

FUNDING AND FINANCING HIGHER EDUCATION FOR QUALITY DELIVERY IN NIGERIAN TERTIARY INSTITUTIONS

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Abstract

Financing higher education in Nigeria today is a crucial national problem. The political, social, and economic factors, currently having a significant impact on the world economy, have necessitated the need to diversify the sources of education funding, truly speaking, reliance on only one source of revenue can impede educational growth. The study discussed the concept of funding and financing higher education, the various sources of funding and financing higher education in Nigeria, quality education delivery and the challenges facing funding and financing higher education in Nigeria. Based on the discussion so far, the authors recommended the need for proper planning of higher education System to ensure quality higher education to reduce educational wastages and enhance the effective utilization of available scarce resources, Adequate funding and financing to the higher educational institutions through appropriate budgetary allocation of 26% as recommended by UNESCO for quality education delivery in the country and that executives of higher institutions should cooperate with the government and other educational stakeholders in supporting the education system through financial and material needs of the higher institutions.

Keywords: Funding, Financing, Tertiary Institution, Quality Delivery

Introduction

Financing higher education in Nigeria today is a crucial national problem and is one of the major challenges facing higher education in Nigeria. The political, social and economic factors currently having significant impact on the world economy have also necessitated the need to diversify the sources of education funding, mainly because reliance on only one source of revenue can inhibit educational growth and development (Akinsanya) (2007). This is not surprising considering the fact that in recent times, governments have removed subsidies in almost every sector of the economy which eventually may lead to removal of subsidy in the educational sector as reflected in the recent increment in the school fees in tertiary institutions in Nigeria. The universities and other tertiary institutions are in a state of advanced decay with most of the teaching staff leaving the country in droves in search of greener pastures. Apart from the impact of inadequate funding on the quality of the teaching and learning process in our institution of higher education, students support is now inadequate. The number of students from poor and disadvantaged backgrounds attending higher institutions had become insignificant.

Concept of Funding Higher Education

Financial resources and higher education funding procedures are provided by the Law on Institutions of Higher Education [LIHE] (1995), the Education Law (1998) and other legislative documents. The Law on Institutions of Higher Education says that “Institutions of higher education shall be financed by the founders thereof. The founder of an institution of higher education shall provide financial resources and the control of the utilization thereof for the continuous operation of the institution of higher education, as well as for the fulfilling of the tasks determined by the founder. The financial resources of State institutions of higher education shall be formed from the resources of the State general budget, as well as other income which institutions of higher education earn by performing activities for the realization of the aims specified in the constitutions thereof” (LIHE, Section 77 (1)). The funding of higher education has been regressive over the years (Rowell) (2011). The recent strike embarked on by the academic and non-academic staff unions was as a result of the lingering inadequate funding and financing of tertiary institutions in the country. According to Imhabekhai & Tonwe, (2001) the inadequate funding put the university management under stress and strains hence they felt incapacitated in providing essential services. This has led to rampant crises in the system resulting in strikes by academic and non-academic staff, dearth of equipment and facilities, indiscipline among staff and students, upsurge in the activities of secret cults among others. According to Ozigi & Canham (1979), Akangbou, (1986) and Omobola, Gambo, and Fasanmi (2019), they are of the opinion that 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 attainment of the set goals of any organization. No organization can carry out its functions effectively without adequate financial resources at its disposal. Educational funds defined as budgetary allocations that are readily available or that are going to be made available at a stated time by governments or institutions for the purpose of paying salaries allowances and benefits and the building and provision of educational infrastructures to aid teaching and learning. Kolo M. A. (2021). 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. 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, augment productivity and capacity to gain knowledge of new techniques for production so as to be able to participate actively in the development process. Public sector funding of education in Nigeria is anchored on the notion that for society to continue in perpetuity, the new generation must be given the appropriate access to knowledge which previous generation have accumulated. Initially, Ibadan being the only University in the country was adequately funded in all aspects of teaching and research. In fact, the first generation universities were all well-funded and some of them established and maintained internationally acclaimed and respected standards. It was reported that there were years in which the amount received was slightly more than the amount requested for, but this no longer true today. (Okebukola, 2003). According to Edith, Uchendu and Akani (2015), When funding is mentioned, the first thing that comes to mind is the availability of money for meeting the need for a given project or programme. It is a system of apportioning available capital belonging to an organization for meeting a need. Funding refers to a form of financial

support that is given for the achievement of a project. They further, elaborated that, funding is the provision of financial resources in order to meet a need, project or program. Money needed to run a project or programme in the school may be raised from within or outside the school.

Concept of Financing Higher Education

The financing of education is a joint responsibility of the Federal, States/FCT and Local Governments and the private sector. In this connection, government welcomes and encourages the participation of local communities, individuals and organizations, major contribution of this article is to introduce an original and comprehensive higher education dataset that we have constructed to implement our novel approach to measuring financialization. Public finance has been described as the collection and disbursement of funds for public use (Corbally, 1962, Osuntokun, 2003) in Kolo (2021). It has also been regarded as the financial activities of public authorities in terms of taxing, spending, borrowing and lending and it involves the means of providing for the expenditure involved in the staffing, equipment and maintenance of educational institutions, the financing of education as an aspect of public finance embraces all aspects of funding of education including the sources of funding and how the money earmarked for education is spent especially for the purchase of goods and the services of men and materials education is a vital area of Economics (Agbobu 1983, Borokhovich, Bricker, Zivney and Sundaram, 1995) in Kolo(2021). Nguru and Jibo (2007) pointed out that education finance may be seen as the various sources through which human material and financial resources could be generated for the purpose of accomplishing education goals. Financing as the collection and disbursement of fund by government and other bodies to serve the purpose of government on educational development. Educational finance is the provision and prudent utilization of public fund in the educational sector or the processes of sourcing, allocating and managing public school revenues in the production of educational service for the attainment of educational objectives Suleiman, Ishola, Abubakar³ and Aliyu (2020). Muritala and Durosaro (2015) remark that education finance is the commercial activities of providing funds and capital for both government and private investments. Education enterprise is a service sector and capital intensive in nature. Thus, the need for financing is sacrosanct to its goal attainment. Afolabi (2005) emphasizes that, educational finance is the generation, distribution and utilization of funds with the educational organization. Most of the recently recorded crises 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. Omobola, Gambo, and Fasanmi (2019).

Sources of Funding and Financing Higher Education in Nigeria

Financing higher education in Nigeria today is a crucial national problem. 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 hamper educational growth (Akinsanya, 2007). However, these are some possible options of funding financing higher education for quality deliveries:

- i. Support from federal and state governments constituting more than 98% of the recurrent costs and 100% of capital cost. (TETFUND)
- ii. Internally generated revenues (Tuition and fees).
- iii. Private contributions by commercial organizations in the form of occasional grants for specific purposes
- iv. Consultancies and research activities
- v. Community structures participation through SBMC, Old students Alumina, CCA and CBOs.

Other sources of finance to higher education in Nigeria include educational endowment funds, gifts and international aids from international organizations such as NITDA, USAID. Nguru and Jibo (2007) also, identified the following as the various sources through which education is funded in Nigeria include:

- i. Payment of tuition fees
- ii. Government subventions
- iii. Donation and endowment funds
- iv. Aids in grant
- v. Loan
- vi. Revenue yielding projects
- vii. Community efforts
- viii. Petroleum trust fund
- ix. Education tax fund

Challenges of Funding and Financing Higher Education

Governments across the globe are struggling to find adequate funding mechanisms for higher education systems confronted with the challenges of the knowledge economies, be it allocating sufficient funding to the higher education sector or finding a balance between government and private funding. Focusing on the specifics of resource allocation models, issues include how to balance simplicity and parsimony with complexity of models, how to find a balance between input- and output-based funding and how to reap the benefits of the possibilities and limits to performance-based funding (Kolo) (2021). The findings of a study carried out by Chukwuma (2001) revealed that funding in colleges of education is grossly inadequate. The study showed that, the institutions are faced with inadequate infrastructural facilities and poor conditions of service for staff. This situation has occasioned incessant strikes by staff on one hand and demonstrations by the students on the other. Education funding and financing higher education in Nigeria has gradually been on the rise culminating in an eleven per cent 11% allocation in the year 2006 budget Nigeria has struggled to meet the 26 per cent allocation recommended by

United Nations Educational Scientific and Cultural Organization (UNESCO) as a means of attaining quality education and education for sustainable development 2005-2014. Despite improved budgetary allocation to the education sector in Nigeria, the condition of the sector remains worrisome, conditions of facilities are still a far cry from acceptable, basically due to past under-funding and fully exercised from the grip of corruption if we are ever going to attain the education for all (EFA) goals. This realization has elicited stringent calls for effective utilization of funds to solve the myriad of problems in the education sector. The impact of corruption is pervasive both in terms of the drain on national resources and its corrosive influence on institutional efficiency and service delivery in all sectors including teacher education (Samuel, 2006) in Kolo (2021). Rowell (2011) identified that the major challenges of the funding and financing of higher education in Nigeria was the capital needed to meet the expanding programmes. These could not take off but in case and where they took off they had to be abandoned due to lack of funds. Akintoye (2008) and Rowell (2011) identified the following as challenges of financing higher education in Nigeria

- i. Poor nature of laboratory / practical classes
 - ii. Inadequate support to field trips
 - iii. Inadequate support to academic conferences activities
 - iv. Poor funding to the provision of library books, chemicals and basic laboratory equipment
 - v. Freezing of new appointments
 - vi. Virtual embargo on study fellowships
 - vii. Reduction in research grants.
 - viii. Too narrow strategic profiles and core areas
 - ix. Loss of variety in research and teaching
 - x. Danger: close down of studies not in demand at present or expensive (unprofitable) studies
 - xi. Increased dependence on external principals (third party funding)
 - xii. Internal centralization and expansion of administration
 - Xiii. Increased administrative burdens at the expenses of research and teaching
 - xiv. Reduced coordination (harmonization) between universities because of increased competition.
- According to Ololube, (2006), and Kolo (2021) the unsatisfactory funding for higher education programs stands as one of the major factors working against effective implementation of the programs. The consequence of the underfunding of this sector is immediate; for example, it results in the inability to purchase instructional material to effectively prepare pre service teacher like computers, text books laboratory equipment, audiovisual and slides video clips, electronic white boards, electronic conferencing materials, enough chair and desk in classrooms to keep students from having to stand to receive lectures to mention a few. The dilapidation that characterizes Nigerian schools is a very serious problem that has inhibited effective higher education programs. Over the years, in Nigeria, it is the lack of effective administrative planning that impedes effective higher education programs. Because the success of any educational system is hinged on proper planning, efficient administration and adequate financing.

Concept of Quality Education

The concept of quality in education is elusive and frequently used. A good quality education is the one that provides all learners with capabilities that they required to become economically productive, developed and with sustainable livelihood contributes to peaceful and democratic society and enhanced individual well-being. Unicef (2000) provided a comprehensive definition of quality education that includes healthy learners who are well nourished, ready to participate and learn, whose learning is supported by their families and communities; healthy, safe and supportive environment, content that includes the foregoing elements and peace; inclusive child-centered process that are facilitated by competent safe-drive teachers and actual outcomes that encompassed self- supported knowledge, skills and attitudes that are linked to national goals for education(equity) and positive participation in society particularly, critical (for sustainability). Furthermore, quality education is a kind of education provided by an education system that emphasizes the importance of focusing on five important elements including; quality learners, quality learning environment, quality content, quality process and quality outcome. A quality education is education that is well designed to provide recipients with an all-round development of skills and potential to achieve success in their future endeavors in the society. Mopelola and Akinyemi (2011), see that, quality in higher education cut across policy formulation to implementation of educational process covering the scope of curriculum, teaching/learning Process, resources and facilities, students and teachers environment to achieve educational standard. The quality in education can be achieved through adequate funding as identified by some educational scholars such as Asiyai and Okoro, 2019; Shirley, (2020). They further opined that, quality in education is attributed to the following indicators summarized below:

1. **Quality Learners:** These are learners who are healthy, well nourished, have access to school, motivated to learn and supported by their family and communities.
2. **Quality Personnel:** Consideration for entry qualification, course duration, pedagogical skills, curriculum offering, promotion, remuneration, internship and professional staff development through sponsorship from TETFUND and other sources.
3. **Quality Contexts:** Relevant curricula, adequate and appropriate materials and essential entrepreneur skills and knowledge for life.
4. **Quality Teaching:** Child-centered and skills based approach and application to reduce disparities and promote learning and application of ICT tools in the teaching/learning processes.
5. **Quality Learning Environment:** Child friendly school, policies and practices which prohibit harassment, humiliation, violence, cultism free, and adequate classroom and hygienic learning environment, well equipped laboratories and other infrastructural development.

All these attributes or elements identified as components of quality education cannot be realistic or achieved without adequate funding and financing in education for effective quality delivery at all levels of education.

Conclusion

In conclusion, funding and financing of higher education is one of the bedeviling phenomena in the educational sector that continues to exist in higher institutions that affects quality

education delivery. No organization could carry out its functions effectively without adequate funding and financial resources at its disposal. Money is needed to pay staff, maintain the plant and keep the services going. These assertions, are supported by earlier findings that finance is of vital importance to education and economic growth. The level of funds available determines the quantity and quality of school objectives that will be achieved. This is because funding is important in the acquisition of basic human, financial and material resources needed to transform the objectives of the school into reality. Such funds must also be properly utilized for the achievement and sustenance objectives of higher educational institutions as outlined in the national policy of education. Funding is tied to the provision of quality education delivery and the standard of education provided for the citizens. Funding and Financing is the warehouse of the education sector and its adequacy and inadequacy will determine the outcomes of the education sector at the higher institutions of learning. The chief executives of the higher institutions of learning are obliged to explore other sources of funding and financing of their institutions apart from TETFUND and Internally generated revenues (IGR) in order to enhance quality service delivery.

Recommendations

1. There is need for proper planning of the higher education System by the government to ensure quality higher education to reduce educational wastages and enhance the effective utilization of available scarce resources
2. The government should provide Adequate funding and financing to the higher educational institutions through appropriate budgetary allocation of 26% as recommended by the United Nations Educational Scientific and Cultural Organization (UNESCO) for quality education delivery in the country.
3. The chief executives of the higher institutions should cooperate with the government and other educational stakeholders in supporting the education system through financial and material needs of the higher institutions.
4. The chief executives of the higher institutions should adopt other sources of funding and financing that will help to augment the financial needs of the school of their institutions
5. A Higher Education Funding Authority should manage the allocation of the resources for the financing and funding teaching and research higher education institutions, monitor the financial activities of the institutions on behalf of the state and the federal government, advise the government on the level of the resources to channel to higher education, propose adjustments and changes to the resource allocation model, assess the effects of the level of funding on the quality of performance, regulate the pricing of the programmes, interpret the state's priorities in relation to manpower needs and provide benchmarking information against national and international targets

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