



FUNDING UNIVERSITY EDUCATION AND THE LEVEL OF FUND AVAILABILITY TO PUBLIC UNIVERSITIES IN SOUTH-WEST NIGERIA

Modupe O. SALOMI

*Department of Educational Management,
College of Specialised and Professional Education,
Tai Solarin University of Education, Ijagun*

ABSTRACT

The study investigated funding university education and the level of fund availability to public universities in south-west Nigeria. Two research questions were raised and answered in this study. This study adopted the survey research design of ex post facto type. The population for this study consisted of 16 public University Registrars, and 16 University Bursars of the public universities in South-West, Nigeria. Ten (10) out of the sixteen (16) public universities were randomly selected (that is, 62.5% of the public universities in South-West). The Bursars of the selected ten (10) Universities were purposively sampled. An instrument titled “Funding and Fund Utilisation Inventory (FFUI)” was used for the purpose of data collection. Data collected were analysed using frequency counts, percentages and charts. Descriptive statistics involving mean and standard deviation were used to analyse the two research questions. The result of the findings showed that, students fee (N = 55), other internally generated revenues (N = 46), investment income (N = 38), recurrent grants from Governments (N = 37) and research grants from Governments and agencies (N = 30) were the major sources of funding adopted by public Universities in Southwest, Nigeria. Gifts/endowment (N = 19) and external grants (N = 7) were least on the list of funding source identified by public Universities. Result of research question two revealed that students’ fees (N = 42), other source of incomes (N = 42), recurrent grants from Governments (N = 32), and investment incomes (N = 28) were very regular source of funding available to public Universities in Southwest, Nigeria. The level of availability of funds from gifts/endowment/donations, research grants from Governments, and external grants were low – with responses 42, 32, and 28 respectively, indicating that these streams of funding were not regular during the 2010-2016 academic sessions. Based on the findings of this study, it was recommended that: Universities’ authorities should endeavour to expand their internal support facilities for students; Universities should be able to identify and promote funding opportunities; and Universities should explore revenue supplement strategy as a preferred means to financial viability.

KEYWORDS: Funding, University Education, Fund Availability, Public Universities

***CORRESPONDING AUTHOR:** Modupe O. SALOMI. Tai Solarin University of Education, Ijagun. Department of Educational Management. Email: salomimo@tasued.edu.ng. Tel: +2348053675918



INTRODUCTION

The place of formal education in the economic development of a nation cannot be undermined, likewise, the role of higher education is germane to all round development of any progress minded leadership and nation as a whole. In the view of Samuel and Ofem, (2012), the role of higher education as essential to national development cannot be over emphasized. This is due to the contribution of higher education in producing higher-level skills and competencies as essential to national development particularly in the context of globalization and the shift towards knowledge economies. For these reasons, countries all over the world, Nigeria inclusive are giving higher education the needed policy attention.

According to UNESCO (2003), higher education includes all types of study, training or trainings for research at post-secondary level, provided by the universities or other educational establishments that are approved as institutions of higher education by competent state authorities. The Nigerian education system established that higher education is the education given after secondary education. It constitutes Federal universities, State Universities, University of technology, University of Agriculture, University of Education, Polytechnics and Colleges of education. They are often referred to as either Post-Secondary Education, Tertiary Institutions, or Institutions of Higher learning owned either by the Federal Government, State Government or Private Agencies as provided by the National Policy on Education (NPE, 2014).

Salomi (2021), asserted that the development of any nation depends largely on how much value it places on education. The facets of education of countries differ but all intend to achieve development. The value attached to education cannot be over emphasised. Globally, education is considered as a human right that should be given to all. In fact, this is the reason why a lot of international human right bodies consider education as a fundamental human right. Education is a crucial sector in any nation, and being a major investment in human capital development, it plays a critical role in long-term productivity and growth at both micro and macro levels. This explains why the state of education in Nigeria continues to be a national discourse at all levels. However, quality of education in Nigeria has been on the decline. The implication of the declining quality of education at all levels has far reaching negative impact on a nation's moral, civic, cultural and economic sustainability.

The importance of Nigerian tertiary education and university education in particular, is aptly spelt out by the Federal Government of Nigeria in its National Policy on Education document (2014) *inter alia*: "to contribute to national development through high level relevant, manpower training; to develop and inculcate proper values for the survival of the individual and society; to develop the intellectual capability of individual to understand and appreciate their level and external environment; to acquire both physical and intellectual skills, this will enable individuals to be self-reliant and useful members of the society; to promote and encourage scholarship and community service; to forge and connect national unity and to promote national and international understanding and interaction".

In the same vein, section 8 Sub A (64) of the Federal Republic of Nigeria (NPE, 2014) document states that university education shall make optimum contribution to national development by:

Intensifying and diversifying its programmes for the development of high- level manpower within the content of the needs of the nation; making professional course contents to reflect our national requirements; making all students, as part of a general programme of all round improvement in University education to offer general study courses such as history of ideas, philosophy of knowledge and



nationalism (pp.25).

It has been established that though primary and secondary education is essential for development, in a developing country like Nigeria it is only through a strong and an appropriate higher education that learning and training can create people with enough wisdom needed in advancing the issue of poverty and development. Philips Consulting (2014) conducted a survey report on the effect of the quality of tertiary education on employability of fresh graduates, the current education system does not appear to be producing graduates with generic and essential skills, hence the continuous increase in the rate of youth unemployment. The consulting firm further said that 24 million jobs are needed over the next ten years to reduce the current unemployment level by half. Even with that, a large number of graduates have continuously been found incapable of meeting the employment requirements of the work force and have thus been unsuccessful in either securing or keeping a job.

However, reasons have been given as the causes of students' poor performance in schools. Oyesiku (2010) asserted that tertiary institutions are being reproached for declining quality of educational outputs. This is due to deterioration in teaching and physical facilities, inadequate funding, quality of inputs into the institutions, Government and private sectors' inadequate support and the curricular for teaching the students. The falling standards of university education can be attributed to the severe neglect of the Universities by successive Governments. Babalola (2007) confirmed that the issues of brain drain and lack of funding have also affected research endeavours which have fallen drastically in Nigeria Research Institutes, Colleges, Polytechnics and Universities. Its performance is not measured by their academic performance; rather, it is measured by their affective and psychomotor performance as well.

University funding is a function of ownership, funding University education is one of the major functions of the Federal and State governments. The Federal Government maintains a policy of no payment of tuition fees in Federal Universities, while at the same time allowing students that enrolled in State Universities to pay tuition fees. 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 a duty to provide qualified Nigerians with free University education. Ogundele, Bello & Oluwatosin (2016) classifies the funding of higher education into two regimes namely:

- Pre-deregulation regime
- Deregulation regime

In the pre-deregulation regime, higher education funding in Nigeria was done by government or public funding alone. High priority was accorded to funding higher education, thereby creating a wrong impression among Nigerians that funding of higher education is the exclusive preserve of governments. On the other hand, in the deregulation regime, which is mostly a post Structural Adjustment Programme (SAP) inevitability, things began to change. Initially, University of Ibadan, being the only University in the country was adequately funded in all aspects of teaching and research. Infact, the first generation Universities were all well - funded and some of them established and maintained internationally acclaimed and respected standards (Famade, 2015). However, in the year 2000, there was significant increased funding for tertiary institutions. For the Federal Universities, unit costs rose from \$370 to \$932, a rise of 252%. Current funding levels are low and lead to poor remuneration for academic staff. According to Ekundayo (2018), between 1990 and 1999, for instance, as a result of enrolment growth and currency devaluation, recurrent allocation per University student in the federal system fell from \$610



to \$360, and this has obvious implications for educational quality. It is a fact that the source of many problems facing higher educational system in Nigeria today can be traced to insufficient funding of the system. Funding shortfalls have therefore become the norm for many years as enrolments have increased more quickly than the Governments capacity to maintain its proportional financial support. Despite this, there still exist difficulties on the universities to meet her only 10% internal fund generation, despite the normal Government subventions (allocation) to Universities. These can only be facilitated through adequate financing (Akinsanya, 2017).

Ayo-Sobowale and Akinyemi (2011), report that public Universities draw a significant amount of their funds from the proprietors. The remaining parts of their funds are internally generated from levies, charges and fees (for State owned and private universities), internal development partner, support from alumni associations, and linkages with industries in Nigeria and abroad. In lieu of the above background, this study investigated funding university education and the level of fund availability in public universities in south-west Nigeria.

Statement of the Problem

The University education is noted for high level manpower production. Countries that seek sustainable development have placed needed attention to the funding of their education system especially at the higher level. However, funding remains a contentious issue when it comes to annual budgetary allocation to education in Nigeria. Recently, the National Association of Nigerian Students' President, Comrade Sunday Asefon has described the amount allocated to the education sector in the country's 2021 budget as the worst in a decade. Nigeria budgeted 6.3 percent of its 2021 national budget on the Federal Ministry of Education. A sum of N742.5 billion out of the total N11.7 trillion budget was allowed to the ministry out of which N615.1 billion is proposed to go into the recurrent expenditure of the ministry covering personnel and overhead costs while N127.3 billion is devoted to capital expenditure. He asserted that a careful analysis of the budget showed that the federal government is not serious about revitalising education in the country. Funding as one of the parameters of achieving University education objectives remains questionable in Nigerian University education system. Government is a major stakeholder in education, but her non responsiveness to education has led to decay of neglect of the sector which has led to universities turning out "half-baked" graduates as the society usually refers to them.

Purpose of the Study

The study investigated funding university education and the level of fund availability to public universities in south-west Nigeria. Specifically, the study investigated:

1. the major sources of funding and their level of availability in public Universities;
2. which of the University-instituted sources of funds contribute highest to University funding;

Research Questions

The following research questions were raised and answered to guide the study:

1. What are the major sources of funding adopted by public Universities in Southwest Nigeria?
2. What is the level of availability of major streams of funding public Universities in Southwest Nigeria?



METHODOLOGY

This study adopted the survey research design of *ex post facto* type. The population for this study consisted of 16 public University Registrars, and 16 University Bursars of the public universities in South-West, Nigeria. There are sixteen (16) Federal and ten (10) State Universities approved by the National Universities Commission (NUC, 2017). Ten (10) out of the sixteen (16) public universities were randomly selected (that is, 62.5% of the public universities in South-West). The Bursars of the selected ten (10) Universities were purposively sampled. An instrument titled “Funding and Fund Utilisation Inventory (FFUI)” was used for the purpose of data collection in this study. The instrument was adopted from Ojo, (2011) on funding and fund utilisation. The initial instrument was designed to elicit responses from University bursars on the funding patterns and fund utilisation proficiency of the Universities. There are seven sections of A, B, C, D, E, F, and G in the inventory.

Section A dealt with the socio-demographic information such as the name of the institution, type of University, office of the respondent, designation of the respondent, gender and working experience. Section B covered sources of funding to the University. Section C dwelled on the regulations of the sources of funds. Section D generated figures between fund requested Universities Budget) and actual released to the Universities. Section F identified various avenues where money is spent in the University. Section C was on the mode of fund disbursement to the Faculties /Departments, while section A covered the actual University expenses on academic and non-academic expenditure. To establish the psychometric properties of the instrument, the instrument was given to the two senior officers in the bursary department in two different Universities (Federal and State) and experts in measurement and evaluation. Suggestions made were effected on the instrument. The instrument was further trial tested on two Universities, (Federal and state), and generated a valid reliability coefficient of 0.82. Data collected were analysed using frequency counts, percentages and charts. Descriptive statistics involving mean and standard deviation were used to analyse the two research questions.

RESULTS AND DISCUSSION

Research Question 1: What are the major sources of funding adopted by public universities in Southwest Nigeria?

In answering this question, data collected on section one of the Funding and Fund Utilisation Inventory (FFUI) was used to produce counts (frequencies) for each source of funding adopted by the surveyed Universities. The respondents (bursars) gave a checklist for the year 2010 – 2016. The cross-tabulation of these data is presented in Table 1.

Table 1: Major sources of funding public Universities in Southwest, Nigeria

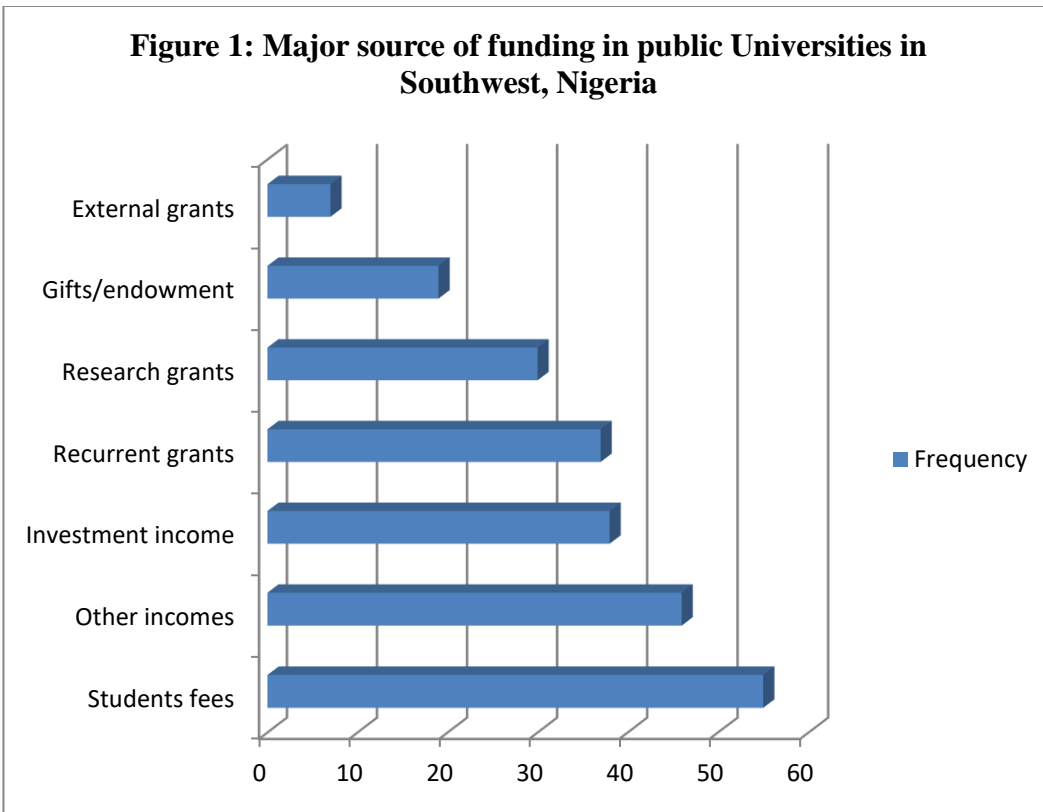
Source of Funds	Year (n =8)							Total (N)
	2010	2011	2012	2013	2014	2015	2016	
Recurrent grants	5	6	7	8	4	3	4	37
Research grants	5	4	5	4	3	5	4	30
Students fees	8	8	8	8	8	7	8	55
Investment income	5	5	5	6	6	5	6	38
Gifts/endowment	2	3	2	3	4	2	3	19
External grants	1	2	0	1	2	1	0	7
Others	7	8	5	6	5	7	8	46



Total	33	36	32	36	32	30	33	232
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(Note. *n* = Number of responding Universities indicating the source of funding for a particular year; *N* = Total number of responses for the source of funds)

Table 1 showed that, students fee (N = 55), other internally generated revenues (N = 46), investment income (N = 38), recurrent grants from Governments (N = 37) and research grants from Governments and agencies (N = 30) were the major sources of funding adopted by public Universities in Southwest, Nigeria. Gifts/endowment (N = 19) and external grants (N = 7) were least on the list of funding source identified by public Universities. Table 1 also revealed that most of the public universities consistently adopted students' fees as the major funding source annually. The results are graphically presented in Figure 1.



The graphical representation displayed in Figure 1 revealed that students fee, other internal incomes, investment incomes, recurrent grants, and research grants were the major sources of funding adopted by public Universities. This finding indicates that the major source of revenue in Universities is from the students. Students' fee has been adopted as a cost recovery strategy by most higher education institutions in Nigeria. A student fee is a fee charged to students at a place of learning that is in addition to any matriculation and/or tuition fees. In some cases, it may be charged to support student organisations and student activities such as intramural sports; and in most cases, to remedy shortfalls in state or federal funding. Though the current Federal Government is committed to maintaining low tuition for undergraduates, for full time students in state and private institutions, tuition is paid. Despite the fears that free tuition in Federal Universities would lead to a funding gap, it could be argued that student's fee could allow Universities more financial flexibility. Undergraduate tuition fee is one of the hallmarks of students' fee. Sourcing for fund from tuition lessen the burden of funding University education alone by the Government. Other components of school fees known as sundry and service charges include medical fees,



examination fees, sports fees, Students Union fees and identity card fees. Other incomes are accruals of funds through the University Internally Generated Revenue (IGR) such as acceptance fees, admission charges, affiliation fees, alumni dues, certificate, change of course, convocation brochure, examination fees, exchange gain, hiring of gown, late registration fees, medical and laboratory fees, notification of results, loss of identification card, ground rent, insurance, transcripts, post-UTME screening fee, transportation/bus ticket, departmental fees, surplus income from postgraduate school, and other miscellaneous incomes. Investment incomes such as fixed deposits, interest from accumulated fund, and investment in stock, investment in other organisations, appreciation value, micro finance, and dividends from investments also occupied the largest revenue sources for education institutions.

Recurrent incomes are mostly in the form of subvention from Federal and State Governments, tuition, surplus from outreach programmes and donation from various organisations. In some cases, research grants are accrued from the University's postgraduate school, centre for continuous education programme, NEEDS Assessment or Tertiary Education Trust Fund (TETFUND). However, the results of this study suggest that funds for research is low. This means that University research potential is not being fully exploited in Nigeria. There is need for Government at all levels to address a 'funding shortage' for research in public Universities. This finding echoed the outcome of Akomolafe and Aremu's (2016) study who found that tuition (both undergraduate and postgraduate), students' fees, and foundation programmes were highly in place to source fund in Nigerian Universities.

The implication of this is that the sources of funding University education programmes in Nigeria have shifted from Government sources to non-governmental sources. A paradigm shift in funding means that capital grants, recurrent grant and special grants from Governments at all levels are in dire straits. This could be attributed to reduced Government annual budgetary allocation to education. This result was in consonance with findings of Toluwalope (2016), who discovered that school fees, proceeds from school activities, community effort and donations, external aids and TET Fund are major sources of funding education in Nigeria. His report argued that University community needs to work together to become more influential in pursuing competitive funding from a wide range of sources. Udoh (2008) also found that major sources of funding University education in Nigeria as perceived by guardians of University students were scholarship, scientific breakthrough, staff-exchange programme, checking fraudulent practices and loans. Akinoso (2012), provides that many Universities rely on Government. He further revealed that the main source of financing University education in Nigeria therefore is the Government.

Research Question 2: What is the level of availability of major streams of funding public Universities in Southwest Nigeria? In answering this question, data collected on section two of the Funding and Fund Utilisation Inventory (FFUI) was used to generate counts (frequencies) for each source of funding adopted by the surveyed universities. The levels of availability of the source of funding were categorised as either 'very regular', 'somewhat regular' or 'not regular'. The respondents (University bursars) gave a checklist for the 2010 – 2016 academic sessions. The cross-tabulation of these data is presented in Table 2.

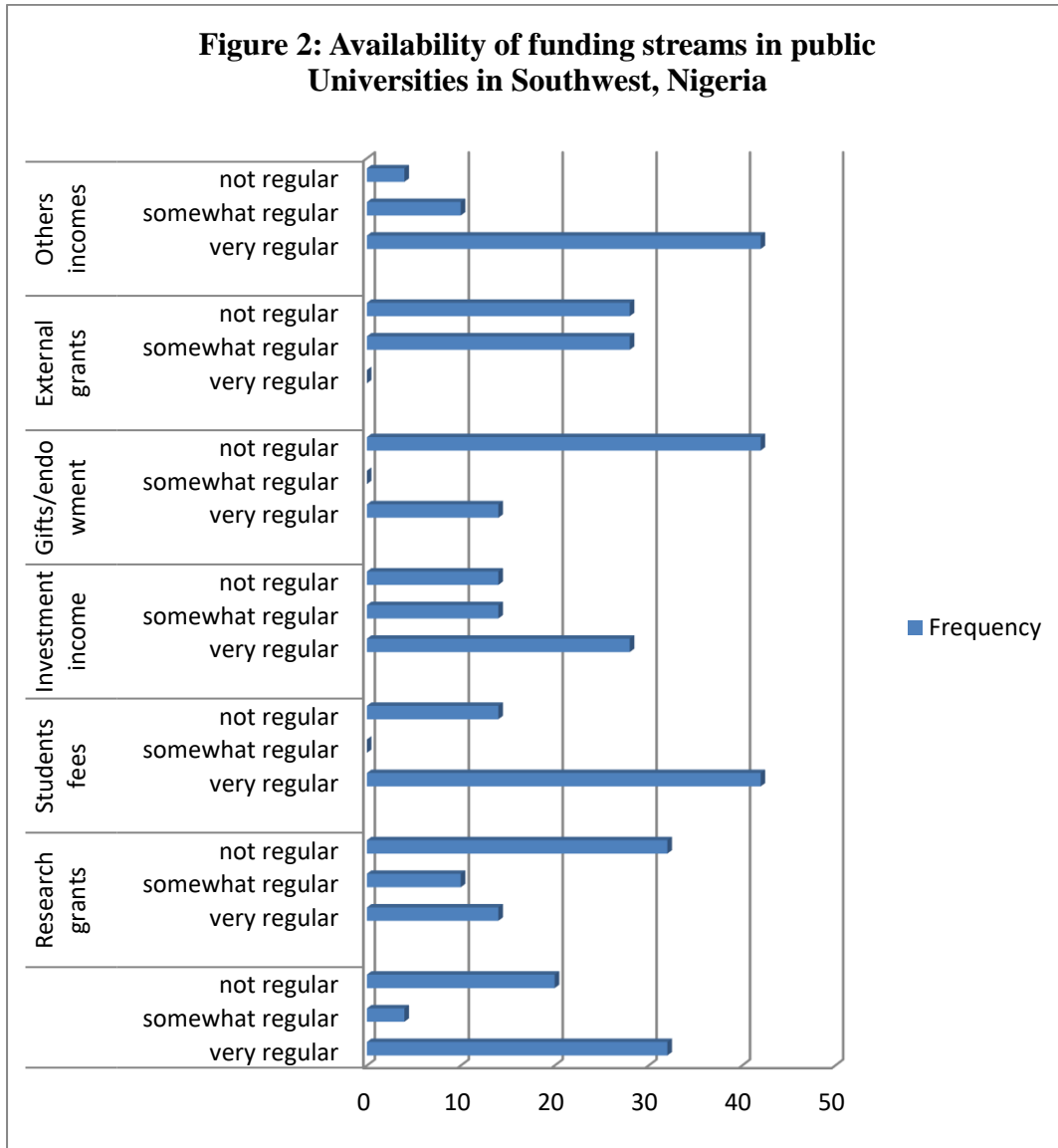
**Table 2:** Level of availability of funding sources in public Universities

Source and Availability of Funds	Year (n =8)							Total (N)
	2010	2011	2012	2013	2014	2015	2016	
Recurrent grants								
very regular	4	6	4	4	6	4	4	32
somewhat regular	0	0	0	0	2	0	2	4
not regular	4	2	4	4	0	4	2	20
Total	8	8	8	8	8	8	8	56
Research grants								
very regular	2	2	2	2	2	2	2	14
somewhat regular	2	2	0	0	2	2	2	10
not regular	4	4	6	6	4	4	4	32
Total	8	8	8	8	8	8	8	56
Students fees								
very regular	6	6	6	6	6	6	6	42
somewhat regular	0	0	0	0	0	0	0	0
not regular	2	2	2	2	2	2	2	14
Total	8	8	8	8	8	8	8	56
Investment income								
very regular	4	4	4	4	4	4	4	28
somewhat regular	2	2	2	2	2	2	2	14
not regular	2	2	2	2	2	2	2	14
Total	8	8	8	8	8	8	8	56
Gifts/endowment								
very regular	2	2	2	2	2	2	2	14
somewhat regular	0	0	0	0	0	0	0	0
not regular	6	6	6	6	6	6	6	42
Total	8	8	8	8	8	8	8	56
External grants								
very regular	0	0	0	0	0	0	0	0
somewhat regular	4	4	4	4	4	4	4	28
not regular	4	4	4	4	4	4	4	28
Total	8	8	8	8	8	8	8	56
Others incomes								
very regular	6	6	6	6	6	6	6	42
somewhat regular	2	2	2	2	2	0	0	10
not regular	0	0	0	0	0	2	2	4
Total	8	8	8	8	8	8	8	56

(Note. n = Number of responding Universities indicating the source of funding for a particular year; N = Total number of responses for the source of funds)



Table 2 indicated that students' fees (N = 42), other source of incomes (N = 42), recurrent grants from Governments (N = 32), and investment incomes (N = 28) were very regular source of funding available to public Universities in Southwest, Nigeria. The level of availability of funds from gifts/endowment/donations, research grants from Governments, and external grants were low – with responses 42, 32, and 28 respectively, indicating that these streams of funding were not regular during the 2010-2016 academic sessions. Figure 2 illustrates graphically, the level of availability of major streams of funding public universities.



The graphical representation displayed in Figure 1 showed that there is high level of availability of students' fee, other internal incomes, recurrent grants and investment incomes in public Universities. Funding sources such as gifts and endowment, research grants, external grants and recurrent grants from Government were not regularly available in public Universities. This finding indicates that the current funding levels are 'unsustainable'. This is because the availability of these funding sources which are central to supporting University funding is uncertain in the face of a continuing economic



decline. The finding lends credence to Hutton (2013) study who discovered that income mix of both Government and fees are the possible means of maintaining regularity of University funding. Also, with the difficulties faced by both Government and students alike to afford the cost of funding higher education, Universities have to find ways of increasing their income from the existing income sources by introducing new strategies to significantly change the income mix. However, imposing a regular means of income strategy could as well impose conflict. Daley, Matthews and Whitfield (2006), stated that conflict may arise when the core business of the University (teaching, research and services) are added to business ventures that refrain it from its core value. Since higher education sub-sector had suffered continuously from inadequate and poor funding, the increasing enrolment of University students had provided avenue for administrators to develop regular means of incomes from students' fees, internally generated revenues and investment incomes. An implication of this result is that, an examination of the regularity of funding sources in public universities have shown a steady shift of funding sources from Government allocation. However, Universities do need to see an end to the erosion of public funding for teaching and research in their annual budget as the first step to recovering a sustainable position. Knight and Rapley (2007), ascribe it to the fact that Universities with a view to maintaining their level of spending in the face of declining Government allocation, they will have to increase their income from other sources.

CONCLUSION AND RECOMMENDATIONS

University education is expected to function in the areas of teaching, research and outreach through adequate and surplus funding from various sources, and by implication, foster students' performance in all spheres of life – including their cognitive, affective and psychomotor domains. Thus, the need to improve the standard of university education through funding and fund utilisation is the focus of this study. Therefore, it is hoped that the findings of this study will help in enhancing the standard of university education in Nigeria and also effective fund utilisation in universities in the face of the present financial stringency. The conclusions drawn from the study are as follows:

- This study has shown that there are basically four sources of revenue for Nigerian public universities: (i) funds from the proprietors (ii) revenues from fees and tuitions (iii) investments and other forms of Internally Generated Revenues (IGR), and (iv) donations, endowments, grants and other forms of gifts.
- Apart from tuition and students fee, the alternative sources of funding universities have not been fully explored in Nigeria. Even though the budgetary allocation to education has shown clearly that government is withdrawing her spending on education, public universities still solely rely on the government and students to provide its needed resources. This study has shown that alternative strategies of financing higher education institutions such as cost-sharing strategy, graduate tax strategy, and revenue supplementation strategy were not fully adopted.

Based on the findings of this study, the following recommendations were suggested:

- Since major funding sources particularly, students fee are influenced by enrolment figures in most public higher education institutions, there is need to avoid retrospective consequential effect on students. Therefore, Universities' authorities should endeavour to expand their internal support facilities for students.
- The University Management should establish an atmosphere of competition in the pursuit of alternative funding with higher visibility and greater credibility. Thus, Universities need to explore other viable alternative sources of funding in order to rely lesser on the funding from the government which will never be adequate and will possibly be declining if these universities were to produce high quality graduates. Therefore, universities should be able to identify and promote funding opportunities.



- Universities should explore revenue supplement strategy as a preferred means to financial viability. This includes University entrepreneurship such as renting of University physical facilities, commercialisation of research findings, University-industry partnership, sales of Faculty services, consultancy, introduction of specialised and marketable teaching and scholarship, establishment of guest houses, bookshops, petrol stations etc.

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