

**ALTERNATIVE MODES OF FINANCING HIGHER  
EDUCATION IN NIGERIA AND IMPLICATIONS FOR  
UNIVERSITY GOVERNANCE**

**FINAL REPORT**

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## **ACRONYMS:**

AAU	-	Association of African Universities
ABU	-	Ahmadu Bello University, Zaria
ASUU	-	Academic Staff Union of Universities
FGDs	-	Focus Group Discussions
CIRD	-	Centre for Industrial Research and Development
LASU	-	Lagos State University, Lagos
NUC	-	National University Commission
NGOs	-	Non-Governmental Organisations
OAU Ife	-	Obafemi Awolowo University, Ile - Ife
OSUA	-	Ondo State University, Ado - Ekiti
PG	-	Post Graduate
R&D	-	Research and Development
SAP	-	Structural Adjustment Programme
S & T	-	Science and Technology
Unibadan	-	University of Ibadan, Ibadan
Unilag	-	University of Lagos, Lagos
Unifecs	-	University of Ife Consultancy Services
UNN-Nsukka	-	University of Nigeria, Nsukka
UNESCO	-	United Nations Educational, Scientific and Cultural Organisation
Unijos	-	University of Jos, Jos
UPS	-	University-Productive Sector

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## EXECUTIVE SUMMARY

Under-funding has been identified as one of the major problems presently facing the university system in most of the African nations, Nigeria inclusive. With the continued dwindling of the national fortunes, the Nigerian government is finding it more and more difficult to meet its financial obligations to the university system. Statutorily, the government bears the costs of higher education in the country, and in many cases, political agitation have beclouded attempts to source funds through payment of tuition, and other levies. This is because, over the past years, the payment of tuition in Nigerian tertiary institutions has been politicised, and in fact, free education often remains central to political campaigns and manifestos.

The realities of SAP and general economic deterioration have forced the government to shift grounds in the management of tertiary education in the country. For example, the government currently makes it mandatory for each federal university to source internally for 10% of its total yearly funds. At the micro level, many universities have responded by the establishment of profit making commercial ventures, which can generate alternative funds to the university.

Following this background, the present study has as its primary objectives, identifying the different sources of funds available to the Nigerian universities; the adequacy or otherwise of these different forms of funds; and the implications of these alternative modes of funding on university governance and performance.

The present financial state of the Nigerian university system is explained using the African political economy model, which focuses on how political and economic forces shape the contexts within which the Nigerian Universities carry out their primary functions, including teaching and research. The study takes the option of a descriptive model. It thus uses mostly qualitative methods of data gathering, including - Interviews (using seem-structured questionnaires); In-depth interviews; and Focus Group Discussions. Many of the baseline data were collected using government reports and records, while casual and direct observation of respective universities' facilities helped to describe precisely the physical structures in these universities. A total of 4 universities were surveyed - 3 first generation universities (OAU Ife; UI Ibadan; and UNILAG Lagos); and a State university (OSUA, Ado - Ekiti). The persons targeted for the in-depth interviews include - the vice-chancellors; the university bursars; staff working with commercial units; students; and members of the society.

Important trends were revealed in the study. The present crises in the Nigerian University system - under-funding; and lack of adequate infrastructures and facilities - tend to have serious implications for university governance. First, the learning environment is becoming too hostile for learning, and for valuable research. Second, the general lack of commitment of staff and students to the university overall goal of teaching and research, led to behaviour detrimental to effective governance. Sometimes, it is difficult to maintain the culture of discipline among both staff and students. For example, many of the survival strategies adopted by staff and students to cope with harsh economic conditions in the country, and within the university system, often conflict with university goals and purpose. Major facilities can no longer be adequately supported - library facilities, information management system, laboratories, health services etc.

The study documented both financing and expenditure patterns in the Nigerian universities, and found that most monies, which go on direct teaching, are in fact used for the payment of salaries and entitlements of staff. The ratio of academic staff to other support staff is found to be about 1:3. Teaching supports and research activities, the corner stone of the university education, continue to attract fewer funds. Also, both the central and the general administrative units consume a lion share of the total recurrent expenditure, while a very poor attention is given public service also.

The implications of the above scenarios are many. The conditions of work are generally poor, following poor attention on staff development and the general staff welfare (including provision of health care). There is a general low morale among staff and students because of the harsh/hostile working/learning environment. University-productive sector linkages are found to be presently very weak, and sometimes in non-existence.

All the universities engaged in a variety of incomes generating ventures, although the federal universities seem to be more buoyant and more successful in these ventures. While some of these ventures have been proven to be successful and profitable, public service traditions, and inhibitive bureaucratic regulations have ruined many others. In some cases, some of the successful commercial ventures tend to compete with teaching and research obligations, while some feared that this tendency may in future result in displacement of goals (i.e. where the specific unit goals compete, rather than, complement the overall university goal of teaching and research). Both parents and students do not support alternative modes of financing which may likely worsen the present socio-economic realities in homes e.g. payment of tuition and fees. The public is also ignorant of many of the financial problems, which currently face the university system in Nigeria.

The policy implications of the study findings are analysed at three levels - university; government; and the public. Nigerian universities, like any other universities in the developing countries, need to be innovative in sourcing for non-government funds. In cases where commercial ventures are operated, such should be properly monitored to ensure accountability, profitability, good governance, and a realistic balance between commercial/consultancy activities and such other central obligations as teaching and research. The university needs to device ways of cutting administrative costs, so as to allow more monies to move into the financing of direct teaching/research services, such as laboratory works, teaching and other field experiments. The government needs to create a friendly environment in the universities through reviews of salaries, respecting university autonomy, and de-politicising payment of tuition and fees among others. On its part, the public may need to change its present posture to the well being of the university system in Nigeria. The public is very ignorant on major issues affecting the universities, and so may need re-orientation, and education. The public also needs to be more supportive towards the universities by embracing endowments, and a ready support for the survival of the ivory tower.

## CHAPTER ONE

### INTRODUCTION

a. **A general background to the study:**

One of the major problems now facing the Nigerian universities is the problem of under-funding. This is not surprising considering the fact that in the recent time, government revenues have reduced sharply, while the national economy itself is in total chaos. The government, which statutorily bears the costs of higher education in the country, now faces tight budget constraints due to the collapse of the oil market, and the need to meet heavy and rising debt service obligations. During the period 1980 - 92, real federally collected revenue at 1980 prices, net of external debt service obligations, declined from N14, 925 million to N12, 886 at an average annual rate of 2.2 per cent (Taiwo, 1994). Government priority to education is now very low, while funding of university by the government is declining fast (Oduleye, 1985).

Under-funding of the Nigerian tertiary institutions could be traced to changes in the country's economic fortunes. Following the oil boom of the mid-1970s, the Nigerian economy was soon to experience depression (especially in the 1980s), as the economy witnessed slow growth in output, while income per capital declined. Worst still, the country faces unprecedented population explosion, while both oil and non-oil exports receipts declined, with rising import bills. The once oil-rich Nigeria, became a poor nation as she suffered deficits in balance of payments, and lost international credit worthiness. To revamp the economy, Nigeria started implementing the Structural Adjustment Programme (SAP), which is part of the conditionalities of the International Monetary Fund (IMF), and the World Bank, for improving the country's credit worthiness. Specifically, SAP came into operation in Nigeria, in July 1986, mainly as a strategy for economic recovery. Some of the policy reforms under SAP include – rationalisation of public spending through cutback in the size of the public service; commercialisation/privatisation of public enterprises, civil service reforms; adoption of a more realistic trade and pricing policies, and the introduction of liberal trade and foreign exchange practices.

The structural adjustment programmes subsequent to Nigerian economic crises have drastically reduced government funding of university education. Before SAP, the Nigerian University could be said to be in a state of boom. In fact, facilities that existed in the Universities were at par with what existed in other parts of the world (Eisemon, 1980). The real impact of SAP cannot be estimated because of "notoriously weak" data on official expenditures (Cooper, 1990). The problem of under-funding in the Nigerian universities has resulted in the curtailing of research activities. The economic deterioration even started shortly before SAP, hence SAP alone cannot be held totally responsible for the pitiable situation in Nigerian Universities. Other contributory factors to the under-funding of Nigerian universities include lack of adequate planning, proliferation of Universities, and ad hoc expansion of enrolment, academic versus non-academic employment ratio etc. The real impact of SAP can only be appreciated when it is understood that the provision of higher education in Nigeria is the total responsibility of governments. This is to ensure that African universities are prevented from becoming centres of nationalistic and ethnic

agitation (Eisemon and Davis 1990). Thus direct costs of higher education are borne by the government.

With the increased budgetary restrictions of SAP and the depreciation of the Naira, the provision of scientific and teaching materials have been drastically curtailed. Quality of teaching has fallen considerably, the libraries are full of out-dated books and journals and the morale of staff is at its lowest ebb. Allocations to the Universities were grossly inadequate while student enrolments continued to rise. Capital projects to meet the expanding programmes could not take off or in cases where they took off they had to be abandoned due to lack of funds. Obafemi Awolowo University (where the authors are based) has some uncompleted/abandoned projects, while the University has had to shelve some development plans. It must be stressed however, that the Universities first adopted some cost-saving devices in order to cope: -

- Curtailment of laboratory/practical classes,
- Limited number of field trips,
- Curtailment in the attendance of academic conferences,
- Curtailment of the purchase of library books, chemicals and basic laboratory equipment,
- Freezing of new appointments,
- Virtual embargo on study fellowships, and
- Reduction in research grants among others.

Since these steps have not brought about significant improvements, attention has now turned to alternative sources of funding. According to Fadare (1983), the Federal Government has starved the Universities of funds, providing 51.8% less than the UNESCO recommendation. He went further to explain that even when the University's requests were based on the NUC parameters, the difference between requests and grants ranged between 25% and 54% in five years. He concluded by saying "... it is clear that concerted efforts are being made by some bureaucrats to strangle all the past efforts that have been put into the higher education system. In fact, by the present mode and level of funding, it is abundantly clear that higher education will suffer from malnutrition... thereby debasing the quality of education, and of course, some of the institutions will collapse or die a natural death."

The inadequate funding of the Universities has, no doubt, had calamitous effect on teaching and research and Universities have been forced to embark on income generating projects in order to source for funds. Kumuyi and Igwe (1988) interpreted this as the positive impact of SAP on these teaching and research institutions. According to them, such steps were policy guidelines meant to promote self-reliance. The different ways of generating income have been identified to include the following:

- Tuition and education levy;
- Commercial ventures and consultancy services;
- Load shedding without change in ownership structure; and
- Privatisation through divestiture and regulation.

Tuition and education levy is borne by those who benefit directly from university education. The individual student pays tuition, while education levy is borne by the private sector for the direct benefits of manpower from the universities. Thus, personal and corporate income taxes can be

imposed, with the proceeds being used by the universities. Part of the agreement which the Academic Staff Union had with the government in 1992, is that education levy be imposed on corporate bodies at the rate of 2 per cent of profit. Notably, tuition was paid in Nigerian universities up to 1977, which accounted for over 10 percent of the university budget. The issue of tuition in Nigerian universities has become a major political issue in the recent time, and even though this is considered imperative at different quarters, the implication of such for university governance is high. Introducing tuition back into the Nigerian universities would have wide implications, which need critical assessment.

Many of the Nigerian Universities now engaged in different commercial ventures (hotels, printing press, petrol stations, bookshops) and consultancies. The performance of such ventures (like other public enterprises) has been very poor, and sometimes it conflicts with the objectives of university education - teaching and research. It is important to be able to quantify the preconditions for success and the implications of these for teaching and research.

Load shedding without change in ownership structure can take different forms, but the concerns here are the reduction in student enrolment and rationalisation of courses. The implications of this for governance are many. First, what courses, departments, and faculties can be rationalised? Second, considering the population of Nigeria, and its ethnic grouping/politics, how can the admissions into the university be curtailed (especially, when more than half of those who provisionally qualified for university education are in fact not yet admitted)? Also, the allocation of government funds to universities is currently based on student enrolment, what will be the implication of a reduction of student enrolment on the respective universities? In 1990, the Federal Government of Nigeria signed an agreement with IDA for \$120 million credit facility for use by all the Federal Universities. This credit was to be used to revitalise research and teaching activities, which as stated earlier, had remained dormant in the 20 Federal Universities. The money was to be disbursed in 3 stages between 1990 and 1993 and some conditionality were spelt out that should be fulfilled before the Universities can utilise the funds. There were delays in meeting up with the eligibility criterion and thus the project did not take off until 1993 and the project was to last till December 1996. Up to (April 1996) 214,233 volumes of library books have been supplied to the Universities. In addition teaching and Research Equipment including spare parts were delivered to the Universities (see Appendix 1). The supply of journals has resumed, and under an aspect of the project which is Staff Training - 350 University staff and 45 NUC Staff were trained (see Appendix 2). But can all these gains be sustained under the prevailing situations in the country? Ishola (1996) was of the view that the Federal government would find it difficult to keep up the momentum created by this project. How long then can one continue to depend on others to finance our higher educational system? MacGregor (1995) in her South African study aptly described this pattern as "dancing with borrowed shoes". From all indications, the Nigerian government lacks the funds to provide the capital project and the supporting infrastructure needed to maintain and sustain the equipment. For example, in most universities, the water supply is inadequate and the electricity supply is irregular. Without steady water supply, Ishola (1996) went on, most of the laboratory equipment procured cannot be used and without a regular power supply, some experiments cannot be effectively performed. Again, unless the books and journals are properly housed, they are prone to hazards such as physical damages and even pilfering by unscrupulous persons. In line with this argument, there is still need for the Federal government to come up with some funds, which from all indications are not

available. Recently, the government has introduced the Education tax on all companies, which has yielded considerable profits. But how the money would be allocated between the primary, secondary and tertiary education is yet to be determined.

In a recent study, Babalola *et al* (1996) identified many of the core problems, which continue to face financing of higher education in Nigeria. This study found among others, that there are overspending on general administration, general academic and retirement benefits; all at the expense of research and public service. To increase the average expenditure on research and public service, Babalola *et al* suggested a reduction in unit administrative supports costs (for example, the costs of staff salaries, especially non-academic staff; the goods costs per student; the curriculum costs etc.). Thus, this study was in support of mobilising for non-NUC grants (that is, in form of endowments, external aids and engaging in income-generating activities). However, they also cautioned on the demands imposed by income-generating activities on the various aspects of university management, and the trade-offs between research and teaching. Many of the unanswered queries raised by Babalola *et al* (1996) remain the focus of the present study.

The problem of financing higher education is not peculiar to Nigeria. In the United States, as far back as the seventies (based on the 1974 Report of the National Commission on the financing of Post Secondary Education), students and parents were to account for 20% of funding. State and local government were to account for 32%, Federal Government, 27%; Endowment and Private Philanthropy, 9%; and auxiliary enterprises and other activities, 12%\*. To cope with government funding reductions in Canada, Grier (1995), during his tenure as a President of Canadian University, commented on the need to launch a major private funding campaign. Tuition fees had to rise by fifty percent in the last five years, so that they comprise, on average, about twenty-five percent of university revenues. According to him, this private fund raising has become permanent solicitations of alumni corporations and foundations. He stressed that corporate giving has up to now been exclusively devoted to capital items such as buildings, scholarships, professorships, equipment; annual contributions from alumni, in the right circumstances, be directed to annual operating expenses. But as private funding becomes more and more significant, he observed that there are frequent misgivings at Senate, Faculty and Councils about its potential distortion of the university's mission. For the donors not only want lasting recognition such as naming, but want a hand in defining the project and shaping its design (which may not be in line with university policies). What is the situation here in Nigeria? Is the private funding attracting University's mission? Daniel (1995) identified the pressure of numbers as a major problem of higher education in Ghana. The central problem thus facing Ghana universities is how to generate additional resources to cope with such numerical expansion. But remarked that the resort to consultancies is a means of generating alternative income. Some kinds of consultancy work have begun to divert effort from the fundamental research, which is the mission of many of the Institutes. This situation calls attention to caution. But what other options do these higher institutions have under the prevailing circumstances? What will be the effect of all these on the main objectives of the University? For instance, what will be the

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\* As quoted in Fadare (1990) Underfunding of the Nigerian University System - An Intractable National Problem. Valedictory Lecture delivered at Oduduwa Hall, OAU Ife, October. 3rd, 1990.

implications of privatising some of the existing universities, and even encouraging the establishment of more private universities? No doubt, privatising university education has implications for the quality of education received, and the cost of such education.

The present study attempted to investigate some of the avenues listed above for improving funding in Nigerian universities, noting in particular the economic, social, and political costs of such actions. The impact of these alternative sources of funding on university governance becomes a central interest to this study.

**b. Study Objectives:**

The main objectives of the study are itemised below -

- (i) To review the state of the art in terms of different forms of funding available to Nigerian universities;
- (ii) To examine the adequacy or otherwise of these different forms of funding;
- (iii) Examine the implications of alternative modes of funding which now exist in these universities for university governance and performance.

**c. Study Justification**

Research of this type is necessary so that institutions of higher learning can learn to diversify and not rely on only one source (government) for their financing. For when the government source is paralysed, higher institutions suffer total collapse as well. If alternative sources of financing that are viable are realised, these can be adopted not only by higher institutions in the country alone but also by those in the other developing countries.

## CHAPTER TWO

### LITERATURE REVIEW

The primary and traditional role of universities is the transmission of knowledge and the training of human minds. This major function is closely linked with the second - engaging in basic research activities which could lead to the advancement of knowledge i.e. making scientific discoveries (Davis, 1991). From the early history of university education in Nigeria, the goals of manpower development, the development of cultured citizens and the promotion of basic research have been conferred on the university system. In fact, the National Policy on Education (1981) states that, "The teaching and research functions of higher education have an important role to play in national development, particularly in the development of high level manpower. Furthermore, universities are one of the best means for developing national consciousness" (pg. 22).

For the universities to effectively perform their roles, there must be adequate funding. The government of Nigeria, for a long time has been the sole financier of university education in Nigeria. Both the Federal and State Governments use the common Pool System of revenue collection. Thus, no source is tied to any particular expenditure item, and therefore, education has no special source of revenue tied to it alone, and thus continues to compete with other public service units. According to Ndagi (1983), the amount of money that is allocated to education not only depends on the total amount of revenue available, but on the order of priority ranking for any particular fiscal year.

There had been cuts in Nigerian universities financing due to SAP (Alo, 1991), and these have had severe implications for the effectiveness and efficiency of university education in the country. These include, among others, high student wastage, low examination pass rates and low quality of graduate output.

Budgetary restrictions under SAP, and the continued depreciation of the Naira meant a drastic cut in facilities. Dwindling of resources led to under-supply of scientific materials; reduction of book supplies, and journal subscriptions; abandoned capital projects; lack of physical and structural facilities - poor electricity and water supply; and hostile working environment. The poor state of the universities has led to a lot of staff exodus, now generally referred to as "brain-drain" in the university system. SAP has also led to curtailing of all forms of subsidies to students, either in form of scholarships or loans.

It is against this background, that many of the Nigerian Universities embarked on income generating activities to combat the negative effects of SAP, which are financially strangulating the University system. These income-generating activities are socially productive services, and research innovations relevant to industrial development. But this situation is not peculiar to Nigeria. In the United States of America (Millett 1955) identified about five main sources of financing higher education - Student fees, endowment state, local and Federal governments, Private benefactions, Sales and Miscellaneous. Rizvi (1960) in his India study highlights the roles of foreign loans from governments and international agencies, which he stressed, were always inadequate. He was of the view that there was need for an economic development which

would fall on the people themselves and which would generate money from internal sources. He thus suggested giving higher education a greater priority in the budgets of the State governments. He again suggested extending government support strictly on an individual and not on an institutional basis as was the case before whereby subsidies would be given to selected students and loans would be given to some others.

In South Africa, Gourley (1995), Vice Chancellor of the University of Natal has again highlighted the fact those governments can no longer cope with the funding of tertiary institutions. Thus, even in South Africa, Universities are now resorting to raising income from sources outside the government, and thereby reducing the cost of the education on public funds. According to him, only two-thirds of operating expenditure is being met by government in his own university and that the remaining one-third was raised from student fees and donations. Consequently, student fees have risen dramatically over the past decade as numbers increased and the government grant decreased. He thus came up with some suggestions on effective ways of generating additional income or cutting down on costs. He based these on lessons learnt from other countries of the world -

- i) Introducing an additional semester (to the already existing two-semester system of approximately 13 weeks per semester) and part-time study on a large scale. For this will increase the number of students and the average unit cost would be somewhat decreased.
- ii) Introducing distance teaching and "open learning" models (using the new approaches provided by information technology) will enhance student teaching at a cost the country can afford.
- iii) The need for inter-university co-operation (especially among those that are in close proximity to one another) along the lines of sharing the services of staff and even offering joint degrees and diplomas to cut down costs.
- iv) Generating income from research, innovation and consultancies of various kinds. Such university productive sector linkages would benefit the institutions and the industry.

In order to address some of these issues, he noted that there was need for total transformations within the university system hence the establishment of a National Commission on Higher Education, which has been charged with the responsibility of designing a more rational University system in South Africa. The issue of distance education has been adopted in South Africa to cope with the rising demand for higher education under a situation where the funds are lacking. According to Higgs (1995), the University of South Africa has the largest correspondence university offering distance education to some 126,158 students in 1994 and a teaching professional and administrative staff of 3,392. But can this suggestion work in Nigeria where the postal system is unreliable and where electricity supply is irregular and also unreliable?

According to Brophy and Dudley (1982) there are four kinds of distance education institutions which by their own estimation, depend largely on the postal system and effective information technology. The first of these uses "pure correspondence", that is, study manuals, assignments and comment on assignments. The second kind supplements printed materials with different

combinations of radio, television video and audiocassettes. The third kind uses printed material in combination with face-to-face teaching and the fourth uses three-way teaching - integrated use of printed material, of radio, television, video and audio-cassettes and of face-to-face sessions. From these explanations, this approach obviously is not workable in Nigeria where the postal system is unreliable, electricity supply is irregular and where according to Erinsho (1990), the maintenance culture is poor. What then are the approaches being adopted by Nigerian universities to generate additional income? How cost-effective are these approaches and what are their effects on teaching and research?

Many Nigerian Universities have established autonomous research units/centres and consultancy centres to offer specialised services to the public with the aim of generating income. At the Obafemi Awolowo University (one of the best established universities in Nigeria), some of the viable centres are listed below:

- (1) University of Ife Consultancy Services (Unifecs);
- (2) Centre for Industrial Research and Development (which services medium and small scale industries);
- (3) Technological Planning and Development Unit (which provides the needed technical know-how to large, medium, and small scale industries in the country);
- (4) Drug Research Unit, Faculty of Pharmacy Drug Research Unit (produces and markets drugs locally);
- (5) Agricultural Extension Services, Faculty of Agriculture (provides extension services to farmers);
- (6) Technology Management Centre;
- (7) Energy Research Centre etc.

These centres and/or units provide the productive sector (especially small and medium scale enterprises) with needed technical-how, and expertise. Apart from these semi-autonomous centres, many departments engage in commercial oriented projects or consultancy services.

The above trend is also true of almost all other Nigerian Universities. This is in agreement with the National University Commission's mandate that each University must generate at least 10% of its income annually. However, the effect of these commercially oriented ventures, on the academic function of the respective Universities is another question yet to be tackled. The relevant issues now, are:

- (i) How effective are these units in generating additional income for use?
- (ii) Are they making enough to justify their existence?
- (iii) Which of these units/centres are making sufficient profits to serve as models for other institutions?
- (iv) Are they facing problems? How should these be tackled to enhance maximum profits?

Apart from income generating activities within the university system, other ways of coping with the present university financial crisis include - payment of tuition and education levy; load shedding (reduction in student enrolment and rationalisation); and privatisation of universities. However, many of these alternative actions have become sensitive political issues. The question

is "who will bell the cat"? It is the intention of this study to objectively assess these different options of alternative modes of financing higher education in Nigeria, and their implications to the academic function of the University.

Even in the more advanced countries of the world, writers such as Hans (1974) and Remedén (1978) have noted the problems of financing higher education at the face of dwindling resources. However, some of the solutions proffered for these developed countries may not necessarily work for other countries, especially in the Third World, because of the politico-economic differences. The present study into the situation of financing higher education in one of the less developed countries is supposed to give new insights to the problem.

## CHAPTER THREE

### THEORETICAL ASSUMPTIONS AND CONCEPTUAL FRAMEWORK

The African political economy model is useful for explaining the present economic crisis facing Nigerian Universities. The model focuses on how political and economic forces shape the contexts within which the Nigerian Universities carry out their primary functions, that is, teaching and research. The model helps to explain the realities of the specific political, economic and social matrix of the present policy environment in Nigeria, whereby economic depression, structural adjustment and the debt burden, political instability, cuts in government expenditure, all impact in a special way, on the educational system. The political economy model sees the different structures in the society, including economic structure, social structure, political structure and the belief system as interacting, and in many cases interdependent. However, the economic factor provides the axis around which all the movement takes place.

The issue of university under-funding is therefore seen as a phenomenon, which is deeply rooted in the social, economic and political structures of the society. Thus, the educational system (a substructure) is not entirely independent, for it is also subjected to the influence of the superstructure i.e. the economic system. The macro level structures, which are used in this study to explain the problem of under-funding in the Nigerian Universities, are at two levels. These are - i) the external structures (government and its policies) and ii) the internal structures (i.e. universities as implementers of government policies, but also, forging its own unique culture dictated by such factors as - size, management style, accounting system, openness to innovation or otherwise among others. This structuralist attempt is not complete without focusing on the micro level factors exacerbated in the individual's attempt to contribute to the final outcome of the system. At the micro level, the following are identified - the university and its management team, parents and students. These micro level factors would help to document assessment and impact of many of the structural adaptive mechanisms, which are related to university financing.

#### **Macro Level Factors -**

- Political decisions
- Economic situation in the country
- Higher Education policies (policy Environment)
- Economic environment: SAP conditions;

#### **Micro level factors**

Adaptive mechanisms used in individual universities to confront harsh economic conditions i.e. cuts in government subventions to the respective universities.

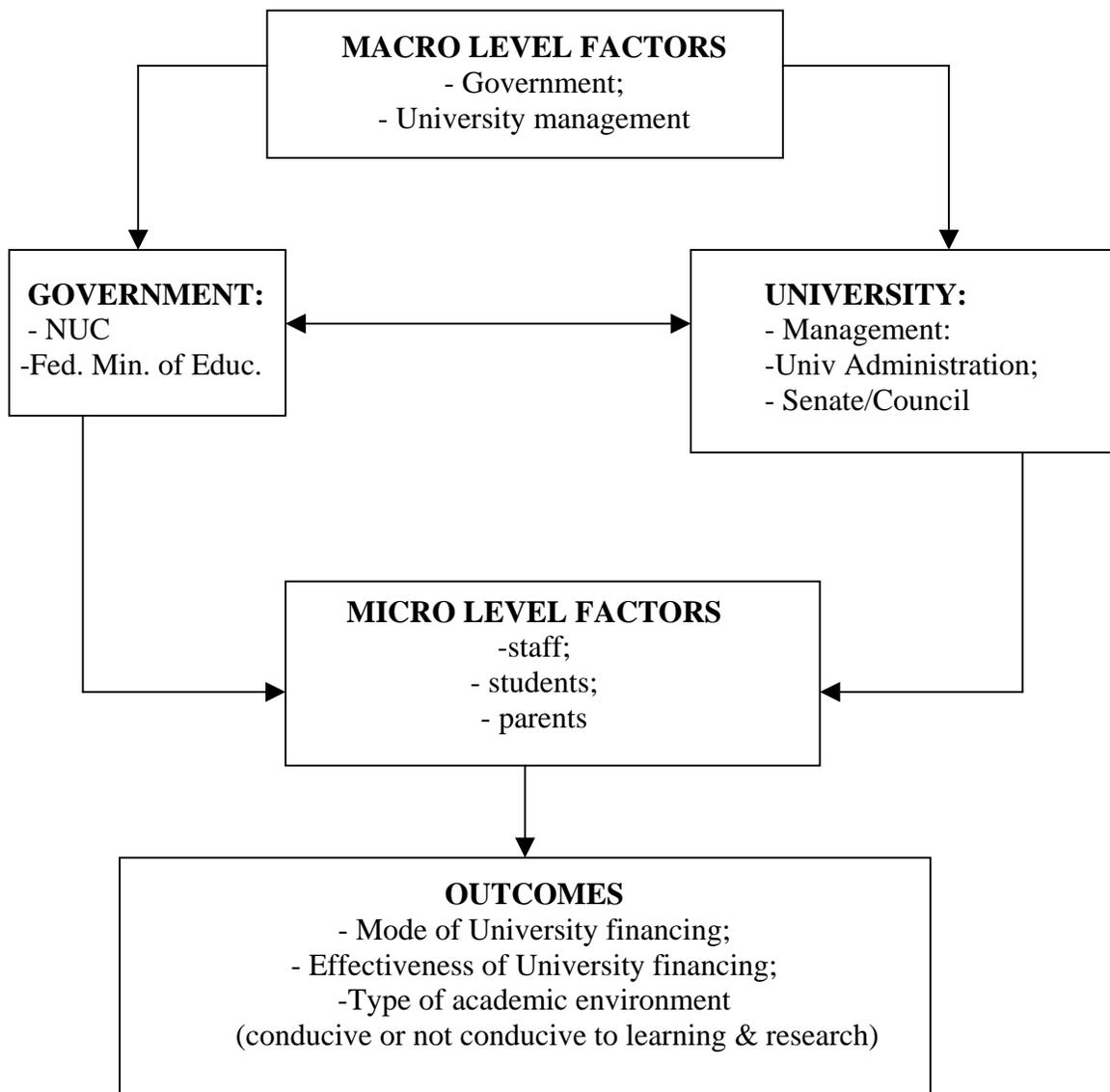
#### **Study assumptions/propositions:**

Although the study tilts more towards qualitative analysis of the research problem, the following study assumptions/propositions are explored in the process -

1. Under-funding problems vary across Nigerian universities depending on sources of funding, number of students, type of financial management in place, and

- openness to innovations (e.g. engaging in commercial ventures, consultancy, endowments etc.);
2. Alternative modes of financing will positively impact on university governance;
  3. Both staff and students will likely prefer alternative modes of financing higher education which have overall positive effects on teaching and research.
  4. Alternative modes of funding higher education which have in-built mechanisms for reducing economic strains on students and their parents are likely to be preferred (e.g. soft loans for students, bursary awards, scholarships etc)

**Figure 1: Conceptual Framework**



## **CHAPTER FOUR**

### **METHODOLOGY**

#### **Selection of survey locations**

The study focuses on 4 purposively selected universities in Nigeria. Three universities were selected from the list of the first generation Universities (which are 6 in number). The initial decision was to purposively select 3 universities to represent the 3 major regions in the country i.e. West, East, and North. Thus, Universities of Ife, Zaria, and Nsukka were to have been selected. However, the first generation universities that are now governed by sole administrators were not included in the survey. This is because under sole administrators, these universities are run temporarily with military precision, while many of the statutory committees are not allowed to function. This is because this period is often seen as a crisis period. The sample selection was limited to universities under normal university administration, headed by duly appointed Vice Chancellors. In addition to the issue of cross-cultural comparisons, the idea of sole administrators running the universities is perceived as an anomaly and a temporary measure adopted to solve specific university crisis. Hence, only universities under the usual administrative structure were selected. These are the Universities of Ibadan, Ife and Lagos. Apart from the long history of operating the first generation universities, they have the largest student enrolment in the country, and the largest staff strength. They are thus likely to be hit most by the current economic crises in the country, which had led to series of cuts in government spending. This is because these first generation universities were established when the country was at its best, financially. Thus, they are characterised by the establishment of ostentatious programmes and projects, many of which become difficult to fund under the present economic dispensation.

In addition, one of the second-generation universities (i.e. Ondo State University, Ado-Ekiti - OSUA) was included in this study to provide comparative data on Federal and State financed universities.

#### **Description of the selected universities:**

##### **University of Ibadan - (UI Ibadan)**

University of Ibadan is the oldest university in the country. It was founded in 1948. The staff number and student enrolment had grown tremendously over the years. The university started with 104 foundation students in 1948, and by 1996, student population has risen to about 19,000. The university started with three faculties (Arts, Science, and Medicine), and today, it has a college of Medicine, and 8 faculties - Arts, Science, Agriculture and Forestry, the Social Sciences, Education, Veterinary Medicine, Technology, and Law. The academic wings of the university include the Library, the Institute of African Studies, the Institute of Child Health, the Computing Centre, the University Press, the Ibarapa Community Health Project, and the Behavioural Sciences Research Unit. By 1995/1996 session, the university had a total of 972

academic staff with a total of 1,270 administrative, professional and technical staff, and a total of 2,660 junior staff.

#### Obafemi Awolowo University, Ife ( OAU Ife)

The Government of Western Nigeria with an initial enrolment of 244 students established the University of Ife (now Obafemi Awolowo University) in 1962. The University is located in the town of Ile-Ife, which is about 80 kilometres Northeast of Ibadan. Ife is famous as the centre of an ancient civilisation, and the home of the Museum, which contains the renewed Ife heads.

University of Ife which was established in 1962 by the Government of the old Western Region, became a federal university in 1975 with the promulgation of the University of Ife (Transitional Provisions) Decree No. 23 of 1975, by the Nigerian Federal Military Government.

Presently, OAU Ife has a total of 13 Faculties - Science, Agriculture, Pharmacy, Technology, Environmental Design and Management (EDM), Education, Arts, Law, Administration, and the Social Sciences; and the College of Health Sciences made up of three Faculties - Medicine, Dentistry, and Basic Medical Sciences. OAU Ife has the following Institutes and Centres- Institute of Education, Agricultural Research and Training, the Industrial Research and Development Unit, the Technology Planning and Development Unit, Drug Research Unit, Centre for Energy Research, Centre for Gender and Social Policy Studies among others.

Presently, the student population at OAU Ife is over 20,000 with about 1,000 academic staff, and over 3,000 non-academic staff.

#### University of Lagos: (UNILAG Lagos)

Unilag was established by an Act of Parliament in 1962 following the recommendation of the Ashby Commission on post school certificate and higher education appointed by the Federal government in 1959. The 1996/97 records showed that Unilag has 8 faculties - Business and Social Studies, Law, Medicine, Engineering, Science, Arts, Education, and Pharmacy, and with a total of 71 departments, and a Post Graduate School (established in 1981). Units for special programmes and services were established at various times. Some of these are Human Resources Research Unit, and the Nigerian Institute of Advanced Legal Studies (both were established in 1976); Institute for correspondence and open studies (1982).

#### Ondo State University, Ado-Ekiti (OSUA Ado-Ekiti)

The Ondo State University at Ado-Ekiti (OSUA) was established in 1982 by the Ondo State government, with an initial enrolment of 136 students spread through Faculties of Arts, Science and the Social Sciences. Since then, the University has improved and expanded its academic programmes. Today, the University has the following Faculties: Engineering, Law, Education, Arts, Science and the Social Sciences. The university is also running a number of postgraduate degrees and diploma programmes, including courses in Financial Management and Computer Science. Student population in this State University is relatively small compared with the federal

universities. No doubt, the strength of financing determines the number of students a university can admit, and the types of programmes the university can run. There is no doubt that the State University is relatively poorly funded, and hence, could not engage in grandiose programmes and projects.

The old Ondo State which gave birth to OSUA was carved into 2 States in 1995 (Ekiti State and the new Ondo State). Both States currently own this University even though it is physically located in Ekiti State. The sharing of assets between the two states is yet to be determined.

OSUA is unique in its philosophy and purpose by choosing a developmental objective. Thus, its central focus as an educational institution is being relevant to the development of its local environment.

### **Data Collection**

Data were collected using the following methods -

- (i) Secondary sources (i.e. records and documents), and direct observation;
- (ii) In-depth Interviews;
- (iii) Questionnaire survey; and
- (iv) Focus Group Discussions (FGDs).

Records/documents relevant to each University were examined to determine primary and secondary sources of University funding. At the Departmental/Unit level, records of commercial ventures/consultancy services and other commercial innovations were examined to document year of establishment, objectives, achievements/ failures, problems, clients, and utilisation of profits (see Form A). Also, in-depth interviews were carried out at two different levels. First, at the University level, in-depth interviews were conducted among university administrators, university teachers and students (e.g. the University Vice Chancellor, the University Bursar (see Form B). Second, the heads of Units/Departments involved in consultancy/commercial activities, were also interviewed (see Form C). Two commercial units (i.e. the one that is relatively the most successful commercial unit, and that which is relatively the least successful commercial unit were identified for this in-depth study). Eight of such units/departments were studied. Using in-depth interviews, views and perceptions on the activities of the units/centres in charge of consultancy and/or commercial ventures were assessed. Other areas enquired into include –

- the utilitarian value of the commercial ventures/units;
- factors which enhance/constrain the expansion of the units/projects;
- assessment of how profits accruing from such projects are spent;
- the assessment of the impact of such projects on the primary function of the University (e.g. teaching and research);
- sustainability of such projects and suggestions for improving their performance.

The Unit/Department with the most functional income generating programme in each of the three Universities were studied in-depth, thereby documenting - objectives; capital outlay, and other inputs; methods of operations; utilisation of profits; clients; staff strength etc. Interviews were held with members of staff and students of these units/centres, to document staff

assessment of success, failures and problems of this unit/centres; and students' assessment in the area of competing interests with academic work (see Appendix Form D).

At the second level, in-depth interviews were conducted among government representatives, Specifically, staff of the National Universities Commission (NUC) and the Federal Ministry of Education (Higher Education Section) (see Form F). The questionnaire survey was an opinionistic survey of the inhabitants of the cities where these universities are located. The questionnaire survey sought to find out how Nigerians feel about the issues of tuition in Nigerian universities; educational levy; load shedding; and privatisation of Nigerian universities, and the implications of same for university governance. To obtain responses, accidental sampling technique was used. A total of 783 members of the three communities were interviewed, while attempts were made to document views of different socio-economic groups (i.e. professionals, people with white collar jobs, unskilled workers, and the unemployed).

### **Recruitment and training of field workers**

Two experienced field workers were employed at each research location totalling 8 field workers. The recruitment and screening exercise was done within the first 2 weeks. Since the fieldwork entailed interviews with Vice Chancellors/Bursars/Directors of Units/Centres, the recruitment exercise was done with this in mind. Hence, post graduate students/assistant lecturers/lecturers (who were familiar with the University settings) were recruited. They were individuals (i) who exuded confidence, (ii) who can be trusted with sensitive and confidential information (iii) with pleasant disposition (iv) well mannered (v) well dressed at all times (v) reliable and always punctual i.e. that can be punctual when appointments are made with top University personnel. The field workers were recruited from the Universities in which they work so that they were well known and were able to secure the necessary assistance. Training of the field workers was done in 2 parts - the classroom type teaching supplemented with practical exercises. There was role-playing of in-depth interviews and focus group discussions (FGDs). The research instruments were pre-tested and ambiguous questions were modified. The field workers were encouraged to browse through the instruments so that they could familiarise themselves with the questions and would be fluent in asking the questions without having to read out every word.

An additional field worker was recruited to interview selected staff of the Federal Ministry of Education and the National University commission in Abuja. The field supervisors at each study location co-ordinated the work of field workers on a daily basis. Questionnaires were checked by the respective supervisors to ensure standardisation and to correct ambiguities. These efforts enhanced the quality of the data collected.

**MAP OF THE STUDY AREA**

## CHAPTER FIVE

### RESULTS AND DISCUSSIONS

The study tends to rely more on qualitative methods for several reasons. First, the subject of study (University financing) is a specialised field requiring precise information in order to give correct assessment of the problem. It is assumed that only people who are in charge of specific management schedules would be in position to give correct information and grant access to important records. Second, because of the sensitive nature of financing and because many officers treat information relating to finance with confidentiality (secrecy), a structured questionnaire may not elicit the right answers, whereas, more information may be collected from probing questions.

However, the quantitative method was used with respect to the collection of information on views and perceptions of members of the society (i.e. people found within or outside the immediate university environment). Table 1 presents a summary of data collection techniques used and the target population. The findings are presented in three parts. Part I presents data from secondary sources and in-depth interviews with staff and students of the selected universities, and staff of both the Nigerian University Commission (NUC) and the Federal Ministry of Education. Part II presents findings from the community survey; while Part III presents a summary of Focus Groups Discussions conducted among staff and students of the selected universities.

**Table 1: Data collected in the selected universities**

Research Techniques	Data Source					
	Unibadan	O.A.U	OSUA	UNILAG	FED. MIN. OF EDUC	NUC
1. Secondary data	+	+	+	+	+	+
2. Direct Observation	+	+	+	+	NA	NA
3. In-depth Interviews:						
a. Bursary Staff	1	1	1	1	NA	NA
b. Consultancy Units	8	11	9	7	NA	NA
c. Ministry officials /NUC	NA	NA	NA	NA	2	1
4. FGDs	7	7	7	7	NA	NA
5. Community Survey	200	208	193	182	NA	NA

KEY: +      Data Collected  
 NA      Not applicable

## **I. Data from secondary sources and in-depth interviews**

This section is presented in eight sub-sections, which are as follow –

- the population of staff and students in the selected universities;
- physical structures and facilities;
- academic programmes and structural constraints;
- sources of financing higher education in the selected universities;
- assessment of popular financing modes;
- managing finance and expenditure patterns;
- perception of university management staff on the financial status of the universities;
- and finally, the implications of the present modes of university financing for staff and students welfare.

### **1. The population of staff and students in the selected universities:**

The student population of the selected universities ranges from 5,799 to 21,982 during the 1995/1996 session; with the OAU Ife having the highest population (see Table 2). Although, the Nigerian universities have witnessed a steady increase in student population and enrolment in the last one decade (see Table 2), yet less than 50% of those qualified for university admissions have been given such placements. Table 3 further presents data on student population across the various faculties. Currently, each of these universities is vigorously intensifying science education more than ever before. The non-academic (supportive) staff outnumbered the academic staff. In fact, a cursory look at these universities shows that currently, many of the academic departments are short-staffed, while the rising overhead costs is causing agitation in government circles, and a call for reduction in the number of the administrative staff. For example, Table 4 shows that the population of academic staff ranges from 235 to 989 in the selected universities, while the number of the non-academic staff ranges from 670 to 3,300. Academic staff, unlike other workers, tend to be more mobile because of their have specialised knowledge, which is open to high demand both inside and outside the country. Thus, the problem of academic brain drain seems a common phenomenon in all the universities. The FGD report shows that majority of teachers currently found in the Nigerian universities, stay back mainly because of lack of job openings abroad, or have found comfort in consultancy jobs.

### **2. Physical Structures and Facilities in the Selected Universities:**

#### **Physical Structures:**

All the federal universities selected have elaborate structures, depicting the great affluence witnessed in the country when these universities were established. However, many of such structures and facilities can no longer be maintained because of lack of funds. Many of the lecture theatres are dilapidated; classroom seats are no longer functional; halls of residence are “eye-sore” with leaking roofs; electricity and pipe borne water are in short supply; and many science laboratories are no longer functional. A cursory look at the existing facilities shows that each university is negatively affected by the structural adjustment era. For example, each of these universities has abandoned many of the capital projects started during the boom years. At

Ife, like other universities, many capital projects have been abandoned. For example, the extension work on the student's hostels had been stopped, while many of the Faculty building are leaking.

The State University at Ado (OSUA) tends to have less elaborate structures. OSUA was established at about the on set of the Nigerian economic crisis, and therefore could not attract many funds from the State government, which also depends largely on federal accounts for its operations.

Water shortage was reported as a serious problem in all the universities, especially at UI, while OAU Ife, has built its own dam, with a capacity to supply water to both staff and students of the university. However, OAU Ife, reported that the cost of maintaining the university dam is exorbitant. The university spends a lot of money treating the dam water, and on general maintenance of the dam.

Since all the universities no longer provide meals for students, most campuses are now littered with local "bukaterias" ('make-shift' local restaurants) without much control over the quality of service, and the prices of food.

#### Transportation Facilities:

Transportation problem is common to all the selected universities, although this is more pronounced at OSUA, Ado Ekiti. The township (Ado Ekiti) is in a geographical area that has historically suffered neglect in development terms. The roads and other basic infrastructures are generally poorly developed. This makes the university less attractive to staff and students. The only industrial outfit in the town is the government owned Textile Mills established in the 1970s, which has been privatised, and bought over by foreign investors.

#### Accommodation Facilities:

Accommodation of students presents an arduous task. It is now obvious that universities can no longer maintain its existing accommodation facilities to students; neither could they build extensions to accommodate more. For example, Obafemi Awolowo University is one of the few universities, which have a strong policy of providing accommodation to students. This is especially so, because of the distance of the university to the Ife township, and because Ife is an ancient city lacking much of modern amenities including modern housing scheme. Even with this background, only 9,604 of over 20,000 students at OAU Ife during 1997/98 academic session were officially accommodated within university facilities. However, more than double this number are found either "pirating" with friends in these official accommodation, or sleeping around in lecture theatres. This has implications for university governance, and students' over-use of available hostel facilities, while students have become unruly because of their harsh living conditions. Also, it is very hard for students who experience such harsh conditions (such as sleeping in the lecture theatres) to be fully relaxed for academic work. Because of overcrowding, safety measures are often difficult to maintain. Thus, many cases of thefts have been reported in the halls.

The fact that university financing has been politicised has been detrimental to university governance. For example, hostel accommodation fee is pegged by the government to N90 per session in the Federal institutions. However, a student without the official accommodation, rents a room in the town for a minimum of N12,000 per year, and would have to pay transportation costs daily to move in and out of the campus.

### **3. Academic Programmes and Structural Constraints:**

#### a) The collegiate system:

All the Nigerian universities were all running the faculty system until 1980/81 session when the Faculty of Medicine of the University of Ibadan went collegiate. By 25 June 1984, the Federal Military Government promulgated the College of Medicine of the University of Ibadan Statute. The College comprises 3 faculties - Basic Medical Sciences, Clinical Sciences and Dentistry, and Pharmacy as well as the Postgraduate Institute of Medical Research and Training. By 1990/91 Session, the collegiate system was extended to the rest of the university. Thus, in addition to the College of Medicine, 4 new colleges emerged - Arts, the Social Sciences and Law; Science and Technology; Agriculture, Forestry and Veterinary Medicine; and Education. The collegiate system soon extended to other Nigerian universities, especially the first generation universities. However, the collegiate system was soon to be scrapped. By 1994, most of these universities had abolished the collegiate system due to poor funding, and the obvious need to rationalise the limited available funds. The three first generation universities included in this study, up till date, are still retaining their respective Colleges of Medicine.

#### b) The course unit System:

Another major scenario which might have had implications for university financing was the introduction of the course unit system into the Nigerian universities, which was by all means and purposes inevitable. The University of Ibadan (the premier university) was the first to introduce the course unit system in 1969 (starting with Faculty of Science), and by 1972/73 session, all other faculties had embraced the course unit system, except for the Faculty of Medicine. A major framework for doing this is to introduce some flexibility into the teaching and examination programmes. At OAU Ife, the course unit system is also running through the faculties, except for the faculty of Pharmacy, and the College of Medicine. The trend is same for other universities too. Although the new course unit system has been found more adaptable, and less strenuous for students, the financial implications of the course unit system is also worth mentioning. The course unit system requires a decentralised control system, and thereby a need for more staffing to handle both the academic and administrative duties which have emerged with the new system. It also means more money to execute the new programme (for example, more courses are introduced under the new system, and more materials are needed to execute examinations, laboratory work, and other field researches.

Some academic programmes had been cancelled or abandoned within the last 5 years (see Table 4). Unilag had abandoned two of its academic programmes i.e. Institute of Education and Unit for Engineering Analysis. Under the defunct Abacha regime, the Federal government planned to rationalise not only some academic programmes, but also some of the existing universities.

However, with the death of the Head of State (Abacha), the government of General Abubakar became silent over this issue. The basic philosophy guiding the proposed rationalisation move in Nigerian universities, is to ensure cost effectiveness through merging or elimination of courses with few students, and avoiding duplication of courses within and across universities. For example, Balderston (1973) advocated for the eradication of unpopular, irrelevant, unviable and unmarketable courses. However, the social implications of rationalising universities and its programmes, in a country where less than 50% of those who qualified for university admission, are ever given the opportunity, are yet to be addressed. The input and output of the university in terms of student in-take and graduation have been on the increase, although the increase in intake is not in conformity with the number of eligible students. Many factors have been found as affecting the inputs and the output of the university, such as the imposition of admission quotas, inadequate funding, and brain drain.

The State University is not only affected by the present economic crisis, but also by State politics. For example, with the creation of Ekiti State out of the old Ondo State, both States are yet to agree over the sharing of their assets and liabilities. Many of the jointly owned educational institutions by the two States, for example, OSUA suffers neglect, and state abandonment, as each state is cautious of its commitment to such joint ventures.

c) Library facilities:

Structural facilities, which are supposed to aid academic programmes, are no longer effective. Visits to the various university libraries also showed that most of the library shelves are empty, the available books are relatively dated, while supportive facilities like photocopiers, and computers are virtually in non-existence. Generally, in all the universities, students do not have direct access to computer technology, while the very few lecturers who have personal computers, acquired them mainly through externally funded researches.

d) Evolution of Information System/Electronic Mail:

Gradually, the three Federal universities are trying to introduce computer technology into the administrative system, although the pace is still very low. OAU Ife seems to be taking the lead in developing its information system. The Faculty of Technology, through external grants, has introduced electronic mail in the last 3 years. Although the technology has been effective, lack of funds has made it impossible for it to operate on a large scale.

There is only one major E-mail access point for a university of over 20,000 students. These inadequacies have implications for effective university governance. Generally university information system is poorly managed. Student's records are poorly kept. A visit to the transcript section of one of the universities showed thousands of students' files soaked deep in rooms with leaking roofs. Teachers also complained about the trauma that they face in compiling students' results without the aid of the computer technology. Many times, minutes of meetings are poorly kept and poorly circulated because of shortage of office stationery. Also, many teachers are allocated to offices, which have neither air-conditioners nor fans. These rooms are generally perceived as not being conducive for academic work. Figures from the State University (OSUA) show that the scope of its academic programmes is very limited compared to

those of the Federal universities. More of the assessments of the present status of facilities in the Nigerian universities are taken up later while presenting the FGD report.

e) The Success Story at OAU Ife: Development of Information System:

The use of Electronic Mail (E-mail) at the O.A.U. started in the late 1980s with a joint project between Obafemi Awolowo University/OAU Teaching Hospital Complex and the University of Kuopio Finland. The first project was to develop a computer based Hospital Information System (HIS) using the M technology. Communication between the co-operating partners became very essential, as the postal system was too slow to meet the need of this project. Fortunately, the package has within it, an electronic communication package, the MailMan, which was appropriate. Because of the financial implication, it was limited only to the members of the project and used for Hospital informatics related issues. MailMan was installed and had been in use since 1989. It provides E-mail services, File transfer (FTP), Bulletin Board, and remote login (Soriyan, 1997). By 1993, the Regional Informatics Network for Africa (RINAF) (a UNESCO project) financed by a grant of the Italian Government with a contribution from the Republic of KOREA, was established. This project aimed at:

Bringing basic data communication services to a number of African countries to improve the communication capabilities among African research Institutions, and to improve the communications with the world wide research community.

Creating a group of technicians specialised in the African network services management.

Increasing the awareness on the importance of data networks services in Africa.

The first node was in OAU, Ile-Ife. The node was a PC based UUPC called 'SNUUPM', since at the time the Nigerian Institutions were 90% DOS based. SNUUPM uses a basic concept of a node dialling the other to exchange messages. RINAF trained the members of the project on the different technical solutions, which was low-cost (FidoNet, UUCP).

Being the first established general public electronic communication system; it was not without problems, ranging from technical to human. The MODEMS were often damaged by surge in electricity, and over-voltage among others. Since the electronic equipment was not common in Nigeria, it was not easy to repair and/or replace. Replacement often takes quite some time because of the SNAIL MAIL. The telephone line has been very unreliable especially at the OAU Ife campus. However, IT awareness continues to grow.

In 1996, under the International Centre for Theoretical Physics, Trieste, Italy, academic Computer Networks for developing countries at OAU Ife was established. It is a campus wide computer network using TCP/IP protocol with LINUX as the operating system and wireless radio communication. There are three Local Area Networks (LAN) linked together through the wireless radio communication. The campus network, which has about 600 registered staff (users), employs the dial-up system for connectivity. The service available on the network includes essentially E-Mail and File Transfer Protocol (FTP). The network is still growing and has drawn from the wealth of experience of the earlier projects.

**Table 2: Student enrolment in the selected universities (1985-1995)**

Univ.	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Student Enrolment:											
(a) OAU	12,000	13,000	13,000	13,175	14,140	15,017	15,027	15,570	16,000	18,000	21,982
Ife	13,862	12,350	12,000	11,835	11,986	12,135	12,902	13,858	16,211	18,690	20,098
(b) Ibadan	1,365	1,944	2,685	3,325	2,581	3,329	3,981	4,450	5,113	N.A	5,799
(c) OSUA											

**KEY:** NA = Not Available

**Table 3: Total student enrolment by university and discipline 1996/97**

DISCIPLINE	UI	OAU IFE	UNILAG	OSUA
Administration	NONE	2,143	1,984	456
Agriculture	1955	1,222	NONE	NONE
Arts	2590	1,689	1,017	291
Education	2965	2,220	1,721	489
Technology/Engineering	1667	3,389	1,918	94
Environmental Sciences	None	1,666	961	NONE
Law	957	1,076	973	31
Medicine	3431	1,378	1,560	NONE
Pharmacy	427	669	228	NONE
Sciences	2605	3,079	2,099	398
Social Sciences	4046	1,733	2,349	919
Veterinary	485	NONE	NONE	NONE
Post Graduate	*	*	2,031	181
Others	133	NONE	NONE	126
Total	21,261	20,264	16,841	2,985

\* PG figure is included in the faculty figures.

Source: Individual University Data Records

**Table 4: Summary data for 1996/97 session in the selected Nigerian universities**

ITEMS	UI	OAU	UNILAG	OSUA
1. <u>Population</u>				
a. Students	21,261	20,264	16,841	2,985
b. Academic Staff	1156	989	809	235
c. Non-academic staff	3,930	3,300	3,106	670
2. <u>Academic structure</u>				
a. No of Faculties	11	13	9	7
b. No of Departments	89	85	71	30
3. New capital projects in the last 2 years (specify)*	- Tech Lecture Theatre - Extension of Conference Centre	-Computer Building -Alumni Hostel; - Lecture Theatres	-Hostels; -Boreholes; -Bakery; -Soap industry; - Bottled Water; - Lecture Theatres;	-Admin. Building
4. No of Abandoned Capital Projects (specify)	- Five Star Hotel; - Hostel Construction	-Admin Building; - Faculty Bldg Annexes	None	- Hostels; - Staff Quarters; Road Construction
6. Feeding of Students	NCS**	NCS	NCS	NCS
7. Newly Introduced Academic Programmes in the last 5 Years (specify)	- Women's Studies; - Computer Diplomas; - MSc for Professional courses (e.g. MSc in Industrial/Labour Relations	Executive MBA; Diploma in Computer Science; Gender Studies etc.	Creative Arts	Accounting/ Bus. Admin.
8. Abandoned Academic Programme/structure in the last 5 years	The collegiate system	The Collegiate System	The Collegiate system; Institute of Educ.; -Engineering Analysis	Yet to start its College of Medicine etc.

\* Most of these new projects were financed with monies got from investments/ventures/alumni donations

\*\* Non-cafeteria system (NCS): Students buy food at local restaurants or cook in their rooms

#### **4. Sources of financing higher education in the selected universities:**

To collect information on the financial status of the selected universities, the University Bursary Staff were interviewed in-depth, while the Bursary Departments made available some of their financial records, although with some difficulties. On the whole, in-depth interviews were conducted with the following people: university bursary staff (4); Heads of commercial units/consultancy units (15) and staff in these commercial units (20); and 3 officials of the Federal Ministry of Education/National University Commission (NUC). The findings presented below were generated from these interactions.

The data presented below fall into the two major areas that have been identified in making a financial analysis in education. First, is the process of raising funds (financing) and second, is the spending pattern (costs) (see Babalola et al., 1996).

##### Revenue sources -

Major sources of revenues to tertiary institutions in Nigeria include:

- i. Subvention from Government (Federal or States) popularly referred to as NUC Grants
- ii. Endowment funds - The fund is managed by a Committee of the Institution appointed by the Council (special instruction are usually attached by donors)
- iii. Grants and Research Funds for Special Projects
- iv. Income derived from the Institutions own companies/ Investments
- v. Interest received from Short Term Fixed Deposit
- vi. Interest received from Loan Debentures
- vii. Dividends receivable from Stock and Shares in reputable Public Liability companies
- viii. Hall Accommodation Fees
- ix. Incomes from Rent of Quarters and non Residential Buildings
- x. Income derived from Telephone and Electrically charges
- xi. Sales of unserviceable Fixed Asset (Boarded Assets)
- xii. Post Graduate and Foreign Students Tuition Fees
- xiii. Sales of Investment
- xiv. Profit derived from the sales of Investments.
- xv. Proceeds from the sales of Journals and Magazines, and Books
- xvi. Donations from the Federal Government, Commercial and Philanthropic Organisations and Individuals for Research and Project Developments
- xvii. Contractors non-refundable Deposit/Renewal fees
- xviii. Housing Loan Application Form Fees
- xix. Interest on Motor Vehicle Loan
- xx. Interest on Housing Loans
- xxi. Hire of Academic Gowns
- xxii. Other Miscellaneous Incomes

What constitutes major sources of revenue differ from one university to the other. Tables 5 and 6 show the different sources of revenues in the selected universities. Three major sources of

university revenues are the most emphasised i.e. grants from the government (NUC/Federal/State), internally generated funds within the university itself (e.g. fees tuition; incomes from investments), and endowments/gifts. Most institutions, especially Universities, receive grants from sources outside their institutions, usually for specific research and development projects. These sources include Educational and Research Foundations, Government Agencies, and Industrial Organisations. Responsibility for the custody and proper disbursement is vested in the Bursar of the Institution. The responsibility may be delegated to a senior Accountant who keeps a set of Books of Account that are self balancing. Periodic Trial Balance are produced and submitted to the Bursar.

Tables 5 and 6 present a descriptive analysis of funds, and sources of funds available to each of the selected universities. Tables 7 -11 present income figures in each of these universities. The different sources are assessed below.

## **5. Assessment of financing modes in the selected Nigerian universities:**

### **a. National University Commission Grants (NUC) – (Government Grants):**

Table 7 presents a trend data on government allocation of funds to the various universities, and the money generated internally since 1985. Table 7 shows that a lion share of the revenue comes from the government, compared to money generated from commercial ventures and other activities in that area. There is also a notable fluctuation in the amount the government has been releasing to the universities over the years. Also, a set of criteria, including the size of the university (i.e. number of students and staff), and possibly the nature of the academic programmes determine what is allocated by government to each university. The first generation universities tend to attract more federal funding, mainly because of the size of students, and their academic programmes.

Although there is a reported increase in revenue (government grants) over the years, in reality this is usually in nominal value rather than in real value. This is explained as being caused by decrease in the real value of the Naira; and other government policies on university finances - especially the embargo against payment of tuition in the Federal institutions of higher learning. Considering the high rate of inflation in the country, the increase in NUC grants may not be commensurate with increase in the cost of running the university system. This is more so, in an era of unstable economic conditions.

The NUC /State grants, take a lion share. Babalola et al (1996) wrote that in Nigeria, universities depend on government for over 95% of its funds. The present study, also, found that at OAU Ife, the average NUC grant, in a year is about 95% of the total income, except for 91/92 session when 88.69% was recorded as the percentage of NUC grant of the total income. This trend is the same for other universities (see Tables 8 to 11).

The Federal government grant to the University of Ibadan during the 1977/78 Session was N29,031,000. This grant was described as totally inadequate for the kind of gigantic programmes embarked upon by the university (see the University of Calendar, 1994-96). Quoting from the summary in this calendar -

“It was impossible to make any new scholarship awards to postgraduate students. No research grants could be made to any staff. The University’s staff development programme had to be suspended. Work on all buildings - student and staff accommodation as well as office and classroom blocks - ground to a halt. Much-needed teaching and research equipment could not be bought. It is clear that given the financial realities of the country, the University will have to re-order its priorities. More importantly, it is also clear that the University has to take vigorous steps to solicit financial aid from well-meaning Nigerians and other friends. The challenge before Ibadan is that of selling its programmes to the Nigerian public and hoping that those programmes will be so well designed as to win the sympathy and support of the public”.

If the above description is true for the late 1970s, the scenarios of the 1980s and the 1990s present a more gruesome picture for all the Nigerian universities. The picture presented above, served as a background for generating alternative modes of financing the university system in the country. For example, this led to diversification in the academic programmes at the University of Ibadan, and in particular the introduction of special research units, institutes, and centres which could make additional money for the university. The university also started to emphasise more of university-productive sector linkages through its consultancy unit.

Tables 8, 9, 10 and 11 show significant trends. There is a rise in nominal value of government grants to the respective universities. At OAU Ife, the government subvention rose from N62.43m in 1990/91 session to N367.44m in 1996/97 session. At the University of Ibadan, the 1990/91-government grant was N61.68m, and by 1995/96 session, it was N376.25m. The trend is the same for Unilag (Lagos) – N42.4m in 1990/91, rising to N267.5m in 1995/96 session. The State University at Ado attracts relatively smaller government grants – N30.50m in 1990/91, and rising to N47m in 1994/95 session.

Variations in government grants could be explained by the size factor (i.e. student and staff population, the structure and type of academic programmes), which is an important yardstick for NUC in deciding the amount of grants released to each university per session. Apart from increase in student enrolment, the devaluation of the Nigerian Naira has made the grants from government to diminish in real value. The value of the Nigerian Naira, which was 1 NGN (Nigerian Naira) to US\$0.8 in 1985, became US\$1 to 93.0 NGN by January 1999.

The State University (OSUA) is less diversified and seems to depend on the government even much more than the Federal Universities. The government grant to OSUA is on the average over 96% of its total grants. Investment is very low, while endowments are yet to enter its mainstream tradition.

Table 12 presents data on all the Federal universities, showing total public investment expenditures on university education; the total students enrolment; and galloping inflation trend, for the period 1970 to 1996. The total student enrolment figure moved from 14,468 in 1970 to 375,414 in 1996. The phenomenal increase in student’s population meant that the public investment on university education also increased, although not in the same proportion. Also, with the devaluation of the local currency, came the need to increase the nominal value of public

investment (which may not necessarily increase the real value of such investment). The public investment in university education moved from N30, 890.00m in 1970 to N4,832,220.00 in 1996. However, what is gained in nominal value of the increased investment in public expenditure in university education, is lost to the galloping inflationary trends (inflation rate being 13.8% 1970, and 100.3% in 1996).

Babalola et al. (1996:22) found that on the average, Nigeria spent N5, 903.50 per university student in 1991/92, although there are variations across universities, and across disciplines. Thus, the average total cost for the University of Jos is N3, 332.00; Ibadan – N6, 411.00; and Akure – N8, 351.00. The variation by discipline shows that Veterinary Medicine incurred the highest cost in 1991/92; with a unit cost of N17, 939.67; followed by Medicine, costing N10, 242.25 per student; Environmental Science – N6, 205.90; Pharmacy – N5, 827.67; Arts – N5, 764.89; Law – N5, 175.25; Administration – N4, 950.25; Social Science – N4, 703.38; and Education – N4, 703.38.

**b. Non-NUC grants/revenues (i.e. Alternative financing modes):**

All grants/revenue outside the government yearly subventions to the universities are treated in this study as Non-NUC grants/revenues. These include –

- Endowments;
- Fees/levies;
- Gifts;
- International aids;
- Investments and other internally generated revenues.

As far back as 1973, Onushkin wrote that in North American universities, about 77% of universities' budgets was received from the government, and 7% was derived from tuition fees, 5% from own funds, 4% from foreign aid and 1.5% and 1% from private and industrial donations respectively. In Nigeria, the Federal Government recently required of each university to generate at least 10% of its total revenue. It is in response to this that these universities have had to expand the scope of their commercial activities and/or Non-NUC grants. The sources of non-NUC grants, thus become a regular part of the universities' income.

Interviews held with senior officials of the Federal Ministry of Education, and the National University Commission on the issue of university financing showed that many of them were convinced that the Federal government should not be solely responsible for financing University education. Other important sources of funds that these officials would like to see expanded include consultancy, and part time teaching. They also remarked that in other parts of the world, Alumni Associations and different NGOs donate money to the Universities. They were of the view that profits accruing from these income - generating activities could not sufficiently cope with the demands of running a university system, and that the nation might, in the near future consider more vigorously, the issues of privatisation of universities, distance education and payment of tuition fees. These views were however against the present government stance on higher education in Nigeria.

i. Endowments:

At the University of Ibadan, a major way of generating money for the university is through endowments (a method which has always been used at the University of Ibadan since the 1960s). The harsh economic conditions of the civil war era made the University of Ibadan to embark on sourcing for endowment funds. This was more so, since the earlier quinquennial financial arrangement that the government made with the university was soon to be replaced with ad hoc grants. An Endowment Appeal Fund was launched by the then Visitor, His Excellency, General Yakubu Gowon, to support the University of Ibadan's 1975-80 quinquennial plan. The plan proposed to create new academic programmes and embark on major capital projects. However, in many cases, Nigerian public seemed not to have imbibed the spirit of endowments to the universities, explicated in the usual general low response to calls for endowments to the universities.

The University of Ibadan attracts the highest endowment funds (up to N8.36m in 1994/95 session alone). This is not surprising, noting that this university had always emphasised endowments since the 1960s - when it had to cope with the post civil war economic pressures.

ii. Foreign Grants:

For a long time, foreign grants have aided many programmes in the Nigerian universities, especially the postgraduate studies and staff development. For example, the University of Ibadan received from both the Ford and Rockefeller Foundations, a sum of N7, 717,592 for the development of its 1962-67 quinquennium. Other bodies, which were reported to have supported Nigerian Universities and individual researches within the system, include IDRC, CIDA, SIDA, USAID, Commonwealth Scholarships, UNFPA, UNIFEM, and British Council among others. However, subsequent to the country's (Nigeria) face-off with the United Nations over non-democratic principles in governance, and a bad record of human rights ideals, many of such institutions have withdrawn their funds, and have stopped supporting researches, and programmes in the Nigerian Universities. This, in particular, followed the sanction measures the United Nations took against the Nigerian government under military dictatorship.

iii. Fees/Levies:

Important trends also emerged from the non-NUC grants/funds. Although, there is a general government embargo on payment of tuition for undergraduate programmes, all the universities have devised other methods for fee collection. The cost of postgraduate studies has been heightened, while many non-degree/diploma courses have been introduced at very exorbitant fees. For example, the Masters in Business Administration (MBA) programme in both Ife and Lagos; and the Computer Diploma courses in all the universities among others, have had recorded financial success.

The modes of collecting fees/levies are rather indirect, and they sometimes vary from one university to the other. For example, while there is no **official tuition fees** in all the Federal Universities, each of these universities has now introduced alternative fees/levies (i.e. in lieu of

the proscribed tuition fees). Some of these alternative fees/levies include examination fees (ranging between N500 to N1, 000); hall maintenance fees (ranging between N1, 000 - N2, 500); and non-refundable admission deposits of at least N1,000.

Fees collected under different guises at OAU Ife between 1990 and 1995 is N1.4m; for UI Ibadan, it is N7.86m (within a 6 sessions-period – 1990 to 1996). Unilag presents a more buoyant revenue generation pattern, with many of its revenues coming from fees (non-degree and post graduate programmes), and investments. In 1995/96 session alone, Unilag recorded N49.6m Non-NUC funds (a large share of this came from fees and investments).

Over 80% of the Non-NUC grants recorded in Table 7 are from fees (mainly from postgraduate and non-degree programmes). The cost of undergraduate programme seems cheaper in the federal universities, since the federal government has stopped the official collection of tuition in these universities. However, the story is different in the State-owned universities, where payment of tuition is a regular part of academic life. For example, while the Federal Universities adopt indirect ways of collecting fees, at the State Universities, fees are charged directly. However, the payment of fees in both the Federal and the State Universities creates a paradox. While the Federal Government frowns at the idea of collecting fees for the undergraduate programmes, the State Government is silent on this. This was described by one of the staff as "the government faking ignorance". Surprisingly, the payment of fees in the State Universities is not as politically agitating as in the federal institutions. This may be due to the fact that the State Universities were established basically through local initiatives to serve the needs of its specific local communities. Local people are more committed to the survival of this state-level initiatives, while payment of fees is seen as a way of showing this commitment.

In the current academic session (1989/99 session); both the universities of Ife and Ibadan introduced different fees/levies totalling about N8, 000.00 per session for each fresh undergraduate, while the 'stalites' (i.e. returning undergraduates) are to pay less. This single incidence has led to strong protests from students in both universities. In fact, at OAU Fe, the students kidnapped and tortured not less than three of the University's Principal officers (including the Vice-Dean of the Directorate of Students Affairs); and threatened to burn down academic buildings if the decision on fees is not rescind. The university authority responded swiftly in favour of the students' demand, even though there are very obvious reasons while such fees should be collected i.e. the need to improve the condition of the learning and living environment. The same protest greeted the announcement of fees at Ibadan, although the university authority is still yet to resolve these issues. Nigerian students vowed never to pay any 'unofficial surcharges', under a political economy of 'corruption', and the looting of government treasuries by those in power. No doubt, there are serious micro level implications of students' insistence on non-payment of fees/levies for the university governance. Presently, uneasy calm exists in each of the affected universities, while both students and staff work under harsh conditions due to lack of infrastructural facilities.

Results of FGDs with student groups showed that students generally, do not support the payment of tuition fees as a means of financing the University system in Nigeria. They believed that education is a right, and that the government must be made to bear the brunt. They supported distance education, part time lecturing and consultancy as adequate means of generating income.

**Table 5: Sources of university revenues**

Grants	Internally Generated Revenues		
1. Govt. Grants: NUC/Federal/State	a. Fees/Tuition:	b. Revenue from Investments:	c. Endowments, Donations & Gifts
2. Research Grants (local & Foreign)	- Accommodation fee; Post Graduate & Foreign Students Tuition;	-Profits from commercial ventures; Debentures; Consultancies; Interest on bank deposits etc.	
3.Grants from the Productive Sector	Examination fees;		

**Table 6: Universities by types of sources of funds most emphasised.**

Universities	Sources of Funds Reported
Unibadan	<ul style="list-style-type: none"> <li>- Federal Govt.</li> <li>- Endowment funds</li> <li>- Grants and Research Fund</li> <li>- Income from Institutions' own companies investments</li> <li>- Interest from short term fixed Deposit</li> <li>- Interest from Loan Debentures</li> <li>- Hall Accommodation Fees</li> <li>- Incomes from Rent of Quarters &amp; non-residential Buildings.</li> <li>- Post Graduate &amp; Foreign students Tuition Fees</li> </ul>
Unilag	<ul style="list-style-type: none"> <li>- Federal Govt.</li> <li>- Internal generation of funds</li> <li>- Consultancies/ car park/ automobile unit</li> <li>- Grants &amp; Research Fund</li> <li>- Development of property (leasing of houses)</li> </ul>
O.A.U	<ul style="list-style-type: none"> <li>- Federal Government</li> <li>- Grants and Research Fund</li> <li>- Consultancies</li> <li>- Investments</li> <li>- Endowment</li> <li>- Student fees</li> </ul>
OSUA	<ul style="list-style-type: none"> <li>- State Government.</li> <li>- Payment of Tuition fees</li> <li>- Educational tax &amp; private sector</li> </ul>

**Table 7: Sources of financing by university (1985-1995) (in Million - Naira)**

Items	YEARS (1985 – 1996)										
	'85	'86	'87	'88	'89	'90	'91	'92	'93	'94	'95
(1)Govt Subvention:											
(a) O.A.U, Ife	38.0	42.41	42.89	61.92	55.65	62.43	81.90	302.70	286.38	352.96	289.00
(b) Ibadan	43.5.	36.6	36.6	55.8	55.2	61.7	87.5	248.67	236.62	275.23	264.96
(c) Unilag	32.9	30.5	21.4	34.6	30.6	42.4	42.0	130.8	184.4	181.00	267.50
(d) Ado - Ekiti	N.A	N.A	N.A	14.8	25	30.5	34.40	41.5	41.0	47.00	N.A
(2) Internally generated funds:											
(a) O.A.U, Ife	2.85	3.25	2.12	7.31	3.71	3.61	10.44	10.06	7.95	19.41	19.87
(b) Ibadan	NA	2.50	2.50	5.30	8.00	5.80	13.3	8.00	N.A	N.A	N.A
(c) Unilag	1.60	2.60	0.26	3.10	3.50	7.90	1.42	23.00	26.6	30.90	49.60
(d) Ado - Ekiti	0.22	0.23	7.31	0.30	0.87	0.66	3.64	1.90	1.00	0.49	N.A

NA = Not Available

**Table 8: Actual income by major sources at OAU Ife. 1990 - 1996 (in Million Naira)**

Income sources	1990/91	91/92	92/93	93/94	94/95	95/96	96/97
1. NUC Grants	62.43	81.90	302.70	286.38	352.96	289.0	367.44
2. FEES	0.67	1.44	1.34	1.69	1.60	)	4.40
3. INVESTMENTS	2.77	8.42	7.98	5.48	16.26	)19.87	14.0
4. GIFTS	0.10	0.17	0.25	0.32	0.51	)	0.95
5. Endowment	0.07	0.41	0.49	0.46	1.04	)	3.88
<b>TOTAL REVENUE</b>	<b>66.04m</b>	<b>92.34m</b>	<b>312.76m</b>	<b>294.33m</b>	<b>372.37m</b>	<b>308.87m</b>	<b>390.67m</b>
<i>NUC Grants: as % of Total revenue</i>	94.5%	88.7%	96.8%	97.3%	94.8%	93.8%	94.1%

\* Source: Individual University Data Sheet Estimates of Income.

**Table 9: Sources of income at UI (1990 - 1996) (in Million Naira)**

INCOME SOURCES	1990/91	91/92	92/93	93/94	94/95	95/96
1. NUC Grants	61.68	87.51	248.67	236.62	275.23	376.26
2. FEES	3.10	5.70	4.02	4.82	3.44	26.10
3. INVESTMENTS	3.00	2.20	2.87	3.20	2.41	2.67
4. GIFTS	-	0.34	-	0.40	0.50	-
5. Endowment	2.88	3.06	3.18	3.46	8.36	5.99
<b>TOTAL REVENUE</b>	<b>70.66m</b>	<b>98.81m</b>	<b>258.74m</b>	<b>248.50m</b>	<b>289.94m</b>	<b>411.02m</b>
<i>NUC grants: As % of Total Income</i>	87.3%	88.9%	96.1%	95.2%	94.8%	91.5%

\* Source: Individual University Data Sheet Estimates of Income.

**Table 10: Actual income by major sources at UNILAG (1990 - 1996) (in Million Naira):**

Income sources	1990/91	91/92	92/93	93/94	94/95	95/96
1. NUC Grants	42.4	42.0	130.8	184.4	181.0	267.5
2. Non-NUC Funds	7.90	1.42	23.00	26.60	30.90	49.60
<b>TOTAL REVENUE</b>	<b>50.30m</b>	<b>43.42m</b>	<b>153.80m</b>	<b>210.00m</b>	<b>211.90m</b>	<b>317.10m</b>
<i>NUC Grants: as % of Total revenue</i>	84.3%	96.7%	85.0%	87.8%	85.4%	84.4%

\* Source: Individual University Data Sheet Estimates of Income.

**Table 11: Actual income by major sources at the OSUA in the last 6 years**

Income sources	1990/91	91/92	92/93	93/94	94/95
1. NUC Grants	30.50	34.4	41.5	41.0	47.0
2. Non-NUC Funds	0.66	3.64	1.90	1.00	0.49
<b>TOTAL REVENUE</b>	<b>31.16m</b>	<b>38.04m</b>	<b>4.34m</b>	<b>42.00m</b>	<b>47.49m</b>
<i>NUC Grants: as % of Total revenue</i>	97.9%	90.43%	95.62%	97.62%	98.97%

\* Source: Individual University Data Sheet Estimates of Income.

**Table 12: Yearly total public investment expenditures on university education in Nigeria by student enrolment and by the rate of inflation in the economy**

Year	Total Public Investment Expenditure (in Million Naira)	Student Enrolment in all the Federal Universities	Rate of Inflation
1970	30,890.0	14,468	13.8
1971	55,695.7	17,093	15.6
1972	85,083.2	20,889	3.2
1973	98,270.3	23,228	5.4
1974	168,270.3	26,448	13.4
1975	243,835.0	32,286	33.9
1976	199,689.1	40,914	21.2
1977	288,602.0	46,684	15.4
1978	280,988.0	48,698	16.6
1979	302,913.9	57,742	11.8
1980	436,103.7	77,761	9.9
1981	684,019.2	90,751	20.7
1982	554,276.3	104,774	7.7
1983	514,404.1	116,822	23.2
1984	481,022.3	126,285	39.6
1985	488,110.3	135,783	5.5
1986	557,973.9	151,767	5.4
1987	424,263.1	160,767	10.2
1988	611,173.3	174,133	38.3
1989	726,961.3	179,494	40.9
1990	659,996.6	200,774	7.5
1991	743,502.2	232,482	13.0
1992	2,153,925.8	255,730	44.0
1993	3,317,518.9	281,303	54.2
1994	3,993,570.3	309,433	57.0
1995	4,392,927.3	340,376	72.0
1996	4,832,220.0	375,414	100.3

**Sources: Adapted from (i) Central Bank of Nigeria Annual Reports/ Bulletins; and (ii) National University Commission Publications**

#### iv. University commercial ventures and university-productive sector (UPS) linkages:

Both commercial ventures and UPS linkages are profit oriented, but they represent different modes of expanding the financial base of the university system. In this study, commercial venture is used to mean a unit or a department within the university, which engages in direct production of goods or services, which are sold direct to the consumers. Such units are established primarily for profit possibilities. UPS linkages are those structures put in place to allow universities to sell their technical expertise and/or the products of their scholarly researches to the productive sector i.e. such technical skills and/or technical innovations are made available to improve the performance of the productive sector per se.

#### **Commercial ventures –**

In response to the government mandate that each university must generate at least 10% of its total revenue, each university has now embraced vigorously, commercial ventures, and linkages with the productive sector. Tables 13, 14, 15, and 16 present data on selected commercial ventures in the four universities. All the universities are involved with running commercial ventures of different kinds, ranging from hotel services, primary and secondary schools, publishing, consultancies, sales and marketing, including petrol stations, supermarkets etc. The establishment of these commercial ventures is a recent phenomenon, and a response to the economic demands of the 1980s. Many of the units established pre- 1980s, were mainly research units with a greater focus on research and development (R & D), rather than the generation of monetary gains for the university. However, the University of Ibadan (the premier university) was the first to develop insights as regards commercial ventures, many of which were established in the 1970s.

The staff size of each identified venture ranges from 16 to 184. Margin of profits reported for the different ventures ranged between 4.7 million Naira and 82.9 million per year. It is important to note that many of the ventures, which attract high profit margin, are those offering professional services such as consultancy, distant teaching and hotel services. Unilag recorded relatively higher profit margins for many of its ventures compared to other universities, while OSUA (the State University) recorded the least (see Tables 13-16). The success recorded at Unilag may be explained by the fact of its location. Lagos is the commercial heart of Nigeria, and until recently it served as the Nigeria seat of government. It is an open secret that not many universities in the country can compete well with Unilag as regards success recorded from commercial ventures in the recent time. In fact, at the time of the survey, it was observed that compared with other universities Unilag seemed to have more obvious capital projects going on. This was noted looking at the number of construction works going on at the period of the survey. Some of these construction works include - construction of hostels, classrooms, boreholes, and network among others. Unilag is the only university, which is bearing inaugural lecture's expenses for those bequeathed with full professorial status. Unilag also has a viable and impressive plan for staff to own a house through its staff housing loan scheme. Although detailed financial records were not made available on these capital projects, however, FGD discussions showed that many of the capital projects were being financed using profits from investments and other commercial ventures.

It is important to note that almost all the commercial ventures which had recorded success stories were those that are semi-autonomous, and were given free hands to manage their own resources, and eventually operate fully as private enterprises. There is a general support for the NUC guideline that Universities should be able to generate 10% of their incomes. This indirectly also supports the idea that the financing of the tertiary institutions in Nigeria, should not be left to the government alone. Parent and students, and the universities must be involved in financing the universities. Most of the Universities according to the majority of these staff, make a lot of profits through their income generating activities, while the profits are ploughed back for expansion, and to provide better working conditions for staff.

A staff of the University of Ibadan spoke of the deterioration at the university -

“...There is no doubt, that universities are poorly funded. For inadequate water and electricity supply had been a source of student protests here in Ibadan, yet nothing Concrete has been done to address the problem. This implies that what should have been a priority matter is being ignored because there is no money. Therefore, I support the universities to look inwards and generate their own income”.

Tables 17 to 21 present a profitability assessment of the various income-generating activities in the selected universities. Some of these ventures have proved to be successful, while others are not. In reality, only very few have been found to be successful, while many have died naturally. For example, the Commercial Farm at OAU Ife has lost its former glory. Presently the Farm is run at a loss. Also at OAU Ife, reports show a high degree of success by its central consultancy unit (UNIFECS), whereas, the older ventures like the University Bookshop is performing poorly (see Table 21). Students no longer patronise the bookstore as before, because the prices of books are high, and unaffordable to students. Again, the Bookstore can hardly generate enough funds to replenish its stocks. Thus, current books, and especially those published abroad may not be available to students. Centres like the CIRDC (Centre for Industrial Research and Development) and NACATEM (National Centre for Technology Management) which currently maintain linkages with the productive sector tend to be very buoyant (see Odebiyi et al. 1997). Generally, the reasons given for the non-profitability of some of the commercial ventures varied, and they include -

- Bad management, and lack of accountability;
- Lack of commitment by staff;
- Running of these commercial units as if they are welfare units;
- Lack of patronage from the public, and inability to diversify;
- Poor funding and
- Frequent thefts among others.

The successes of some income generating activities were attributed to good planning, handwork and commitment and high level of patronage from the public. Even though some of these ventures are making substantial profits, staff of the units still felt that the most effective way of generating money within any University system should be through tuition fees, followed by long distant education and consultancies.

Interviews with the students revealed some significant contributions being made by some of these commercial ventures to the public. They commented that the money made from such commercial ventures is sometimes used to service academic programmes, which are of direct

benefits to the students. These may include replacing worn-out equipment, providing teaching materials, and improving the working conditions of staff. They stated that when teachers are happy, then teaching and learning become interesting and they are no longer perceived as a chore.

All the respondents (staff and students alike) sounded a note of caution with regards to the income generating activities of the units. They felt that there should be a way of effectively checking the activities of the units so that teaching and research are not being compromised or made peripheral. According to the students, it is very easy to get tempted when huge profits start to roll in. In the University of Lagos, a staff suggested that the activities of the commercial unit should be controlled via the Vice Chancellor's Office in order to curb excesses. Another staff from the University of Ibadan suggested proper monitoring of commercial units to ensure that teaching and research do not suffer.

### **University-productive sector linkages –**

Universities are now making efforts to reach out to the productive sector mainly through seminars, workshops and training programmes. However, the benefits of this, accrue more to the large scale industrial concerns, rather than the small scale enterprises (since the latter could not, in most cases, benefit much from the fee-based university consultancy services offered at exorbitant prices). Ayiku (1991; 1997) found that the following characteristics best describe the state of UPS linkages in Africa today -

- i. Universities are resistant to effective structural changes and they lack commitment to the establishment of effective UPS linkages;
- ii. What exists is a weak or temporary linkage with industry mainly on the personal level (conferences, individual consultancies, student attachment);
- iii. Existing UPS centres are weak and are poorly funded with little or no autonomy;
- iv. Insignificant government involvement (poor funding, poor enabling environment for commercialisation of R & D results and unwillingness to use the “power of the purse” to encourage the establishment of UPS linkages);
- v. Poor science culture and weak S & T policies and institutions;
- vi. Insignificant income to the university from consultancy and, generally, from industry.

In Nigeria, Odebiyi et al. (1997) carried out a case study of Obafemi Awolowo University, Ile - Ife, and they found that many centres have been established at Ife which provide links with the productive sector, either through consultancy services, training in new technologies, and/or other technical services. The centres have promoted training of manpower for the industries, through consultancies, while profits accruing to them have been spent on further investments, teaching and research, and to acquire new equipment. However, the study found that the activities of these centres are hindered by lack of funding, university politics, government indifference and

lack of commitment to most university programmes which require additional financing; poor working conditions of staff; and sometimes university red tapeism.

Above trend is common in all the universities surveyed. All the universities, in the recent time, are now establishing linkages with the productive sector, either through consultancy units, and other designated centres or units; and/or direct links with academic departments. Although the older universities seem to have more established links with the productive sector on the whole, a State-owned, and a young university like OSUA started off with the philosophy of being particularly relevant to the immediate social and economic environment.

On the whole, there is still poor information flow from the universities to the productive sectors, while many of the researches carried out in these universities are not need-driven, and are therefore not geared to the needs of small scale industries/enterprises.

#### Managing Profits from University Investments/Commercial Ventures:

The bursary departments of the respective universities have the overall responsibilities for managing funds and finances. Each of the commercial units/departments is linked directly with the respective bursary departments. However, the structure of university financial monitoring varies from one university to the other; and sometimes, it varies from one unit to the other, even within the same university system.

At OAU Ife, the Bursary department has an over-riding control over and above all the other units within the system. The various forms of the university investments are controlled and managed by the Bursary department (i.e. all the commercial units are directly responsible to the Bursary department). All monies, including profits are paid directly to the central bursary accounts, while requisitions are made via the Bursary department before money could be released from such accounts. This type of central control mechanism by the Bursary department has helped to successfully monitor the finances of the various commercial units, and in many cases, it has helped to detect frauds. However, the managers of many of the commercial units at Ife spoke against this centrally controlled financial system. For many, this type of system inhibits innovation, and it does not give the managers free hand to invest and to manage these units as 'true commercial centres'. The university red 'tapeism' often turns such commercial units into another government department, rather than being able to operate as full fleshed profit-oriented units. It takes a long time to get money out of the university bursary department, while in many cases, it is almost impossible to reinvest and/or plough back profits directly to these units. Also, staff who work in these commercial units could not be financially compensated or motivated, without incurring the disfavour of workers in other units, and the displeasure of the overall university management. The committee system of administration guiding university's decision making processes, is in many cases extended to these commercial units, thereby making many operation decisions unrealistic, and unprofitable. The result is that many of the commercial units could not compete well in the money market.

What operates at Ife is very similar to many of the other universities, except for Unilag, and UI Ibadan, where many of the commercial units are somehow relatively detached from the central university financial management unit (i.e. the bursary department). Many of the commercial

units at Unilag are semi-autonomous of the bursary department. The financial management of the commercial units at Unilag, is not as centralised as that of OAU Ife . The units can freely invest, and spend profits as semi-autonomous units, although with proper documentation. A sharp difference recorded at Unilag is that staffs in the respective commercial departments/units tend to benefit directly from the profits accruing to these units. Staff in these units thus displayed a high degree of enthusiasm towards being involved in such commercial processes.

Since many of these universities did not make available to the study, a detailed breakdown of profits, and investments, it was difficult to assess the direct impacts the commercial units are making on teaching and research. However, a general observation made is that Unilag seems to be presently making a lead way into commercialising many of the university activities, and as such, it seems to be more financially buoyant. Monies made from its investments have helped Unilag to get involve in activities, which could improve staff conditions and welfare, for example, securing land plots and building loans for staff among others.

On the whole, many people are sceptical of universities becoming too commercially oriented. One of the common remarks is that ‘if care is not taken, many of the university cultures will be lost as university managers get too involved with commercial activities’. Teaching and research may be neglected, while staff may become less committed to university mandates that do not bring monetary rewards, for example, theoretical research as against applied research.

**Table 13: Commercial ventures, Unilag - Lagos**

Commercial venture	Staff Size	Running Cost per year (in million Naira)	Profit Margin per year (in million Naira)
1) Press	83	12.7	18.5
2) Guest House/ Conference centre	151	36.7	NA
3) Book Store	39	3.1	6.5
4) Commercial Pharmacy	16	2.3	8.0
5) Unilag Consult	25	3.8	7.2
6) International School	194	32.3	NA
7) Correspondence & open studies Institute	118	65.2	82.9
8) Staff School	184	21.6	20.9
9) Unilag Property Mgt Devt.Board	10	2.2	50.0
10) Computer Centre	NA	1.4	0.3

KEY: NA = Not Available

**Table 14: Commercial ventures, UI Ibadan**

Commercial Venture	Year Established	Staff Size	Running Cost per year (in million)	Profit margin per year (in million)
1. Superstore	1970	16	1,524,822	NR
2. Computer Centre	1974	27	1,434,395	NR
3. U.I. Consultancy	1978	20	1,230,467	NR
4. Book store	1958	15	897,536	NR
5. Press	1962	12	1,326,096	NR
6. Guest House and Conference centre	1964	25	2,576,625	NR
7. Staff School	1948	40	3,136,128	NR
8. International School	1963	167	9,971,851	NR
9. Institute of Education.	1957	40	3,136,128	2,489,161

Key : NR = Not Released

**Table 15: Commercial ventures, OAU Ife:**

Commercial Venture	Year Established	Staff Size	Running Cost per year (in million Naira)	Profit Margin per year (in million Naira)
1) OAU Press	1980	25	1,500,000	270,000
2) Guest House/ Conference Centre	1978	61	10,000,000	NA
3) Bookshop	1971	7	1,000,000	NA
4) Drug Research and Production Unit	1979	21	NA	NA
5) Centre for Industrial Research & Development	1969	21	NA	NA
6) Unifecs (consultancy Unit)	1986	12	1,571,649.00	536,335.00
7) Staff School	1967	80	NA	NA
9) Commercial Farm		14	NA	NA
10) Institute of Educ.: Part-Time Programme	1992	50	NA	NA

**NA = Not Available**



**Table 18: Commercial ventures, University of Ibadan: Profitability assessment**

Commercial Ventures	Profitable	Unprofitable
1. Superstore		-
2. Computer Centre	+	
3. UI Consultancy	++	
4. Book store		-
5. Press		-
6. Guest House and Conference centre	++	
7. Staff School	+	
8. International School	+	
9. Institute of Education.		-
10. Transport Venture		-

Key: + = Profitable  
++ = Highly profitable  
- = Unprofitable

**Table 19: Commercial ventures, OAU, Ile-Ife: Profitability assessment**

Commercial ventures	Profitable	Unprofitable
1. NACETEM	+	
2. Drug Research and Production Unit		-
3. UNIFECS consulting Unit	++	
4. Staff School		-
5. Commercial Farm		-
6. Computer Centre	+	
7. Institute of Education	++	
8. OAU Ventures	+	
9. University Guest Houses and Conference Centre	+	
10. Bookstore		-

Key: + = Profitable                      ++ = Highly profitable  
- = Unprofitable

**Table 20: Commercial ventures, OSUA, Ado-Ekiti: Profitability assessment**

Commercial Ventures	Profitable	Unprofitable
1. Centre for Research and Development		-
2. OSUA Ventures	++	
3. Centre for Distance Education and part-time Programme	+	

Key: + = Profitable  
 ++ = Highly profitable  
 - = Unprofitable

**Table 21: Overall assessment of specific income generating activities by university:**

Univ.	Sources of generating funds	Most Successful Venture(s)	Least Successful Venture	How Profit is spent
Unilag	Car Wash; car park; printing Press, Guest House; Bakery; Soap Industry; Pure water production; Post Graduate & non-degree programmes.	Correspondence & Open Studies; Soap Industry; Unilag Bakery; Unilag Pure Water.	Management Board; Unilag Property Devt.	Depends on University admin. Priorities
OSUA	External degree programme; OSUA farms OSUA Ventures	External degree	OSUA farms (badly managed) (lack of staff commitment)	Profit of Ploughed back.
Ibadan	Consulting Services; Printing, Guest Houses, Petrol Station	U.I. Consultancy Unit	Transport Venture is treated as a welfare service	Supplements to govt's subventions
O.A.U	Consultancies; Printing Press; Guest Houses; Petrol Station; Transport Ventures etc.	UNIFECS Consultancy Unit	Commercial Farm, University Bookstore	University Administration sets the priorities

## **6. Managing finance: expenditure patterns in the selected universities:**

The bursar is the chief finance officer of the institution. The bursar ensures that the funds of the institution are spent in accordance with the Act and Regulations laid down by Council and that no monies of the Institution are spent without proper authority and accounting.

One item of expenditure that must be incurred monthly is the payment of the salaries and wages and other non-salary employment. These consume away a large percentage of the institutions' Income. Other items of payments are: -

- (i) Housing loan for staff to own a house of his/her own
- (ii) Vehicle loan, which is a loan, approved for the purchase of a car motor cycle or bicycle
- (iii) Salary/tour advance, which is an advance, approved for a specific purpose or official travels and is usually repayable or accounted for.
- (iv) Gratuity: employees who served in an institution for the number of years that qualifies him/her for the payment of gratuity would on reaching the age of retirement be paid the gratuity due for the period served.
- (v) Pension payment- where the number of years served qualifies the employee for pension, he/she starts to draw the pension immediately on attaining the retirement age.

Other Payments are:

- i. Materials essential for the running of the institution
- ii. Assets, such as acquisition or erection of buildings or additions or extension to the Existing ones.
- iii. Furniture, fixture and fittings, laboratory and office equipment
- iv. Expenses for the maintenance of halls of residence, including general Cleanliness of the surrounding
- v. Purchase of motor vehicles, tractor, and trucks
- vi. Plants and machinery (for the technology, industrial and electrical departments etc.)

Generally, university revenues are often spent in a pre-determined way. For example, each university has a procedure of sharing money out to different activities/items such as salaries, capital projects, recurrent expenditure (teaching/ research/ administration etc.), and general maintenance among others. The university expenditure pattern is guided by the objectives of setting up a university (teaching and research). Therefore, a higher percentage of the revenue is supposed to be spent on such principal items such as teaching and research. Although none of the universities allowed access to the details of revenue allocation within the university internal system, casual discussions with university workers showed that much of what is available is spent (in order of importance) on capital projects, administration, teaching and research. and students welfare. Capital projects, and salaries reportedly take a junk of the total revenue, while teaching and students' welfare tend to be given less priority. This, according to the FGD report, tends to be responsible for the incessant student/teachers riots and strike actions respectively.

Revenues generated from within the universities (through investments, consultancies, or commercial ventures etc.) are expected to be spent on augmenting some of the principal functions of the universities, while some proportion of these are supposed to be ploughed back. In reality, because many of the ventures have not been successful, they tend to eat deep into the university finances. Also, there seems to be a very loose co-ordination system between some of these ventures and the university central administration. For example, casual discussions with some of the workers in some of these units showed that some individuals have enriched themselves by heading some of these units, while the university itself benefits tangentially.

### **Recurrent expenditures:**

#### **i. Direct Teaching Services -**

Although direct teaching tends to take the lion share of the total recurrent expenditure (see Tables 22 - 25), much of this is spent on staff salaries and allowances (see Babalola, 1996). Expenditure on direct teaching services attracts (consistently) over 30% of OAU Ife total expenditure and over 40% of UI Ibadan total expenditure in the period 1990 - 1995. In fact, UI Ibadan recorded 80.76% of its total recurrent expenditure on direct teaching services, leaving other service sections deprived. As earlier noted, most of such monies are spent on staff salaries, and allowances.

#### **ii. Teaching Supports:**

Teaching supports, which are mainly in form of materials for teaching and laboratory works etc. continue to attract less funding. At OAU Ife, expenditure on teaching supports is consistently (on the average) about 3% of the total expenditure. In the University of Ibadan, expenditure on teaching supports is consistently less than 2% of the total expenditure every session, except for 1995/96 session when it was 2.54% of the total expenditure.

#### **iii. Research:**

Expenditure on research is haphazard and inconsistently distributed. OAU Ife recorded relatively higher percentages in 1990/91 session (6.3%); 1993/94 session (6.8%); and 1994/95 Session (7.8%); while a sharp reduction in research expenditure was recorded for 1992/93 Session (0.9%), and in 1995/96 (2.6%) (see Tables 22 and 23). UI Ibadan spent N27.99m on research in 1993/94 Session, and N25.68m in 1994/95 Session while the expenditure on research dropped to only N2.32m in 1995/96 Session. Funding of research activities tends to be consistently low in Ibadan, with the lowest expenditure on research recorded in the 1995/96 Session (being <1% of total recurrent expenditure for that Session) (see Table 25).

#### **iv. Public Service:**

Generally, public service recorded low expenditure in the period 1990 - 1996. UI Ibadan, recorded more expenditure on public service compared to OAU Ife. On the whole, the amount spent on public service continues to decrease for both universities.

v. Library:

Although the nominal value of the amount spent on library services continues to increase, the overall expenditure on library services as a percentage of total expenditure is still very low (see Tables 23 and 25). While OAU Ife's expenditure figure dropped from 7.3% of the total expenditure in 1994/95 Session, to 5.5% in 1995/96 Session, UI Ibadan recorded a rise from 2.7% in 1994/95 Session to 12.5% in 1995/96 Session. Direct observation of library facilities, and casual discussions with library staff showed that the real value of the expenditure on library services/facilities had not yielded much return. All the 4 libraries visited can aptly be described in the words of one of the library staff - "the shadow of its former self". In some of these libraries, illumination is very poor, books are badly displayed; many of the books are dated; while the cataloguing styles are dated. For example, all the libraries still use the card system of cataloguing. There are no computer and photocopying facilities for students to freely use in these libraries. Where there are computers and photocopiers, the use is limited, and they are only made accessible to library staff for specific administrative duties.

vi. Staff Development:

Staff development continues to attract a very small portion of the total recurrent expenditure (see Tables 23 and 25). FGD reports revealed that what used to attract people to university employment are no longer present. These were identified as opportunities to train abroad, and to travel widely; making scholarly marks through research break-through; and other work fringes such as opportunity to travel out with members of the family during sabbatical leaves. The universities used to be responsible for the travel costs of family members who may want to accompany the academic staff abroad during a sabbatical leave. Today, this has been scrapped, thus making academic work in the university less attractive. In the last 5 years, the rate at which a young academic staff can go abroad for training has dropped sharply. In fact, following the recent Commonwealth sanctions on Nigeria because of its below average human rights records, foreign aids to Nigeria universities have dropped, while scholarship openings to Nigerians wishing to further their education abroad has equally dropped. An ASUU member (academic staff) remarked in one of the FGD sessions,

"Academics are the worst hit by the present political sanctions against Nigeria. The Nigerian government never had a culture of financing academic researches, and yet, with the present sanctions against Nigeria, the door to foreign sponsored researches has virtually closed. Existing academic linkages with foreign universities are no longer renewed. It is very sad".

vii. General Academic:

Financial allocations here are mainly to academic departments. Although OAU Ife reported about 22.3% of its total expenditure in the 1992/93 academic session to general academic matters, funds to this sector are generally low compared to other service areas. The University of Ibadan tends to spend less on general academic matters compared to OAU Ife. While the lowest percentage recorded for general academic matters at Ife is 1.9% for the 1994/95 session,

University of Ibadan recorded its lowest percentage (0.38% of the total recurrent expenditure) for general academic matters in 1993/94 session.

viii. Works and Maintenance:

Despite additional funds for works and maintenance, an average building in the university is not well maintained. All the universities had reports of leaking roofs, especially lecture theatres and offices. Staffs who live on campus said the maintenance of these houses is virtually left to them. Drainage is generally bad, while many household fixtures need repair and/or replacement.

ix. Health Services:

Health services attract a small proportion of the recurrent expenditure (see Tables 24 & 25). This corroborates FGD reports on the health services in the surveyed universities. The health centres were reported to be grossly inadequate, since many of them have no emergency facilities, and hardly have drugs. A man described the health centre in his university as a “prescription centre” (where you go to take a prescription from the doctor, and subsequently go elsewhere looking for drugs to buy). In fact, many of the students described the university health centre as a “death centre”. According to a student, “going to the health centre is like going to meet death, because the doctors are incapacitated in the face of inadequate infrastructures and lack of drugs”. Even though the population of these universities is increasing rapidly, many of the facilities at the health centres are inadequate to meet the needs of the teeming population. Also, when students and staff go to other hospitals on referrals, whatever bills are incurred, are no longer refunded (i.e. if paid for directly by the staff or the student).

Many cases of outbreaks of severe epidemics were reported in some of these institutions, including outbreaks of typhoid fever, diarrhoea, and many other water-borne diseases. As earlier reported, some universities do not have adequate water supply, and some who have either dams or boreholes, often find them difficult to maintain because of lack of funds to buy necessary chemicals for treating the water from the source.

x. Central Administration:

The central administration attracts relatively high percentage of the total recurrent expenditure. At OAU Ife, general administration recorded the following percentages respectively in the 6 academic sessions in the period 1990 - 1996: 25.3%; 10.3%; 8.7%; 12.8%; 14.1%; and 12.2%. For the University of Ibadan, and within the same time period, the spread is - 8.75%; 8.16%; 8.20%; 2.37%; 5.77%; and 8.42% respectively. These figures show that there is no standard judgement on what goes to each of the service areas, in this respect, the central administration. The figures also show that at OAU Ife, the central administration attracts a higher percentage of the total recurrent expenditure, when compared to UI Ibadan.

#### xi. General Administration:

General administration incurs more expenditure compared to the central administration. The general administration co-ordinates all the activities of other units and departments in the university, while the central administrative unit co-ordinates the central management organs (e.g. the Vice Chancellor's office and that of his deputies etc.). Also, the percentage distribution of expenditure attracted by the general administration between 1990 and 1996, is also haphazard. At Ife, the distribution is 14% in 1990/91 session; 21.7% in 1991/92 session; 20.5% in 1992/93 session; 11.6% in 1993/94 session; 2.6% in 1994/95 session; and 13.3% in 1995/96 session. The low expenditure on general administration for 1994/95 session has been explained by the fact that this session attracted series of strike actions from both staff and students of the university, during which the university was closed down. Such general inactivity meant that both the central administration and the general administration could not perform many of their roles and functions. Thereby, they could not spend most of their allocations. While OAU Ife is spending less money on its general administration, the University of Ibadan, seems to be more than doubling the amount spent on general administration (see Table 25). For example, while UI Ibadan spent as low as 3.21% of its total recurrent expenditure on general administration in 1993/94, in both 1994/95 and 1995/96 respectively, the percentages on general administration are - 19.76% and 18.34% respectively. Also, the low percentage incurred on general administration in the 1993/94 session, has been explained by the incessant closure of this university at the period.

On the whole, both the central and the general administration units are gulping a large percentage of the overall recurrent expenditure. In fact, Babalola et al (1996) advocated for a cut in the cost of general administration, which could be done by reducing the size of the support staff (i.e. the non-academic staff).

#### xii. Retirement Benefits:

Compared to many other alms of the government civil service, for example, the schools boards for primary and secondary schools respectively, the university system is reputed for its clear guidance on retirement benefits and entitlements. The universities have a relatively responsive system of paying retirement benefits. The highest percentage of retirement benefits paid, and as a percentage of the total recurrent expenditure, is 21.7% at OAU Ife; while at the University of Ibadan, the highest being 14.49% (incurred in 1992/93 session) (see Table 25).

**Table 22: Recurrent expenditure by type of service at OAU Ife:1990-1995  
(in Million Naira)**

Service Areas	1990/91	91/92	92/93	93/94	94/95	95/96
1. Direct Teaching	23.38	36.56	82.24	101.78	120.38	140.37
2. Teaching supports	2.34	3.20	6.58	8.15	9.09	12.20
3. Research	4.60	4.24	2.72	18.74	23.60	11.40
4. Org. Research	1.12	1.33	3.70	4.38	5.34	6.39
5. Public Service	0.87	0.97	2.20	2.83	3.82	3.84
6. Library	1.32	2.17	17.61	18.46	21.96	24.16
7. Staff Development	0.46	0.95	4.69	4.05	6.68	4.26
8. General Academic	-	-	69.53	8.56	5.64	15.13
9. Central Administration	18.55	9.59	26.99	35.33	43.72	53.33
10. Works & Maintenance	4.55	7.82	16.15	18.69	20.40	24.54
11. Student services	1.11	1.66	2.86	3.43	3.43	6.41
12. Health services	1.73	2.15	5.14	8.40	9.86	10.23
13. General Admin	10.28	20.26	63.78	31.83	7.83	57.82
14. Retirement Benefits	2.99	2.59	7.28	10.70	21.80	65.69
Total Expenditure (in Million Nigerian Naira)	73.29	93.49	311.47	275.33	302.55	435.77

**Table 23: Expenditure on service items as a percentage of the total recurrent expenditure (OAU Ife - 1990-1995).**

SERVICE AREAS	Type of Service as a Percentage of Total Expenditure (TE)					
	1990/91	91/92	92/93	93/94	94/95	95/96
	% of TE	% of TE	% of TE	% of TE	% of TE	% of TE
1. Direct Teaching	31.9	39.1	26.4	37.0	39.8	32.2
2. Teaching Support	3.2	3.4	2.1	3.0	3.0	2.8
3. Research	6.3	4.5	0.9	6.8	7.8	2.6
4. Org. Research	1.5	1.4	1.2	1.6	1.8	1.5
5. Public Service	1.2	1.0	0.7	1.0	1.3	0.9
6. Library	1.8	2.3	5.7	6.7	7.3	5.5
7. Staff Development	0.6	1.0	1.5	1.5	2.2	1.0
8. General Academic	-	-	22.3	3.1	1.9	3.5
9. Central Administration	25.3	10.3	8.7	12.8	14.1	12.2
10. Works & Maintenance	6.2	8.4	5.2	6.8	6.7	5.6
11. Student services	1.5	1.8	0.9	1.2	1.1	1.5
12. Health services	2.4	2.3	1.7	3.1	3.3	2.4
13. General Admin	14.0	21.7	20.5	11.6	2.6	13.3
14. Retirement Benefits	4.1	2.8	2.3	3.9	7.2	15.1
Total Expenditure (TE) (in Million Nigerian Naira)	73.29m	93.49m	311.47m	275.33m	302.55m	435.77m

**Table 24: Recurrent expenditure by type of service at U.I. (1990 – 1996)**  
**(in Million Nigerian Naira).**

<b>Service Areas</b>	1990/91	91/92	92/93	93/94	94/95	95/96
1. Direct Teaching	35.74	41.86	107.21	721.80	133.62	164.6
2. Teaching supports	1.23	1.49	3.76	4.05	5.78	9.64
3. Research	3.51	3.96	12.04	27.99	25.68	2.32
4. Public Service	4.15	2.05	7.94	8.00	8.80	4.36
5. Library	1.71	2.57	8.82	29.82	9.78	46.97
6. Staff Development	0.03	-	0.003	1.63	0.05	1.11
7. General Academic	1.05	1.13	3.14	3.35	9.90	9.39
8. Central Administration	7.48	7.30	19.97	21.22	20.61	31.66
9. Works & Maintenance	8.70	14.49	26.31	26.19	24.39	21.29
10. Health services	1.01	1.57	4.84	4.55	4.30	6.94
11. General Admin	12.51	7.89	14.19	28.69	70.64	68.98
12. Retirement Benefits	8.35	4.14	35.28	16.51	43.92	8.88
<b>Total Expenditure (TE)</b>	<b>85.47m</b>	<b>89.45m</b>	<b>243.49m</b>	<b>893.80m</b>	<b>357.47m</b>	<b>376.12m</b>

**Table 25: Expenditure on service items as a percentage of the recurrent total expenditure at UI, Ibadan ( 1990-1996)**

<b>SERVICE AREAS</b>	1990/91	91/92	92/93	93/94	94/95	95/96
	% of TE	(% of TE)				
1.Direct Teaching	41.81	46.8	44.03	80.76	37.38	43.75
2.Teaching Supports	1.44	1.67	1.55	0.45	1.62	2.54
3.Research	4.10	4.43	4.94	3.13	7.18	0.62
4.Public Service	4.86	2.29	3.26	0.90	2.46	1.16
5.Library	2.00	2.87	3.62	3.34	2.73	12.49
6.Staff Development	0.03	-	0.001	0.18	0.01	0.30
7.General Academic	1.23	1.30	1.29	0.38	2.77	2.50
8.Central Administration	8.75	8.16	8.20	2.37	5.77	8.42
9.Works and Maintenance	10.18	16.20	10.80	2.93	6.82	0.06
11.Health Services	1.18	1.76	1.99	0.51	1.20	1.84
12.General Admin.	14.64	8.82	5.83	3.21	19.76	18.34
13.Retirement Benefits	9.77	4.63	14.49	1.85	12.29	2.36
Total Expenditure (in Million - Nigeria Naira)	85.47m	89.45m	243.49m	893.80m	357.47m	376.12m

## **7. Perception of the University Management Staff on the Financial Status of the various universities:**

This section presents data from the in-depth interviews held with selected management staff in the various universities (especially those charged with the responsibility of managing university funds, including the vice-chancellors, the bursars, and other principal officers of the various universities). These perceptions are important because it is believed that these university financial managers will likely present in this description the philosophy guiding most of the finance decisions in the various universities.

The ages of the senior staff interviewed ranged from 39 to 53 years, while many of them were selected from the various bursary departments of the surveyed universities. Each of these respondents had over 20 years experience working in the university system, although most of them got to their present position within the last 5 years.

Tables 26 and 27 present a descriptive data on the management's support or otherwise for itemised alternative modes of financing that could be adopted within the university system. All the items listed were supported except for such items as:

- Load shedding and
- Privatisation of universities.

It was argued that privatising universities might lead to making university a scarce commodity, as the poor may not be able to afford private fees. Load shedding is not supported because according to them, the available programme can hardly admit the number of qualified university applicants in Nigeria. However, the reality of the situation is contrary to this view. Up till now, the Nigeria universities are faced with the question of 'rationalisation'. Federal government is proposing rationalisation of some of the universities and some programmes. If the rationalisation exercise comes by, the Federal government might be reducing the number of federal owned universities to one university per region (that is, north, west, and eastern regions). Many have reacted that such a move would be suicidal, for established programmes would be destroyed in the process, while the existing federal universities might become centres for ethnic agitation and domination. Within the present political dispensation the issue of rationalising the universities is being handled with caution.

The issue of tuition was treated with caution (see Tables 26 and 27). Although majority of the staff that were interviewed, support the payment of tuition in tertiary institutions, they argued that forcing students to pay tuition fees could be explosive if introduced under the present economic dispensation, and political instability. However, it was argued that without tuition, students may never appreciate the value of the education (that is, if education at tertiary level remains free), and that this may reduce the spirit of hard work among students.

Many of the university managers supported the NUC mandate, which says that each university should generate 10% of its own income (see Table 28). The query is "how will a university generate a 10% of its income without charging fees?" This is to say that without fees, this may be difficult. Table 29 presents the management's impressions on income generating activities,

especially as they relate to teaching and research. It is clear from the table that in both the short- and long-runs engaging in income generating activities will enhance both teaching and research, and indirectly support many of the recurrent expenses.

The recent policy on education tax being paid by companies is a welcome idea if such funds are used judiciously, with the hope that about half of such tax payment could be spent on higher education (see Table 30). Although, all the selected management staff agreed that the government should continue to support universities financially, they said parents should also be ready to complement government's efforts (see Table 31).

**Table 26: The income generating activities supported by the management staff (Unilag and OSUA)**

Universities	Support	Does not Support	Don't Know	Reasons
<u>1. UNILAG:</u>				
Tuition		+		It will be explosive as students and parents will react violently
Education Levy	+			Provided it has govt. backing
Load Shedding/ Rationalisation			+	It depends on the situation in the Universities
Privatisation of Universities		+		I doubt if this can be sustained
Distance Education	+			Good source of making money
Part time Programme	+			Provided there is reliable academic support.
Three Semester Programme		+		Waste of time
University/Productive sector Linkage	+			Can yield a lot of profits.
<u>2. OSUA:</u>				
Tuition	+			Govt. funding is inadequate
Education Levy	+			Govt. funding is inadequate
Load Shedding/ rationalisation			+	This may be difficult to operate
Privatisation of Universities		+		Cannot be maintained because of personal greed
University/Production Sector linkage	+			To make academic findings relevant for human living
Part time Programme	+			There is need to augment government funding
Three Semester Programme	+			This may help to reduce work load per semester
Distance Education	+			May be cheaper to sustain

**Table 27: The income generating activities supported by the Management Staff  
(UI and OAU Ife)**

Universities	Support	Does Not Support	Don't Know	Reasons for Response
<b>3. Ibadan</b>				
<b>Tuition</b>	+			Anything that is free does not morally have value
Education Levy	+			To make more money
Load Shedding	+			May likely reduce cost
Privatisation of Universities	+			To make more money
Distance Education & Part Time Programmes	+			To meet the need of those who could not afford full time studies
Three Semester Programmes			+	I am not familiar with this
Universities/Productive sector linkages	+			This is presently poorly developed in Nigeria
<b>O.A.U, Ife:</b>				
<b>Tuition</b>	+			For student to better value education
Education Levy	+			To relieve government effort
Load Shedding			+	This might be difficult to do
Privatisation of Universities		+		Only the rich will be able to afford university education in that arrangement; and it could lead to poor quality education
Distance Education & Part time Programme		+		Convenience
Three semester Programmes			+	I am not aware of the form this might take
University/Productive sector linkages	+			Already encouraged in my university, although it is still poorly developed

**Table 28: Management’s reactions to NUC directive that universities should generate 10% of its annual income**

Universities	Reactions to NUC directive		Reasons For Responses
	Support	Does not Support	
Unibadan	+		This may lead to effective utilisation of resources;
Unilag	+		It should not be difficult for Universities to achieve this, if charging of fees is allowed;
OSUA		-	This may be difficult for State owned universities with less resource base;
OAU		-	It is only possible if the government deregulates tuition and accommodation fees.

**Key:** + = Support  
 - = Does not support

**Table 29: Management’s perception of the effect of the income generating activities on the teaching & research in the selected universities**

University	Perceptions of the University Management Staff:	
	a. In the short run	b. In the long run
<b>1.Unibadan</b>	No adverse effect. Profit Forms part of recurrent budget	No adverse effect on Teaching & Research
<b>2. OSUA</b>	Teaching & research are enhanced as more money is now available	The improvement will tend to be pronounced in the long run
<b>3. Unilag</b>	It will improve teaching & research as more money will now be available for materials and better facilities	Greater improvement in the long run in teaching and research
<b>4. O.A.U</b>	It will Provide better facilities	Caution should be taken that this does not jeopardise Teaching and Research in the long run

**Table 30: Management’s views on company tax on education**

<b>Universities</b>	<b>Views on the company tax</b>	<b>What percentage of this should be for higher education</b>
<b>OSUA</b>	Supported: provided it is judiciously spent	50%
<b>Unilag</b>	It is a good idea. it will help Universities financially	50%
<b>Ibadan</b>	This will supplement govt. subvention	45%
<b>OAU Ife</b>	Since the companies use the university end product, they should be made to support the system to survive	70%

**Table 31: Management’s views of the roles of government/student and the community in the financing of higher education**

<b>Universities and perceived roles</b>				
<b>Societal Groups</b>	<b>U.I Ibadan</b>	<b>Unilag</b>	<b>OSUA</b>	<b>OAU Ife</b>
<b>Student Body</b>	I don’t think they have any role to play towards financing higher education	Should sensitise students on the need to pay fees	Tuition should be free	Students should be ready to pay some substantial fees.
<b>Parent Body</b>	Parents Forum: should encourage parents to support funding universities’ programmes	Parents should be ready to pay fees	Parents should Compliment Government efforts	The parents should enlighten children on the need to pay fees
<b>Government</b>	To give adequate subvention	Govt should make education its priority	Govt should continue to be a major provider of funds for University	Government should stop pegging fees.

## **8. Implications of the present mode(s) of university financing for staff/student welfare:**

Harsh economic conditions currently witnessed in Nigerian universities resulted in a general low morale of both the academic and non-academic staff in the performance of their work. In a recent study, Aina et al (1996), found that such low morale of university staff is associated with poor working conditions – poor salaries, lack of promotion prospects, and hostile economic environment. Salaries of academic staff which traditionally compared well with those of their foreign counterparts in the 1960s, now present a gruesome picture (see Tables 32, 33, 34, and 35).

Table 32 presents the annual basic salaries of the Nigerian academics for the years 1981 and 1991 respectively, and the level of devaluation within the period. Using the exchange rate of N20 to US\$1, the level devaluation by 1991 (for the different academic positions) ranged between 87% and 89%. Table 33 presents the total annual salaries for the various academic positions in selected African countries, with the once oil-rich Nigeria paying the least salary scale for its academics. Table 33 shows that for the professional cadre, Nigeria pays 40% of what Ghana offers; 33% of Kenya's; 14.6% of Cameroon's, 11.6% of Botswana's; 7.8% of Malawi's; and 6% of Zimbabwe's. In fact, with the massive devaluation of the Naira in March 1992, the salary structure in Nigeria worsened (see Table 34).

Table 34 shows that the annual basic salary of a university professor is US439.20 per annum, which is about 9.15% of what a professor earns in Ghana, and when compared to their counterparts in South Africa and Zimbabwe, this represents 0.80% and 0.92% respectively. For a senior lecturer, the Nigerian salary of \$360 per annum is 12% of that of Ghana, 1.2% of South Africa's and 1.5% of Zimbabwe's. The trend is the same for the lecturer position. No wonder, then, that the 'brain drain syndrome' in Nigeria continues to be on the increase. Today, academics are quitting the universities, moving in large numbers abroad or to the private sector in Nigeria, where the conditions of service are very much better. According to ASUU's Bulletin (1992), "academics, like the Naira, have been devaluated to such a state of weightlessness that they cannot but float about to the whims of market forces".

ASUU continues to criticise the inadequate funding of education, when compared to other sectors and government departments. ASUU's bulletin (July 20, 1992) claimed that 1.4% of the Gross Domestic Product was spent on Education, while about 10 times more was spent on Defence. Yet in poorer countries, Education fares better; Kenya 6.1%; Togo 6.5%; Ghana 3.6%; Cameroon 3.0%; Liberia 4.9%. Whereas Ghana spends 24.3%; Kenya 22.7%; Togo 19.7%; Cameroon 17.8% of their public expenditure on education, Nigeria spends 6.6%.

Yet student enrolment in the Nigeria universities continue to increase. By the 1992 figures, student enrolment in the universities increased by 200% since 1987, while budgetary allocation fell from 2.26% (1987) to 1.45% (1992); even though in 1992, the Naira's value is roughly 20% of its 1987 value. With the massive devaluation of the Naira in 1992, the situation in the universities has deteriorated tremendously.

The Association of University Union (ASUU) embarked on a seven-month general strike in 1992 which paralysed activities in the universities. Some of the ASUU's agitation include- funding;

academic freedom; and University autonomy. ASUU's strike actions attracted government intimidation and harassment with many of its national executives incarcerated (see Appendix 3 Nos 1 – 3).

A major argument used by the government for refusing to negotiate better conditions of service with the academics "is that the economy cannot support the demands of the union". Yet, according to a circular released by ASUU (OAU Branch), the same economy supports an average basic salary of N65,000 - N147, 000 per annum for executives of private companies and parastatals with equivalent position to that of a university professor. Also, in the same economy, government by April 21, 1992 approved figures in Table 35 as new salary structure for public servants at the State level. By June 6, 1992, the then Vice-President, Augustus Aikhomu, announced economic relief measures, whereby civil servants would get an enhanced salary package, meaning that the figures in Table 35 would be jacked up (meaning that the academic staff will continue to attract lesser salary package compared to the civil servants).

Although the enhanced salary package announced in June 6, 1992 was to benefit ASUU, members were unhappy with parity in salaries and allowances of staff (i.e. academic and non-academic staff) in the universities (see Appendix 3 No.3). The fight over 'salary parity' has left a strained relationship between academics and non-academics in the Nigerian universities (see Aina et al, 1993). In many universities, non-academics resulted to physical assaults of academic staff, while the ensuing relationships between the two interest groups became strained. Aina et al (1993) aptly described both the academics and the non-academics in the recent time, as "strange bedfellows". This situation has serious implications for university governance, and it further complicates resolving salary issues in the Nigerian universities.

To revive the universities system, ASUU National Executive Council in 1992 proposed the following to the government:<sup>1</sup>

- A restoration grant to the universities, the disbursement of which is to be phased out over 5 years;
- A three-year rolling plan for recurrent grants allocation to the universities;
- An endowment fund under an appropriate Trust Deed to finance research;
- Federal government's contribution of a significant percentage of the approved recurrent and capital expenditure of all State universities.
- Transference of Federal Government's landed and other property in Lagos and other places to the universities, and more.

Primary data were also collected using both in-depth interviews and Focus Group Discussions. Field findings showed that many factors are responsible for the present poor status of Nigerian universities (see Table 36). These include –

1. Poor government funding;
2. Government pegging of tuition fees;

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<sup>1</sup> Source: Academic Staff Union of Universities (ASUU) Bulletin National Secretariat, July 20, 1992.

3. Income generated internally is very small;
4. Bursary department is too tight-fitted with money (for example, same routine university bureaucratic rules are employed even in dealing with the demands of, and/or managing the commercial ventures;
5. University commercial ventures are not autonomous and in many cases they are badly managed;
6. Bureaucratic procedures hinder activities of the commercial ventures;
7. Wages are generally low, leading to poor commitment to work;
8. Payment of tuition has been politicised;
9. Poor maintenance of facilities culture;
10. Low patronage from the public of some of the university ventures; and
11. Poor university- productive sector linkage among others.

Both staff and students reported that university staff work under very poor working conditions. Salaries are poor, and can hardly sustain any family. Since the onset of recent economic crisis, universities have been reported to have stopped almost all staff training programmes, while job enrichment programmes have declined drastically (see Table 37). The members of staff (19 persons) in the various incomes generating centres who were interviewed complained about the deplorable conditions in the Universities. All of them were dissatisfied with the salaries and fringe benefits. Only two people expressed satisfaction with the accommodation facilities. Other complaints include leaking classrooms, ridiculously low salaries, and a general hostile academic environment. Presently, many workers either farm or trade (usually after office hours) to supplement their poor salaries. An interesting scenario common to all the universities surveyed, is the rate at which both staff and students litter university buildings with items of trade (e.g. soft drinks, snacks, cloth wares, shoes, stationery among other).

While many staff and students have acquired stalls from the respective university authorities for this purpose, many others hawk their wares from one office to the other. Many of the University staff, especially the non-academic staff, makes brisk business using their motorcycle as “taxis”, (locally referred to as “Okada” business). While some may sneak out of the office to do this during working hours, many engage in the “Okada” business, from about the close of office (4 p.m.) to well beyond mid-night, everyday. A library staff who runs the “okada” business has this to say -

“You can’t blame anyone for engaging in this business. Without it, I can’t feed my family. How can anybody feed a family of six with a salary less than N3, 000 a month? Since I cannot steal, I have to do what comes my way to do”.

Students are also adjusting to the harsh economic conditions in diverse ways. Some students have turned their rooms to supermarkets. Some sell eggs, some even fry chin-chin in their rooms to sell. A female student has this to say -

“ Can you imagine, my room mate starts her “chin-chin” frying at about 3a.m, and she fries till day breaks. This is a room originally made to house 3 people, but now crowded with 8 people - legal and illegal occupants. She does not care whether anyone of us is suffocated; all that concerns her is her “chin-chin” trade. And can you blame her, without it, she cannot survive...”

The implications of the ensuing scenario are many for university governance. This means that many staff now find it more difficult to devote total attention to their salaried jobs. Thus, they exhibit less commitment and less involvement with their work. Students too, now have divided attention. Many now regard academic work as part-time, while desire to make money takes their full attention. The general scenario of lack, and deprivations, makes control less effective within the university system. No wonder, individuals within the system are now more concerned with achieving their own personal goals at the detriment of the university universal goal of providing the country with efficient human resources.

**Table 32:**  
**Devaluation in the annual basic salaries of the Nigerian academics**  
**(1981 and 1991 compared):**

Academic Positions		1981 Basic salary (using 1991 value as a base)		1991 Basic salary		Level of Devaluation
		Naira* (local currency)	US * (Equivalent)	Naira *	US & (Equivalent)	
1	Graduate Assistant	46,543	2,127.2	6,194	309.7	87%
2	Assistant Lecturer	57,418	2,870.9	7,271	163.6	87%
3	Lecture II	68,420	3,421.0	7,548	377.4	89%
4	Lecturer I	81,560	4,078.0	10,248	512.4	87%
5	Senior Lecturers	102,983	5,149.2	11,364	568.2	89%
6	Professor	129,409	6,470.5	14,280	714.0	89%

Source: Academic staff union of universities (ASUU) National secretary, July 20, 1992.

Note: The figures here were calculated at N20 to US\$1 (i.e. exchange rate before the massive devaluation of the Naira in March 1992. The 1999 exchange rate is at N93 to US\$1).

**Table 33:****Total annual salaries of academic staff in Nigeria compared to those of other African countries (in US Dollars) - as at 1991**

Academic Positions	Total Annual salaries in U.S. Dollars						
	Nigeria	Ghana	Kenya	Botswana	Zimbabwe	Malawi	Cameroon
Professor	2,208.1	5,464.7	6,650.0	19,038.0	36,100.0	28,500.0	15,167.7
Associate Professor (Reader)	1,990.1	4,985.9	5,800.0				
Senior Lecturer	1,665.6	4,261.5	3,883.3				
Lecturer I	1,347.6	3,642.2	3,042.0				
Lecturer II	1,088.0	3,345.5	2,250.0				
Asst. Lecturer	895.7	2,801.1					
Graduate Assistant	844.5	1,618.3					9,650.0

\* - Basic Salaries plus other fringes

Source: ASUU National Secretariat, July 20, 1992.

**Table 34: Annual basic salaries of the university academic staff in Nigeria compared to those of their African counterparts (in US Dollars)**

ACADEMIC POSITION	Annual Salaries in U.S Dollars			
	Nigeria	Ghana	Zimbabwe	South Africa
Professor	439.20	4,800.00	48,000.00	54,996.00
Senior Lecturer	360.00	3,000.00	24,000.00	30,000.00
Lecturer I	222.00	1,800.00	12,000.00	15,000.00

Source: ASUU Records at OAU Ife, (1996)

**Table 35: Salary Structure for Public Servants in Nigeria**

STATUS	Basic Salary	Constituency Allowance	Housing Allowance	Furniture	Domestic Staff	Insurance	Total
Deputy Governor	34,375	20,625	17,187.5	12,890.6	13,750	68,750	167,577
Speaker	34,375	20,625	17,187.5	12,890.6	13,750	68,750	167,577
Chief Judge	34,375	20,625	17,187.5	12,890.6	13,750	68,750	167,577
Secretary to State Governor	31,250	18,750	15,625	11,718.75	12,500	62,500	152,343
C. Comm	31,250	18,750	15,625	11,718.75	12,500	62,500	152,343
Director General	28,125	16,875	14,062	10,546.8	11,250	56,250	137,108
Deputy Speaker	28,125	16,875	14,062	10,546.8	11,250	56,250	137,108
High Court Judge	28,125	16,875	14,062	10,546.8	11,250	56,250	137,108
President customary court of Appeal	28,125	16,875	14,062	10,546.8	11,250	56,250	137,108
Auditor-General	25,000	15,000	12,500	9,375	10,000	50,000	121,875
Majority leader	25,000	15,000	12,500	9,375	10,000	50,000	121,875
Minority L.	25,000	15,000	12,500	9,375	10,000	50,000	121,875
Member, Civil & L.G.S.C.	21,875	13,125	10,937	8,203	8,750	43,750	106,640
Auditor -G (Local Govt)	21,875	13,125	10,937	8,203	8,750	43,750	106,640
Member, House of Assembly	18,750	11,250	9,375	7,031	7,500	37,500	91,406

**Table 36: Factors responsible for the poor financial status of the selected universities**

Identified factors for the poor state of the University	Universities			
	U.I	OAU	UNILAG	OSUA
1. Poor Government funding	+	+	+	+
2. Government pegging of tuition fees	+	+	+	-
3. Income generated internally is very small	-	-	-	+
4. Bursary department is too tight-fitted with money, especially in releasing money to commercial ventures	+	+	+	+
5. University commercial ventures are not autonomous and in many cases they are badly managed.	+	+	+	+
6. Bureaucratic procedures hinder activities of the commercial ventures	+	+	+	+
7. Wages are generally low leading to poor commitment to work	+	+	+	+
8. Payment of tuition has been politicised	+	+	+	+
9. Poor maintenance culture - of facilities	+	+	+	+
10. Low patronage from the public of some of the ventures				
11. Poor university- productive sector linkage				

Key: + where factor was mentioned  
 - Where this factor was not mentioned.

**Table 37: Current working conditions in the universities**

Aspects of working Conditions	Universities			
	Ibadan	Unilag	OSUA	OAU Ife
Salary	-	-	-	-
Accommodation of staff	-	x	-	x
Staff Training	-	-	x	-
Work Facilities	-	-	x	-
Conference Facilities	-	-	x	-
Car Allowances	-	-	x	-
Housing loan scheme	-	-	-	-
Research Facilities	x	x	-	-
Teaching Facilities	x	-	-	-

Key: + = Satisfactory                      x = Partially satisfactory  
- = Not satisfactory

**Part II: The community survey (members of the larger society outside the university campuses):**

Part of the study frame was to collect data on societal views of the university financing in the country. To achieve this objective, 781 people were interviewed in the 4 towns where the surveyed universities are located, that is, Ibadan, Ife, Lagos and Ado-Ekiti. Accidental random sampling or what is called convenience-sampling technique was used. The focus of the interview survey centred on the following issues -

- General knowledge on university financing;
- Sources supported for the generation of funds for the university;
- Effects of each source of financing on teaching and research;
- What the roles of different social groups parents, government and the private sector should be in the financing of higher education in Nigeria.

**a. Socio-economic characteristics of the members of the society:**

The mean age of the 781 persons included in the community survey is 33.7 years, with a sex distribution of 67.9% males, and 32.1% females (see Table 38). Majority of the sample had university education (45%) or technical education (31.4%). Only very few had no formal education. The inclusion of people with formal education in the sample was to elicit information from those who have adequate knowledge about the university system and its functions. Notably, majority (53.7) were single, while 46% were married. Among those who were married with children (324), 47% had children who had either gone through the university, or are still in the university at the time of the survey.

**Table 38: Socio-economic characteristics of the societal survey**

<b>CHARACTERISTICS</b>	<b>No</b>	<b>%</b>
Age		
<25 years	147	20.00
25-34 years	314	44.00
35-44 years	126	18.00
45-54 years	75	10.00
55-64 years	45	6.00
65+ years	11	2.00
Total	718	100.0
Sex:		
Males	477	67.9
Females	226	32.1
Education		
None	7	1.0
Primary	17	2.4
Secondary	140	20.4
Technical	220	31.4
University	315	45.1
Total	699	100.0
Marital Status:		
Single	410	53.7
Married	352	46.1
Divorced/widowed	2	0.2
Total	764	100.0

**b. Societal knowledge about university financing**

The central question asked was whether or not the Federal Government should be responsible for financing higher education. About 40% of the total sample (781) said the Federal Government alone should be responsible for financing higher education while others did not support this view. Those who wanted the government to be the sole financier of university education argued against mis-management of funds by the government. For them, Nigeria, as an oil producing country could finance tertiary education easily if national resources are properly managed. Others argued that the present economic recession is global, if national fortunes are dwindling, then countries must prioritise what they spend their limited resources on. Therefore, they would prefer to see the government consolidating basic education programmes, rather than over concentrating on tertiary education.

Table 39 presents data on sources of financing university education, which are known, to the public. The table indicates a poor knowledge of how funds are generated for university financing. The few relatively popular sources of university financing known to the public are- - the payment of company tax (24.5%); investments/internally generated funds (that is through

consultancies and other commercial ventures) (21.3%) and tuition (18.3%). More than 75% show complete ignorance on how universities are being financed in Nigeria. The issue of the education-tax has been well debated in the national dailies; hence, anybody who reads Daily Newspapers regularly would be familiar with this.

Table 40 shows the distribution of the community sample by sources of financing adjudged to be most reliable for universities. Data from Table 40 further confirms complete ignorance by the society. However, the 3 most reliable sources popular in this distribution are:

- Government subventions (20.7%);
- Company tax (14.3%) and
- Tuition (13.3%)

Other sources mentioned are statistically insignificant. On the whole, less than half support payment of tuition, whereas more emphasis was laid on endowments, consultancies, part-time programmes, and education levy (see Table 41). However, when the respondents assessed the effects of the different sources of financing tertiary education on teaching and research, consultancies, part-time programme and endowments were assessed negatively (see Table 42). The focus group discussions elaborated more on this. The argument is that teachers who are too involved with consultancies are likely to be less effective with teaching and theoretical research. Some students warned that many part-time and short-term programmes now being run in the universities are mushroom programmes, and are controlled by few senior level teachers who used this as an avenue for making money. Such programmes are not effectively run because of over admission, and lack of basic infrastructures, while at the same time mainstream undergraduate and postgraduate programmes are left to suffer. The various opinions expressed by the respondents on the type and mode of university financing seemed to follow the same trend for both men and women (see Table 43). For example majority of the men (60%) and the women (58.8%) said the Federal government alone cannot finance tertiary education in Nigeria. Many of these men (57.6%) and women (55.8%) felt students and their parents should contribute financially to tertiary education. It is however important to note that more of those who have little or no education at all, wanted the federal government to solely finance tertiary education in Nigeria, while this opinion is less popular with those who are highly educated (see Table 44). Most people with formal education (62%) noted that the federal government should not finance tertiary education alone (see Table 44). Thus, those in this category (those with relatively high education), would like to see students and parents contribute financially towards tertiary education.

**Table 39: Sources of financing university education known to members of the society**

Sources of Financing	YES		NO	
	No	%	No	%
1) Internally generated funds	166	21.3	615	78.7
2) Company/corporate Tax	191	24.5	590	75.5
3) Tuition	143	18.3	638	81.7
4) Privatisation of Universities	32	4.1	749	95.9
5) Education Levy / Tax	131	16.8	650	83.2
6) Endowment	63	8.1	718	91.9
7) Petroleum Trust Fund	59	7.6	722	92.4
8) Government Subvention	46	5.9	735	94.1
9) Appeal Fund	9	1.0	773	99.0
10) Gifts from local NGOs	16	2.0	765	98.0
11) Grants from Abroad	34	4.4	747	95.6

**Table 40: Sources adjudged by the public to be most reliable for university financing**

The most reliable sources of financing the university	YES		NO	
	No	%	No	%
1) Internally Generated Funds	60	7.7	721	92.3
2) Company /corporate Tax	112	14.3	669	85.7
3) Tuition	104	13.3	677	86.7
4) Privatisation of University	20	2.6	761	97.4
5) Education Levy /Tax	74	9.5	707	90.5
6) Endowment	20	2.6	761	97.4
7) PTF Assistance	42	5.4	739	94.6
8) Govt Subventions	162	20.7	619	79.3
9) Appeal Fund	2	0.3	779	99.7
10) Loans from NGOs	4	0.5	777	99.5
11) Grants from abroad	15	1.9	766	98.1

**Table 41: Sources of generating income in the Nigerian universities and public support or non-support for them**

Sources of Incomes	Support	Does not support	Don't know
1. Tuition	46.3 (344)	50.2 (373)	3.5 (26)
2. Load shedding	16.7 (116)	50.6 (352)	32.6 (227)
3. Privatisation	20.9 (151)	74.3 (538)	4.8 (35)
4. Distance Education	53.6 (394)	32.1 (236)	14.2 (105)
5. part-time programme	75.0 (555)	18.6 (138)	6.4 (47)
6. Consultancies	77.7 (565)	12.4 (90)	9.8 (72)
7. Endowment	81.7 (593)	10.5 (76)	7.8 (57)
8. Education Levy	55.1 (408)	39.3 (291)	5.5 (41)

**Table 42: Public assessment of sources of financing and their effects on teaching and research**

Sources of Financing	Effects of sources of financing			
	Teaching		Research	
	Positive	Negative	Positive	Negative
Tuition	37.7 (266)	62.3 (439)	36.2 (237)	63.8 (418)
Endowment	9.2 (62)	90.3 (614)	9.6 (62)	90.4 (582)
Education Levy	35.7 (237)	64.3 (427)	33.3 (211)	66.7 (423)
Privatisation of Universities	63.9 (428)	36.1 (242)	59.0 (370)	41.0 (257)
Part-time programmes	23.0 (161)	77.0 (538)	175 (27.0)	474 (73.0)
Consultancies	21.4 (139)	78.7 (512)	16.1 (100)	83.8 (522)

**Table 43: Distribution of respondents by sex and by whether or not federal government should finance higher education alone**

<b>Federal government alone to finance tertiary education</b>	<b>Male (N=74)</b>	<b>Female (N=226)</b>
<b>Yes</b>	<b>39.9 (189)</b>	<b>41.2 (93)</b>
<b>No</b>	<b>60.1 (285)</b>	<b>58.8 (133)</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Table 44: Education as a factor for assessing perspectives on government financing of higher education in Nigeria.**

<b>Category</b>	<b>Federal Govt to be solely responsible for financing Higher Education</b>	<b>seek other Avenues from government</b>	<b>Total</b>
<b>Non-Educated category</b>	<b>83.3 (20)</b>	<b>16.7 (4)</b>	<b>24</b>
<b>Educated category</b>	<b>38.0 (256)</b>	<b>62.0 (418)</b>	<b>674</b>

**Part III. DATA FROM FOCUS GROUP DISCUSSIONS:**

**FGD Characteristics**

Twenty-eight focus group discussions (FGDs) were held with various groups, which were selected, from the four university communities (see Table 45).

**Table 45: FGD Characteristics**

FGD characteristics	U.I	OAU	Unilag	OSUA
<u>Social Groups:</u>				
a) Students: Male	1	1	1	1
Female	1	1	1	1
b) Workers: ASUU	1	1	1	1
SANU	1	1	1	1
NASU	1	1	1	1
c) Opinion leaders: Male	1	1	1	1
Female	1	1	1	1
FGD Total	7	7	7	7
2.No in each FGD Group	7-11	8-10	7-8	8-10
3. Time spent on each FGD (Hours)	1.30	1.15	1.05	1.35

Table 45 presents data on the characteristics of the FGD groups. The groups were made up of students, workers, and opinion leaders respectively. The latter were drawn from the larger society in which the universities are located. Some of the themes in the FGD sessions are presented below.

**a. Functions and benefits of higher education:**

The different FGD sessions reiterate the values and functions of higher education (see Table 46). Some of the functions of higher education identified include training the human minds, and achieving technological advancement for a nation through research, and making new scientific discoveries. Universities are centres of excellence, preoccupied with activities, which could enhance the scientific status of a nation and its people. The nation's manpower requirements can only be met through specialised training offered in the universities and other higher institutions of learning. According to a discussant in one of the FGD groups. - "A nation which fails to give priority to the education of its citizenry, especially the youths, is merely committing suicide". A member of the female opinion leaders FGD group at UI reported:

"The level of development of a nation cannot be separated from education. The level of education will determine how developed the nation could be. If the education of a nation is faulty, definitely the foundation of that nation is faulty. If the outputs of a higher institution are half-baked, then it will have negative effects on the development of that nation. Education is the bedrock of the nation's political and economic advancement. No matter how endowed a nation might be, if it is not well manned, it will be backward. Education determines how developed a nation could be".

A common scenario that ensued from the FGD sessions is the agreement that the overall function of higher education is to put the nation on the right track of development. It is therefore not surprising that in many of the FGD sessions, the idea that the government should be responsible for financing higher education was unanimous.

**Table 46: Functions and benefits of higher education**

Functions and Benefits of Higher Education	U.I	OAU	UNILAG	OSUA
1. Teaching and impacting knowledge/training on human mind;	+	+	+	+
2. Enlightenment of citizens;	+	-	-	-
3. Technological advancement;	+	+	+	+
4. Centre of excellence and Research	+	+	+	+
5. Employment opportunities	+	+	+	+
6. Development of manpower for the nation	+	+	+	+
7. Enhances the status of a nation and its people	-	+	+	-

Key:

- + The opinion was expressed in the FGD carried out in the specific university
- The opinion was absent from the FGD discussions in this university.

**b. Existing modes of financing higher education: effectiveness, acceptability and problematic.**

Popular modes of financing higher education well known to the people include:

- Government subventions/grants
- Endowments and donations from Philanthropists,
- Research and Fellowship grants

- Other International Aids e.g. World Bank financing
- Tuition Fees etc,

The following financing sources often quoted in the literature are relatively unknown to the people:

- Load shedding
- Company tax and/or education levy;
- Internationally generated funds through research grants and fellowship awards. Consultancies and commercial ventures.

The discussion groups identified serious problems currently facing the financing of higher education in the country. Although, many people did not support the payment of tuition fees in Nigerian tertiary institutions, it was unanimous that the government is at the centre of the present politics surrounding the payment of tuition fees. First, while the government supports the policy of "no payment of tuition fees" in the federal universities, it has failed in its efforts to give necessary financial support to these universities. In many cases, government yearly subvention's grants are not paid as at when due, while such payments are sometimes tied to political decisions. In some cases, the politically favoured universities may get even more than the expected yearly subventions, while universities noted for their radical philosophies and principles, and which often challenge the government mode of governance, are (using a discussant words) - "financially strangulated". Presently, most of the universities suffer from poor government financing, yet they could not collect fees from their students. The FGD discussions identified effects of the present poor financing of the Nigerian institutions, both at the micro and the macro levels. At the micro level, the detrimental effects are obvious on students, their parents, and the teachers. At the macro level, negative effects of this, are identified, for both the university, and the nation as a whole.

Table 47 shows that the present poor academic performance of students in the Nigerian universities can be linked to the present economic crisis and its effects on the individuals and the societal sub-systems. Students now engage in commercial activities in an attempt to make 'ends meet' (see Table 46). Parents find it difficult to meet children's financial needs, and many live below the poverty line in order to train their children. For Teachers, poor salaries, and the devaluation of the Nigerian currency (the Naira), led to "brain drain" - i.e. mass exodus of teachers who leave their jobs to take up other jobs or take teaching jobs abroad. Below are some of the notable quotes from the different FGD sessions, clearly describing the realities of poor financing of higher education in the country-

Quote 1: (Male student FGD at UI)

"... In the past, education was highly subsidised in this country. Nobody had to think about cooking, or washing of cloths. The common trend was for students to go to the library and by the time a student came back to the room, the bed was already made, and when it was time to eat, you go to the cafe and so on. But now, we know what obtains. The rooms are crowded, and yet they are used as kitchens, and markets for daily needs. ... If education is financed properly, students will have enough time to face their work, and not sharing the time with other irrelevant things"

Quote 2: (Female student FGD - U.I)

"Lack of funding has negative effect on research and teaching. In recent times, brain drain is the order of the day. If education system is well funded, academics would not have to go abroad looking for greener pasture".

Quote 3: (Female FGD at UI Ibadan)

"Knowledge cannot be impacted without adequate facilities. In case of laboratories, we don't have enough facilities. Like yesterday, the machine we were supposed to use for a laboratory class was faulty. Students had to contribute to repair it. Even after the repairs, only very few had access to it. Majority could not say specifically what was taught in that laboratory class. If the system is well funded, the scenario will be different".

Quote 4 (SANU Group, UI Ibadan)

"What happened during the 7 months ASUU strike is still fresh in our memories. The motivation to work among the academic staff is now very low. Now many prefer private practice to teaching. There is no incentive for research. Most of the equipment available is obsolete. Some lecturers also capitalise on this poor financial situation by milking their students. Some tag money to hand-outs, and even grades, resulting in half-baked graduates".

Quote 5: (ASUU FGD at UI Ibadan)

"Poor funding of universities, will lead to disenchantment. Lecturers will not be able to function properly. How can one get learned journals when there is no proper funding, or attend learned conferences? You can only get to know the advancement in your field through conferences or reading journals.

**Table 47: The effects of the present poor financial status of Nigerian universities on students, parents and teachers**

Effects of poor financial status of Nigerian universities	U.I	OAU	UNILAG	OSUA
<b>(1) <u>Effects on students:</u></b>				
a) Poor academic performance of students	+	+	+	+
b) Students have shifted into commercial ventures to make ends meet and at the detriment of academic excellence	+	+	+	+
<b>(2) <u>Effects on parents:</u></b>				
a) As the bulk of parents' income goes into financing their children's education, parents find it difficult to maintain balanced diet for themselves and other children in the family	+	-	+	-
<b>3) <u>Effects on Teachers</u></b>				
a) Brain drain	+	+	+	+
b) Industrial Actions/Strikes and poor commitment to work	+	+	-	+
c) Less commitment to academic research	+	-	+	-
d) University teachers now earn less respect in the society because of their poor financial status.	+	-	-	+
e) University teachers now live below the poverty line	+	+	-	-
f) Teachers now prefer private practice to teaching	+	+	+	+
g) No incentive for research	+	-	-	+
h) Some teachers now extort money from students.				
<b>(4) <u>Effects on Teaching and Research</u></b>				
a) Lack of basic infrastructures that could support effective teaching and research	+	+	+	+
b) Teachers face a lot of hardships in going through class demonstrations and laboratory work.	+	+	+	+

**Lack of basic infrastructural facilities in the Nigerian universities:**

Inability to provide majority of the students with university accommodations is hard felt by Universities like Lagos, Ife, and Ado-Ekiti. For example, the over-crowding of urban Lagos also affects the accommodation of students in tertiary institutions within the city. In Ife, the city of Ife has not been able to witness development, commensurate to the growth of the only university in the town. OAU Ife seems a self-sustaining system, which looks more inward in terms of

infrastructure and facilities. The age long community strives within the town (i.e. between the 2 major ethnic groups: the Ifes and the Modakekes) have not encouraged industrial development in the town, for example, estate developers. There had been recorded killings, each time the community strife erupted. The main problem facing the OAU community (staff and students) is how to secure convenient and adequate accommodation. Thus, almost every student looks up to the university authority for accommodation. There were reported cases of desperate students who illegally bought allocated university accommodation of N90, from other students, at resale prices ranging from N2,500 to N12, 000 for a bed space. Since such resale was never reported officially, the university authority is often handicapped to act, despite instituted checks and balances to counteract such acts. In an FGD discussion, a student at OAU Ife retorted:

" When one considers the horrors of not having a bed space at OAU, and being forced to live in town, and spending money on commuting, risk of ritual or community strife deaths, among others --- one would illegally acquire a bed space at whatever price. It is like paying off a death sentence; not to talk of horrors of pirating in a room where you are treated like a fugitive"

Also, a teacher remarked during a casual discussion with him - "many times we don't even have pieces of chalk to teach, and in many cases, I have asked my class to contribute towards buying pieces of chalk for class use". Another teacher noted - "I have stopped sending my papers abroad because I can't afford the postage charges". A student retorted - "this university is but a shadow of its former self, students (both men and women) answer the call of nature almost at anywhere, be it around academic buildings or nearby flower paths. It is an eye-sore, littering the place with human wastes".

Above scenario is common to almost all the Nigerian universities. Cuts in government spending, Also means cuts in services, including students' accommodation needs. For a place like Ibadan, the major crisis is that of lack of potable water, which in many cases led to student- management face-off.

OSUA exhibits more confounding problems, ranging from electricity fluctuations, accommodation problems, poor transportation and ineffective communication system. The campus itself does not house any students, thus, students rely on "town - accommodation", which is usually at an exorbitant rate, and yet with very poor facilities. Ado Ekiti is a semi-urban town, presently trying to develop its infrastructures to meet its new status as the capital of the newly created state (Ekiti State).

### **(c) Alternative modes of financing higher education:**

The different FGD groups discussed extensively the way forward, focusing on the central question, "what alternative modes of financing is acceptable to the people and at what price?" On the whole, the payment of fees/levies was the most discussed. The pros - and cons of tuition fees were discussed at length. Majority did not support payment of tuition fees in the country's tertiary institutions because of the present economic crises in the country, which has kept many families deprived. Thus many held the view that no tuition should be paid in the tertiary institutions until the economic situation of the country improves (see Table 47).

Quotes: (ASUU FGD: OAU, Ife)

“Countries like South Africa spends a high percentage of the country's earnings on education. If South Africa could spend 22% of its earnings on education, I see no reason why we should not spend up to that or more on education in Nigeria”.

Quotes: (ASUU FGD: OAU, Ife)

"The ills of this nation should be corrected. When you have corrupt leaders, there will be problems. What is earmarked for education is not only little, but the little stands the risk of being stolen by corrupt officers? The whole system needs over-hauling". Few others support payment of tuition fees, for according to them, this would stop students, from over-staying their period of study in the university. This group attributed the present students’ poor academic performance, and student disturbances to non-payment of tuition fees. If parents and students invest a lot of capital on higher education, students will have a greater push to finish up their academic programmes on time.

**Table 48: Assessment of alternative modes of financing higher education:**

<b>Alternative modes of financing</b>	<b>UI</b>	<b>OAU</b>	<b>Unilag</b>	<b>OSUA</b>
1)No tuition should be paid in the tertiary institutions until the economic status of the country improves	+	+	+	-
2) Not in support of privatisation of universities for with this, only the children of the few rich will be able to afford tuition fees	+	+	-	+
3) Tuition fees will stop students from being wasteful, or over-staying their period of study in the university	+	+	+	+
4) Distance education is not as effective as full-time studies	+	+	+	-

KEY: + where a particular opinion was expressed;  
 - Where a particular opinion was not expressed.

Table 48 shows that tuition is still not a popular choice even though many people appreciate that payment of tuition fees could positively affect students’ overall performance, in that payment of tuition fees could help to add more value to the education attained. Privatisation of universities is also not much supported, and so also is distance education.

Students at OSUA presently pay more fees/levies (official and un-official), while study under harsher conditions. At the Ogun State University, the fees paid by a student are determined by

the course of study. A student pays between N10, 000 to N50, 000 to secure admission to a department of choice. The paradox here is that the federal universities that recently introduced payment of maintenance fees of between N1, 000 to N3, 500 per session per student, met with a lot of resistance from the students. For example, at the beginning of the 1998/99 session both the federal universities at Ibadan and Ife attempted introducing such maintenance fees. At both universities, students went on rampage, taking some of the management staff hostage; some buildings were in fact damaged; while there were threats to burn down major facilities. The question may be asked, 'why is it that the state universities have succeeded in collecting fees, while the more established federal universities have failed?' Answers to this question are not far fetched. The federal government controls the bulk of the nation's resources, while the students and the public hold the federal government responsible for the state of tertiary institutions. Thus, resisting to pay any form of fees in the federal universities, is a direct attack on the Federal Government and its agents; and indirect call on the Federal Government to put education on its priority list.

### **STUDY ASSUMPTIONS/PROPOSITIONS:**

The four study propositions have been supported by the data presented so far. In line with the first study proposition, although the surveyed universities are far from being economically buoyant, however, certain variations were observed. Universities that generate additional Non-NUC funds (i.e. via foreign aids/grants; endowments; and consultancy services among others) tend to cope better, while they are able to introduce new academic programmes. Some of the observed examples are –

1. The OAU Ife success story in the area of information system development. This programme depends largely on foreign grants, and it has achieved unparalleled success when compared with NUC sponsored academic programmes and projects.
2. University of Lagos (Unilag) nearing self-sufficiency experience (building of additional lecture theatres and hostels; provision of boreholes; and maintenance of facilities etc.), is directly linked with the evolution of its commercial ventures, and the generation of funds through investments etc.

Above confirms the first proposition, which holds that under-funding problems vary across Nigeria universities depending on local conditions, and management initiatives etc.

Different alternative modes of financing higher education have been recorded in this study, with each having unique implication(s) on university governance. Endowments and foreign grants tend to aid teaching and research, while consultancies/commercial ventures do not have such a direct impact. Though monies from consultancies and commercial ventures could help to generate additional funds for teaching and research, efforts devoted in this direction may tend to have implications for the quality of teaching and research activities. If care is not taken, it may lead to a total displacement of goal, in which the university's main mission (teaching and research) becomes secondary.

Payment of fees (tuition fees) is still generally frowned at. A major prerequisite for a non-violent reaction (from students) towards payment of fees, will be a successful endowment of a 'corruption-free' government in the country, and an overt academic freedom. Instituting tuition

fees under a corrupt leadership (e.g. university leadership), could only breed further violence on the campuses. The confirmation of the second study assumption is intricately linked with the third and the fourth study propositions (see page 11). Both staff and students tend to prefer alternative modes of financing which positively impact on teaching and research, rather than those, which merely fulfil the personal aggrandisement of the university management. Also, to be successful, payment of fees may need to have in-built mechanisms which could reduce economic strains on students and their parents i.e. in form of soft loans to students, bursary awards, and scholarships.

## CHAPTER SIX

### **SUMMARY, CONCLUSIONS, AND POLICY IMPLICATIONS OF FINDINGS:**

#### **Summary and conclusions:**

##### 1. The financial realities in the Nigerian universities –

Using both qualitative and quantitative data, the study has been able to espouse the various alternative sources of financing higher education in Nigerian universities. The general economic recession has made universities to look inwards, each one pursuing the line that best suits it. The various groups of people directly or indirectly involved with university financing were interviewed i.e. government officials, students, parents, universities authorities (vice-chancellors, and the University Bursars), lecturers and the non-academics, and officials of the National Universities Commission at Abuja.

The government continues to be the sole financier of university education in Nigeria. Thus, the universities dance to the whims and caprices of the government. It is even more so under repressive military regimes, which lacked basic respect for democratic overtures in university governance. Also, though government subventions to universities continue to increase in nominal terms, this is not so, in real values. With the devaluation of the Nigerian Naira, many government institutions, including the university system, are left deprived.

In an attempt to adjust to the present financial realities in the country, the universities continue to face structural constraints. Many of the universities could not maintain existing physical structures, nor provide adequate facilities to back up their academic programmes. Buildings are dilapidated, while many university cultures have been abandoned, for example the cafeteria system of feeding students, and provision of adequate accommodation facilities to students.

Apart from physical deprivations, many of the academic programmes also face structural constraints. Even though the course unit system has been introduced in all the universities, the system is being run haphazardly because of lack of funds to support the new structure. With the course unit system, more teaching staff are needed, yet, the brain drains continues to be a common phenomenon. To accommodate the expanse of the course unit system, the collegiate system was introduced, and soon to be scrapped because of its financial implications.

Major facilities can no longer be adequately supported - library facilities, information management system, laboratories, health services among others.

Both staff and students continue to respond to the financial realities in the Nigerian universities in unique ways. There is a general apathy among both staff and students. This has led to displacement of goals, whereby individuals are more concerned with achieving individual goals at the expense of the university goal of “teaching and research”.

## 2. Financial Management in the Nigerian universities -

The study has elaborately documented both financing and expenditure patterns in the selected universities. The following important trend, were identified from the recurrent expenditure data for the period 1990 to 1996 -

- Most of the monies, which go on direct teaching are in fact used for the payment of salaries and entitlements of staff;
- Teaching supports and research activities (which are the bane of the university education) continue to attract fewer funds. The implications of this are many. First, it could lead to low quality of education, and possibly, displacement of goals within the university system. The main objective of university education - teaching and research - tend to thus attract less focus, while peripheral activities take more priority (e.g. central and general administration; and other activities related to the general system maintenance).
- Many of the support facilities for effective teaching and research are currently grossly inadequate e.g. laboratory support, library facilities; computer and photocopying facilities among others;
- Both the central and the general administrative units consume a lion share of the total recurrent expenditure;
- Staff development and welfare attract very little attention. No wonder, a general low morale is reported by both academic and non-academic staff of these universities;
- Health services in the university campuses are grossly inadequate in their present form. The issue of adequate funds for the health services may need to be revisited in the national agenda, as this could not be solved without a cursory look at the political economy of health, and health care systems;
- The poor attention currently paid to public service may be indicative of why there is a low level of university-productive sector linkages in the country; and it is also indicative of the inability of the surveyed universities to make their programmes directly relevant to their immediate respective communities.

## **3. Alternative modes of financing universities:**

This study has been able to identify the various income-generating activities being embarked upon by the various universities. This, thereby, confirms the hackneyed statement that “necessity is the mother of invention”. Having been pushed to the corner and being left with no other options, the various universities have devised their own survival strategies. Among the three first generation universities included in the study, there are overlaps in the areas of petrol stations, book stores, consultancy units, rents from buildings, endowments, student fees, accommodation and interests from investments. University of Lagos appeared to have more avenues of generating extra income such as car parks, development of property (leasing of houses) etc. This was attributed to the location of the University in the city of Lagos, Lagos being a former Federal capital, and presently the commercial heart of the country.

Interviews with the staff of the various commercial units showed that those that ventures making profits plough back the profits for expansion and to provide better working conditions for staff. Some use their profits to enhance teaching and research facilities. In effect, by embarking on these income-generating activities many universities have been able to improve their teaching and research capabilities. Although, some responses indicated the need for caution in that it was found that the staff of such income-generating units could become so engrossed with making money that teaching and research would tend to be neglected. But as at the time of the survey there have been few of such experiences. It was learnt from the staff of some of the units, that some heads of units enriched themselves at the expense of their Universities. The failing units in the various universities had problems of poor planning and lack of commitment. This revealed the need for some urgent actions especially as such units are no longer fulfilling the needs for which they were initially established.

Of note in the study, is that the issue of alternative modes of financing higher education is not peculiar to Nigerian universities. The officials of the Federal Ministry of Education commented on the roles of Alumni Associations and NGOs in the financing of Universities in other parts of the world. University Bursars were of the view that the income-generating activities could not adequately cope with the demands of running a university system.

Some university staff and parents stressed the need to charge tuition fees, while majority of the students interviewed believed that education is a right of every citizen and that the government should be solely responsible for university financing. A major study finding, is the ignorance of a large majority of the public about the alternative modes of financing higher education. In fact, among those with little or no education, the general belief is that the government alone should bear the brunt of acquiring higher education.

Considering the origin of these income generating units i.e. their being set up to buffer university finances, one then wonders why some of them have collapsed, died or become crippled. Even though these units were established essentially to generate income, many of them are presently incurring losses and are living a parasitic existence within the system. Thus, there is need to review their activities, especially as information obtained revealed that such failing units are suffering from poor planning, lack of commitment by staff, and poor funding.

A major gap, is the need for more University - productivity sector linkages. In an earlier study (Odebiyi et al 1997), it was observed that there is a symbiotic relationship between the town and gown in which the expertise of the university dons is being utilised to enhance the performance in the productive sector. On the other hand, the productive sector provides the money for further research, while its outputs will further benefit the industries. However, the study noted that in some cases the Universities are not aware of what the industries need, nor are the industries aware of the expertise available in the Universities. Since this present study too has shown that those units that deal with the industries are more successful, then, there is need for more university productive sector linkages. In fact, many Universities in Britain are now being financed by the industries in their immediate environment and the researchers themselves have been enriched professionally (Alderson, 1997). Alderson wrote in the Sunday Times (London June 1, 1997), that Cambridge University received 10 million Nigerian Naira (NGN) a year as research grants from private companies. Thus Universities have been forced to be more

entrepreneurial in their activities and out of this has emerged a new business culture. This outlet should now be pursued more vigorously in Nigeria where universities are being economically strangulated.

#### 4. **Perceptions on the various alternative modes of financing higher education:**

Perceptions of staff, students and the public on the alternative modes of financing higher education were documented.

##### a. **Commercial ventures and investments -**

Both staff and students positively assessed many of the identified commercial ventures and/or investment initiatives. However, the university authorities may need to overhaul the [”dead woods”, and give more support to the buoyant units. To be successful, the commercial ventures need to be partially autonomous of the university bureaucracies, which may hamper profit-making intentions. Many of the commercial ventures are still plagued with –

- Bad management practices
- Embezzlements
- Lack of patronage from the public among others.

Caution should however be taken so as not to get too much engrossed with the commercial units at the expense of teaching and research

Endowments: This is a notable way of raising funds, however, the Nigeria public is yet to imbibe this tradition as a way of life.

Tuition fees: Although tuition/fees provide an avenue of raising funds for the universities, within the present political dispensation in the country, it remains a sensitive issue. This may likely be a viable option under a buoyant economy and a disciplined/democratic political leadership. Presently non-degree and postgraduate programmes are over-taxed compared to undergraduate programmes.

Foreign Grants/Research Funds: There is a drastic reduction in both local and foreign research funds. While the current reduction in the value of the national accounts have led to less funds for research, the country’s poor human rights records led to international sanctions which tend to reduce research funds coming into the country.

#### **Policy implications of study findings:**

The policy implications of the study findings are presented at three levels - (a) University level; (b) the Government; and (c) the Public.

a. University Level:

- The universities in Nigeria need to be open to innovations in the area of sourcing for non-government funds to run the respective universities. In this respect, universities should learn from one another and possibly under-study the success stories in sister universities.
- The need to have a periodic review of the activities of the income generating centres in the various universities, which were established for that purpose. If these units are no longer fulfilling the functions they were meant to fulfil, then, they should not constitute another financial problem. Thus they should either be scrapped or should be totally over-hauled to ensure that they are able to fulfil their mission statements.
- The teaching staff who are currently involved in commercial ventures need close monitoring to ensure that teaching and research duties are not neglected, or taken as secondary.
- There is need for close monitoring of the commercial ventures to ensure accountability and profitability.
- Commercial ventures in the university should be allowed to have a unique culture relevant to the mission statement, but which may be different from the university bureaucratic principles.
- The university system in Nigeria needs to show more pragmatism in handling its financial problems. A way of reducing administrative costs needs to be devised, so as to vie more money into teaching and research.
- The problem of autonomy is a major problem confronting the Nigerian University system. This is obvious from the issue of non-payment of tuition in the federal universities. If the universities become truly autonomous, it may be easy to separate university policies from political agitation, and propaganda.
- The university system needs to intensify creating a friendly environment for learning. The present trading activities in the halls, and in the offices, may need to be curtailed, while students accommodation deserves an urgent attention, especially with the failure of private entrepreneurs to rise up to the challenge of building apartment houses within the university vicinities.
- The university needs to heighten the university - productive sector linkages.

b. The Public

It is important to enlighten the public about the various modes of financing higher education. The public includes parents, and guardians, and some of them could even be alumni of these various universities. Some could even be industrialists who may be willing to endow chairs or

provide funds for applied research which will benefit the industries and economically enhance the universities. If the public is to provide necessary support in financing the universities, then they should be well informed as to the conditions in the universities and about alternative modes of financing higher education. They should be made to know what obtains in other countries and why some steps are necessary. They should know the types of expertise available in the universities so that these can be explored and utilised in the industries.

c. The Government

- There is an urgent need for the government to make an upward review of salaries paid to university workers, so as to stop brain drain and the present profiteering tendencies among staff and students in the Nigerian universities.
- The government needs to give universities deserving autonomy, so that in a conducive atmosphere, they can do what they know how to do best - teaching and research.
- Government may need to further appreciate the implications of the present international sanctions on Nigeria, for its institutions, especially the university system. The country may need to know that without a harmonious existence with the international world, the University system may go into doldrums.

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## APPENDIX 1

### FEDERAL UNIVERSITIES DEVELOPMENT SECTOR ADJUSTMENT CREDIT (CR2139-UNI)

#### A SUMMARY OF NEW EQUIPMENT DELIVERED

Code	University	Qty of Equipment Expected	Qty Delivered Commissioned	Qty Installed/ Commissioned	Qty not Installed	Qty Faulty/ Broken	Percent Delivered
01	Ibadan	873	586	506	47	1	67%
02	Lagos	226	275	222	4	-	122%
03	Nsukka	225	89	86	3	2	40%
04	Zaria	159	53	53	-	-	33%
05	Ile-Ife	372	204	293	1	-	79%
06	Benin	328	215	-	-	-	66%
07	Jos	367	327	326	1	-	89%
08	Calabar	257	45	44	1	1	18%
09	Kano	310	-	-	-	-	-
10	Maiduguri	252	244	-	-	-	97%
11	Sokoto	377	150	146	-	-	40%
12	Ilorin	137	78	9	-	1	57%
13	Port-Harcourt	737	212	-	-	1	29%
14	Bauchi	238	127	127	-	2	53%
15	Makurdi	416	225	117	8	-	54%
16	Owerri	273	-	-	-	-	-
17	Minna	421	176	27	-	-	42%
18	Akure	858	357	-	1	-	42%
19	Abeokuta	993	262	262	-	2	26%
20	Yola	714	611	-	-	-	86%
SUB-TOTAL		8,533.00	4,236.00	-	-	-	51%

Source: Jibrin E. A. (1996) Monitoring Report on Equipment, Spare-Parts delivery to the Universities  
NUC Project News 3 (1) Page 8.

**APPENDIX 2: DISTRIBUTION OF BENEFICIARIES - UNIVERSITIES**

University	ACADEMIC STAFF			NON-ACADEMIC STAFF		
	Male	Female	Total	Male	Female	TOTAL
Ibadan	5	5	10	3	1	4
Lagos	6	5	11	-	-	-
UNN Nsukka	6	2	8	4	-	4
ABU Zaria	14	1	15	-	1	1
OAU Ife	13	6	19	2	-	2
Benin	14	4	18	-	-	-
Jos	12	6	18	10	4	14
Calabar	12	-	12	2	-	2
Bayero, Kano	16	-	16	6	1	7
Maiduguri	17	1	18	2	1	3
Sokoto	6	-	6	5	-	5
Ilorin	16	2	18	12	-	12
Port-Harcourt	8	1	9	8	2	10
Bauchi	16	-	16	1	-	1
Makurdi	22	1	23	3	-	3
Owerri	9	2	11	2	-	2
Minna	9	-	9	1	-	1
Akure	9	-	9	2	-	1
Abeokuta	10	2	12	9	-	9
Yola	8	1	9	1	1	1
<b>TOTAL</b>	<b>228</b>	<b>39</b>	<b>267</b>	<b>72</b>	<b>11</b>	<b>83</b>
Total No. of Academic Staff = 267 Total No. Non-Academic Staff = 83 GRAND TOTAL = 350						

Source: Barrow N. I. (1996) Staff Development Programme under the Federal Univ. Dev. Sector adjustment Credit.  
 NUC Project News Vol. 3 (1) Page 11.

**APPENDIX 3: No. 1**

**SPECIAL BULLETINS OF THE ACADEMIC STAFF UNION OF UNIVERSITIES  
(NIGERIA)**

**NATIONAL SECRETARIAT**

Our Ref:

Your Ref:

FLAT 2,  
MELLANBY HALL  
UNIVERSITY OF IBADAN  
P.O. BOX 9021  
IBADAN

Date: July, 22 1992

**STRIKE BULLETIN NO. 3**

1. Information came to us that ASUU has been banned. Technically, until the decree comes out, the Union is not banned.
2. According to the information, academic staff have been given 48 hours to go back to work or face dismissal. It is advisable that nobody goes back to work. If nobody goes back to work, it will be impossible to dismiss others who do not.
3. Academic Staff should remain steadfast.
4. IT WILL BE HUMILIATING TO GO BACK TO WORK WITHIN 48 HOURS
5. IN THE MEANTIME, Intensity internal mobilisation.
6. Immediately form an "Association of University Teachers" in your branch.

The Struggle Continues, we will win!

Signed  
Strike Co-ordinating Committee.

## **Appendix 3 : No. 2**

### **ACADEMIC STAFF UNION OF UNIVERSITIES (ASUU OAU BRANCH)** **ACADEMIC STAFF OF NIGERIAN UNIVERSITIES**

#### **POST-STRIKE BULLETIN NO. 1**

1. As you are by now aware, Representatives of Academic Staff of Nigerian Universities have negotiated with Government, a new package of funding, conditions of service and University autonomy and Academic freedom. A document of Agreement, embodying the new package, has already been signed. The strike has been suspended.
2. For tactical and strategic considerations we did not insist on the deproscription of ASUU before signing the Agreement and suspending the strike.
3. This should not be misconstrued for abandonment of the Union
4. The Union is our strength! we must intensify demands for the lifting of the ban on ASUU!
5. Continue to call for the deproscription of our Union. Appeal to all well meaning Nigerians, Prominent Citizens, professional bodies and concerned citizens etc, to call upon Government to lift the ban on our Union. Remain organised, mobilised, united and active in pursuing our legitimate rights.
6. The struggle has just entered another phase.. It is not yet ended. Reaching Agreement is one thing. Implementing all aspects of the Agreements in reasonable time is another thing altogether! Let us, therefore, remain alert and on our guard!.
7. Continue to contribute in any way you can to greater success in our struggles.
8. Hold regular branch meetings. Continue to defend our members' interests. Assess the implications of the Agreement for the processes and relations with the Universities themselves.
9. Expect further communications from the co-ordinating committee.

NATIONAL CO-ORDINATING COMMITTEE  
SEPTEMBER 9, 1992

### **Appendix 3: No. 3**

#### UNIVERSITY TEACHERS ASSOCIATION NATIONAL SECRETARIAT

#### Summary of major NEC decisions university of Jos, Jos 24 October 1992.

1. Academic staff of Nigerian Universities will use every means available to them to resist the demand for parity in the Universities.
2. Every effort will be made to ensure that a Task Force, with representation from the Academic Staff Union, is established in each University to ensure proper implementation of all projects and programmes arising from the FGN- Academic Staff of Universities Agreement.
3. The Academic Staff in all Universities are to set up monitoring and implementation committees comprising academics only, to ensure full implementation of all aspects of the Agreement.
4. A strongly worded letter should be written to the Hon. Minister of Education and Youths Development recommending that:
  - a. Seen money on Housing Loan be shared with State Universities, as in Car Refurbishing grants
  - b. a 2% interest rate be uniformly applied on the Housing Loan, as in Car Refurbishing grants.
  - c. the meeting of Government functionaries with the CVC to discuss implementation of the Agreement should include VCs of State-owned Universities.
5. A resolution was passed to the effect that all university lecturers living in University-provided accommodation have a landlord-tenancy relationship. Furthermore, provision of housing is a welfare matter, which also enhances the university's ability to retain staff. Each university is, therefore, to be made to pay the 50% housing allowance to all academic staff. The University will charge reasonable rent on its property.
6. A committee of four is set up to recommend a formula on computation of excess workload which has University Teachers monitoring committee should ensure is uniformly applied in all universities.
7. It was agreed that check-off dues are now 2% of each staff's monthly salary. This is to be ratified by NDC before becoming effective.
8. It was decided that Branches will be surcharged all the levies they are expected to collect for the national Secretariat, whether they have collected or not. It is the responsibility of each Branch to ensure total and effective collection of all levies due to the National Secretariat.
9. Branch Congresses can decide when to resume strike for prolonged non-implementation of aspects of the Agreement, which are to have been implemented by 30th September 1992. However, it by 30th November, any Branch is faced with non-implementation, staff in all Universities will embark on an indefinite strike until implementation is effected.
10. It was decided that plaques should be made for the members of the Negotiating team, as a token of appreciation, for the services they have rendered to the universities

11. National secretariat staff should be paid salaries on the old scale, pending normalisation of the situation, when they should be placed on the new EUSS with arrears paid to them.

Signed: A.M. Jega  
National President

**APPENDIX 4: (INSTRUMENTS - FORMS A - G)**

**FORM A: FINANCING OF HIGHER EDUCATION GUIDE FOR SECONDARY D DATA COLLECTION**

**Sources of funding in the university outside the federal government**

ITEMS	85	86	87	88	89	90	91	92	93	94	95
Yearly subvention from Govt											
Total amount generated internally from other sources											
Total amount from outside sources											
Student enrolment											
Types of other sources of funding available											
No. of Units in the University engage in the consultancy											

**COMMERCIAL VENTURES IN THE UNIVERSITY**

Names of Units/ Centres	Capital outlay	Year of Establish- ment	Size (Staff Strength)	Cost for running the Unit yearly	Income generated profits/ achievements	Problems being encountere d

In-depth Guide For University Principal Officers (FORM B)

Age \_\_\_\_\_

Sex \_\_\_\_\_

Marital Status \_\_\_\_\_

Ethnic Affiliation \_\_\_\_\_

Religious affiliation \_\_\_\_\_

Educational Qualifications attained \_\_\_\_\_

Years Since VC/Bursar \_\_\_\_\_

Would you say that the income of the Universities has increased since you assumed office Yes / No

Give Reasons for your answer \_\_\_\_\_

What factors do you think are responsible for the state of your University's finance?

\_\_\_\_\_

How much does it cost to run the University in a year? \_\_\_\_\_

Do you think University should be solely funded by the Federal Government

Yes \_\_\_ No \_\_\_ reasons \_\_\_\_\_

How much comes to the University from the Federal Government?

What other ways of financing higher Education are known to you (List advantages and disadvantages of each type) \_\_\_\_\_

\_\_\_\_\_

Do you support the idea of University embarking on diverse income-generating activities?

Yes \_\_\_ No \_\_\_

Give reasons for your answer \_\_\_\_\_

What is your reaction to the NUC directive that Universities should generate 10% of its income?

\_\_\_\_\_

Give reasons for your answer? \_\_\_\_\_

Which income generating activities exist in your University?

Which of them is the most successful? \_\_\_\_\_

Give reasons for your answer \_\_\_\_\_

Since it is a successful venture, would you suggest its expansion?

Yes \_\_\_ No \_\_\_

Give reasons for your answer \_\_\_\_\_

Which of them is the least successful? \_\_\_\_\_

Give reasons \_\_\_\_\_

What do you think are the constraints facing this particular venture?

\_\_\_\_\_

How do you think such problems can be solved? \_\_\_\_\_

Your own suggestions on how the Universities can generate its own incomes?

Which do you think is the most effective of these suggestions

Give reasons \_\_\_\_\_

How is money thus generated being spent \_\_\_\_\_

Is the entire profit spent Yes \_\_\_ No \_\_\_

If no, what happens to the remaining profit? \_\_\_\_\_

If Yes, why do you think this is being done \_\_\_\_\_

What do you see as the effects of these income-generating activities on the main function of the University (teaching and research) \_\_\_\_\_

in the short run \_\_\_\_\_

in the long run \_\_\_\_\_

Which of the following do you support for generating income in the Universities?

Sources	Support	Does not Support	Don't know	Reasons
Tuition				
educational levy				
load shedding				
privatisation of universities				
Distance education				
Part-time programmes				
3 Semester programme				
University/Productive sector linkage (consultancies)				

What are your views about the working conditions in the Universities along these lines

Aspects of working conditions	Satisfactory	Not Satisfactory	Reasons
Salary			
Accommodation			
staff training			
supply of work materials(papers etc)			
conference facilities			
research facilities			
teaching facilities			
car allowances			
housing loan scheme for staff			
any other (specify)			

What do you think the following can do to improve the working conditions in the University?

Government \_\_\_\_\_

the University itself \_\_\_\_\_

What are your views about the company tax on education?

\_\_\_\_\_

What percentage of the amount thus collected should be allocated to the financing of higher education? \_\_\_\_\_

\_\_\_\_\_

a) student body \_\_\_\_\_

b) parent body \_\_\_\_\_

c) govt \_\_\_\_\_

In-depth interview guide for Head of Commercial Ventures/ Consultancy Units & Others  
(FORM C)

Age \_\_\_\_\_

Marital Status \_\_\_\_\_

Educational qualifications \_\_\_\_\_

Sex \_\_\_\_\_

Religious affiliation \_\_\_\_\_

Year since head of Unit \_\_\_\_\_

State of Unit's finance since assumption of office \_\_\_\_\_

\_\_\_\_\_  
Year of establishment \_\_\_\_\_

Main functions of the Unit \_\_\_\_\_

Yearly out put \_\_\_\_\_

Cost of Running the Unit per year \_\_\_\_\_

Is the Unit autonomous and self-financing? \_\_\_\_\_

Profit margin \_\_\_\_\_

Losses \_\_\_\_\_

What is done with profit \_\_\_\_\_

\_\_\_\_\_  
What happens when losses are incurred? \_\_\_\_\_

\_\_\_\_\_  
What do you attribute to the profits being made \_\_\_\_\_

\_\_\_\_\_  
How can these be enhanced for wider profit margins \_\_\_\_\_

\_\_\_\_\_  
What do you attribute to the losses being incurred? \_\_\_\_\_

\_\_\_\_\_  
How can these be corrected \_\_\_\_\_

\_\_\_\_\_  
Do you think your achievements justify the continued existence of the Unit/Centre Yes \_\_\_\_\_

No \_\_\_\_\_

Give reasons for your answer \_\_\_\_\_

\_\_\_\_\_  
What in your view are other sources of generating money in the University

\_\_\_\_\_  
(List: probe for merits and demerits for each) \_\_\_\_\_

What other activities can your Unit/Centre engage in to enhance its success?

\_\_\_\_\_  
Do you feel that the financing of Higher education should be the sole responsibility of the government. Yes \_\_\_ No \_\_\_

Give reasons for your answer \_\_\_\_\_

\_\_\_\_\_  
What are your views on the income generating activities embarked upon by the University?

Should the University embark more on such activities?

Yes \_\_\_ No \_\_\_

Give reasons for your answer \_\_\_\_\_

What do you see as the possible effects of these on teaching and research in the short run

in the long run \_\_\_\_\_

Should there be a way of controlling the activities of these income-generating Units? Yes \_\_\_\_\_

No \_\_\_\_\_

Give reasons for your answer \_\_\_\_\_

If Yes, how can the control be effected? \_\_\_\_\_

As a head of one of such income-generating unit, would you say that the unit is a success? Yes

\_\_\_\_\_ No \_\_\_\_\_

Give reasons for your answer \_\_\_\_\_

What are the problems being faced by the Unit? \_\_\_\_\_

How are these being tackled? \_\_\_\_\_

What are your feelings about different aspects of the working life in the universities?

Aspects of working life	feelings			
	Satisfied	Dissatisfied	indifferent	Reasons
salary				
accommodation				
staff training				
housing loan scheme				
research facilities				
teaching facilities				
conference facilities				
car allowances				
any others (specify)				

Does the income generated by your Unit affect the conditions of the staff of the Unit Yes \_\_\_\_\_

No \_\_\_\_\_

If yes, in what ways \_\_\_\_\_

Are you familiar with other ways of generating income within the University? Yes \_\_\_\_ No  
\_\_\_\_\_

If Yes, which other ways do you know? \_\_\_\_\_

Which of them would you want the University to embark upon?

Give reasons for your answer? \_\_\_\_\_

Which of the following sources would you support and why?

Sources	Attitudes			Reasons
	Support	Does not support	Indifferent	
student tuition				
load shedding				
educational levy				
Privatisation of University				
Distance education				
Part-time lectures				
Consultancies				
Any other (specify)				

Do you agree with NUC that Universities should generate 10% of their income? Yes \_\_\_\_ No  
\_\_\_\_\_

Give reasons for your answer \_\_\_\_\_

In-depth guide for staff of Commercial Ventures/Consultancy Units within the University  
(FORM D)

Age \_\_\_\_\_  
 Marital Status \_\_\_\_\_  
 Sex \_\_\_\_\_  
 Religious affiliation \_\_\_\_\_  
 Ethnic \_\_\_\_\_  
 Year since joined the University \_\_\_\_\_  
 State of teaching now compared with when you joined the University

\_\_\_\_\_

What do you think are the factors responsible for the disparity between when you joined the University and Now?

\_\_\_\_\_

How would you describe your conditions of work in the University

\_\_\_\_\_

What do you suggest as solutions? \_\_\_\_\_  
 Why? \_\_\_\_\_

What are your feelings about different aspects of your work in the University?

Aspects of work	Feelings		Reasons
	Satisfactory	not satisfactory	
salary			
accommodation			
staff training			
housing loan scheme			
research facilities			
teaching facilities			
conference facilities			
car allowance			

Do you think the government should be solely responsible for financing higher education?  
 Yes/No  
 Give reasons for your answer \_\_\_\_\_

\_\_\_\_\_

The NUC has now decided that each University should generate 10% of its income. Do you agree or disagree with this? \_\_\_\_\_

Give reason \_\_\_\_\_

What other sources of financing higher education are known to you

(list: probe for knowledge on merits and demerits)

Which would you suggest is the most effective \_\_\_\_\_  
why? \_\_\_\_\_

Which one exists in your University? \_\_\_\_\_

Are you familiar with their activities? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, what do you know about them? \_\_\_\_\_

Do you think they make enough profit? Yes \_\_\_ No \_\_\_

Do they generate money for the University in any way?

Yes \_\_\_ No \_\_\_

Give reasons for your answer \_\_\_\_\_

Do you think the activities of such income-generating units will affect teaching and research Yes  
\_\_\_ No \_\_\_

Give reasons for your answer \_\_\_\_\_

Should the University focus more/intensify efforts in these income generating activities Yes \_\_\_  
No \_

Give reasons for your answer \_\_\_\_\_

What do you foresee as the effect of such expansion/focus by the University in the short run

\_\_\_\_\_

in the long run \_\_\_\_\_

Your own unit/centre is one of such income generating units, would you say the unit is a success

Yes \_\_\_\_\_ No \_\_\_\_\_

Give reasons for your answer \_\_\_\_\_

What problems the Unit is facing? \_\_\_\_\_

How are they being tackled? \_\_\_\_\_

Do the income-generating activities clash in any way with the teaching and research activities of the University?

Yes \_\_\_ No \_\_\_

Give reasons for your answer \_\_\_\_\_

How would you assess the profits being made? \_\_\_\_\_

Are these sufficient to justify its expansion? Yes \_\_\_ No \_\_\_

Give reasons? \_\_\_\_\_

Are the profits reflected in the working conditions of the staff of the Centre/Unit? Yes \_\_\_\_\_  
No \_\_\_\_\_

If Yes, in what way? \_\_\_\_\_

Which of the following income-generating sources are you familiar with and which of them do you support as adequate, give reasons for your answer.

Sources	Responses		Attitudes to the sources			Reasons for your answer
	heard of it	never heard of it	Effective	not effective	Don't know	
tuition						
load shedding						
educational levy						
privatisation of universities						
Distance education						
Part-time programmes						
Consultancies						

**FINANCING OF HIGHER EDUCATION**  
**FGD GUIDE FOR STUDENTS/STAFF AND PARENTS**  
(FORM E)

1. What are the benefits of higher education to any nation?
2. What functions do Universities perform?
3. Who should be mainly responsible for financing higher education in any country?
4. How many sources of financing of higher education do you know?
5. How can the financing of higher education affect parents?
6. How can University financing affect the work of students?
7. How can University financing affect the work of teachers?
8. How can University financing affect teaching and research?
9. Which of these sources are effective?
10. Which of these sources would be acceptable to students?
11. Which of these sources would be acceptable to parents?
12. Which of these sources would be acceptable to teachers?
13. What are your views about the following sources of financing higher education
  - a. fees
  - b. donations
  - c. load shedding
  - d. educational levy
  - e. privatisation of University
  - f. distance education
  - g. consultancies
14. What are your views about the company tax on education?
15. What percentages of this should go for the financing of higher education?
16. What should be the roles of the following in financing higher education?
  - a. student body \_\_\_\_\_
  - b. parent body \_\_\_\_\_
  - c. government \_\_\_\_\_

In-depth interview guide for government functionaries  
NUC officials/officials in the Ministry of Education,  
Higher Education Division

(FORM F)

Age \_\_\_\_\_

Sex \_\_\_\_\_

Marital Status: \_\_\_\_\_

Educational Qualification \_\_\_\_\_

Religious Affiliation \_\_\_\_\_

Year Since Joined The Establishment \_\_\_\_\_

Status/Present Position \_\_\_\_\_

Government Allocation To the selected Universities in the last 3 years.

Allocations				
Names of University	1993	1994	1995	1996
Ife				
Lagos				
Ibadan				
Ondo State Ado Ekiti				

Reasons for the decrease or changes \_\_\_\_\_

What are your views about proliferation of Universities? \_\_\_\_\_

Does it have anything to do with the inability of the Federal Government to cope with the funding of all universities?

Yes \_\_\_\_\_ No \_\_\_\_\_

Give reasons for your answer \_\_\_\_\_

What are your suggestions for coping with the under funding of the university?

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Which income generating activities can Nigeria Universities embark upon? \_\_\_\_\_

Which other sources of income are available to Universities in the developed part of the world?

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Can this be adopted in the Universities here?

Yes \_\_\_\_ No \_\_\_\_

If no, why would these not be appropriate in Nigerian Universities?

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You instructed that Nigerian University should generate 10% of their income. How feasible is this? \_\_\_\_\_

How many Universities achieve this without problems? \_\_\_\_\_

What factors constrain the other universities from achieving the 10% income target?

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Do you think that such aids like the World Bank loans to University should be encouraged? Yes \_\_\_\_ No \_\_\_\_

Give reasons for your answer? \_\_\_\_\_

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Can the momentum generated by the World Bank project be sustained?

Yes \_\_\_\_ No \_\_\_\_

Can the income generated by the University adequately meet the demands of the University?

Yes \_\_\_\_ No \_\_\_\_

Give reasons for your answer \_\_\_\_\_

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Which of the following income generating activities would you recommend for Nigerian Universities and why?

Income Generating Activities	Recommended	Not Recommended	Reasons
Tuition			
Educational levy			
Load Shedding			
Privatisation of University			
Distance Education			
Part-Time Lecturing			
Consultancies			
Any Others (specify)			

Do you think that these income-generating activities would clash with the teaching and research activities in the Universities?

Yes \_\_\_\_\_ No \_\_\_\_\_

Give reasons for your answer \_\_\_\_\_

Which is more realistic in coping with the issue of the lack of funds for universities (tick)

i) reduction in the number of Universities Yes \_\_\_ No \_\_\_

ii) encouragement of income generating activities by the Universities \_\_\_ \_\_\_

iii) Sourcing for International Aids \_\_\_ \_\_\_

iv) Rationalisation \_\_\_ \_\_\_

v) Any other (specify) \_\_\_\_\_

What are your views about the company tax on education?

What percentage of this should go for the financing of higher education?

What do you perceive as the roles of the following in financing higher education?

a) student body \_\_\_\_\_

b) parent body \_\_\_\_\_

c) government \_\_\_\_\_

**FORM G:**  
**ALTERNATIVE MODES OF FINANCING HIGHER EDUCATION IN NIGERIA**  
**- QUESTIONNAIRE FOR MEMBERS OF THE SOCIETY**

Age: .....

Sex:- .....

Education Completed:- .....

Marital Status:- .....

No. of Children:- .....

How many are currently in higher educational Institutions? .....

**Knowledge on University Financing:**

Should the Federal Government alone be responsible for financing higher education?

Yes ..... No. ....

Give reasons for your answer:- .....

What other sources of financing University education are known to you? .....

Which of these is the most reliable for University financing?

Give reasons for your answer: .....

Do you think that students and parents should be made to contribute to University financing?

Yes ..... No. ....

Give reasons for your answer .....

What are the benefits of higher education to any nation?

Which of the following do you support for generating income in the Universities?

Sources	Support	Does not support	Don't know	Reasons
Tuition				
Education levy				
Load shedding				
Privatisation of University				
Distance education				
Part-time				
Consultancies				
Endowment				

What do you see as the effect of the following sources of financing on teaching and research?

Sources of financing	EFFECTS			
	Teaching		Research	
	Negative	Positive	Negative	Positive
Tuition				
Endowment				
Education levy				
Load shedding				
Privatisation of Univ.				
Part-time programmes				
Consultancies				

What are your views about the company tax on education?

.....  
 What percentage of the amount thus collected should be allocated to the financing of higher education? .....

What should be the roles of the following in the financing of higher education?

- a) Student body .....
- b) Parent body .....
- c) Humanitarian groups .....