affected every area to achieve the stated aims. Hence Government has a firm control of education; as such this has erroneously been taken to mean that government should finance education single-handedly. Thus other individuals have carefully washed their hands off financing education, for years now funding of education had been the sole responsibility of the government. Since education and in particular higher education is to transform all aspects of national life (AKpan2003) However, this should not be so if the aims of higher education are to be the responsibility of everybody. If higher education is only financed by the government, quality and quantity of this education may never be gotten easily. This is because education competes with other areas in allocation of funds thus government will not face only education to the detriment of others.

Therefore, for the achievement of all the glorious goals of higher education everybody has to join hands in funding education especially as education cost is constantly being influenced by external forces. However, this could be married to the fact that education as a vital social institution and also as a complex organization could be managed successfully via collaborative effort, where all stake holders jointly pilot, the sector. So to say, one indisputable fact about the business of education is that all stake holders and the society at large look up at the sector to socialize, train and mould, reshape and prepare their children and wards. As such what happens in these institutions becomes the concern of not only the government but also that of all stake holders. It is the education sector that produces skilled manpower for the consumption of all other sectors in the society. This is why Fafunwa (1986:21) asserts "indeed education in Nigeria as in many countries of the world is not only the biggest industry, but also every body's business. It is the only enterprise that touches the lives of every citizen"

2. External Influence on Educational Costs

Many socio-economic forces external to educational system constantly affect educational costs. These are: manpower requirements, social demand for education, equity of educational opportunities and demographic trends. Shortage of manpower retards economic and social development of a nation (Mbipon2000). Therefore, in planning education it is pertinent to consider economic planning and the manpower need of the economy. The right amount and kinds of manpower in various sectors of economy should be produced. A huge amount of money is needed for this manpower production.

An increasing number of students are being enrolled in schools annually. The present emphasis on science and technology has led to the establishment of many universities of science and technologies in the country, these influence educational costs.

The issue of equity of educational opportunities and demographic trends bring about many students being admitted into institutions of learning. More building to accommodate the students, more teachers, more

equipment and more money is needed for the expenses (AKpan, 1995). The high inflation rate also influences the cost of education. However finance is vital and essential towards successful implementation of educational policies. There is need to pay staff salaries, purchase instructional materials, rehabilitation and maintenance of existing structures, as well as construction of new ones, staff and student development programs, meetings and other related expenses also need money. If education cost is influenced as seen, it means that relying on only the government to finance education will bring a total failure to the system.

3. Funding of Higher Institutions

Tertiary education is the education given after secondary education in Universities, Collages of Education, Polytechnics, Monotechnics including those institutions offering correspondence courses. Thus education being a dynamic instrument of change whose costs is constantly being influenced by external forces which also has to compete with other essential services for governmental funds. Funding of education by only the government will bring about under achievement of the goals of education. However, finance is very vital for the success of any organization this particular function is the hallmark of an administrator's position, since finance and administration are inseparable. Every administrative act has its implications, thus the management of finance is therefore one of the first, and an inescapable responsibilities of administrators.

More so, higher institutions of learning in some countries are now on the threshold of collapse as result of poor finance. This therefore leads to the main thrust of this paper. The management of finance is one of the most critical responsibilities of an administrator everywhere. Within the context of the current global economic meltdown, funding has become a major problem facing our higher institutions and the ability of the administrators to effectively mobilize and manage available resources at the same time are the major factors that will determine whether they will be able to keep these institutions afloat or allow them to sink.

There are two main sources of funding Universities in Nigeria namely, proprietor funding and the non-proprietor funding (AbdulRaheem, 2009). The non-proprietor funding sources include the internally generating revenue from profit making ventures, tuition (for state and private universities only) endowments etc. In most of Federal and State owned universities 90% of funding comes from the proprietor. It therefore holds that the financial futures of the universities can never be stable, predictable or adequate. As one writer has noted "unlike what obtained in the early days of the first generation universities when funds were allocated as proposed in the budget, from the late seventies to date, there has been a short-fall in allocation making it impossible for universities to embark on projects in line with the action plan contained in their master plan layout. According to EKpo (1991), in Nigeria the massive cutback in social expenditure including the support for education have been drastically reduced. As it were, the greatest problem facing the Nigerian institutions of higher learning even prior the advent of the global meltdown had always been that of under-funding.

Therefore apart from further decline in allocation of funds to these institutions which we have been witnessing since the global meltdown started, other effect of this phenomenon on the universities have shown to include decreased acts of giving such as philanthropy, donations, grants, sponsorship, awards, endowment thereby compounding the funding problems of universities with regard to research and access to the identified capacity platform. The issue here is government alone may not be able to undertake the great task of funding higher institutions. This brings about the search for alternative sources through which school oriented projects can be undertaken, As such various suggestions have been canvassed as to how the nation should mitigate the effect of the meltdown. In particular, it has been agreed that our universities have the obligation to lead our economic recovery and national regeneration efforts.

Therefore it goes without saying that our respected academicians and university administrators have to buckle up to confront the emerging challenges squarely if the universities are truly the last hope of the people in this situation. The question now is what then how these institutions can make judicious use of the little they can get from proprietors and the challenge of exploring other ways to boost their internally generated revenue and maintaining existing infrastructure to extend their longevity. The challenges are as much for the management as that of the entire workforce. Based on the foregoing I suggest as follows: through contributions from non-governmental sources. Community based associations, NGOs, Philanthropist, Alumni Associations, PTA; Consultancy, Revenue generating ventures (self-financing academic ventures, university press, micro-finance bank, distance learning, cottage industry, guest house, computer services etc). So also other measures could be through reviewing their manpower planning and forecast, charging tuition fees, external collaboration / private contributors/International donors have to come in. Endowment funds are also a recent introduction to assist educational establishment especially secondary and tertiary institutions in executing their development plans and finally the culture of emphatic communication should be enthroned.

Thus for the achievement of the stated goals of education, everyone should join hands in financing education. Apart from the government, everyone should help in funding higher education so as to achieve the stated goals. A reliance on foreign aid to which certain buying terms are attached can be a way of importing inflationary

forces from the donor countries. According to Adesua (1981), this may lead us to be politically independents but educationally dependent. Hence, we should source for funds internally without depending on foreign aids. One of such sources could be the institutions of learning.

4. Funding By The Institution

Each institution of higher learning can be help source for funds in different ways. These are:

4.1 Endowment funds: many institutions of higher learning do establish endowment funds where rich citizens assist in the development of quality education. According to Akangbon (1986), usually prominent citizen donate money to the institution to be held in his honor in perpetuity. In order to foster good relationship the institution could honor some important personalities in the community. The intention is that the donor's name be immortalized in the institution. For example lecture halls; stadium, classroom blocks, hostels etc are named after these individuals. The publicity of this endowment fund is a bit low. The people could be called upon from time to time to the institution for important discussion towards the general progress of the school. The institution should publicize the endowment more through the media. Names of the donors should be published to serve as *incentive for others to donate*.

4.2 Launching/Appeal funds: launching and appeal funds have been an important area used for fund raising in higher institutions. The launching if well organized will produce enough money to help fund the institution .Unnecessary expenditure should be avoided during the ceremony. The launching and appeal funds should be greatly publicized and rich individuals contacted.

4.3 Award of Honorary Degrees: Rich politicians like chains of titles. Honorary degrees like doctorate degrees should be awarded to individuals that are ready to donate good money to the institutions. Honorary doctorate should not be made cheap .Only individuals that have contributed immensely should be awarded this degree. Others can be given other lesser awards.

4.4 Undertake researches, contracts and constantly services:

Institutions of higher learning can also undertake researches for big organizations like the oil firms. Money accruing from these researches can be used by the institutions. The institutions should canvass for researches from big industries ready to employ their services. Higher institutions can also vie for contracts and use the proceeds for its funding. For example, engineering department of polytechnics and universities can undertake road constructions, electrical jobs, building constructions, manufacturing, computer networking and the like. The survey jobs can be undertaken by surveying departments. Institutions of higher learning should tender for government campaign to enlighten the populace on the needs to contract out jobs to higher institutions to help in the funding aspect. Consultancy services can also be undertaken by the institutions and the proceeds from these used to fund the institutions.

4.5 Undertaking part-time, remedial and long-vacation programs: some department of higher institutions do undertake part-time programs or distance learning for the working class. This can either be evening part-time or long vacation programs. These programs should be made in such a way that these civil servants may be favored in terms of fees and lecture time. If this is conducive, more civil servants will further their education and at the same time more money will accrue to the institutions. Remedial programs are also undertaken in some institutions for those who cannot meet up entry requirements. The money from this remedial programs helps in funding the institutions. Recently, in most universities in Nigeria, there is the introduction of long-vacation programs. Here student that could not pass their examinations at a sitting are taught and given a make-up examination. This of course is done for a fee which goes into the university purse.

4.6 Alumni Association: old students of an institution are usually very proud to remember their Alma Mata. Strong alumni associations should be formed in the institutions. Institutions should seek financial support from their alumni. Old students should be recognized and invited from time to time. The institutions should keep track of their old students to invite them from time to time. These old students can set up cyber cafes, eateries, poultry, entrepreneurship and the proceeds could be used in assisting to overcome the flight of the institution

4.7 Private Contributors: Big organizations like religious institutions should be informed of their need to render help in funding of education. The institutions should make others aware of the fact that funding of education is the responsibility of everyone. Parastatals, big firms,NGOs, investors of the country all should be intimated of the need to help fund our higher education so as to have both quantity and quality education. For instance clubs and societies often like to provide facilities that can help to stimulate healthy conditions in students, for example constructing boreholes, shallow wells and toilet facilities. Whereas non-governmental organization like Gidauniyar Jahar Katsina(Katsina State Trust Fund) and the Education trust fund(ETF)had helped tremendously in funding higher institutions through provision of enlightenment programs on areas of educational importance, documentary books and text books ,scholarship, technical equipments, building laboratories, sports equipments, drugs, organizing in-service programs to staff that want to further their studies ,establishment of revenue yielding projects and accommodation. While banks can assist with financial donation. Therefore there is the need to

mount an effective awareness campaign; where the public should be made to know the gains of education in general to the individuals and to the nation at large. At present, people may think that only beneficiaries of education should pay for it. The institutions of higher learning should intimate investors on their needs.

4.8 Contribution by Parents/Teachers Association (PTA): parents of the immediate beneficiaries of education should be made to contribute a little towards the funding of education. Apart from buying of textbooks to their wards, feeding them and accommodating them, little amounts should be collected as equipment or development fees from parents. This fees while not too big to scare parents from sending their children to school, will be used for the procurement of materials and equipment for quality education. The institutions can form a sort of Parents/Teachers Association (PTA), where there will be interaction between the parents and the institution. The institutions can use this forum to appeal to parents on their needs. Some of the parents can be in a position to award contract to the University. Some may even opt out to donate cash at functions; award of scholarship to outstanding students and staff, help to repair school building and items of furniture, building laboratories, additional lecture halls and other equipment and facilities to the institution. If PTA has been very successfully used in the funding of post-primary institutions, it can also be used in funding of higher institutions.

4.9 contribution by Teachers: The lecturers can also contribute a lot in funding higher education. Different Departments/Faculties in the institutions can publish journals, textbooks which could be sold in the school and the proceeds used in funding the department/faculty. The authors of such books are the highly educated lecturers. So also they can organize adult literacy classes, workshops or seminars and the fees accrued could be used for the services of the institution.

4.10 Tuition fees should be charged: however, those who cannot afford should be provided scholarship/bursary as it is deemed fit. This will greatly improve the funding situation of the universities, especially the Federal universities where currently tuition is not charged.

4.11 University human resource managers should constantly review their manpower planning and forecast to avoid high labor turnover and its financial implication for payment of terminal/retirement benefits. The workforce should be prevented from becoming over-bloated or ageing while a robust ICT infrastructure and intra-campus connectivity should be put in place so as to reduce the size of the workforce to manageable proportion.

5. Conclusion and suggestions:

Education is regarded as a dynamic instrument of change that will benefit the entire nation. The cost of education is constantly increasing due to inflation rate and increase in numbers of beneficiaries of education. Funding of higher education cannot be properly done only by the government. More so the cost of education is very difficult to bear by any individual or organization. Decision on what sector should be funded and which should be left out is a very big constraint. As such funds should be sourced for internally without depending on foreign aids and thereby becoming an educationally dependent country. Several funding initiatives undertaken by institutions of higher learning to ensure that education is funded to produce pre-determined objectives are high-lighted in this paper. The paper suggests ways of improving upon the existing funding methods. And also brings out other non-existent but useful funding methods. It is believed that if these methods of funding are adopted, funding of higher education will yield the needed result.

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