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ALTERNATIVE FUNDING STRATEGIES AND PROVISION OF MATERIAL RESOURCES IN FEDERAL UNIVERSITIES IN NIGERIA

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Abstract

Underfunding has almost becoming a permanent problem in Nigerian universities and it has been hindering the optimum performance of these higher institutions in the country. This paper therefore examines the alternative funding strategies and the provision of material resources in Nigeria Federal universities. Thus the concept of alternative funding strategies was reviewed, the funding trend and problems in federal universities were traced. It also examines the various alternative way of funding Federal universities viz-a-viz the provision of material resources in Nigeria federal universities. The paper concludes that federal government alone cannot provide the needed fund to run Federal universities in Nigeria because the government is saddled with many responsibilities, which are paramount to the development of the country as whole, and it recommends that the Federal universities should intensify their effort to improve their internally generated revenue sources and search for more alternative revenue generation way than what contained in this paper.

Introduction

Underfunding has been a major challenge to tertiary institutions administration and the performance of the entire education sector in Nigeria for a long time. Manifestation of poor funding is suspected to have produced negative effects on human capacity and infrastructural capacity, teaching and research output, content and quality academic publication, programmes and products (education standard), prestige and glory (Odunsi, 2011). Education policy analysts have sought to explain causes of the lingering underfunding situation and its effects in federal universities. Many intervening variables have been unearthed along with drastic measures taken by the Federal Government to ameliorate the situation yet the malady lingers on. The gross underfunding of the education sector in the country has been rendering the tertiary education system ineffective. Adepoju in Jimoh (2017) remarked that money is absolutely the input of any education system; it produces the essential purchasing power with which education can

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acquire its human and physical inputs. In the words of Odia (2007), UNESCO in 1998 recommended 26% of the total budget of a nation to be allocated to education so as to purchase the facilities needed in the schools such as information and communication technology (ICT) facilities, instructional materials, maintenance of physical facilities, staff maintenance and so forth, but contrary to this, Longe commission of 1991 revealed that the percentage of budgeting allocation to education has not exceeded 10% (Ekundayo & Ajayi, 2009).

Evidently, one can see from the foregoing picture that there is much to be done in terms of improving the funding of the federal universities in order to improve the situation. Thus, the study seeks to assess alternative funding strategies and provision of material resources in Federal Universities in the North-Central Zone of Nigeria.

Concept of Alternative Funding Strategies

The present economic realities in Nigeria point to the fact that government can no longer fund tertiary education alone. Government functionaries, researchers, economic analysts and observers have, in diverse manners and various occasions, made this stack reality known to universities. As a result, some of them have embarked on diverse conventional measures to generate revenue internally to supplement government grants and subventions. The need to look out for alternative fund sources has therefore become imperative. Alternative sources of funding here refer to persons, organisations, places/areas, avenues or means of raising or generating money other than the popular conventional means to finance public federal universities.

Funding Trends and Problems in Federal Universities

In Nigeria, it has become very clear that government alone cannot fund colleges of education because of the increasing costs of delivery in federal universities brought about by a combination of enrolment pressures, resistance or failure of institutions to adapt more efficient and productive financial management styles and inability of government to keep pace with cost pressures in the face of other competing social demands which have resulted in various cost-sharing measures being introduced, including user charges, which were previously non-existent. Over the years, the government's budgetary allocations to education in Nigeria have left much to be desired. For example, in 2011 government's budgetary allocation to education was 9.3%, it was 9.86% in 2012, while 9.01% was budgeted in 2013, it was 10.5% in 2014 while in 2015, 2016, 2017, 2018, 2019, 2020 it was 10.7%, 7.9%, 7.4%, 7.04%, 7.05%, and 6.7% respectively. However, in 2021 5.6% was budgeted which is the lowest percentage allocation since 2011 (CBN Statistical Bulletin, 2015; Premium Times, 2021). Public financing of universities has encountered challenges such as: the placement of limits on admission by government, very low government educational budget, reducing financial support from foreign donors, the economic growth in Nigeria that is no longer strong enough to fund programmes in higher education, as well as poverty, unemployment and uneven distribution of wealth (Akinsanya, 2007).

Nigeria where the government is expected to be responsible for a substantial portion of funding for government owned universities (Kpolovie & Obilor, 2013; Olaleye, 2012).

The environment in which the federal universities operates as well as its funding has had profound changes over the years. The trend in federal universities funding, however, does not appear to have changed sufficiently in line with the changing environment, which thus explains to a large extent why there has been some dislocations and serious problems in the funding of universities

in Nigeria. These have all changed dramatically over the years and have greatly influenced the extent to which the federal universities could be adequately funded by its owner, governments. One could readily note a common pattern in the changes that have taken place in the above main components -they have all been on a worsened/ degraded trend with adverse/ negative tendencies and implications. For instance, the economic and financial fortunes of Nigeria as well as its socio-political situation or governance could be seen to have severely degenerated - from grace to grass since the seventies. In like manner, the earlier wealth illusion of the seventies that characterized the establishment of more colleges of education was transient, leaving the large number of federal universities grossly underfunded.

Alternative Sources of Funding Federal Universities

Traditional funding sources for financing universities in Nigeria include: (i) Proprietor – the Federal Government (ii) Internally Generated Revenue (IGR)- Investments, Charges on services, Donations received – in cash & kind, Rent of facilities, Endowments, etc and (iii) External linkages. It is a pleasant development that many federal universities have begun the engagement of creative fund generation strategies. Examples include University of Abuja, University of Jos, and University of Ilorin. For instance, among other strategies, UNIABUJA introduced a levy after consultations with Parent Teachers Association and University Board approval. Also, UNILORIN, has taken bold steps in establishing a university farm where students and members of the public are trained in practical agriculture. The college has fish ponds, poultry, goat and sheep rearing, snailery and a piggery. Apart from cassava plantations, it also established a fruit juice factory, water factory and a bakery and confectionery.

Consultancy Services and Provision of Material Resources

It is practically difficult to trace the exact origin of consulting practices due to the dearth of any significant and sufficient literature on the topic. In ancient days saints and religious personality offered their advice, which arose out of their divine knowledge and deep meditation. Later as the social system became more organized, kings used to consult ministers for their expert advice on important matters relating to the administration of the State. Originally these services were provided free of cost. But gradually the consultants were compensated suitably for their services. The pioneers of consultancy in Nigerian university took the route of research consultancy and industrial engineering. Several institutions and firms were established during this period. These include the Administrative Staff College, National Productivity Council, and the Nigerian Institutes of Management (NIMs) (Jha, 2010). The consultancy services got a boost during the 1960s and 1970s when many retired executives and foreign-trained consultants joined the consultancy organisations. The development banks and institutions encouraged consultancy services by conducting feasibility studies and project appraisal for better project execution. This paved the way for development of specialised consultancy in the area of infrastructure projects (Weiss, 2002). The 1980s brought consultancy to the areas of strategic planning and software development.

Today, as a way of complementing the effort of government, all the universities in Nigeria provide consultancy services and are generating the much needed fund which are channel toward the provision of material resources needed in these universities. Some of consultancy services that Nigeria universities render to the country are the areas ;of Agriculture, Arts, Business and Social

Sciences, Medical, Parks and Gardens, Sciences, Computer Services, Education, Engineering, to mention but few.

Endowment Fund and Provision of Material Resources

Endowment funds are established to fund charitable and nonprofit institutions such as churches, hospitals, and universities (CFI, 2015). Earnings and capital gains of endowment assets over time provide an attractive source of revenue for a non-profit organization. With a larger endowment, the university administrator can devote more of their time to program implementation and less time on fund raising activities. Furthermore, unrestricted endowments provide a revenue stream that can be used for whatever the university needs, such as ongoing program costs, a much needed roof repair, or updated accounting software. In contrast, revenues from other sources such as grants are difficult to obtain for these more prosaic needs.

Thus, revenue from unrestricted endowment can fulfil a critical need for the less newsworthy but vital supporting services in the university. An endowment fund is an investment portfolio with the initial capital deriving from donations. Donations to endowment funds are tax-deductible. The Harvard University endowment is the largest academic endowment fund in the world, with a $40.9 billion asset under management as of 2019 (CFI, 2021).

Kabir (2009) identified lack of funds as the main problem militating against provision of resources, and recommended that universities should budget more money to acquire both human and material resources.

The author is discussing below, some of the alternative funding strategies vis-à-vis provision of material resources in federal universities

Part-time Programmes and Provision of Material Resources

Part-time courses are there, for people who can't commit the time and resources to studying full-time at undergraduate and/or postgraduate level. One might take up a part-time course for personal development, for the purposes of career progression, or simply because one is really interested in the subject. If anything, part-time study can be a bit of an indulgence, a way to continue learning whilst embarking on a career (Mathis & Jackson, 2006). Most part-time students choose that option because it offers a more flexible approach to learning that can fit around their existing commitments, particularly those who need to be able to work while studying.

The price of this is that their degree takes longer to complete and although this is a small price to pay when compared to not being able to study at all it can feel like a long time which may lead to a lack of motivation for some students. Students that do not already have work experience in their field of study sometimes consider part-time courses in order to gain a broader understanding of the rigours of working in their chosen field. Many part-time degree courses are scheduled to ensure that classes fit around normal working patterns, meaning that attendance is usually only required in the evenings or at weekends. This can be ideal for those who are keen to combine their studies with some on the job training in order to improve their prospects in the employment market once they have gained their qualification.

Human relation movement are of the view that a good working environment and the provision of social facilities for the workers will be valued more highly by the workers than monetary rewards, thus, some scholars believe that welfare scheme motivates workers to perform. This is applicable to all students as well as the students in federal universities in Nigeria because if these students

are motivated with the available students' welfare services, it will assist them in their learning acquisition and also reduce or eradicate students' demonstration in the campus for lack of provision of such services.

Contributions from Philanthropists and Provision of Material Resources

Philanthropy are both an attempt by donors to shape and change the world around them, and a way in which those who give can change their own self-image and the way in which they are perceived (or hope they are perceived) by others (Breeze, 2012a). Social science approaches to philanthropy consider both the impact upon wider society and the impact upon the donor themselves. Impact philanthropy predicts distinct philanthropic behaviour because it implies that charitable giving can be interrelated in ways different than in other models of philanthropy. For example, the defining assumption of the public goods model is that donors contribute motivated by their desire to consume a public good.

The gifts of individual philanthropists are, therefore, related; anything that one philanthropist does to increase the supply of the material resources is enjoyed by all in the university. As a result, a public goods philanthropist prefers to 'free-ride' off the gifts of others, that is, enjoy the supply of the public good without having to pay for it. On the other hand, the defining assumption of the private consumption model is that donors contribute motivated by the personal satisfaction the act of giving itself brings, or equivalently, because the act of giving alleviates social guilt (Warr, 2012). Finally, the defining assumption of the impact philanthropy model is that donors contribute because they enjoy personally increasing the output of a good. Similar to public good philanthropists, the gifts of impact philanthropists are related, but in an opposite way; anything that one philanthropist does to increase the supply of the good reduces the impact of other philanthropists' contributions.

Although the Federal Universities in the North-Central Zone were already using educational material resources for various processes in the schools, but schools still faced shortage challenges due to inadequate finances. Notable challenges including limited funding to support the purchase of the ICT facilities to improve access to educational materials, lack of training for staff of the universities to adopt ICT as a teaching tool and lack suitable e-content for various subjects. It has been noted that failure by educational institutions to provide ICT facilities has been as a result of inadequate funding by the government (Richardson, 2007). Without financial support of the government and assistance from development partners introduction of computers in educational institutions will continue to remain an expensive venture in spite of the fact that the cost of hardware and software has been coming down over the years.

Donations from Alumni and Provision of Material Resources

Alumni are one of the greatest resources an institution can tap for support. Either by creating more activities for students or by generating more participation in current activities, universities can work to create a positive image among students prior to their donating. Now more than ever federal universities need to focus future planning on raising revenue for the institution. The administrations at these higher education institutions have taken a different strategic approach in planning to meet the financial needs of the institution (Ferrari, 1991). Public institutions are mirroring the strategies of private institutions as they mount larger capital campaigns, build a much greater endowment, and seek to offset increasing tuition costs through grant writing.

Along with increased alumni donation campaigns, institutions have increased camps, conferences, and other developmental opportunities, which have provided a much needed source of income. These ventures for campus growth and financial support are some of the many measures institutions have taken to provide the money necessary to offer a quality education at a reasonable cost (Reilly, 1998). From the beginning it is clear that Nigerian universities have always had a need for external support for higher education. As reported by Conley (1999), early schools were founded by religious affiliations - public funding was not allocated for such institutions - and there was no evidence that colleges and universities deserved public support. The first examples of institutions receiving large gifts were Harvard, Yale, Tufts, Rutgers, and Colgate Universities.

Today, universities rely heavily on financial support garnered through alumni donations. Cutlip's (1965) cited in Ebersole (2011) research into the early history of alumni associations indicates that in the late 1800's satisfied alumni along with other interested individuals began demonstrating loyalty to college institutions by providing financial support. These interested individuals often displayed support to the specific organization or program that met their needs as students.

Universities can use the money to build infrastructures, hire better faculties and appeal to more promising students with scholarships. Therefore, it is significant for schools to learn about what affects the donation decisions.

Sales of Farm Produce and Provision of Material Resources

The sales of farm produce comprising of all activities involved in supply of farm inputs to the farmers and movement of agricultural products from the farms to the consumers (Acharya & Agarwal, 2011). The sales of farm produce includes two major sub-system viz. product marketing and input (factor) marketing. The product marketing sub-system includes farmers, village/primary traders, wholesalers, processors, importers, exporters, marketing cooperatives, regulated marketing committees and retailers.

Adequate fund need to be made available if the university would operate at its maximum capacity for the convenience of the lecturers and student. Beynon in Dayu (2014), states that materials resources increase learning effectiveness, concretize learner's experience and make learning real and imaginative, it helps to individualize instructions, it also helps to motivate learners in getting their attention and enhance better understanding and mastering of events and concepts. It is pertinent to note that these facilities need to be purchased and supplied; also some of the facilities need to be serviced, overhauled or replaced with new ones. The school materials are purchased by the school administrator. It becomes imperative to note that funds need to be provided to purchase these facilities, funds are also needed to service, overhauled or replaced them and for general maintenance. Funds are also needed to train lecturers that will use these facilities.

Donations from Non-Governmental Organisations and Provision of Material Resources

Non-governmental organisations are one group of players who are active in the efforts of international development and increasing the welfare of poor people in poor countries. NGOs work both independently and alongside bilateral aid agencies from developed countries, private-sector infrastructure operators, self-help associations, and local governments.

Non-governmental organizations now play an important role in the education sector. Non-governmental organisations provide an umbrella of services including the provision of educational facilities and resources, promotion of equality and human rights, legal services, education and training programs, socio-economic political empowerment, and employment creation schemes.

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One of the main reasons for the increasing use of NGOs in developmental activities is to find an alternative and better channel for development aid in developing countries. The importance of NGOs in the delivery of services is gaining increasing recognition not only to complement government programmes, but also to provide people with a choice of service outlets and to create an effective voice in respect of service needs and expectations. The analysis of the current situation in regard to NGOs participation and partnership in education development is considered to be timely and relevant to initiate strategies to promote and enable non-governmental organizations to engage meaningfully in collective action for education development. Such collaboration could have a positive impact on the form and substance of education governance.

Conclusion

It is no more a mare saying but has become a fact that federal government of Nigeria can no longer adequately fund its own universities. This is evidence in the percentage of the total annual budget the federal government allocates to education which has been far below the 26% UNESCO recommended since 1998. It is on this note that this paper submitted that alternative funding strategies is the solution to the crisis of underfunding, the federal universities in Nigeria are facing in their attempt to provide material resources.

Recommendations

This Paper is of the opinion that the federal universities in Nigeria, should intensify their efforts to boost all the sources of alternative way of generating funds contained in this paper. And other sources or strategies of alternative funding universities such as Tertiary Education Trust Fund (TETfund) should be effectively, efficiently and wisely utilized for the provision of material resources in Federal universities in Nigeria.

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