



Financial autonomy, planning and funding as panacea for effective management of public universities in Nigeria

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Abstract

In recent time, most Nigerian public universities find it very difficult to manage the meagre resources available to them and this has hampered effective delivery of services that are germane to achieving rapid development in terms of infrastructure, training and re-training of teaching and administrative personnel as well as providing qualitative teaching and learning environment for students. This scenario undoubtedly is becoming a recurring decima as management of public universities become handicapped as it were due largely to political meddlesomeness with regards to financial autonomy, improper planning and inadequate funding that have become a clog in the wheel of progress of many public University management. Therefore, this study examines the impact of financial autonomy, improper planning and inadequate funding with emphasis on effective management of public Universities in Nigeria and came up with the suggestion that for effective management to be achieved and sustained, management of public universities in Nigeria must give adequate attention to financial autonomy, proper planning and funding.

Keywords: financial autonomy, planning, funding, effective management, public universities

Introduction

In Nigeria, funding is a typical issue in public Universities system generally and the reasons are obvious due largely to the peculiar nature of universities modus operandi as well as their visions and mission statement which centers majorly on academic excellence, teaching, research and community services and the need for universities to have a long term plan that would not only serve as a strategic plan but one that would be sustainable at addressing every issue that may arise in the various public citadel of learning. Consequently, Nigerian government allocation of funds which are never enough and the agitation for financial autonomy by various unions in the universities with the academic staff union of universities (ASSU) being the arrow head, the need for effective strategies to actualize the effective management of public universities becomes imperative.

The government of Nigeria for a long time remain the sole financer of universities, but due to economic depression and drop in oil revenue, the country now faces financial difficulties. Funds play a crucial role in providing quality education with better school environment, with more qualified teachers, quality and adequate supply of school materials. This however is possible through efficient utilization of the available funds. Inadequate allocation of funds and improper management of the sector may lead to the collapse of the university system. In view of this, effective and efficient achievement of educational objectives is dependent on the availability of resources, the quality of the available resources and efficiency in management of the available funds. According to Ebong and Afangideh (2009) ^[7], for university education system in Nigeria to provide quality education, the country needs efficient fund management in the school. This she noted is the responsibility of the school administrators who knows that effective utilization of funds is very crucial in the

operation of the university system in order to achieve its set goals. Similarly, Enaohwo (1990) ^[9], submitted that it can be conveniently concluded that since government subvention has not been enough over the years, there is need for effective strategies for effective management in order to solve the impending problem of chronic underfunding. He emphasized that what is required is that both the Federal, State Government and stakeholders should adopt strategies for effective management of the university system in Nigeria. Similarly, Bare (2010) ^[6] opined that some strategies to be adopted to enhance effective management in our university system include financial autonomy, planning as administrative tool, alternative sources of funding and adequate funds for public universities.

Financial Autonomy

Financial autonomy refers to universities which exercise independent control over its day to day operations of funds from government or internally generated revenue. Autonomy is generally associated with universities and implies that the sponsors (federal or state) does not have control over or dictates in matters of universities especially in its fund's management. Over the years, the university system enjoyed relative measures of financial autonomy as they were left to function with zero interference from both the federal and states government. The universities were also encouraged to organize their own entrance examinations and selection of candidates for admissions without government interference or by its agencies while members of the governing council were selected from those who have idea of higher education administration. Consequently, financial autonomy in public universities was relatively enjoyed by the first and second generation of universities established in the middle of 1940s and between 1960 and 1970s respectively (Okoye, 2010) ^[19]. From this

generation of universities, the University College of Ibadan established in 1948 and later University of Ibadan was adequately funded in all aspects of teaching and research by both the Nigerian and British government between 1948 and 1954 respectively. The Federal Government's capital expenditure on the University College Ibadan was over £36 million and the total recurrent expenditure over the same period amounted to £ 112.269 (NUC, 2003).

The first and the second generation of universities performed well and were adequately funded by the government while the federal Government released subvention to the universities regularly, with scholarships and bursaries made available to indigent students. Okebukola (2002) ^[18] Submitted that there was no substantial difference between the amount requested by the universities and the amount received from the government. He opined that there were years in which the amount received was slightly higher than the amount requested for. Ejiogu (1986) ^[8] affirmed that the annual Federal Grants to the first five universities in the country at that time rose from £2.56 million in 1963/1964 respectively to £5.9 million in 1968/1969. However, Akintoye (2008) ^[4] noted that in the year 1975, the Federal government established seven more universities and also took over the existing four states universities. He noted that this announcement made the total number of universities under the federal governments control to be thirteen (13) universities and according to Ayo-Sobowale and Akinyemi (2011), the 1975 period marked the beginning of the problem of university funding in Nigeria. Aina (2007) ^[3] noted that after the 1975/1976 session, Amadu Bello University (ABU) for the first time, recorded shot fall of 20 percent in the amount requested. He emphasized that resources are allocated because they are limited in supply relative to the need claims, thus, funds allocated to public universities in Nigeria, represents a cost of the economy because there was a fierce competition and politics in every setting and strata of university system to attract a lion share. According to Obasi & Asodike (2007) ^[15], the bulk of government allocation which represent (90%) to education is spent in recurrent expenditure as dictated by the government through its monitory agencies, However, Micaiah (2014) ^[13] submitted that the remaining (10%) is shared among educational services and healthcare facilities which is under the direct control of the various universities. Adeniyi (2008) ^[2], noted that the subvention received by the universities from the Federal Government is inadequate in meeting their financial demands. This is because the universities are affected by the unstable economic conditions as well as other government policies on the management of funds allocated to the universities system, hence the need for strategies for effective fund management. Ayo-Sobowale & Akinyemi (2011) noted that there is need for radical changes in universities system and its administration, especially in the areas of funding since education is an instrument for enhancing socio-economic development and national viability. It therefore becomes necessary to adopt strategies for effective fund management of funds allocated to the public universities.

Planning

Planning is a decision-making process because it involves deciding courses of action in university growth and development and this decision includes determining

educational policies, goals, priorities, objectives, targets, programmes, projects and choices to be pursued (Yusuf, 2010) ^[22]. According to Etuk (2011) ^[10], planning is the objective and goals of the national development effort, estimating and mobilizing the various domestic and foreign resources as well as skills and allocating them to those specific uses which seem likely to make the greatest contributions to achieve the national objectives. Planning is very critical in achieving a set goal and the universities are expected to embrace planning for efficient management of available resources.

Ojo (2010) ^[17] noted that planning is a systematic process by which a given society consciously and in a rational manner, decides the course of action and pattern the growth and development of the universities needs within the constraints imposed by the resources mix. Planning is a systematic process because its set of actions are so operationally linked that they have to be carried out in sequential order to achieve optimal result. In view of (Yusuf, 2010) ^[21]; the Universities management are expected to set priorities in a systematic manner that will ex-ray all the expected project that sources of revenue. Setting of priorities according to him will always avoid wastage and cut down on abundant projects in the system.

Funding

According to Adedeji (2002) ^[1] Nigerian Universities education funding is still below international best practices as recommended by United Nation Economic Scientific and Cultural Organization (UNESCO). The issue of Nigeria University under-funding commenced after the establishment of seven universities between 1975 and 1980 respectively without a corresponding increase in government subvention to the existing universities. The liberation of the establishment of universities was not just to facilitate access but it was a response to the country's desire to be integrated into the modern knowledge economy. This development increased enrollment, but without adequate planning, there has been a downward trend in the funding of universities in the country.

Fund released by either Federal or State government are always inadequate. Adeniyi (2008) ^[2] noted that subventions dropped from £24 million in 1977 to N229 million in 1978 and most of the capital projects at that time were abandoned and there was considerable deterioration of infrastructure in the public universities. Consequently, the Nigerian Government controls universities through the National Universities commission which among others allocates funds to universities. Though the world has witnessed dramatic changes in the last decades of the 20th and 21st centuries in which Nigeria Universities are not excluded in terms of poor funding. These changes are a response to a worldwide phenomenon of rising cost of university education in excess of the corresponding rates of increase of availability revenues. In order to cope with government funding reduction, Johnstone (2005) ^[12] noted that universities worldwide now generate additional sources of fund through strategies.

From educational perspective, underfunding is seen as a phenomenon deeply rooted in the social, economic and political structure of the society. As a result, the educational system which serves as important element in the structure is not entirely independent but it is also subjected to the influence of other elements within the structure and in

particular, the economic system which provides the nexus on which other element in the social system revolve. However, funding theory which was advocated by J.S Mills in 1945 and popularized by Okebukola (2002)^[18] noted that funds allocated to organization depends on the demand and supply of labour which is expressed between population and capital, while the population refers to the working class/force and the capital refers to circulating or recurrent expenditure for the expansion of an organization. The fund theory equally argues on the quantity of the working capital and people who are employed in an organization. According to Adeniyi (2008)^[2], fund theory refers to the amount of capital that an employer of labour provides against unforeseen circumstance. From the above fund theory, universities are at liberty to operate within the frame work of working capital considering the staff strengths of the university since the university system is an organization operating within the status quo. Funds allocated to public universities should be able to solve the problems facing such university considering capital and recurrent expenditure. According to Okebukola (2002)^[18], subvention either from federal or state governments should be directly spent considering the number of staff and the volume of recurrent expenditure in yearly basis. Judging from the present Nigeria economy, subventions either from federal or state government has some procedures which serves as bottleneck and sometime reduces the budgeted amount, thus, hinder smooth operation for effective management of public Universities. Consequently, challenges for effective management of public universities in Nigeria according to Micaiah (2014)^[13] are caused by the following:

1. **The deficiencies of university administrators:** Most of the university's administrators both at Federal and State level are appointed on party loyalty and not minding the necessary training required to manage such positions and as such the university funds are not managed in the interest of the university but for personal gain.
2. **Lack of government full commitment:** Government either at Federal or State level no longer bear full financial support of her university education. Consequently, there is sudden onset of understanding of the university system at present due to the depression in the country's economy evident in the downward trend in oil and non-oil exports with rising imports bills. (Odebiyi and Aina, 2000)^[3].
3. **Environmental challenges:** The Nigeria universities suffer environmental challenges especially universities in Riverine areas which is found in the heart of Delta region where there are cases of militancy, kidnapping and hostage taking of Academic Staff. Consequently, the companies operating in the region that contribute their quota in form of donations and learning materials are affected due to the present operation by the militant. Bamiro & Adedeji (2010)^[5] noted that Nigerian Government spends just 0.1 percent on research, while Federal and State universities spend only 1.3 percent of their budgets on research. This according to them pose a serious challenge for development, because research constitutes a veritable catalyst for the effective management of public universities.

Conclusion

It is clear that financial autonomy, planning and funding are

germane to actualization of effective management of public universities in Nigeria. Furthermore, even though unions in the universities have always agitated for financial autonomy, it is obvious that public universities still needs financial support from the governments because their internally generated revenue (IGR) cannot sustain the various research and academic programmes they are involved in, however, universities management should be given free hands to manage the universities to the best of their abilities with regards to funds and planning. Base on the foregoing, the following suggestions are hereby made;

Suggestions

1. Governments at both federal and state level should still give total support to universities not minding the agitations for financial autonomy as this will bring about effective management of public universities.
2. Planning is a key factor in achieving effective management of public universities in Nigeria. Therefore, management of public universities should be proactive while planning so they can actualize both short- and long-term goals.
3. Funding is not only pertinent to the day to day running of universities but is also germane to effective management of public universities. Therefore, management should be more creative in improving on their IGR so they can successfully run the universities.

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