



## **SHORTAGE OF FUNDS IN THE NIGERIAN PUBLIC UNIVERSITIES: CAUSES, EFFECTS AND WAYS FORWARD**

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### **Abstract**

The university education is one of the most expensive forms of educational system in the World. The university education is very complex and capital intensive. The public universities in Nigeria are under-funded, and this is affecting the development of the system. This paper examined factors/causes responsible for shortage of funds in the Nigerian public universities. Print materials and online publication were sorted and used in the paper. This paper identified; lack of political will to implement UNESCO 26% for education, poor internally generated revenue, corruption and insecurity problems as causes of shortage of funds in the public universities while the effects of shortage funds in the administration of universities includes; inadequate infrastructural facilities, inadequate manpower, poor quality of education, strike actions and brain-drain. To address these problems of shortage of funds in the Nigerian public universities, the paper recommended that the government should develop the political will to implement the UNESCO 26% recommendation for annual education budget, the school administrators should generated ideas to increase the internally generated revenue and all forms of corruption should be fought in the university education system.

**Keyword:** Challenges, Funds, Public Universities, Shortage.

### **Introduction**

Public universities are universities owned by the government. These are universities established to provide post-secondary schools for Nigerian. Public universities are



universities established by the act of parliament to serve the interest of the public. Public universities deal with the provision of teaching, research and communities services. In Nigeria, public universities are grouped into federal and state-owned universities (Ogunode, 2020). Federal universities are owned by the federal government of Nigeria while the state universities are owned by the state government. The objectives of higher education in Nigeria which including universities are given as: acquisition, development and inculcation of the proper value orientation for the survival of the individual and societies; development of the intellectual capacities of individuals to understand and appreciate environment; acquisition of both physical and intellectual skills which will enable individuals to develop into useful members of the community; acquisition of an overview of the local and external environments (FGN, 2014).

The realization of these objectives depends on adequate funding of the public universities. Funding is the key to the smooth running of the university education system. Without adequate funding, it is impossible to implement the programme of universities effectively. Adequate funding of the university education will ensure: adequate infrastructural facilities, adequate manpower, and development of programme, implementation of universities programme, quality researching, adequate instructional aids and quality education. Ololube, (2016) observed that to a large extent, it is presumed globally that adequate funding of education at all levels determines the quality of the educational system that is functional in any nation. Proper funding of university education will guarantee the realization of the universities' objectives. Ololube, (2016) submitted that well-funded education programs in place, nations are guaranteed effective and first-class brains that will propel national and regional development. The education of students through quality higher education institutions is fascinatingly exclusive for those who are able and privileged to acquire one.

In recent time now, many stakeholders in the university management have lamented poor funding of the universities in Nigeria. Ogunode (2020) submitted that inadequate funding is one of the major problems facing the administration of public universities in Nigeria. The budgetary allocation for the administration of public universities in Nigeria is not adequate to implement the programme of universities in Nigeria. The university system requires a lot of funds for effective administration to be able realized it goals. The annual budgetary allocation for the administration of universities in



Nigeria is grossly inadequate. Inability of the federal government to stick to the UNESCO 26% of national budget for education is affecting the management of Nigerian universities (Ogunode & Abubakar, 2020). There is constraint on public funding for higher education not only in Nigeria but also in all countries; both developed and developing (UNESCO, 2004). Although, tertiary education presently received a larger share of the education budget, Okoli, Ogbondah, & Ewor, (2016) , Ogbondah (2010) and Uzoka, (2007) all agree that inadequate funding is a major problem facing the university education in Nigeria. It is imperative to discuss the various reasons/causes responsible for shortage of funds in the Nigerian public universities.

### **Concept of University Education**

University education is the post-secondary school education. This is an organized education that prepares an individual for career life. University education is an education that deals with teaching, researching and the provision of community services. In Nigeria, the universities' education is part of higher education. The higher education according to National policy on Education (2013) includes polytechnics education, College of education and universities. Universities education is further classified into public university (Federal and state and private university. The private universities and the federal and states universities. Ogunode (2020) defined public universities are universities owned by the government. Public universities are universities established to provide post-secondary schools for Nigerian. These are universities established by the act of parliament to serve the interest of the public. It deals with the provision of teaching, research and communities services. The objectives of the universities in Nigerian higher education, including professional education with the following aims: the acquisition, development and inculcation of the proper value orientation for the survival of the individual and societies; the development of the intellectual capacities of individuals to understand and appreciate environment; the acquisition of both physical and intellectual skills which will enable individuals to develop into useful members of the community; and finally, acquisition of an overview of the local and external environments (FGN, 2014). Ofoegbu, & Hezekiah (2017) observed that Universities are expected to be centres of academic excellence in teaching, knowledge dissemination and developmental researches. These tripod roles are handicapped in typical Sub Sahara Africa Universities because of the



challenges of inadequate teaching and learning facilities. The existing facilities are overstretched by explosive students' population. The academia in Nigerian Universities also works in harrowing conditions. Besides lack of modern technological and pedagogical apparatus to equip the undergraduates with meaningfully skills and competencies, they are poorly and irregularly paid. They are therefore demotivated and willing to leave for greener pastures within or outside the country. All these challenges conspire against quality university education.

The federal government funds of federal universities while the state government is responsibilities for the funding of state universities across the country. There are two obvious sources of funding the university system in Nigeria. These are the conventional sources and the alternative sources. Conventional sources of funding the universities in Nigeria are the following according to Tyokyaa and Odey (2017) as cited by Ahaotu & Ogunode, (2020):

**Government Subventions (Grants):** Government grants and subventions constitute a very substantial proportion of the finance that is available for use by the universities in Nigeria. Ahaotu & Ogunode, (2020) and (1987), observed that these grants could be capital or recurrent grants. The former (capital), when paid to universities, is meant for the erection or construction of new buildings, carrying out of major repairs of old structures and the purchase of hardware, school equipment such as laboratory and library facilities, etc.

**(a) Tuition Fee/Levies:**

When students attend school or classes in the universities, they are likely to pay for the lectures they receive from teaching. When such payments are made, we say students pay their tuition fees. Usually tuition fee is not the only payments made by students; they may have to pay levies for such purposes as examinations, laboratory use, development, hostel accommodation, hall maintenance fee, admission screening fee, etc.

**(b) Government Education Tax Fund (ETF):**

Ahaotu & Ogunode, (2020) submitted that the Education tax Fund was established through the Education Tax Decree Number7 of 1993 which compelled companies operating in Nigeria, which have up to one hundred (100) employees on their payroll to contribute 2% of their pre-tax earnings in any one year to the Education Tax Fund





(ETF) for the funding of education. The ETF has so far made its presence felt in many universities and other tertiary institutions in the country through the construction and or rehabilitation of new classroom blocks, hostel, staff office complexes, laboratories, etc. Alternative sources include.

### **(c) Donations and Endowment Funds:**

Another source of financing the universities is through donations and establishment of endowment funds. These are made by corporate organizations, especially Multi-national companies, communities and individuals who are eager to contribute to the upliftment of higher education in the states or the country. Most of these donations are essentially free willing gifts in cash or in kind to universities. Such grants have been quite small. In the past, substantial (foreign) grants were received from organizations like the United Nations Educational Scientific and Cultural Organization (UNESCO), the United Nations Development Programme (UNDP), the Ford Foundation, the Rockefeller Foundation, the Carnegie Foundation, The German Academic Exchange services(DAD), Canadian International development Association (CIDA),etc. These grants were mainly geared towards adding programmes in the universities, especially postgraduate studies, staff development and programme accreditation facilitation. Unfortunately, these grants actually declined when Nigeria's oil wealth gave the impression that such aids were no longer necessary. In recent time, some universities have been making a frantic effort in launching endowment appeal funds but unfortunately, very little have been realized from the effort (Ahaotu & Ogunode, 2020).

### **(d) Internally Generated Revenue**

In response to the government mandate that each university must generate at least 10% of its total revenue, each university has now embraced vigorous, commercial ventures and linkages with the productive sector. It caused most universities to run different commercial ventures, ranging from hotel services, primary and secondary schools, publishing, consultancies, supermarkets, bookshops, sales and marketing, including petrol stations (Ahaotu& Ogunode, 2020).



## **Causes of Shortage of Funds in the Universities**

There are many factors/causes of shortage of funds in the Nigerian universities. Some of them include; lack of political will to implement UNESCO 26% for education, poor internally generated revenue, corruption and insecurity problems.

### **3.1 Lack of Political Will to Implement UNESCO 26% Recommendation for education**

The inability of the federal government to implement the UNESCO 26% recommendation for education in the national budget every year is one of the major reason for the shortage of funds for the administration of Nigerian universities. The Nigerian universities are under-funded, and this is affecting the management of the system. Ofoegbu and Alonge (2016) in their study established that scarcity of funds has remained a clog in the wheels of effective management of university education in Nigeria. The universities require large capital outlay for their operation. Underfunding and the globally depressed economy have put a task of financial responsibility and ingenuity in alternative sources of funding on University administrators. Okoli, Ogbondah, and Ewor, (2016) observed that one of the major challenges facing the management of this sector of education is inadequate funding. The budgetary allocation devoted to education has been considered being grossly inadequate considering the phenomenon of increase in students' enrolment and increasing cost, which has been aggravated by inflation. A serious problem confronting Nigerian public university education today is that of a scarcity of fund. Government financial policies on education have therefore been subjected to constant review intending of allocating more resources to university education. Odigwe, & Owan, (2019) concluded that the total allocation to the education sector from 2009 to 2018 is N4, 038,115,000,000. The results further revealed a difference of N 10,311,805,000,000 between UNESCO benchmark of 26% and the actual allocation to the education sector for the same time period. It was concluded that the total allocation made to the education sector within the period of 2009 to 2018 is low, and below the UNESCO benchmark. Odigwe, & Owan, (2019) observed that the total amount that will have been allocated to the education in Nigeria from 2009 to 2018 if UNESCO benchmark was followed is N 14,349,920,000,000 (Fourteen trillion, three hundred and forty-nine billion, nine hundred and twenty million naira); as opposed to the N 4,038,115,000,000 (Four trillion, thirty-eight billion, one hundred and fifteen million naira) that was



eventually allocated. A cursory look at the figures also shows a clear difference of N10, 311,805,000,000 (ten trillion, three hundred and eleven billion, eight hundred and five million naira) between UNESCO's specification and what was allocated to education from 2009 to 2018. So, the inability of the government to implement the UNESCO 26% recommendation for education is among the causes of shortage of funds in the universities in Nigeria.

### **3.2 Poor Internally Generated Revenue**

Poor internally generated revenue of the universities in Nigeria is a fundamental reason for a shortage of funds in the universities across the country. Majorities of public universities in Nigeria were designed and structured to depend fully on government subvention. So, the universities cannot function without the government funding.

### **3.3 Corruption**

Corruption practices among the universities administrators is another fundamental reason for shortage of funds for the administration of the universities. The high level of corruption in some universities is reducing the volume of monies that are meant for the provision of both capital and recurrent services. Ogunode (2020) submitted that corruption in the public universities in Nigeria is another problem preventing effective administration of public universities in Nigeria. The high rate of corruption in the Nigerian public universities has hindered effective administration of the universities. Many public universities are in the present condition because of the corruption in the system. Funds provided for implementation of programme, provision of infrastructural facilities, employment of staff and programme development ended up been looted or diverted into private account. Punch (2020) reported that much of the little funds that go into the universities are stolen. In the course of the face-off, the government claimed "the fraud in the universities is amazing and you will be shocked. ICPC did a system check recently, and it was so shocking. In fact, the worst two organisations they mentioned are the Teaching Hospitals and our universities." In 2018, the Socio-Economic Rights and Accountability Project claimed that there were allegations of corruption in several federal universities relating to the unfair allocation of grades; contract inflation; truncation of staff's salary on the payroll; employment of unqualified staff; certificate scandal; examination malpractice; sexual harassment; and issuance of results for expelled students to graduate. Ololube, (2016) and Jamila



Shuara in Tihami (2012), observed that there is a lot of mismanagement of fund by educational boards and the moneys meant for higher education are mismanaged as much as Nigerian higher education institutions have joined other public sector institutions in having a sizeable number of uncompleted or abandoned projects.

### **3.4 Insecurity problems**

Nigeria as a country faces with the challenges of insecurity since 1999. The insecurity problems have many dimensions across the six geo-political zones. Every year huge amount of funds are budgeted to prosecute the war against the insurgencies and bandits in the Northern Nigeria and reduce the high rate of crime in the country. The funds that are supposed to be allocated for another sector of the economy like education and health is reduced and added to the budget of defense. The huge amount of money spending every year on management of security in the country is contributing to the in poor funding of education.

### **Effects of Shortage of Funds in the Universities**

The effects of shortage of fund in the administration of universities in Nigeria include; inadequate infrastructural facilities, inadequate manpower, poor quality of education, strike actions and brain-drain

### **4.1 Inadequate Infrastructural Facilities**

Ogunode (2020) defined Infrastructural facilities refers to facilities aiding delivery of academic and non-academic services in educational institutions. Infrastructural facilities include; libraries, laboratories, halls, offices, administrative blocks, hostels, roads facilities, water, electricity, internet etc. The availability of the infrastructural facilities in adequate quantities will support effective administration of educational institutions and the inadequacies will prevent effective administration of educational institutions. Many public universities in Nigeria do not have adequate lecture halls, laboratories and offices for both students and academic staff. Many academic and non-academic staff do not have offices and paraventure they have one is been shared by five to six lecturers. Tyokya, and Odeh, (2017) lamented that greatest problem facing higher education in Nigeria is that of gross under-funding. The problem of under-funding and over-reliance on government remains a major confrontation for the university administrators in Nigeria. Consequent upon the financial constraints facing





the universities, the infrastructures are dilapidated and inadequate, students face difficult conditions for learning in terms of overcrowded classes and hostels, inadequate library and laboratory facilities, inadequate water supply, irregular electricity supply, dehumanizing living conditions by both staff and students alike. In many public universities in Nigeria, students are found standing outside the classrooms receiving lectures, as their population has outstripped the classroom spaces that are available. Odigwe, & Owan, (2019) observed that one of the core reasons Nigeria is lagging amidst her Africa's contemporaries is because of poor financing and insufficient funding of education. Thus, it is common to see in Nigeria that many schools lack buildings, facilities, shortage of human resources to drive planned policies, poor supervision, monitoring, amongst others. All these issues are tied to finance. Classrooms are highly unequipped in many Nigerian schools, especially public schools. Ogunode (2020) concluded that the factors responsible for inadequate infrastructural facilities in Nigerian public universities include; underfunding, increased in student' population, corruption, poor infrastructural facilities planning, poor supervision and inflation. The implications of inadequate infrastructural facilities in the Nigerian public universities include; poor quality of education, poor teaching and learning, low productivities, brain-drain and overcrowdings of lecture halls.

## **4.2 Inadequate Manpower**

Shortage of academic and non-academic staff in the various public universities in Nigerian has also been linked to poor funding of the universities. Ogunode (2020) observed that this problem of inadequate teachers in public universities is caused by underfunding of the universities, corruptions, brain-drain, poor motivation, uncondutive working environment and lack of manpower planning. The implication of shortage of academic staff in the Nigerian public universities include student – teacher ratio, poor learning, poor delivery of teaching, low productivities and poor quality of education.

## **4.3 Poor Quality of Education**

Another effect of shortage of funds in the administration and management of public universities is poor quality of education. Mobegi (2015), argued that any country where mismanagement of funds is experienced, its quality of education is bound to decline. Ololube, (2016) observes that the mismanagement of funds meant for



Nigerian institutions of higher learning has thrown Nigeria in a bad light. Those in authority grossly mismanaged little funds appropriated to these institutions. Since Nigerian institutional leaders mismanage their funds, the quality of higher education is bound to deteriorate. The unauthorized, misappropriation, intentional or illegal use of the appropriated funds for higher education by institutional leaders for other unauthorized purposes have negative effect on proper and effective management, planning and control of the quality of higher education in Nigeria.

#### **4.4 Strike Actions**

Strike action in the Nigerian public universities is another problem facing the administration of public universities in Nigeria. The Nigerian public universities are known for continuous strike actions by different union groups in the public universities. The continuous strike actions by these different union groups are frustrating the administration of public universities in Nigeria. The reasons for the strike actions by different union groups include; underfunding of the public universities, inadequate infrastructural facilities, and poor implementation of agreement reached with union groups and poor working condition (Ogunode, 2020). Ololube, (2016) submitted that the constant standoff between staff unions and government is because of what unions termed government renegeing on its responsibilities towards proper funding of the higher education systems. According to an Internet post on the reasons ASUU went on a one week warning strike beginning 00.01 midnight of Wednesday 16 of November 2016 was that less than 10% of the universities in Nigeria have video conferencing facilities, less than 20% of Nigerian universities use interactive boards, over 50% of them do not use public address system in their overcrowded lecture rooms and theatres. Internet services are non-existent or epileptic and slow in 99% of Nigerian universities. ASUU further highlighted that Nigeria's university library resources are outdated and manually operated, book shelves are homes to rats/cockroaches and no Nigerian university library is fully automated and less than 35% are partially automated. Ololube, (2016) also opined that strike actions are the only music that unions play and the government listens. The inadequacy in government funding has been a bone of contention in almost all the conflicts between the federal government and staff unions. This situation has been like this for decades and has caused disruptions in the academic calendar of institutions of higher education. According to Okojie (2008), the ability to maintain stable academic



calendar has been a major problem in Nigerian universities. The series of strikes or threats has been so frequent that it has been a source of major concerns to government, business leaders, politicians, students, parents and stakeholders.

#### **4.5 Brain-drain**

Brain-drain refers to the movement of professionals from developing countries to developed countries for a better job offers. Brain-drain is a situation whereby professional individuals are migrating from their countries to another country to seek greener pasture. Many lecturers and researchers are leaving public universities in Nigeria to other part of African countries and Europe for a better job offer and conducive working environment (Ogunode, 2020). In 2010, the former secretary of the National University Commission Prof. Okojie acknowledged that most federally controlled universities complained of inadequate funding and the effects of this problem have resulted the deterioration of physical facilities; internal and external brain drain among the faculty, dead of quality scientific research and managerial capacities of Nigerian public university system (Ololube, 2016, Okojie, 2010).

#### **Way Forward**

To address these problems raised in the article, the following were recommended: implementation of UNESCO 26% recommendation for annual education budget, increase in the internally generated revenue and fight corruption.

#### **5.1 Implement UNESCO 26% recommendation for education**

Government should improve on her education funding, especially tertiary education, in order to achieve expected goals. The government should develop the political will to implement the minimum percentage of the total budget of a country that was recommended by UNESCO for an effective educational system. This will lead to more allocation for the development of the universities across the country.

#### **5.2 Increase Internally Generated Revenue (IGR)**

School administrators should thin out the box and come out with strategies and means to raise their internally generated revenue. This is the viable option to the problem of poor allocation to the Universities in Nigeria. School administrators should partner with private companies in carrying our research.



### **5.3 Fight Corruption**

The government should use the various anti-corruption agencies to fight corruption in the university system. School administrators should set up anti-corruption unit in their universities to help in exposing corruption practices.

### **Conclusion**

Adequate funding is very critical for the development of university education. Therefore, government must fund properly universities to enable her discharge her responsibilities. Properly funding of universities will lead to the realization of its objective and quality education. It has been established that public universities in Nigeria are under-funded. This paper discussed the factors responsible for shortage of funds in the public universities. The identified; lack of political will to implement UNESCO 26% for education, poor internally generated revenue, corruption and insecurity problems as causes of shortage of funds in the Nigerian public universities while the effects of shortage funds in the Nigerian public universities includes; inadequate infrastructural facilities, inadequate manpower, poor quality of education, strike actions and brain-drain. To address these problems of shortage of funds in the Nigerian public universities, the paper recommended that the government should develop the political will to implement the UNESCO 26% recommendation for annual education budget, the school administrators should generated ideas to increase the internally generated revenue and all forms of corruption should be fought in the university education system.

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