

# NEW STRATEGY FOR FUNDING OF HIGHER EDUCATION IN NIGERIA

## CONFERENCE PAPER

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Paper Presented at the National Summit On Higher Education,  
Federal Ministry Of Education, Federal Secretariat, Abuja, March 11-15, 2002

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## 1. INTRODUCTION

Our higher educational institutions, particularly the Universities, have been facing multifarious problems and challenges over the years, and for which no effective solutions have been found. One of the most pervasive and challenging aspects is the question of how to adequately finance the activities of the institutions to enable them discharge their responsibilities to the society. Thus, the main issue involved is a basic economic problem of a supply and demand, priority setting and choice. This seeks to address both the issues of funds sourcing as well as that of distribution of scarce resources among competing needs to ensure judicious and satisfactory utilization of resources.

Since the early eighties, Nigeria's economy has suffered some relapses caused mainly by the falling prices of Crude Oil, which has been the nation's main source of finance. The government is charged with the responsibility of providing basic infrastructure, security and meeting economic and social needs of the citizenry while still funding education.

The downturn in the economy has made it difficult for government to adequately meet these needs, yet it was bent at pretending to provide free education up to tertiary level, until some moves recently by the present Administration to address the problem in a more realistic manner. Over the past years, the Government has been known to release funds far below the estimates submitted to it by the Universities through the NUC. The problem has become complicated by the fact that despite the poor funding, government has been restricting the University Authorities from charging adequate fees for tuition and accommodation, among others, in a way that would have enabled them cover the costs of providing the required basic educational services.

The attempt made in this presentation at the National Summit is to highlight the problem of funding, suggest new strategy to address the problem by focusing on the following main issues:

- Review the funding source and pattern as well as the growing under-funding problems of higher education over the years.

- Highlight the need for a new approach to address the problems of financing higher education in the context of our educational system that must not only be overhauled in the light of past years of neglect but must be able to face its challenges successfully in terms of self-reliance, growth, relevance and sustainability of her programmes.
- Propose some alternative funding strategy and ideas to salvage higher education system based on the need for a strategic planning framework to ensure that adequate changes are effected to meet the challenges of the changing environment as affecting University funding, the main focus of attention in the paper.
- Highlight some identified limitations and constraints that must be addressed and removed as well as the enabling climate and environment that must exist within and outside the University system for the desired autonomy, goals and results for academic excellence to be achieved.



## 2. THE FUNDING TRENDS, CHANGING SITUATION & PROBLEMS

Issues pertaining to University funding and funds management are seen as constituting the most important aspects of any attempt to stabilize the University system as well as operationalizing the proposed University autonomy in any meaningful form. This is so because without adequate funding any form of autonomy will be meaningless, or ineffective in a crisis ridden system. Most crises that have destabilized the University system over the years could be attributed to a large extent to the worsened funding problems, which largely resulted in poor remuneration of University staff and poor provision of needed basic facilities.

### 2.1 The Funding Trends And Problems.

In the early years of University Planning, Financing and Administration when Universities were still few, the quinquennial planning system was adopted. By then funds were provided by Government as agreed in the plan, with the result that Universities could plan effectively for their needs and future development of academic programmes in accordance with the vision, philosophy and mission for their respective institutions.

But when more Universities were established, based mainly on political sentiments without considering the economic and funding implications, the planning method was replaced by a strategy in which Government stopped committing itself to specific amounts for the Universities, but was allocating and releasing funds on the basis of competing needs of other sectors of the economy rather than on actual needs of the Universities, with defence and related activities taking the lion's share of available national resources during the several years of military rule since the sixties. This development coupled with the very low priority accorded education under the military rule resulted in reduction of grants and allocations for higher education far below the planned and expected.

The above noted development has caused the present predicament and nightmare for higher educational institutions in general and for the battered Universities in particular, where no meaningful plan could be effectively undertaken in the face of perennial crises, industrial actions and demoralized staff who have been handicapped in seriously pursuing academic excellence. The identified problem that emerged, whereby available government subventions have become grossly inadequate in meeting the demand for funds by the tertiary institutions, would not have become so endemic as to defy solution but for the rather deceptive and unrealistic approach adopted by the past Administrations. The problem was allowed to persist and become magnified over the years when the past Administrations could not meet the funding demands of the higher



educational institutions, and at the same time rendered them lame and incapacitated in tackling the problem, by prescribing and pegging tuition and accommodation fees at grossly unrealistic levels over the years. They were thus unable to charge appropriate fees to make up the large shortfalls in funds required and funds at their disposal.

As has been the practice over the years, annual budget hearings are done by the Universities with the NUC in which funds released have little or no bearing with their plans, and without being based on quality of academic programmes, but based mainly on how much the Administration has cared to make available to a sector relegated to low priority over the years. The grossly inadequate amount made available to NUC is again shared not mainly on the basis of the actual needs, but on the basis of generation of Universities and on some prescribed uniform parameters that give a sort of "near uniform" allocation formula capable of being manipulated by some institutions desperate in getting more.

It is true, as the Government might say, that funding has been increasing, albeit in nominal terms over the years. The fact, however, is that the value of the funds has been falling in real terms at the higher rate than that of the increased funds provided, due to inflation and depreciating naira exchange rate.

## **2.2 The Changing Situation And Problems.**

A pertinent question to examine here concerns what changes ought to have been effected in the University funding process in response to the changing environment, what changes have actually been effected, to what extent have the funding requirements been met and how could the funding requirements be realistically and adequately met?

The environment in which the University system operates as well as its funding has had profound changes over the years. The trend in University 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 the universities in Nigeria.

The environment itself can be viewed in the context of its main components that are considered quite relevant to our subject matter, namely: economic environment, financial environment, political environment and social environment. These have all changed dramatically over the years and have greatly influenced the extent to which the 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 universities was transient, leaving the large number of universities grossly under funded.

### 2.3 Emerging Pressures.

As a result of poor funding, the University Authorities have been faced with many pressures, among which are:

- Pressure from Employers of Labour – The University is to build minds in a way that will be useful for organizations who employ its products. Because of the use of dilapidated tools, equipment and under paid lecturers and support staff, Universities started turning out “half-baked” graduands, not tailored to the needs of the employers. Huge sums of money are spent to retrain these graduands to suit the needs of the organizations.
- Admission Pressures from Parents and School Leavers – Nigeria’s population is over 120 million people, most of whom are youths. With over 27 tertiary institutions, less than 10% of secondary school leavers are admitted yearly. Because of the mounting pressures, Universities admit more than available facilities could accommodate.
- Pressures from Students Studying Under Deplorable Conditions – Students are noted to be studying under stress. By the nature of youths, “Aluta continua” slogan is sounded the moment their needs are not being met.
- Industrial Crisis caused Mainly By Inadequate Funds – Workers in tertiary institutions go to the same market as others earning higher perquisites in some other sectors, while their counterparts in other countries earn in multiples of Nigerian academic staff. Hence they are ready for a show down with management the moment their economic and other demands are not satisfied. In the last decade, industrial crises have crippled higher educational system, most especially between 1990 – 1994 and recently.

In 1992, the Academic Staff Union Of Nigerian Universities signed a collective agreement with the Minister of Education, the bulk of which was on funding of the University system. However, a change of Minister occurred and the successor rejected the agreement on the ground that government could not meet its side of the agreement. This crisis grounded University Education for months. It led to brain drain, whereby many of our best of lecturers left for foreign higher institutions or to take international appointments.



## 2.4 The Funding Problem, Poor Staff Remuneration and Effects on Tertiary Institutions

With the rapid establishment of Universities without corresponding increased financial provisions, there has been a clear-cut case of under-funding of tertiary institutions in Nigeria, as evidenced by the outcries of managers of the institutions and the general public over the years. Having established the fact that government alone can no longer finance education, there is the need for cost sharing between the government, parents, students and the business community in funding tertiary education. In view of the wealth illusion of the past years, coupled with reckless spending of public funds and government insincerity under the military administrations, any attempt to introduce commensurate fee to match cost of education could not but be resisted by both parents and students, because they were of the opinion the Nigerian governments could engage in less of white elephant projects and invest more in education. The true situation now is that governments (State and Federal proprietors) cannot effectively cope with the financial needs.

With succeeding governments developing cold feet in their attempts to introduce reasonable fees in tertiary institutions so as to make tertiary education be reasonably self-financing, the whole weight is made to fall on the government treasury, a situation leading to gross-under-funding of these institutions. This has resulted to overcrowded lecture rooms, hostels, tension among students and the breakdown of teaching facilities and equipment in laboratories, etc. This is also a case of being unrealistic by government, because an accommodation of ₦90 per session was fixed by the Federal Government since 1975, whereas cost of up-keep of an hostel per student has been ten times that amount, i.e. about ₦900 per session. This did not take care of the costs of construction of the hostels.

Just as the cost of maintenance of each student increases yearly, the costs of putting up infrastructures, ordering laboratory equipment and maintenance of existing facilities have become increased tremendously; so also that of salaries and allowances to staff. This has rendered inadequate any grant which proprietors release, with the resultant effect that most institutions end up recording deficits of income over expenditures over the years.

Funding problem is brought about by the arbitrary way by which the original budgets prepared by institutions are slashed by the funding agencies during formal presentation to government for approval. The magnitude of such reductions usually has no bearing with the level of funding required either for expansion or maintenance of existing facilities.



The problem of under funding which affects all tertiary institutions directly or indirectly in Nigeria results in a number of consequences.

Firstly, there is *lack of maintenance of existing buildings and other infrastructural facilities* as compared with the rapid increase in enrolment figures. This brings about a faster rate of dilapidation of the facilities, with reduction in their utilities. Secondly, the inadequate facilities occasioned by inadequate funding has led to *large scale confrontation of students with institutions' authorities/governments, leading to violent demonstrations and sometimes other unpalatable political consequences.*

Thirdly, academics in general are usually unhappy about their inability to have basic tools to perform their jobs, a situation that *leads to strike actions whereby academic work becomes paralyzed on many occasions.*

Fourthly, *libraries stock outdated books, journals and periodicals* because of lack of funds to acquire new ones. This has adverse effects on acquisition of new knowledge by students and researchers.

Fifthly, *lack of adequate funds has led to frustrations on the part of academic staff* through inability to conduct effective research as required of their profession. Also, the emoluments attached to their productivity are low compared to those of their counterparts in other parts of the world. For example, these factors combine to develop into a *brain-drain syndrome*, a situation where experienced members of the academic staff leave the country for "greener pastures" in other countries, leaving the institutions in acute shortage of experienced qualified academic staff.

Apart from adversely affecting the quality of academic programmes, teaching and research by demotivated staff as well as students graduating from the battered educational system, the other major short-coming of the uncertain and inadequate funding situation has been to make it difficult for the higher educational institutions to embark on any meaningful planning and development. This has made these institutions to have fallen far behind in needed academic programme development, research output as well as expected constant updating to cope with societal demands and modern challenges.

The dimension of the problem was highlighted by the VC of OAU during a recent press conference to mark the 40<sup>th</sup> anniversary of the University, where he disclosed that the Institution needed about ₦1.5 billion for maintenance and expansion of the existing infrastructure. He called for assistance from well-meaning Nigerians for the main funding items that include:

- i. Rehabilitation of Water Supply Equipment and distribution - ₦500 million

- ii. Rehabilitation of Academic buildings, halls of residence and staff housing - ₦ 427.9 million.
- iii. Teaching and research equipment - ₦215 million.
- iv. Construction of 12-bedroom block and 18-bedroom block of hostels - ₦140 million.
- v. Development and Expansion of information and Communication technology facilities - ₦18.6 million.
- vi. Resuscitation and Expansion of Telephone System - ₦16.8 million.
- vii. Provision of X-ray machine for health care - ₦ 16 million.

Also the new FUTA VC has made a plea for the provision of over ₦200 million to offset the debt owed by the institution (See The Guardian Feb. 1, 2002)



### 3. NEW APPROACH AND STRATEGY TO SOLVE FUNDING PROBLEMS

To tackle the above funding problem calls for new approach and strategy. The unrealistic approach adopted to-date that has compounded the funding problems of higher educational institutions should be jettisoned and replaced with a more realistic one.

The task confronting individual institutions is for each to search for strategies that would ensure self-reliance, economic, social and academic survival in the face of the earlier analyzed problems and challenges.

Strategy is seen here as a plan – some sort of consciously intended course of action, a guideline (or set of guidelines) to deal with the analyzed problems facing each institution. Strategies assign priorities, specify and allocate required resources and establish time frames and schedules to implement mapped out activities. Effective formal strategies contain the following three essential elements that should be given due attention:

- i. The most important goals (or objectives) to be achieved;
- ii. The most significant policies guiding or limiting action; and
- iii. The major action sequences (or programs) that are to accomplish the defined goals within the limits set.

The essence of adopting a strategy here is to build a posture that is so strong (and potentially flexible) in selective ways that the higher institution can achieve its goals despite the unforeseeable ways external forces may actually interact when time comes. By adopting a strategic planning approach ensures a comprehensive and systematic review of where the institution is going, and mapping out how best to get there through adequate resource sourcing, mobilization and judicious utilization of available resources.

At the University of Lagos, for example, an attempt has been made over the past few years to apply such strategy towards tackling the funding problem. This yielded some positive results in boosting the internally generated revenue from an insignificant amount to as high as constituting almost one-third of the total income, 32.86% or ₦296, 423, 964 in 1998/99 and 25.60% or ₦359, 502,258 in 1999/2000. Thus, its funding problem would have been completely resolved but for the constraint imposed by Government disallowing charging of appropriate fees.

The main challenge facing the University system is to put in place strategies that would enable it achieve the following:



- Ability to embark on effective and meaningful academic planning and development;
- Self-reliance and self-discipline;
- Maximize all available resources both human and material, while reducing to the barest minimum wastage of any type;
- Institutionalize maintenance culture;
- Perform effectively and efficiently its responsibilities in a competitive economy so as to survive with minimal dependence on government, being quite essential to any desired meaningful autonomy and stability;
- Be in full control of its affairs by being able to solve its economic and social , and to fulfill the missions and visions of the respective institutions within the framework of the National Policy on Education;
- Restore its past glory of excellence in University education by being able to sustain the quality and relevance of its academic programmes and graduates, as well as to maintain a healthy growth in an atmosphere of genuine peace, mutual respect and stability in the respective campuses;
- Ensure that staff are more adequately remunerated and freed as much as possible from the burdens of personal anxieties which inhibit performance and productivity;
- Address and solve the problems of students in comprehensive way by creating a conducive atmosphere for learning and scholarship.

### **3.1 Strategy To Explore Alternative Sources For The Required Funding And Funds Management Strategy.**

In the light of the problems and situation described above, we must proceed at the outset with full assumption and, indeed, conviction that government alone cannot cope with adequate funding of the universities, either now or in the near future. It is also expected that beneficiaries of its products and users of its services should contribute towards the financing of higher education system, and the universities should have the freedom to charge appropriate fees for their services and facilities. It is gratifying to note that the present reality of the funding problem has now been appreciated by the present Administration. This was clearly expressed by the Minister of Education while speaking at a meeting on the Education Tax Fund on Jan. 20, 2002, appealing for private sector support as he acknowledged that the Government could no longer undertake the funding alone.

The University for the purpose of the required strategy must be considered as an enterprise competing for scarce resources for survival, with each university exploiting to the fullest its advantages, strengths, and opportunities. The leadership must be focused and should, indeed, be the driving force behind the

strategy. In addition to scholarship, the leadership must possess entrepreneurial and managerial skills and should be able to decipher the essence of needs of the individual and collective followership as well as being able to carry them along. It should be possible for the University to realistically budget for and expend funds for all aspects of its academic, non-academic, social and other activities on campus as well as for all other areas that relate to the overall well being of the entire community. With this in place, the University can then put in place a system (financial, administrative, etc.) that would enable it harness all available resources, human and material, academic and non-academic as well as students.

Occasioned by the political and social background, the role of government in providing the bulk of funds needed by the institutions remains paramount presently, but it is necessary for institutions to gradually be less dependent on government grants because of a number of factors such as economic recession, political instability and so on. Under these circumstances, therefore, institutions should still be able to perform basic functions of teaching and research with funds generated from alternative sources of revenue. These alternatives and management techniques that are worth considering include the following:

- i. Income generating initiatives (internal and external);
- ii. Cost effective measures to bring down escalating costs;
- iii. Better funds management and investments strategies;
- iv. Review of government policies on tertiary institutions in line with the practice in advanced countries of the world, whereby institutions are allowed to charge fees to cover their running costs.
- v. Step up the contributions by the users - business community by the better management of the Education Tax Fund.

### *3.1.1 Income Generating Initiatives and Charging Appropriate Fees:*

Our study has demonstrated that free-tuition policy of government has robbed institutions of legitimate income which could have eased the financial burden of government. The commonest example is accommodation fee, even if the tuition fee and charges would be paid by local, state or other bodies in form of awards and bursaries, it could be seen that the cost sharing policy by all parties to educational development (parents, students, government and other end-product users) would have contributed largely to the financing of tertiary education. United States and Japan respectively have 38% and 39% as fee incomes and they rank as the best educationally developed countries in the world.

Some sundry incomes that can be tapped include hire fee for convocation and matriculation gowns, transcript fees, identity card fees, health fees, library ticket, fines for late return of books, fines for late registration, contractors registration fees, development levies, interest on loans to staff, sale of souvenirs, sale of publication, hire of vehicles, disposal of obsolete assets through tenders, etc.



Institutions could also introduce departure pledges from graduands as this source has brought a huge income to some institutions in the U.S.A.

### **3.1.2 Attraction of International Donors:**

The first generation universities attained their magnificent size through international donors. There should be a unit in each institution to plan how to increase the number of such donors. Such donations were in form of buildings, fellowship awards, scholarships, pilot schemes and outright establishment of institutes. These have relieved government of the financial burden of providing funds for the above services. Institutions should now reach out towards international corporate or individual foundations for financial assistance as supplement to dwindling government allocation.

### **3.1.3 Cost Effective Measures:**

Arising from requests for more funds by institutions, which incidentally, cannot be afforded by proprietors, there is every need to charge economic fees for the use of halls, theatres, and other utilities. There could be an introduction of payment for library upkeep fees by users while hostel fee should be free to move according to demand and upkeep cost even if a moderate concession were allowed. ₦90 and ₦120 accommodation fees for students per year in universities and colleges of education respectively are grossly unrealistic.

Efforts should be intensified to increase the number of equipment maintenance centers as this is capable of reducing cost of maintenance of equipment for institutions.

Universities and polytechnics should be made to *rationalize their courses in favour of one another*. The duplication of courses in Polytechnics and Universities call for urgent review even though this may have political implications. There are many irrelevant programmes essentially mounted to generate income while relevant programmes suffer neglect.

### **3.1.4 Cost Reduction Measures in Tertiary Institutions:**

Arising from the low probability of increasing the grants from government in a substantial manner, an alternative in terms of reducing cost of operations can improve to some extent the financial position of tertiary institutions. Areas of wastes like excessive number of technicians, labourers, drivers and other categories of workers should be reviewed. The number of workers should be justified by their output and a cost/benefit appraisal of staff positions should be constantly done. Similarly, part-time staff like in the Work and Study programme could be employed in a greater number of tertiary institutions as a cost reduction measure. A retinue of staffers who are underemployed could do much financial harm to the institutions. Both internal and external audit team



should be strengthened in order to engage in management audit, verification of assets and monitoring of debtors and creditors. The use of labour saving devices like computers, tractors for farm operation and bulk purchasing is strongly recommended.

### ***3.1.5 Funds Management:***

Prudent financial management should be practised in tertiary institutions as this ameliorates the hardship caused by underfunding. Funds should not be allowed to be idle while all funds should be profitably invested for cash returns. Better funds management and utilisation can be achieved by avoiding multiplicity in accounts maintained by various units.

## **3.2 Private Sector Funding & Participation**

Having now fully realised and acknowledged that Government alone could not meet the demands of providing needed funds and other resources for education, the present Administration has on several occasions boldly stated this by appealing to the private sector to join forces with Government. The latest of such calls and appeals was that noted earlier, made by the Minister of Education on Jan. 29, 2002 while addressing the Board of Trustees of the Education Tax Fund.

Private Sector funding and involvement in the educational sector can come in any of the following forms as now being explored:

- Education Tax Fund;
- Endowment and Scholarship Awards by Corporate Institutions and individuals;
- Operation of Private Educational Institutions;

### ***3.2.1 Educational Tax Fund:***

This has just been introduced in the past few years as a major attempt by Government to make the private sector contribute to the funding of education through deduction of part of the profits of registered companies for contribution to the Education Tax Fund, being managed by a Board of Trustees. It is in recognition of the fact that the private sector companies are major beneficiaries of the products of the educational institutions, and that it is thus proper for them to be made to contribute to its funding. Efforts should be made to ensure that its coverage and collection of this are more effectively undertaken, while the fund should be properly managed and disbursed for the purpose for which it is intended. Government should also consider a tax amnesty policy whereby taxes paid by tertiary institutions are remitted back to them to boost their income.

### ***3.2.2 Endowment by Corporate Institutions and Individuals:***

The importance of this as a potential source of private funding assistance to education, although has been recognised at least as far back as the early seventies

when the United Bank for Africa endowed a Chair of Finance at the University of Lagos, has not been made as popular, publicised and explored/tapped as it should be. Hitherto, as the higher educational institutions have kept depending on and expecting the Government to provide their required funds, only few attempts have been made to attract endowment funds from the corporate bodies and rich individuals. Rather, the chair endowment made has in most cases been initiated mainly by the few corporate bodies and individuals that cared to do so or being indirectly compelled to consider this act of social responsibility as a means to improve corporate image. Endowment funds could be for professorial Chairs and also for construction of hostels, utility and other academic buildings.

This potential important funding source should, as in the U. S. A., be more consciously/ actively explored and tapped as it could serve in filling a major funding gap. In the U. S. A., an institution like the University of Lagos will have an Endowment Office as one of its major Units to be headed by a Vice-President of the rank of a Deputy Vice-Chancellor, who will be mainly addressing funds mobilisation through endowment by linking up with corporate bodies and wealthy individuals and trust funds, supported with very effective public relation service, including the use of endowment consultants.

### *3.2.3 Scholarship Awards:*

This was formerly more popular in Government - Federal, State and Local - than with corporate bodies and individuals. It is in recent years that the latter started to be awarding scholarships to students mainly for the reason earlier stated -as an act of social responsibility to improve one's public image. Thus, most of the foreign oil companies have been embarking on this.

Scholarship awards, most especially to indigent students, will be an important form of assistance where the higher institutions have been allowed to charge appropriate fees to meet their funding requirements. The awards will reduce the hardship that some indigent students would have faced so that they would not be forced to stop pursuing their education, especially the brilliant ones.

### *3.2.4 Private Educational Institutions:*

Private sector involvement in the operation of higher educational institutions has recently been allowed, with some private Universities now operating. This, as practised mainly in the U.S.A., is a major way by which the rising demands of students qualified to enter higher educational institutions can be met from private sector funding sources. The Government only needs to ensure that the desired standard and quality are met by being properly monitored.



#### 4. SUMMARY & CONCLUDING REMARKS

This paper sets out to address what has now become an endemic problem confronting higher educational institutions in the country generally and the Universities in particular. This has been the problem of funding these institutions, whereby the funds being made available by Government have grossly fallen short of their required funds. This has adversely affected the quality of academic programmes. Having now realised that the Government could not alone provide the funds required, the need to explore new funding approach as well as to adopt appropriate strategies to address the problem is clearly shown.

In order to tackle funding problem, there is need to effectively manage, utilise and harness available and potential resources as follows:-

1. *First Prudently Utilise the limited available funds*
2. *Secondly, following from no. 1, to reduce/minimise the funding requirements/ demand by reducing wastes and rationalise programmes and proper maintenance of existing facilities*
3. *Thirdly, to provide / supply more funds to facilitate funding of existing programmes and introduction of new desired programmes.*

In the suggested more realistic new approach, individual institutions will have to map out strategies to tackle the problem. The Government should allow the institutions to charge appropriate tuition and accommodation fees to be able to meet adequately their funding requirements. In addition, the private sector should be more actively involved in the funding of higher educational institutions though the Education Tax Fund, Chair Endowment, Award of Scholarships and establishment of privately owned higher educational institutions.

Apart from providing some grants to the educational institutions, Government's role remains in setting some broad parameters or guidelines on their academic activities so as to be in line with the nation's overall educational policy and developmental needs.

Government should allow as much innovations and diversities among individual Universities as possible; e.g. differential salaries, allowance, conditions of services and fees to be charged. This is to allow each University to develop according to its own initiatives, financial and human resources, but to operate within some regulatory framework to maintain some minimum standards. For whatever level of funding or grants to be received from Government, it should be possible for the institutions to know how much to



expect so as to facilitate the desired strategic planning and resource mobilisation efforts and programme development.

The above recommended approach and strategies will greatly assist in solving the main problems confronting our higher educational institutions today.

## APPENDIX TO PAPER ON "NEW STRATEGY FOR FUNDING OF HIGHER EDUCATION IN NIGERIA" BY PROF. J.A.T. OJO

### Recommended Funding Formula Is To Be Based on the Following Items:

1. Budgeted Minimum Funding Required to finance Existing Basic Academic Activities and Facilities ( $x$ )
2. Total Available Subvention from Government and Owners of the institutions ( $y$ ) plus other established public funding sources like the Education Trust Fund ( $z$ )
3. The Difference ( $d$ ), usually shortfall between (1) and (2), i.e.  $d = x - (y+z)$ , should form the basis of the fees to charge students to be provided by their parents and sponsors; i.e.  $d/n = f$ . Under this category of fees to be paid, indigent students especially brilliant ones should be assisted with scholarships, grants and loans by the Governments (Federal, State and Local) and Corporate Bodies like the Oil Companies so that those categories of students are not denied access to education.
4. Funds generated internally by the respective Universities, e.g. through endowment funds, can be utilised to fund activities and programmes over and above the existing basic ones. This should enable individual institutions to distinguish themselves in line with their mapped out strategic planning and vision.

### Note

Fee to charge:  $f = \frac{d}{n} = x - \frac{(y+z)}{n}$

Where  $f$  is amount of fee to charge per student,  $n$  is no of students to be serviced and  $d$  is the shortfall between budgeted and available funds from Government Sources.