

# IMPLICATIONS OF LOW FUNDING OF EDUCATION ON THE QUALITY OF EDUCATION IN SOUTH-EAST NIGERIAN UNIVERSITIES

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## **Abstract**

This paper examines the concept of educational finance in institutions, enrolment into South-east Nigerian universities, funding and quality of education in Nigerian universities, universities tuition fees paid in different countries of the world among others. The objective of the paper is to examine the implications of low funding of education on the quality of South-east Nigerian universities and to determine ways of increasing funding in these institutions. The paper recommends co-operative funding involving all organs; parents, guardians, government and non-governmental organizations, alumni organizations and endowment and contributions from big companies should be encouraged to fund these universities. The governors in the South-east should be made to heed the Federal Government-ASUU agreement and increase the budget allocation to their state universities among others.

## **Background of the Study**

From a global perspective, economic and social development is increasingly driven by the advancement and application of knowledge. Education in general and university education in particular, are fundamental to the construction of a knowledge economy and society in all nations (World Bank Report, 2003). Yet the potential of university education systems in developing countries to fulfill these responsibilities is frequently thwarted by long - standing problems of finance, efficiency, equity, quality and governance. Now, these old challenges have been augmented by new challenges linked to the growing role of knowledge in economic development, rapid changes in telecommunications technology and the globalization of trade and labor markets (Strassner, 2004).

Williams (2005) reported that knowledge has become the most important factor for economic development in the 21<sup>st</sup> Century. Through its capacity to augment productivity, it increasingly constitutes the foundation of a country's competitive advantage. Education ranks very high on the agenda of any country that wants to achieve social, political or economic greatness. While education has a direct impact on the social status of an individual in the community, its effects on economic activities generally has been the subject over the years. A world wide survey of 158 countries between 1980 and 2005 as reported by the World Bank, indicated that 1% increase in average years of education could increase the Gross Domestic Product (GDP) of a country by 3% (World Bank Report, 2009).

This therefore affirms that adequate funding of University education is essential and crucial for the development of any country.

Adedija (2008) posited that among many problems which have bedeviled the Nigerian nation since independence, funding of education ranks very high. This is manifested in the country's decline in the proportion of government expenditure allocated to education sector relative to others over the years. This is in spite of increasing demand for educational activities either in primary, secondary or tertiary level. Given this situation and the crucial role of education in the development efforts of any society, the problem of funding should be a concern of all.

Njoku (2010) reported that out of the six geo-political zones of Nigeria, only the South-east geo-political state university lecturers are on strike for about six months now. This is as a result of the reluctance of the governors from the zone to pay the new salary structure agreed with Academic Staff Union of Universities (ASUU). Although several states of the country have implemented the

renegotiated ASUU-Government agreement since last year, governors of the South-east have declined to pay on the ground that they lack funds. This paper therefore aims to propagate the implications of low funding to the quality of education in South-east Nigerian universities.

### **Objective of the Study**

The main objective of this paper is to examine the implications of low funding of education on the quality of South-east Nigerian universities. Secondly, to determine ways of increasing funding in these institutions.

### **Significance of the Study**

The paper has potential implications for public policy and improved educational quality. It will encourage co-operative funding of South-east universities between government, parents and guardians and non-governmental organizations (NGO's). Finally, to direct educational policy makers on funding related decisions.

### **Review of Literature**

The review of literature examined the following: Concept of educational finance in institutions, enrolment and funding in South-east Nigerian universities, funding and quality of education in Nigerian universities, university funding in Nigeria before 1999, university tuition fees paid in different countries of the world among others.

### **Concept of Educational Finance in Institutions**

Orubulye (2006) reported that in countries all over the world, governments and individuals attach importance to educational development. This is based on the fact that a lot of benefits had been brought by education. Education is financed by both individuals and governments. Educational institutions are financed in several ways as follows:

#### **a. Tuition Fees:**

Olubadewo (2002) posited that when students/pupils attend universities or schools, they may be asked to pay for the teaching they are going to receive. When such payments are made, we say that tuition fees are paid by such pupils/ students. Tuition fees may not be the only charges levied on students: they may have to pay for exams, laboratory use, development, uniform and some other things. All these are ways of raising funds from students. In Nigeria, this source of funding of educational institution used to be very important in the past. Up to 1976, undergraduate students in the universities paid tuition and other fees (Akangbou, 1985). At the secondary level, school fees were paid until Obasanjo's regime in 1979 when this was scrapped. However, since 1984, some states have re-introduced fees in their secondary schools and higher institutions including the South-east states.

#### **b. Government Subventions (Grants):**

Educational institutions that are publicly owned depend on the owner-government for finance. This method of funding education is usually very important because in most, if not all countries, education is seen as a social service and government allocates a sizeable proportion of their annual budgets to the provision and financing of education. Government subvention (Grants) can be either lump sum or a per capita basis. It is lump sum when the government decides to cater for some items of expenditure incurred by the educational Institutions. Examples of such expenditure are the payment of teachers and non-teachers salaries and allowances and purchase of other educational goods and services. Sometimes, government decides to provide grants that are related to the number of students in the school. This happens when the federal or central government decides to be fully responsible for financing the education through the state or local government.

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**c. Donations and Endowment Funds:**

Babalola (2001) reported that another possible method of financing educational programmes is through donations and endowment funds. These donations are made by governments, communities and individuals who are eager to contribute to the upliftment of education in their states or nations. Donations in Nigerian educational institutions have not been substantial. However, in the past, much donations were received from foreign organizations like United Nations Educational, Scientific and Cultural Organization (UNESCO), the Ford Foundations, Carnegie Foundation, the German Academic Exchange Services among others. Unfortunately, these agencies contributions declined in the seventies when Nigeria's oil wealth gave the impression that such aids were no longer necessary. On the other hand, endowment funds are recently introduced to assist educational establishments, especially secondary and tertiary institutions in executing their development plans.

**d. Loans**

Educational establishments, like any other organization can borrow funds to execute their programmes. The only problem here is that, most educational programmes are neither profit making nor revenue-yielding. Thus, lending agencies are usually unwilling to provide loans to educational institutions. Loans are usually granted by institutions like commercial banks when there is a guarantee from government or some reputable organization that such loans will be repaid by them in case of default.

**e. Revenue Yielding Projects**

Ajayi (1996) posited that educational institutions should boost their internal finance through revenue yielding projects, such revenue yielding projects include establishment of bookshops, farms, consultancy service and hotel and catering services. Most universities have gone into these projects in recent times with the hope of diversifying their source of educational funds. Although, the efforts are commendable but till the present time, this method of finance is still very insignificant.

**Enrolment and Funding in South-East Nigerian Universities**

Since 1990, there has been a phenomenal growth in student enrolment in higher institutions of learning in Nigeria (Njoku, 2010). More institutions have been established either by the federal government or state government and students' enrolment has increased phenomenally. Virtually all institutions find themselves confronted by problems of inadequate funding, poor conditions of service and loss of morale. Nwankwo (2007), reported that pressures on admission into institutions of higher learning have compelled these institutions to overstretch their facilities without corresponding increase in funding. Enrolment into South-eastern Nigerian universities has tremendously increased. The Joint Admission and Matriculation Board (JAMB) has emphasized that major constraint of admission into South-east universities is the non availability of vacancies to match demands. Over the last five years, only between fifteen percent (15%) and eighteen percent (18%) of the candidates who applied for placement were successful (Nwosu, 2009). Under funding of education is increasing making it difficult and impossible for institutions of learning to fulfill their mission of teaching, research and community services.

**Funding and Quality of Education in Nigerian Universities**

Jones-Esan (2008), reported that the quality of Nigerian universities is so poor to the extent that none of our universities was ranked among the first 5,000 in the world. This can easily be verified by simply logging unto the internet and confirming the latest world university rankings. (<http://www.webometrics.info/top100continent.asp?Cont=Africa>).

He further posited that no Nigerian university is ranked among the first 40 in Africa. Obafemi Awolowo University, the highest ranking university in Nigeria is ranked number 44 in Africa and 5,834 in the world, while university of Ibadan, Nigeria's premier university is ranked number 66 in Africa and 6,809 in the world. With this ranking, several universities based in South Africa, as well

as other African countries that are not as endowed as Nigeria in financial and human resources (like Zimbabwe, Botswana, Senegal, Sudan, Burkina Faso, Namibia and even Rwanda and Somalia) are ranked ahead of Nigerian universities. Even the Polytechnic of Namibia is ranked number 32 in Africa. Only 4 Nigerian Universities were ranked among the top 100 in Africa as follows.

**Table 1:1<sup>st</sup> Four Nigerian Universities: International Ranking**

<b>Nigerian Universities among African top 100</b>	<b>Nigerian Ranking</b>	<b>African Ranking</b>	<b>World Ranking</b>
Obafemi Awolowo University, Ile-Ife	1	44	5,834
University of Ibadan	2	65	6,908
University of Benin	3	79	7,381
University of Lagos	4	96	7,601

**Source:**<http://www.webometrics.info/top100continent.asp? Cont=Africa>.

This shameful statistics contrasts badly with the position in the 70s when Nigerian schools attracted the best brains from Europe and the USA. That was the time when our University College Hospital (UCH), Ibadan was ranked among the best 5 in the Common Wealth. This is now history. But how did we get to where we find ourselves today? The problems are summarized as stated below.

- Funding constraints
- The problem of JAMB admitting un-intelligent students.
- The quality of students produced from secondary schools.
- Incessant strikes, that means South-east Nigerian universities have been on strike for about 6 months now.
- Indiscipline means reported cases of unethical practices of teachers.

### **University Funding in Nigeria Before 1999**

Before the advent of democracy in 1999, Nigeria was governed continuously by the military for 15 years i.e. 1984 - 1999. Harthett (2002), reported this period as the period of locust, caterpillar and cankerworms as far as education is concerned. The military governments were budgeting up to 40% for defence at the expense of education. Mind you, this was a period when Nigeria was at peace, not war.

The period was typified by mass exodus of Nigeria's best brains among the academics. Most of the Universities Human Resources that were trained in the best universities in the UK and the USA in the 1960's and 1970's via government scholarships were forced to relocate back to the western world where their talents are better appreciated and rewarded. Any lecturer whose views were considered too radical was sacked. A good example is the case of Professor Patrick Wilmot, a Jamaican, Yale-trained expert in the field of Sociology at the Ahmadu Bello University who was forcibly abducted by the Nigerian Police and deported to the UK in 1988 by the General Ibrahim Babangida's government because his views were considered radical. Jones-Esan (2008), reported that the unenviable legacies inherited by the Obasanjo's civilian government in May 1999 include the following:

- Unpaid pensions and gratuities for retired university staff which run into several billions of Naira.
- Shortage of highly skilled manpower required in the university system.
- Irregular academic sessions due to incessant strikes.
- Salaries and other remunerations paid to lecturers and professors, which do not compare favourably with what their colleagues earn elsewhere.
- Hostels which are in pitiable conditions.
- University buildings including lecturers rooms and offices which need refurbishment.

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- Libraries which are poorly equipped and are In need of modern books and equipment.
- Laboratory equipment which are obsolete and are calling for modernization.
- Campus roads which are in state of disrepair.
- Water supply which in most cases is inadequate. Nwosu (2009) reported that most of the state universities in the South-east Nigeria are not much better than secondary schools.

The bitter truth, which the populists did not want to hear, is that Nigeria remains one of the few countries where by and large education is funded by the government. Nwankwo (2007) reported that Nigeria present a classical study in over dependence on government for the provision of virtually everything. Total dependence on government for the provision of everything has not, is not and will never solve our problems. Nigerians have been made to believe that all they have to do is to sit at home, produce children and donate them to the government to nurture, maintain, train and educate. ; Nigerians want free medical treatment, subsidized food, good roads, cheap electricity, free water, free education etc. Time has come when Nigeria must face the reality of its economic and financial circumstances and do what others elsewhere do to propel their universities to institutions of national relevance, capable of fulfilling their national aspirations.

#### **University Tuition Fees Paid in Different Countries of the World**

Williams (2005) reported that the 13 OECD (Organization for Economic Cooperation and Development) countries reviewed universities and other higher education funding. It concluded as follows: Tuition fees are becoming the international rule and not the exception. Eight of the 13 OECD main competitor countries analyzed in this paper charge tuition fees of some sort. All these countries vary their fees to some extent.

In Canada, tuition fees are paid and they are on the rise. In Australia, differential fees are paid on the basis of income. From Japan, with effect from 2000, state universities would be allowed to have greater autonomy and more importantly, they have freedom to set their own tuition fee levels, and national universities fee are set at (£2,700) Two thousand and seven hundred pounds. In China, fees are set according to market conditions taking into account both costs and demand. In America, fees at public and private institutions are rising by an average of 14.1 percent from 2002 - 2003 to 2003 -2004 at public institutions. Overall, the spilt is between public universities - which charge ground \$5,000 - \$15,000 (£2,900 - £8,600) per year depending on location, type and length of course; and private universities where fees can be as high as \$30,000 (17,300) per year. In England, fees in universities are about £6,000 per year. In central London, the house of parliament recently increased tuition fees to three times higher than what was paid before. This resulted in a national protest by students on the 9<sup>th</sup> of December, 2010. (CNN News 2010).

#### **The way Forward: Public - Private Sector Partnership in Funding University Education.**

Jones-Esan (2008) posited that Nigerians of today believe only in receiving but not in giving. Nigerians believe only in give me, give me but will never like to part with anything. The Europeans and Americans believe in the philosophy of give and take in the establishment and funding of universities. Most universities are funded by philanthropists, the Alumni, the community and endowment. Members of the community also donate heavily or through wills which come in form of shares, buildings, or money to universities. This was how the great universities in medieval era were funded. Harvard university and Cambridge university, which are rated as number one and two in the latest ranking in the world, were not founded by government and do not depend for its administration on government funding. In Harvard University, endowment fund was valued at \$22.6 billion at the end of January 2005 whereas Nigeria's external reserve is only \$40 billion.

During the fiscal year 2005 the Harvard university income totaled \$2,228,200,000 the breakdown of the income of the university that year is as follows:

- Student income - 23 per cent

- Endowment income distributed - 28 per cent
- Income from other investments - 5 per cent
- Current use - gifts - 7 per cent;
- Other operating income - 14 per cent
- Sponsored research support- 23 per cent.

The first of the solution is universities in Nigeria should provide a professional accounting that would show what it costs exactly to provide its services. Nigerians should be encouraged to emulate what is obtainable in other parts of the world relating to university funding. It is significant to note that foreign students coming to Nigeria prefer private universities to federal or state universities. The obvious reasons include the fact that the university calendar is scrupulously adhered to, there is greater discipline among teachers and students.

## **Summary, Recommendations and Conclusion**

### **Summary**

From this discourse, the following are the salient points to be noted:

- The governors in the South-east Nigeria shall be made to heed to the Federal Government-ASUU agreement to end the six months strike in south-east universities.
- The question of funding in south-east Nigeria universities has to be addressed frankly and honestly without any iota of sentiments, political or otherwise,

We would be deceiving ourselves and inflicting an avoidable havoc on our educational system should we believe that government can fund all the expenses of our Federal and State Universities.

### **Conclusion**

Nigeria presents a classical study in overdependence on government for the provision of virtually everything. Total dependence on government for the provision of everything has not and will never solve our problems. Time has come when Nigeria must face the reality of its economic and financial circumstance and do what others elsewhere do to propel their universities to institutions of national relevance, capable of fulfilling their national aspirations. Co-operative funding of universities should be encouraged in Nigeria.

### **Recommendations**

- The Honourable Minister for Education should write each University including Alumni and Parents Teachers Association (PTA) to submit papers on education reform to a committee of stakeholders appointed by her. Our university should immediately set up a committee to draft proposals to be submitted to the Honourable Minister.
- The trend all over the world now is co-operative funding involving all organs and stakeholders. This should be applied in the South-East.
- Alumni and endowment and contributions from big companies should play more prominent role as practiced in civilized countries. This should be encouraged in South-east Nigeria.
- The practice all over the world including USA, England, China, Japan and Australia is to allow universities to charge fees while government continues to provide a percentage of the university expenses.

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