Funding as a tool for Revitalizing University Education for Social Political and Economic Engineering in Nigeria

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Abstract

University education in Nigeria and indeed any other part of the world plays a crucial role in the supply of highly skilled manpower to manned different sectors of the nation’s economy. The gross under-funding of the education sector in the country has been rendering the university system incapacitated. This paper examines issues such as, description of the Nigerian higher education system, financing higher education in Nigeria, problems of funding and utilization in Tertiary institutions in Nigeria, importance of adequate funding of universities in Nigeria and finally Tertiary Education Trust Fund (TETFund). This paper concludes that management of higher education in general and university education in particular has been bedeviled by inadequate funding. The Paper recommends that universities should be adequately funded and finally good management and accountability in the universities should be ensured.

Keywords: Education, Nigeria, Revitalizing, Social, Political, Economic, University

Introduction

University Education as the most important level of education in the country provides stability in the various sectors of the economy through its key functions of teaching, learning, research and community development. It is this level of education that assists in re-positioning the entire sectors of the economy through the provision of adequate manpower (National Policy on Education, 2004) for the attainment of national goals and objectives. Despite the role played by universities in ensuring growth and development in the country, very little progress has been recorded in Nigeria compared to other developing countries. This is largely due to the problems of infrastructure, academic instability, educational policies and most
importantly inadequate funding of university education in Nigeria. These obstacles have limited the level of academic breakthrough in the various universities in the country (Olorunleke, 2013). Universities have been established to set standards, societal values, ethos and championing societal renewal via cultural creativity nourished by better knowledge and understanding of the cultural heritage, higher living standards, internal and international harmony and peace based on human rights, democracy, tolerance and mutual respect (UNESCO, 1998). Addo (2010) stressed that, the need for higher education institutions in a developing country like Nigeria cannot be over-emphasized. According to him higher education plays a pivotal role in assisting the country in the achievement of her national developmental objectives. Among the other level of education such as primary, secondary and tertiary levels; higher education institutions particularly universities vis-à-vis tertiary education institutions particularly universities contribute immensely in the area of capacity building and development of quality manpower in the various sectors of the country (Olorunleke, 2013).

Higher education plays a crucial role in the supply of high level manpower for the socio-economic development of a nation. To this end, effective management of this sector through adequate funding becomes necessary (Ekundayo & Ajayi, 2009). Odukunle (2001) stressed that, Education is widely accepted as a major instrument for promoting socio-economic, political and cultural development in Nigeria. The National Policy on Education specified how higher education in Nigeria should pursue these goals. According to the National Policy on Education (2013) University Education shall make contribution to national development by:

Intensifying and diversifying its programmes for the development of high level manpower within the context of the needs of the nation;
making professional course contents reflect our national requirements;
making all students part of a general programme or all round improvement in university education to offer general study contents such as history of ideas, philosophy of knowledge, nationalism and Information Technology (IT); and
Making entrepreneurial skills acquisition a requirement for Nigerian universities.

In considering the importance of university education, Ajayi & Ekundayo (2009) submitted that, the funds allocated to higher education should not merely be considered as an expense but a long-term investment of benefit to society as a whole. These benefits are reflected on a social level in terms of lower unemployment rates, better health, lower crime rates, more involvement in societal activities, higher tax returns and other trickle-down effects. According to Ibukun (1997), the main purpose and relevance of university education in Nigeria is the provision of much needed manpower to accelerate the socio-economic
development of the nation. Such specialized education at the higher level is regarded as an instrument of social change and economic development.

Education, therefore, is important to the growth and development of the society because of its power to fashion an individual to be integrated into the society, and to become a promoter of his societal culture, and development. It is a weapon for acquiring skills, knowledge and competence for survival in a changing world (Adepoju & Fabiyi in Ekpo & Ish’ak, 2011). Funds are needed to pay salaries of all categories of staff, human resource development programmes to purchase equipment for classrooms, offices, erect new buildings, security, research development, library facilities, scholarships, fellowships, to cater for the contemporary students’ enrolment explosion and to compliment myriad of other services needed. Higher education plays a crucial role in the supply of high level manpower for the socio-economic development of a nation. To this end, effective management of this sector through adequate funding becomes necessary (Ekundayo & Ajayi, 2009). Odukunle (2001) stressed that, Education is widely accepted as a major instrument for promoting socio-economic, political and cultural development in Nigeria.

Bamiro (2015) reported that, one of the most important prerequisites for the economic well-being and prosperity of any nation is the sustainable development of industry. Education is one of the basic means of human and cultural self-realization as well as means of realizing the productive power of a nation. No nation can develop beyond the quality of its education, as a nation’s overall advancement is a direct function of the quality of the educational attainment of its citizens (Ololube, Egbezor, Kpolovie & Amaele, 2012). Quality of education depends on a nation’s funding of the sub-sector. The very concept of Development implies the constant improvement in the quality of life in a nation through the improvement of the productive capabilities of individuals (Kpolovie & Obilor, 2013). According to Taiwo (2012) cited in Kpolovie (2013) education is a life-long process that has interpretation in purpose, type and level. It is a means of socializing people into the community, for upholding customs and traditions as well as for the modification of same in conformity with emerging ideologies, expansions and reformations.

The gross under-funding of the education sector in the country has been rendering the university system incapacitated. Adepoju (2004) remarked that money is absolutely the input of any education system. It provides the essential purchasing power with which education acquires its human and physical inputs. According to Saint et al (2002) the university system has not enjoyed the financial resources necessary to maintain educational quality in the midst of significant enrolment explosion. Also according to Odia & Omofomwan (2007), UNESCO (1998)
recommended 26% of the total budget of a nation to be allocated to education, but the Longe Commission of 1991 observed that the percentage of budgetary allocation to education since the inception of the present political dispensation has not exceeded 10% (Ekundayo & Ajayi, 2009).

Nigerian Higher Education System

The higher education system in Nigeria is composed of universities, Polytechnics, Colleges of Education and professionally specialized institutions (International Association of Universities, 2000). They can be further categorized as state or federal universities and as first, second and third generation universities (Hernett, 2000) Federal universities are owned and financed by the federal government, while state universities are owned and financed by the state governments (there are 36 states). Amadi (2013) stresses “Almost all definitions agree that higher education refers to post-secondary education (or study beyond the level of secondary education) where a degree, diploma, or certificate is awarded at the end of study.” Higher education however, is said to be built on the level of competence, knowledge and skills normally acquired in secondary education (Osareniyi & Ifeoma, 2013). According to them different countries of the world define higher education from different point of view. While some see it as education after primary and secondary others see teacher education as an aspect of Postsecondary education and not part of higher education. Yet, others like Pakistan refer to their higher education as the tertiary education system. According to Aurangzeb (2012), the higher education in Pakistan is the education above the grade 12. The University/degree Awarding Institutions (DAI) and the affiliated Colleges sector are the two main sectors of the higher education system in Pakistan. However, in the Nigerian point of view FRN (as cited in Amadi, 2013), defines higher education as the Postsecondary Section of the national education system, which is given of Universities, Polytechnics and Colleges of Technology including courses as are given by the Colleges of Education, Advanced Teachers Training Colleges, Correspondence Colleges and such institutions as may be allied to them. In other words, all postsecondary institutions are categorized as part of higher education in Nigeria.

According to Bamiro (2012) the Nigerian Higher Education Institutions (HEIs) comprise Universities, Polytechnics, Monotechnics and Colleges of Education with geographical distribution. According to National Universities Commission there are 143 universities in the country (40 Federal, 42 States, and 61 Private) (NUC, 2015). The uneven spread of these institutions over the country is obvious with the southern part of the country having the highest concentration of these institutions. The uneven distribution of the federal universities probably informed the establishment of 9 universities by the Federal Government in 2011 towards
ensuring a federal university in each 36 States in the federation. Bamiro (2012) further explained that, the Higher Education (HE) sector in Nigeria can be described to a large extent, as a sector locked in iron triangle defined broadly by the Vectors of Access, Quality.

Financing University Education in Nigeria

The Federal Government controls universities and other higher education institutions through the following organs; the Federal Ministry of Education; the national universities commission which among other things allocates funds to federal universities and also prescribes the spending formula, and the Committee of Vice Chancellors of Nigerian universities governing councils on matters of general and specific concern to higher education. Each university is administered by a council and a senate and is headed by an appointed Vice Chancellor as CEO. The Academic Staff Union of Universities (ASUU) safeguards the interests of the academicians in the Nigerian university system. The federal government maintains a policy of no tuition fees in federal universities, while at the same time allowing students enrolled in state universities to pay tuition fees in addition to room and board. In May 2002, the federal government issued an order “forbidding” the charging of tuition fees at all 24 federal universities as these universities were contemplating charging tuition fees as a cost recovery strategy. The government believes that it has duty to provide qualified Nigerians with free education (Higher education chronicle, Tuesday May, 28, 2002).

The government through the National Universities Commission makes it mandatory of all federal universities to generate 10 percent of their total yearly funds internally through various revenue diversification means (Odebiyi & Aina, 1999). Ajayi & Alani (1996) posited that the education tax decree no. 7 of 1993 enforces the payment of 2 percent profits of limited liability companies registered in Nigerian as an education tax to be disbursed according to the ratio 50:40:10 to higher, primary and secondary education respectively, the share of higher education is further allocated to the universities, polytechnics, and colleges of education – according to the ratio 2:1:1 respectively. According to a report as of summer 2002, no information was available to show the amount of funds collected and disbursed since the promotion of the education tax decree. It is known that the education bank was supposed to be a depository of the funds collected through the decree Harnett (2000) assumes that all federal universities receive the bulk of their financing (almost 95 percent) from the federal government. Furthermore, the federal universities budgeting processes and expenditures adhere to budgeting and expenditure formula stipulated by NUC as follows: 60 percent total academic expenditure; 39 percent for administrative support; and 1 percent for pension and benefit.
Okojie (2010) cited in Fameruwa (2014) describes the current approved funding criteria used by NUC to disburse funds to universities as follows:

- Capital grants on the basis of generation, that is, year of establishment of the University.
- Ratio of personal costs to overheads at 60:40
- Library 10% research cost 5%, capacity building 1% of the total recurrent.
- Academic to non-academic funding at 60:40
- Expenditure on central administration – 25% minimum
- Internally generated revenue 10%.

Ogunlade (1989) summarized that at the general level, four sources finance university education in Nigeria.
- Support from federal and state government constituting more than 98 percent of the recurrent costs and 100 percent of capital cost.
- Student’s contributions towards living expenses on campuses constituting less than 1 percent of the total operating costs of institutions. While there is no evidence to suggest this percentage of students’ contribution is capped by the government anecdotal evidence suggest that successive administration in Nigeria (civilian and military) have been reluctant to charge more than nominal fees probably to obtain maintain public support, charging realistic fees has been unpopular among policy makers.
- Private contributions by commercial organizations in the form of occasional grants for specific purpose and
- Interest earnings on short-term bank deposits and rent of university properties.
- Other sources of finance to higher education in Nigeria include endowments fees/levies, gifts and information and from international organizations. For example, the World Bank has financed a US $ 120 million project titled Federal universities development sector operation (Odebiyi & Aina 1999, Babalola, Sikwibele & Suleman, 2000).
- Odebiyi & Aina (1999), write that to respond to the problem of chronic under-funding Nigerian public universities adopted an array of cost sharing measures, notably among them being the following:
- Student’s contributions that are made through a multitude of fees; tuition in state and private institutions.
- Private sector contributions to education in Nigeria are limited to the endowment of prices and profession chairs and voluntary donations.
National Youth Service Corp scheme is another cost sharing measure adopted by the federal government.

**Importance of Adequate Funding in Universities**

Adequate funding in Universities is very essential in carrying out its activities and also realizing the tertiary level of education objectives. Olorunleke (2013) posited that, proper funding is of great importance in the provision of quality education in the university system. According to him, the importance of adequate funding on the management of universities in Nigeria is of immense benefit to all educational stakeholders within the universities. He further stressed that; this can be reflected in one or more of the following ways:

Reduction of the cost of acquiring formal education. The proper funding of university education will assist in reducing the expenditure on students and parents on the acquisition of university in the country. Provision of quality learning infrastructures, this include hostels, laboratories, workshops, classrooms and other facilities that are needed to provide a suitable teaching and learning environment for both teachers and students.

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation (N Billion)</th>
<th>Allocation as % of Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>356.4</td>
<td>1.69</td>
</tr>
<tr>
<td>2012</td>
<td>409.5</td>
<td>10.0</td>
</tr>
<tr>
<td>2013</td>
<td>437</td>
<td>8.70</td>
</tr>
<tr>
<td>2014</td>
<td>495.2</td>
<td>10.6</td>
</tr>
<tr>
<td>2015</td>
<td>2.2</td>
<td>9.5</td>
</tr>
</tbody>
</table>

**Table 1:** Federal Budget for Education (2011-2015)

**Table 2:** Funds for the revitalization of the university system as a result of agreement between FGN and ASUU from 2013-2018

<table>
<thead>
<tr>
<th>SN</th>
<th>Year</th>
<th>Amount (billion Naira)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2013</td>
<td>200</td>
</tr>
<tr>
<td>2</td>
<td>2014</td>
<td>200</td>
</tr>
<tr>
<td>3</td>
<td>2015</td>
<td>220</td>
</tr>
<tr>
<td>4</td>
<td>2016</td>
<td>220</td>
</tr>
<tr>
<td>5</td>
<td>2017</td>
<td>220</td>
</tr>
<tr>
<td>6</td>
<td>2018</td>
<td>220</td>
</tr>
</tbody>
</table>

**Total 6 years:** 1.3 Trillion

**Source:** Bogor (2015)
Tertiary Education Trust Fund (TETFund)

TETFund was established as an intervention agency under the TETFund ACT-TERTIARY EDUCATION TRUST FUND ESTABLISHMENT, ETC) ACT, (2011); charged with the responsibility for managing, disbursing and monitoring the education tax to public tertiary Institutions in Nigeria. To enable the TETFund achieve the above objectives, TETFUND ACT, (2011) imposes a 2 percent (2%) Education Tax on the assessable profit of all registered companies in Nigeria. The Federal Inland Revenue Service (FIRS) is empowered by the Act to assess and collect Education Tax. The Fund administers the tax imposed by the Act and disburses the amount to tertiary educational institutions at Federal and State levels. It also monitors the projects executed with funds allocated to the beneficiaries.

The mandate of the Fund as provided in section 7(1)(a) to (e) of the TETFund ACT, (2011) is to administer and disburse the amount in the Fund to Federal and State tertiary educational institutions, specifically for the provision and maintenance of the following:

- Essential physical infrastructure for teaching and learning;
- Instructional material and Equipment;
- Research and Publication
- Academic staff training and development; and
- Any other need which, in the opinion of the Board of Trustees, is critical and essential for the improvement of quality and maintenance of standards in the higher educational institution.

Table 3: TETFund Scope of Operation

<table>
<thead>
<tr>
<th>S/N</th>
<th>Beneficiaries</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Universities</td>
<td>79</td>
</tr>
<tr>
<td>2.</td>
<td>Polytechnics</td>
<td>57</td>
</tr>
<tr>
<td>3.</td>
<td>Colleges of Education</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>202</strong></td>
</tr>
</tbody>
</table>

Source: Bogoro (2015)
Table 4: TETFund Intervention Allocation to Universities from 2009-2013

<table>
<thead>
<tr>
<th>S/No.</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>57</td>
<td>56</td>
<td>58</td>
<td>63</td>
<td>70</td>
</tr>
<tr>
<td>Project</td>
<td>57.00</td>
<td>193.14</td>
<td>175.00</td>
<td>374.00</td>
<td>350.00</td>
</tr>
<tr>
<td>Research</td>
<td>7.00</td>
<td>10.00</td>
<td>10.00</td>
<td>10.00</td>
<td>20.00</td>
</tr>
<tr>
<td>Library</td>
<td>10.00</td>
<td>20.00</td>
<td>25.00</td>
<td>53.00</td>
<td>60.00</td>
</tr>
<tr>
<td>Development Staff Tr. &amp; Dev.</td>
<td>50.00</td>
<td>60.00</td>
<td>80.00</td>
<td>130.00</td>
<td>140.00</td>
</tr>
<tr>
<td>Public &amp; Journals</td>
<td>3.00</td>
<td>5.00</td>
<td>10.00</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>Manuscript Dev. Conference Att.</td>
<td>-</td>
<td>-</td>
<td>5.00</td>
<td>5.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Entrepr. Centres</td>
<td>-</td>
<td>15.00</td>
<td>20.00</td>
<td>40.00</td>
<td>40.00</td>
</tr>
<tr>
<td>Total</td>
<td>127.00</td>
<td>303.14</td>
<td>395.00</td>
<td>595.00</td>
<td>645.00</td>
</tr>
</tbody>
</table>

Source: www.tefund.org.ng

Funding and Internationalization of Nigerian Universities

There is no doubt that series of reform efforts have been made by the Federal Government of Nigeria to reposition Nigerian Universities, but a stronger positive political will and financial support are seriously and urgently needed for our Universities to strive and meet up with their global expectation and challenges. Also varied pressing problems besetting our Universities today need to be addressed with utmost urgency by the government and other stakeholders in the country (Chineze & Stella, 2013). In their efforts to outline strategies for the internationalization of Universities in Nigeria, Chineze & Stella (2013) posited that Universities must take into cognizance of and get into the emerging international competitive world of learning.

Attributes of a world-class university

As noted by Jamil (2009), the few scholars who have attempted to define what world-class university have that regular universities do not possess have identified a number of basic features, such as:

- High qualified faculty
- Excellence in Research
- Quality Teaching
- High levels of government and non-government sources of funding
Conclusion

This paper has reviewed funding as a tool for revitalizing university education for social, political and economic engineering in Nigeria. The conclusion of the paper is that education sector in Nigeria is suffering from insufficiency of funds which resulted to numerous set-back to the higher education in general and university system in particular in the country. But fortunately, by the coming of TETFund intervention into higher education system, university education has recorded a tremendous progress over time.

This, to a large extent has pave a new dawn to the management of Universities in Nigeria, and it will lead to the attainment of the desired objectives. This paper affirms, therefore, that there is room for improvement on the current situation for coming out with new alternative ways of funding universities in the country in order to avoid over-dependence on government allocation which is grossly inadequate for the revitalization of university system and also for the socio-economic and political growth of the giant of Africa.

Recommendations

Universities should be adequately funded by giving top priority to the education sector in the budget (at least a minimum of 30%). And at least 50% of the budgeted 30% should be allocated to universities and also sourcing internal revenue and individual contributions, corporate bodies should be encouraged.

It was recommended that, two percent (2%) Profit collection from Multi-National Companies operating in Nigeria for TETFund Intervention should be increased to four percent (4%) for the development of higher education in general and University Education in Nigeria.

It is recommended that the National Universities Commission (NUC) should ensure strict adherence to the existing financial policies, rules and regulations and to check from time to time against mismanagement and misappropriation of funds in Nigerian Universities.

It is recommended that universities should de-emphasized use of contractors instead of Direct labour would expose students in practical skills thereby boosting the academic programmes.
It is recommended that, the federal government should as appropriate provide general assistance to the State Governments that are proprietors of universities as allowed by the Nigerian Constitution (Section 164.1).

It is recommended that a university/Industry Partnership should be established because it is a hallmark of national development and progress. This would give double benefit to industries by helping universities to produce graduates for their consumption.

It is recommended that each University should be organizing an appeal fund at regular intervals by inviting philanthropists, Alumni and other donors to mark a special anniversary with a specified targets and focus. (e.g ABU at 50).

References


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