

# CHALLENGES IN FUNDING TERTIARY EDUCATION IN NIGERIA

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## ***Abstract***

*Education is the surest path of the good life and upliftment of the human person cum society. In order to get the quality of education this country needs, funding is of paramount importance, especially at the tertiary level and it has been a big challenge to both development and developing countries of the world, such as Nigeria. This study looked at the challenges in funding tertiary education in Nigeria. In trying to unravel these challenges, the researcher looked at the sources of funds for tertiary education which were categorized into internal and external sources. Due to political interference and instability, tertiary education has faced a number of challenges in its funding, some of them include: inaccurate statistical data, population, explosion, indiscipline, corrupt leadership and diversion of funds etc. based on these, it was recommended among other that any course of action adopted by the government should be completed by the government without abandonment, key officials in tertiary institutions and their supervisory bodies should not embezzle funds meant for education.*

**Keywords:** *Tertiary education, funding, government, challenges, sources, administrators.*

## **Introduction**

Tertiary education is an essential tool in shaping the extent to which any nation in the world can reach in terms of social, economic, scientific and technological development. The annual budgetary allocation is made by every nation for human capital at the tertiary level has been a big challenge to both the developed and developing countries of the world such as Nigeria.

The provision of higher education has led nation of the world to make huge investment in the education of their citizens (Ike-Obioha, 2011). He maintained that funding challenges by saying that, “this phenomenon is practically distributing in developing nations of the world where there is a preponderance of high population growth and low capital income”. Finance is a very important resource in tertiary education industry because it is an essential requirement for optimal productivity. However, its provision, especially in public tertiary institutions through government grants and subventions are usually inadequate.

This inadequacy is one of the major challenges for effective management of the major challenges for effective management of financial resources in tertiary education in

Nigeria. Managers of public tertiary institutions on one hand complain of inadequate funding, while the government on the other hand argues that other sectors of the economy also depend on the limited available resources. In trying to discuss the paper will examine the concepts of fund and tertiary education, sources of funding challenges in funding tertiary education in Nigeria. Some solutions will be proffer, problems will be identified and conclusion will be made.

Tertiary education otherwise known as higher education is that education offered after secondary school education which could be received in such institution like University, Polytechnics, college of education, monotechnics as well as various bodies offering correspondence courses (Enenalo, 2016). Tertiary education is a major instrument for the promotion of socio-economic, political and cultural development. It is the source of knowledge and skills for high level manpower production. According to UNESCO (2004), Higher education is a solution provider to major problems facing the globe today like problem of inequalities, poverty, environmental degradation, health hazards and large scale pandemics such as HIV/AIDS.

Adebola and Atande (2012) maintained that high education builds social cohesion and lays foundations for healthy civil societies based on good governance and participatory democracy. The national policy on education (2013) stipulated that the goals of tertiary education shall be to:

1. Contribute to the national development through high relevant manpower training
2. Develop and inculcate proper values for the survival of the individual and society.
3. Develop the intellectual capacity of individual understand and appreciate their local and external environments.
4. Acquire both physical and intellectual skills which will enable individuals to be self-reliant and useful members of the society.
5. Promote and encourage scholarship and community service.
6. Forge and cement national unity, and
7. Promote national and intellectual understanding and interaction.

In furtherance to this, Peretomede (2008) came out with a more direct and concise purpose of higher education which are to:

1. Tech people to think further, broader and deeper than they have been so far brought up to do;
2. Give each student training of mind and cultivation of independent mind to enable him/her think ore critical and rationally, understand how conclusions are reached and make informed choice;
3. Develop in student's positive attitude, emotional integrity and interpersonal skills;

4. Provide an ethical education, that is a person who is not just a thinking creature, but one who is refined and knows the difference between right and wrong; and
5. Develop in students a capacity and interest in serving others.

From the above, it is understandable that the main purpose of tertiary education is to transform lives for the benefit of the individual and society. These goals can only be achieved if tertiary education is made functional, well equipped and has the capacity to add value to human lives by making students better more sophisticated at their exist point (Akuegwu, 2013).

Funding is the act of financing. It is the financial resources provided to make some project possible. It is the act of providing fund for a particular purpose (Ogbonna, 2012). Fund therefore, as stipulated by Mbekem, (2004) refers to assets in the form of money, finances, monetary resources, cash in hand etc. it is a sum of money saved or made available for a particular purpose. It could be called money or financial resources. Funds take any of the following forms: physical cash, credit facilities, allowance, deferred expenses such as deferred taxes, rents, bills etc, undistributed profits etc.

### **Sources of Funds for Tertiary Education**

Tertiary institutions depend entirely on their owners for their funding needs. That is those which are owned by the public depend on government at the state and federal levels to fund their academic programmes, while the privately and voluntary agency-owned ones depend on their individual owners and voluntary organization to provide for their funding.

There are long-term and short – term sources of funds. Long-term sources of funds are funds required to create production facilities through purchase of fixed assets such as plant, machinery, land buildings, equipment, furniture etc. while short term sources of funds are funds needed for a short period of time. It must be raised within the shortest possible time in order to be useful to the institution (Gravenir, F.Q. 2010). Short term sources of funds as listed by Ogbonna (2012:150) can be grouped into two, namely internal and external sources.

### **Internal Sources of Funds**

The fact that various government cannot adequately fund tertiary institutions in the country implies that these institutions must look for sources of revenue for financing their programmes. There are some revenue yielding projects; which constitute internal sources of funds to Nigeria tertiary institutions. These include:

1. Staff primary and secondary schools
2. Proceeds from school farms
3. Sale of proceeds from school farms
4. School guest houses
5. The central stores
6. School bookshops
7. School printing press

8. School printing presses
9. School car stickers
10. Consultancy service etc.

### **Staff Primary and Secondary Schools**

Almost all Nigerian higher institution have primary and secondary schools. These school are called staff schools and are usually located within their campuses. The school fees and other fees paid by the pupils and students respectively in these schools go into the institutions as part of funds generated internally to run them.

### **Proceeds from School Activities**

School activities represent another major sources of generating fund internally for the running of the institutions. They include such activities as sales of admission forms, hiring of school's academic gown by students, hiring of school hall for events, hiring of schools vehicles, awarding honorary degrees and diplomas, sales of hand books, issuance of certificates, transcript and identity cards and stickers, toll gate fares, sales of scratch cards, institute for continuity education programme (icep), sandwich programmes, short-term programmes, re-training programmes for primary school teachers, organizing talk-shops, schools canteens, organizing concerts and plays etc.

### **Sales of Proceeds from School Farm**

Many Nigeria tertiary institutions have large poultry farm which produce eggs and broiler. These products are sold to members of the school community and outsiders. More so, institutions have school farms which produce some farm products such as corns, okro, maize, yam, vegetables, cassava etc. these products are also sold to the institution communities and outsiders too. The funds realized from these farms constitute internally generate revenue.

### **School Guest Houses**

The Higher Institutions guest houses are usually located within the institutions. The guest house provides accommodation and food to visitors and strangers who request for their services. Funds realize through these guest houses are part of the internally generated revenue.

### **The Central Stores**

The central stores of tertiary institutions are used for trading on essential and other commodities. These stores usually buy the essential commodities and sell them at moderate prices to members of their communities and it times to interest outsiders. The generate income to the institution.

### **School Bookshops**

Bookshops constitute one of the most viable projects owned by Nigerian higher institutions. The bookshops offer services to students, members of staff and outsiders. The book business is very lucrative because the students and members of the academic staff need the books for their academic pursuit, which generates income for the

institution and are open to members of the public and outsiders and the fund realized constitute part of the internally generate income.

### **School car Stickers**

Nigeria tertiary institutions sell car stickers to academic and non-academic staff who own cars. These stickers produced and sold by security departments. The income realized from the sales forms part of the internally generated revenue.

### **Consultancy Services**

Most Nigerian tertiary institutions run consultancy services. For instance, those who have science and engineering faculties/school run consultancy services on road construction and rehabilitation, electrical and telecommunication industry, petrochemical industry etc. the income realized from these consultancy services contribute significantly to solving some of the financial problems of the institutions.

### **External Sources of Fund**

The external sources of funds to Nigerian tertiary institution as enumerated by Okunamiri (2002) are:

1. Government grants
2. Government education fund
3. Non-governmental funding
4. Tertiary education Trust Fund (TETFund)

#### **1. Government Grants:**

Government grants constitute another major source of funding tertiary education.

Government grants fall under two categories: capital and recurrent grants.

Capital grant: this is the bulk cash spent by the government once in a while in rehabilitation of existing and construction of new buildings. It also covers the cost of procurement and maintenance of school equipment.

b. recurrent grant: this is the regular expenditure that goes on in the school daily, weekly, monthly and yearly basis. It is seen in the annual in the annual budget of schools, ministry of education and the government respectively. They cover such as salaries ad allowance.

It is worthy to note that various federal institution gets government grants, through their governing bodies such as the National Commission for Colleges of Education (NCCE), the National Board for Technical Education (NBTE) an the National Universities Commission (NUC). The state owned institutions get grant for their state government.

#### **2. Government education Fund**

This is a special assistance funding system in Nigeria through which all the three tiers of government fund education. It comes in from of assistance to schools or communities for education development projects and programmes. It is meant to encourage self-help efforts of schools and their host communities.

### **Non-government Funding**

These are private individuals, Parents, Non-Governmental organization (NGO) and agencies, host communities and philanthropist who provide direct assistance to the various institutions or to students as the case maybe. For instance, building of ICT centres, libraries, laboratories, classroom building etc. they also help to sponsor developmental projects and programme going on in the institutions. They donate school buses, learning materials equipment and furniture, they also award scholarship.

### **3. Tertiary Education Trust Fund (TETFund)**

This is a scheme established by the federal government of Nigeria in 2011 to administer and disburse to federal and state tertiary education institutions the 2% education tax charged companies operating in Nigeria. The areas of TETFund intervention include the following:

1. Instructional materials and equipment
2. Research and publications
3. Academic training and development

#### Challenges in funding tertiary education in Nigeria

Higher education in Nigeria is faced with a lot of challenges, among which is funding. Finding has been a topical issue of interest among stakeholders. This is because of the peculiar nature of higher institutions. They are centres of academic excellence having as their objectives: teaching, research and public service. These objectives cannot be effectively achieved when faced with a lot of constraints in funding.

Some of the challenges encountered in funding education at the higher level as enumerated by Ogunu (2000) are

1. Inaccurate statistical data
2. Lack of stable policies in education
3. Population explosion
4. Limited sources of funds
5. Indiscipline and corrupt leadership
6. Diversion of fund
7. Methods of disturbing funds to various tertiary institution
8. Attitude of foreign funding agencies
9. High demand for higher education
10. Desire to break into smaller units.

#### **1. Inaccurate Statistical Data**

The issue of inaccurate statistics is a very big challenge in funding tertiary institutions in Nigeria. Wrong information and figures make it difficult for the government to plan effectively and to make sufficient funds available to the tertiary institutions. Most often, some chief executive of these institutions are in the habit of supplying wrong data to their supervisory bodies. Some give wrong information on the number of academic and administrative staff, students' enrolment, staff-students ratio, number of

available facilities and equipment. This make the government send inadequate funds to their institutions.

## **2. Lack of Stable Policies**

A stable policy is a firm established course of action of adopted by an individual, a group, an organization or a nation to accomplish set objectives. On the hand, an unstable policy is one that change frequently (Ogbonna, 2012). One can state without fear of contradiction that there is no agreed policy for the funding of tertiary education by the government. The result according to Okunamiri (2002) is that the tertiary institutions and their supervisory bodies end up getting from government, only “what the nation can afford”. Furthermore, some chief executives that assume office choose their own policies, proects or programme and fund such to the detriment of other ones initiated by their predecessors.

## **3. Population Explosion**

The dilemma of the unplanned population growth is also one of the challenges in funding tertiary education in Nigeria. There is a very large increase in students’ enrolment in Nigeria tertiary institutions. Some institution have more than ten thousand students, bringing with it excessive pressure on hostel accommodation, library facilities, laboratories, staff of course, funding (Ike-Obioha,2011).

## **4. Limited Sources of Funds**

The education sectors competes with the others sectors of then Nigerian economy. For this reason, funds made available to the education sectors are not sufficient and this affects funding in the tertiary education. This is because the inadequate fund made available to the education sector will be shared among the three levels of the sector-primary, secondary and higher education sector more so, the internally generated revenue is inadequate in catering for the needs for the institution.

## **5. Indiscipline and Corrupt Leadership**

Indiscipline and corrupt leadership have eaten deep into the fabrics of Nigerians society. Indiscipline and corruption are today found in all sectors of the economy including educational institution that were once are known for order and decorum. Some tertiary education administrators are known to receive gratification for the award of contracts concerning the construction of some projects in their institutions. Some embezzle funds provided for some projects. For instance, some vice-chancellor may embezzle loans meant for academic and non-academic staff of their institution. Where this kind of cases exists, then there are really problems in funding such institutions.

## **6. Diversion of Funds**

Some administrators of higher education and officials of their supervisory bodies divert funds meant for a particular project to other projects. It is on record according to Nwoye (2012) that during the military regime of Obasanjo that funds meant for education were diverted to the Ajaokuta steel company for the development of the basic infrastructures to the detriment of the education sector. Where such happens, there is no doubt that problems in funding would exist.

### **7. Methods of Disbursing Funds to Various Tertiary Institutions**

The methods of disbursing funds to various tertiary institutions constitute yet another problem in funding tertiary institutions. This is caused by delay in the receipt of funds. Most administrators, bursars or their representatives normally travel to their supervisory body's headquarters in Abuja or ministry of education as the case may be for grants. The problem here is the procedure in the delay in transferring funds from the headquarters to various institutions. In most cases, the administrators travel a number of times before funds are released to them.

### **8. Attitude of Foreign Funding Agencies**

Another challenge in funding tertiary education in Nigeria is the attitude of foreign funding agencies. Some of these agencies include the United States Agency for International Development (USAID), the Canadian International Development Agency (CIDA), the United Africa Company (UAC). These agencies tend to hesitate to pledge funds into the Nigerian tertiary education system until they are assured of adequate managerial support by the institutions. The grantors will always like to influence where and how the recipients deploy these resources and require accountability for their usage. (Emenalo, 2016).

### **9. Total Dependence on Government for Funding Tertiary Education**

Higher institutions in Nigeria are non-profit oriented organizations which depend solely on government for funding. Governments, both federal and state, in turn depend on the economic fortunes of the country to determine what should be allocated to these institutions. In other words, there is poor public support for education. Many people regard higher education as entirely government venture. This notion is wrong, as it only succeeds in bringing financial distress to the institutions.

### **10. High Demand for Higher Education**

There is a very high demand for higher education by Nigerian youths. As pressure for admission increases, more and more tertiary institutions are created rather than expanding and improving the existing ones. This situation calls for more funding.

### **11. Desire to Break into Smaller Units**

In many higher institutions, under the guise of specialization, more facilities and departments are coming up every day with new departments, new institutes and new sun-departments. For instance, at Imo State University, a lot of new departments have been created out of the already existing ones in the Faculty of Education such as Social Science Department etc. The implication of this is that the tertiary institutions become over-administered resulting in huge expenditures allocated to the central administration (Nwagwu 2000).

### **The Way Forward**

Having discussed the challenges in funding the tertiary education, it is only proper that one should proffer solutions to them.

1. First of all, the Federal and State ministries of Education and the Supervisory bodies of the tertiary institutions should ensure that there are adequate



statistical data in their offices by going to the various institutions to collect the data and cross-checking their authenticity before use. Proper information and accurate figures will make it easier for the government to plan more effectively for education and hence provide sufficient funds to the tertiary institutions. There should be accurate statistics on students' enrolment, category and qualifications of staff, number of facilities and equipment and staff-students ratio. All these will make funding easier.

2. There should be agreed and stable policies in the funding of tertiary education. In other words, any course of action adopted by the government should be completed without abandonment.
3. Government should provide enough funds for education, so that the tertiary level of education would get its own fair share of the funds. This is necessary since there would not be any meaningful progress in the education sector without adequate funds. Tertiary institutions should also diversify their sources of revenue since the government alone cannot effectively fund higher education.
4. Key officials in Tertiary institutions and their supervisory bodies should not embezzle funds meant for education. Moreso, contracts should not be awarded based on gratifications, rather it should be based on merit and competence.
5. There should be prudent management of funds. Funds meant for particular projects should not be diverted to other projects where they are not needed.
6. Government should improve its method of disbursing funds to tertiary education, since delays are bound to affect the effective implementation of educational activities in such institutions. Government can achieve this by paying in money directly to various institutions' accounts instead of letting the bursar travel all the way to Abuja (for Federal Institutions) to collect the money.
7. Tertiary institutions should give international funding agencies the confidence that they will use the funds for the purpose for which they are meant. They should give these agencies managerial support by allowing them to help in monitoring the projects for which the funds are meant.
8. The public, especially industries should assist the government in the funding of tertiary education. Tertiary education should no longer be regarded solely as government venture alone. In other words, individuals and organizations should fund and support tertiary education. They can do this by embarking on the execution of projects for the institutions, awarding scholarship etc.
9. To cope with the high demand for tertiary education, government should increase its allocation to tertiary institutions to enable them pay staff salaries and maintain services.
10. Administrators should consider the financial strength of their institutions before creating more departments out of the already existing ones to avoid financial distress.

## Conclusion

In this paper, funding in tertiary education was seen as a topical issue of interest among stakeholders of the tertiary education because of its peculiar nature of being the centre of academic excellence with the objectives of teaching, research and public service. During the course of discussion, the concepts of fund and tertiary education were discussed. It also examined some of the sources of funds for tertiary education in Nigeria. Challenges in the funding of tertiary education were also discussed and suggestions given on how to solve them.

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