

Composite Funding Strategies for Effective Management of Public Universities in Nigeria

Patricia Nguwasen Mando, Ph.D

Department of Educational Foundations and General Studies
Joseph Sarwuan Tarka University, Makurdi

Corresponding author: patriciamando@gmail.com

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Abstract

Despite the fact that availability of financial resources is a very influential factor for the delivery of quality education, public universities in Nigeria are still bedeviled with serious difficulties in securing adequate funding. This has undoubtedly limited them from delivering a world class education. The paper examined composite funding strategies with the aim of addressing identifiable challenges and promoting effective management within Nigerian public universities. Key concepts were discussed and properly linked with the need for adequate and sustainable finance for the institutions and the current funding situation. It highlighted the significance of composite funding strategies in ensuring improved service delivery of public universities in Nigeria. The limitations associated with public university funding were discussed, including insufficient budget allocations, limited IGR, and limited access to grants. Traditional funding sources, such as government allocations, IGR, TETFund, as well as alternative funding strategies, like public-private partnerships, philanthropic donations, etc., were discussed. It also discussed the potential for international collaborations and funding opportunities, such as the benefits of research collaborations and scholarships for Nigerian students, home and abroad. It underscored the importance of transparent budget planning, resource allocation, and accountability in achieving sustainable funds within public universities. It concluded by emphasizing the need for composite funding strategies as the practicable means of overcoming funding challenges for enhanced management of public universities in Nigeria. It recommended that diversification of funding sources, promotion of partnerships, and application of effective financial management practices are the models to ensure adequacy and sustenance of funds for university education.

Keywords: *Composite Funding Strategies, Effective Management, Public Universities*

Introduction and Problem Statement

Education is the eye-gate through which every nation sees, plans, implements, and reforms the curriculum in a manner that could influence their economy positively. It is through education that a society plans and trains her citizenry to become positive ‘impactors’ of the society. To impact positively is to contribute meaningfully towards the growth and development of all aspects of the society. In a similar view, Eneasator, Azubuike and Orji (2019), posited that education is the universal means of equipping individuals and groups to ensure they help in developing the society. With a functional education system, a nation becomes well-positioned to advance in all fronts. For an education system to be standardized and world-classed, the aspect of effective management of all aspects of available resources of the sector, including funding or finance driven resource is necessary.

Funding is the mobilization, utilization and reporting of finance related operations of an organization or school. Generating, attracting and utilization of supports that are money-driven can be referred to funding. This shows that funding could be in the form of money, building, roads, instructional materials, transport facilities, sporting equipment, scholarships, among other finance-driven projects that are indispensable for the smooth operations of the universities. The sources of funding could come from the government and or the private sector (entrepreneurs, non-governmental organisations, NGOs, corporations – local and international...). This is why it is advised that public universities have to embrace encompassing approach to funding. This is what composite funding strategy is about. It is the approach to funding that encourages universities to embrace all foreseeable feasible avenues to generate and attract the required funds that could enhance their operations, especially if effectively managed. It discourages universities from solely relying on traditional sources of funds like government but to complement it with other contemporary sources of funding, such public-private partnership, robust alumni associations, promising commercial ventures, etc. The approach lays is equally vocal about sincere utilization and productive management of generated funds for the benefit of the institution through a robust, pragmatic and patriotic leadership.

Effective management on education system, with special regard to the public universities has to do with adequate and appropriate utilization of scarce resources to continue to bring about desired results. It is about putting to good use whatever available and accessible resources in a manner that yields commendable results from the education sector. It is the avenue for making education be in tune with set goals. Managing public universities effectively requires a proper coordination and utilization of human, physical, financial and other resources resulting in sustained attainment of educational goals. All the categories of resources are needed in high proportion to be able to achieve the kind of results the society expects from the education sector. More especially is the financial asset which acts as lubricant that could properly be deployed in spurring other school resources to function adequately. This is why Ajaegbo (2023), asserted that the place of financial resource for effective school operations can never be overemphasized, giving that its adequacy could be magic needed to make the sector worth its salt in Nigeria. This underlines the truth that universities and other educational institutions and schools cannot achieve their mandates with enough funding. Consolidating the need for adequate funding of the education sector, that United Nations Educational Scientific and Cultural Organization

(UNESCO), cited in Idowu (2019) recommended that an annual budgetary allocation benchmark of 26 % of a nation's annual budgets should go to the sector. Adherence to this recommendation will undoubtedly reposition Nigerian education system.

Sadly, University education in Nigeria remains chronically underfunded, as the enthusiasm for the system is yet to be matched with financial and developmental commitments. The Permanent Secretary for the Federal Ministry of Education, Andrew David Adejo in 2021 asserted, whether we like it or not, the government can no longer foot the bill for universities, hence the reason FG is pursuing private-public partnerships. It could be recalled that under Buhari-led administration, a paltry 5 to 8 per cent of the total budget was allocated to education. In the same vein, Idowu (2019), revealed that the Federal Government between 2010 and 2018 allocated 6%, 9%, 9%, 9%, 11%, 11%, and 8% of the nation's total budget to education, respectively. These proportions still fall short of the 26% advocated by UNESCO. Odou and Anietie (2019) frowned at this, and decried the fact that such meagre allocations cripple the functionality of the sector, as funds are unavoidably needed to run education. This situation is made worse by the fact universities Internally Generated Revenue (IGR) is so weak and sometimes, mismanaged for personal interest of the leaderships. There is also unwarranted concerns about delays and inconsistencies in disbursement the already weakened funds. This is evident in a report on July 23, 2023 which accused the TETFund boss, Dr. Sonny Sonny Echono of involvement in contract fraud, procurement racketeering, and similar crimes to the tune of N2.3trillion. The nasty scenarios do not speak well about the Nigerian education system, including the universities because of inherent consequences.

In relation to the foregoing, Azenabor (2021) argued that the current funding situation of public universities in Nigeria presents significant challenges that affect their operational effectiveness and the quality of education they provide. There is no doubt that dearth of funds hamper the general wellbeing of the system, as noticed in poor development and maintenance of infrastructure, operations with obsolete pedagogical and research facilities, half-baked and hasty staff trainings, poor remuneration and rewards, inadequate staffing, infrastructure deficits, disruptions of operations, inability to conduct cutting-edge research to contribute to scientific advancements, and addressing of societal challenges, etcetera.

The problem of inadequate funding has brought about the recent call for the re-introduction of tuition fees, which was put on hold in 1977, back to federal universities in Nigeria (Azenabor, 2021). This has not really gone down well with the general public, especially parents due to the general worrisome economic situation of the country. The academics of the universities, under the platform of Academic Staff Union of Universities (ASUU), have lamented of government's insensitive to their welfare and intention disregard to agreements reached with her to pay all due rewards to her members, as well as adjust their remunerations based on economic realities of the country. Many students have also resorted to immoral and condemnable means of raising money to meet up with the ever increasing school-related bills. Some school leaderships who are also in dire need of fund to meet up with family and societal responsibilities seems to have taken to impunity measures to make money by abusing the integrity expected of them in managing the universities. This is observable in accusations of embezzlement and corrupt practices and irresponsible leadership across all sectors of the economy in Nigeria, of

which the university system is not an exception (Ajaegbo, 2023). With all these issues surrounding funding on universities in Nigeria, one wonders if there would ever be a way out of the cage of fund inadequacies. In attempt to remedy the situation, this paper sought to examine composite funding strategies for effective management of public universities in Nigeria.

Composite Funding Strategies for Public Universities in Nigeria.

Composite funding strategy has to do with the deployment all available avenues in mobilizing and generating financial resource and supports for school operations and effectiveness. For the university system where poor funding had been an ever-present issue that generates controversies and discussions, adoption of a comprehensive approach to seek and secure funds the schools, staff and students has become a must-do task to ensure continuity in operation and improved service delivery of the university system. The following composite funding sources, if effectively exploited, will prove invaluable.

- **Government allocation:** This is considered as the fundamental and traditional source of fund for public universities in Nigeria, as allocations are made through the budgetary process and cover various expenses, including personnel salaries, operational costs, infrastructure development, and research activities. Ideally, this is supposed to be an annual budgetary allocation of at least 26 % of a nation's total budget to the education sector based on the UNESCO's recommendation (Idowu, 2019).
- **Tuition and fees:** The tuition free policy of government in 1977 for federal universities in Nigeria has recently been stepped aside because of the urgent need to boost IGRs of the schools. The implication is that public universities in Nigeria now stand better empowered to generate more funds from such sources. The funds generated ought to be fairly deployed in supporting academic programs, student services, facility maintenance, and other aspects of operations deemed necessary for interventions.
- **Government intervention programs:** The Nigerian government often initiates intervention programs and special funds aimed at supporting public universities in the area of infrastructure development, research, and staff training. The Tertiary Education Trust Fund (TETFund) is an example of such programs. Corroborating on this, Eneasator, Azubuike and Orji (2019) posited that TETFund is directly involved in massive provision of critical teaching and learning infrastructure and facilities, and staff development of academic and non-academic in tertiary institutions.
- **Student loans and government scholarships:** Recently, the Federal Government has revisited her interest in student loans arrangement, even though its operations are yet to be feasibly streamlined. These loans and scholarships provide financial support for tuition fees, accommodation, and other educational expenses to help students focus more on their career pursuits. The students loans, together with government scholarships are measures initiated to provide certain relief to students. The role public universities in this venture is to facilitate the process the will ensure students succeed in obtaining the aids. Some of the popular accessible scholars include: Federal Scholarship Board (FSB), The

Petroleum Technology Development Fund (PTDF) Overseas Scholarship Scheme, The Commonwealth Scholarship, Erasmus+ Scholarships and Aga Khan Foundation

- **Public-Private Partnerships (PPPs):** These involve collaborative mechanisms between private entities/firms and public universities to share resources, expertise, and funding for various projects and initiatives of mutual interest. Public universities may receive sponsorships and support from corporate entities, including grants, scholarships, research collaborations, and infrastructure development partnerships. Corporations often invest in universities to gain access to research expertise and to establish relationships with future graduates. The African Academy of Sciences, The World Bank Group, United Nations Development Programme (UNDP), International Development Research Centre (IDRC), The Commonwealth, Mastercard Foundation, Horizon Europe, and Newton Fund are some of the popular international bodies that offer universities in opportunities for collaborations in different dimensions and magnitude. Also, there have been presence of AfriHUB, Window on America, canteens, banks, etc., in the universities for different areas of collaborations.
- **Income-generating ventures:** Establishing commercial activities within the university premises to generate revenue. This can include renting out facilities for conferences, hosting community events, or operating campus bookstores, cafes, or housing facilities. This includes income from commercial ventures such as bookstores, cafeterias, hostels, and conference facilities. They may also offer consultancy services, training programs, and executive education courses to generate additional income. The Obafemi Awolowo University, for instance generates income through its conference center, which hosts events and conferences throughout the year. Football clubs around the university community could be availed the opportunity of training with school's sporting facilities, and money received from such ventures.
- **Engagement of alumni platform and philanthropic individuals for supports:** Alumni associations play a crucial role in mobilizing resources and supporting various university projects and initiatives by way of donations, endowments, or fundraising initiatives. Building strong relationships with alumni and indulging ex-students on initiatives that could motivate them to mobilize financial resource to support their alma mater. Alumni associations can contribute financially to support scholarships, infrastructure development, and other university projects. The University of Nigeria, Nsukka has an active alumni association that organizes fundraising events and supports various university programs.
- **Innovative fundraising campaigns:** Creating innovative campaigns to raise funds, such as crowdfunding platforms, and online fundraising initiatives. For instance, the Ahmadu Bello University launched a successful crowdfunding campaign to raise funds for the renovation of its library, and engaged the alumni association, staff, and students in the process. This could be a veritable revenue generation apparatus to complement other sources of funding for public universities.

Why should Public Universities be Composite-Funded?

Composite funding strategies is quite promising, if only the leadership and stakeholders could be sincere and objective in making the most of the approaches for the benefits of the institution rather than personal material quest. The following are the rationale for which composite funding strategies are envisaged:

- a. Assurance of financial stability:** Effective management of composite funding mechanisms will help public universities maintain financial stability by ensuring that expenses are within budgetary limits and revenue streams are managed efficiently. This stability is essential for the universities long-term sustainability and ability to fulfill its educational goals. With financial adequacy, operations of the universities are enhanced.
- b. Improves the stakeholders' confidence in the leadership:** Transparent management of the funds and supports the strategic and encompassing funding avenues has the capacity to instill confidence and trust in various stakeholders, including government agencies, donors, students, and the general public. This fosters strong and positive relationships, partnerships, and continued support for the universities, and avail them veritable opportunities to remain in financial buoyance and strong.
- c. Infrastructure development:** Efficient financial management enables public universities to invest in infrastructure development, including the construction and maintenance of classrooms, laboratories, libraries, and student facilities. Upgraded infrastructure enhances the learning environment and attracts students and faculty.
- d. Enhancement of students support services:** Adequate financial management ensures the availability of student support services such as scholarships, grants, and counseling programs. These services help improve access to education and facilitate the success and well-being of students, and eventual improvement in academic and career achievements.
- e. Productive research and innovations:** Composite funding practices provide the necessary funding for research activities, equipment, and collaborations. This supports the generation of new knowledge, innovation, and general contributions of universities to excellence in education, scientific advancements, and societal all-round development.
- f. Improvement of staff training and development:** With enhanced financial capacity of universities through as a result of effective exploitation of the potentials of composite funding apparatus, the apex learning institutions would become well-positioned to invest more in faculty and staff development programs, including training, workshops, and conferences. This enhances the expertise and skills of faculty members, leading to improved teaching quality and research output.
- g. It Propagate academic excellence:** adequate exploitation of the potentials of the composite funding practices provide the necessary resources to support high-quality academic programs, faculty development, research activities, and the acquisition of modern educational resources. This contributes to the overall academic standard, excellence and competitiveness of the university system. Well-managed financed public universities are known to have competitive advantage in attracting and retaining talented faculty members, researchers, and students.

Factors that contribute to Inadequacy of Funds for Public Universities in Nigeria.

Some of the key anti-fund generation and or attractions concerns are highlighted hereunder:

1. Security challenges: Nigeria has faced security challenges, particularly in certain regions, which have strained government resources. Allocating funds for security operations and combating insurgency leave fewer resources available for education, including funding for public universities. It is also understandable potential private collaborators consider it unwise to invest in schools that are prone to security threats. As such, the patronage is often lost, leaving the university in want of another of supports. Similarly, Ajaegbo (2023), pointed out that the incessant threat of insecurity in Nigeria, and university community deter potential partners from commitment to collaboration arrangements.
2. Diminishing value of budgetary allocations from the government: It is no longer a news that the proportion of annual budget of the federation and states allocated to the education sector, and universities in particular have lost values in real terms. Studied have showed that from 2010 to 2023, the percentage government allocations to education have been far short of the UNESCO's recommendation of 26%. Figure 1 shows more evidences.

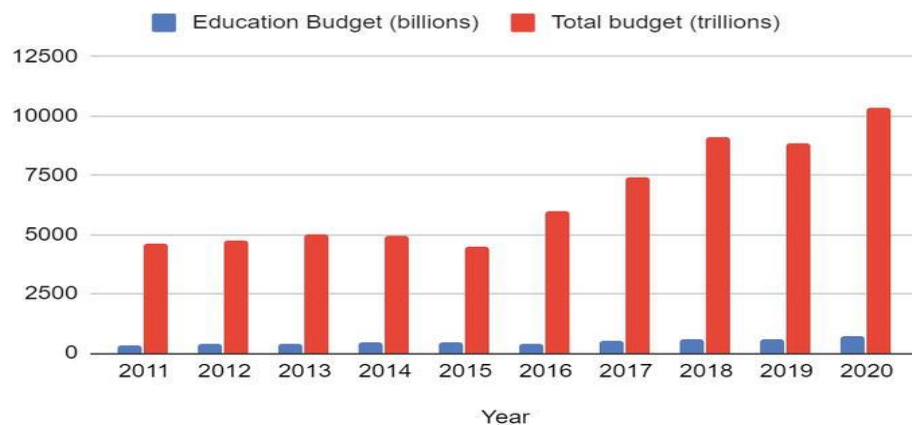


Figure 1: Education budget in relation to total budget, 2011–2020 (Nigerian Bureau of Statistics cited in Jones-Esan, 2022).

On fig.1, the red bars represent annual budget of the federation, while the blue bars show the annual proposed allocation to the education sector from 2011 to 2020. The blue bars are obvious closer to the base of the bars, implying that little is allocated to the sector. With such meagre allocations, universities are stagnated, and starved of the financial resource needed to drive the sector to world-class standards.

3. Insufficiency and dysfunctional private-public collaborations: Even though many universities are willing to collaborate with private sector, the economic reality of inflation and hardship incapacitate some firms and wealthy individuals from venturing into such partnership. Ajaegbo (2023) lamented that limited functional and sustainable collaborations between the privates and the public universities further jeopardise the chances of universities in generating adequate funding. There is also the syndrome of

‘promise and fail’ due to unforeseen circumstances, especially on the part of private sector. Hence, public universities do not have enough collaborations that could strengthen their financial support capabilities.

4. Weak revenue generation commercial ventures: Public universities in Nigeria face challenges in generating alternative sources of revenue. Most universities do not thoroughly manage business-oriented revenue generation opportunities at their disposal. There is poor coordination, monitoring, supervision and accountability for money generated from commercializing school facilities like field, canteens, gyms, hostels, factories, transports, etc. The lackadaisical attitude towards such commercial activities further weaken universities from generating enough complementary funds.
5. Exceed quest for higher and enrolments: The financial burden witnessed among public universities in Nigeria could be attributed to undue pressure on the financial resource at the disposal of the schools. Classrooms for most popular courses and department have literally become smaller, due to the pressure from over population of students using the infrastructure. It is obvious that the growth in student enrollment has not been matched by a proportional increase in funding, putting a strain on public universities’ resources.
6. Corruption leadership and mismanagement: There is no denying the fact that Nigeria’s most dubious challenge is unpatriotic and subjective leadership who are driven by materialism and personal interest. Indeed, corruption and mismanagement of funds have plagued the Nigerian public sector, including the education sector. Embezzlement and misallocation of funds intended for public universities have hindered adequate funding and resource allocation. No wonder, Azubuike (2023) lamented that the major constraints in funding of education in Nigeria, include failure of implementation and lack of accountability resulting from systemic embezzlement and misuse of education funds for by leadership. Consequently, monitoring and evaluation mechanisms in the allocation and utilization of funds have been neglected. The questionable personality of most universities’ leadership deter potential fund contributors from lending their supports.
7. Political instability: Nigeria has experienced periods of political instability and frequent changes in government administration. The resulting policy discontinuity and inconsistent prioritization of education funding have negatively impacted public universities’ funding. This has also resulted into abandonment of projects and efforts made by previous leadership to attract and or generate more funds for the school.

Budget Planning, Resource Allocation and Utilization, Accountability and Transparency Measures for Effective Management in Public Universities.

The problems highlighted in the foregoing subheading demand that sincerity, objectivity, spirit of patriotic and integrity be imbibed in, to strengthen the varsities financially, and ensure effective management. With sincerity and professionalism in engaging the following measures, the challenges could become surmounted.

Strategic and Dynamic Budget Planning: The plans for the annual revenue and expenditure should be based on thorough needs assessment, goal alignment, zero-based

budgeting, prioritization and trade-offs, performance-based budgeting, and flexibility and contingency planning. Conducting a comprehensive needs assessment to identify the financial requirements of various faculties, directorates, departments, programmes, units and projects within the institution is indispensable. There should be sustained evaluation and justification of each budget item from scratch, including forecasting of trends, projecting enrollment figures, and considering long-term infrastructure and investment requirements, and linkage of budget allocations to performance indicators and outcomes. This approach encourages a thorough review of all expenses and promotes efficient resource allocation for the success of institution.

Effective Resource Allocation and Utilization: The system leadership develop and operate with comprehensive financial policies and procedures that outline guidelines for financial utilization, procurement, and expenditure, ensuring that such policy is accessible to all stakeholders, in order to keep promoting consistency and adherence to established standards. Leadership of the various universities should ensure they set aside contingency reserves or funds for unexpected expenses that could allow the institution to respond effectively to emerging needs. It is indisputably important to engage relevant stakeholders, such as department heads, faculty, and administrators, in allocation of funds and reminding them of the need to effectively utilize funds allotted to their area of jurisdiction in pursuit of school goals. Engaging the stakeholders would also be needful in fashioning out mechanisms for monitoring and assessing the effectiveness of resource allocation and usage.

Accountability, Auditing and Transparent Practices: This is the key to effective utilization of funds for the schools because it is like the judiciary which does the work of checkmating and bringing systems to order. There should be clear roles and responsibilities in implementing checks and balances, and conducting regular audits of financial processes. Universities should adopt transparent financial reporting practices, providing clear and accurate information about their financial activities, including revenues, expenses, assets, and liabilities. Implementing robust internal control systems to safeguard university assets, prevent fraud, and ensure compliance with financial regulations. For instance, regular monitoring, periodic internal audits, whistleblowing, and fostering open communication and transparency by disseminating financial reports, budgetary information, and updates on financial performance for accessibility by stakeholders would go a long way in remedying fraudulent plans and operations.

Conclusion

Composite funding strategies is the most promising means of overcoming funding challenges for enhanced management of public universities in Nigeria. The strategies such as boosted tuition and other fees, PPP and collaborations, alumni supports, prudent engagement in business venture, etcetera, are available for adoption for fund generation and attraction. Overcoming the challenge of unscrupulous leadership is the key subduing other issues of poor funding of the university system. Engaging all the available and accessible practices of cumulative funding requires integrity, sincerity and show of patriotic in budget planning, allocation, utilization, and finance-related documentations and reporting, and auditory to ensure the system remains financially robust and sustained. With all these put into sincere use, the system will subdue the headache called ‘poor funding’.

Recommendations

Diversification of funding sources, promotion of partnerships, and application of effective financial management practices are the models to ensure adequacy and sustenance of funds for university education. The leaderships of the various universities in cooperation with other stakeholders should take the aspect of sincerity and patriotism in budget planning, financial resource allocation and utilization, and accounting and auditing very serious. With proven integrity on the part of leaderships, the system would earn confidence and trust from the populace, and consequently attract more supports and collaborations that are finance-related.

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