



# **Alternative Sources of Funding and Management of Public Universities in the Niger Delta States of Nigeria**

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## **ABSTRACT**

The study examined the alternative sources of funding and management of public universities in the Niger Delta States of Nigeria. Two research questions and two hypotheses guided the study. A sample of 600 management staff were randomly selected from 1620 management staff from the nineteen (19) public universities in the Niger Delta. The survey method was adopted. Analysis and presentation of data were made using Means without off-point 2.5 and above as accepted factors. The study revealed nine (9) main fund sources that public universities in the Niger Delta region of Nigeria could tap to enhance the finding of their programs and projects. Top in the list according to the ranking of the opinions of the respondents (management staff) was the establishment of funding initiatives such as Tertiary Education Trust Fund (TETFUND). It recommended that government should also organize a ceremony annually to celebrate and give awards with huge financial benefits to the universities that generate the highest income through alternative fund sourcing and standing resource development committees could be established to carry out the alternative fund sourcing.

**Keywords:** public universities, funding, Tertiary Education Trust Fund

## **INTRODUCTION**

The present economic realities in Nigeria point to the fact that Government can no longer fund university education alone. Government functionaries, researchers, economic analysts and observers have, in diverse manners and various occasions, made this stark reality known to university authorities. As a result, some of them have embarked on diverse conventional measures to generate revenue internally to supplement Government grants and subventions. These measures or sources have not delivered the universities, especially those in the Niger Delta from the problem of underfunding and its attendant consequences. The need to look out for alternative fund sources has therefore become imperative.

Alternative Sources of funding here refer to persons, organisations, places/areas, avenues or means of raising or generating money other than the popular conventional means to finance public university education. The sources involve careful planning and processes aimed at getting substantial income from specific persons or group(s) of people or activities. In fact, alternative fund sources are new and innovative sources of revenue. Many countries of the world, especially the advanced nations, do not depend on the Government for their funding. They employ alternative sources in addition to the conventional sources. In most cases, the conventional sources account for lower percentage of their total income. Universities in the United States of America (USA), United Kingdom (UK), China, Israel, Italy, etc generate a lot of income from commercialisation of their research findings, manpower development programmes, mobilisation of alumni associations and other funding initiatives. Most universities in Europe and America are being funded through gifts and endowments, alumni associations, the community and sponsored research activities. Universities in the Niger Delta and Nigeria in general can follow suite and solve the problem of poor funding of their highly valued academic programmes. It is believed that the results and recommendations of this study would, to a great extent, help in this direction.

Universities all over the world are respected and seen as the highest educational institutions for development of intellect, skill and character. To achieve these, they engage in teaching, learning, researching, dissemination of information on current developments and findings. The Federal Republic of Nigeria (2004), in her National Policy on Education stated the aims of university education as follows:

- (i) The acquisition, development and inculcation of the proper value-orientation for the survival of the individual and the society;
- (ii) The development of the intellectual capacities of the individuals to understand and appreciate their environments;
- (iii) The acquisition of both physical and intellectual skills which will enable individuals to develop into useful members of the community and;
- (iv) The acquisition of an objective view of the local and external environments.

The desire to achieve the above and similar aims of university education has led nations into huge capital and recurrent expenditures in order to fund various university programmes and projects. The universities in the Niger Delta and in fact in Nigeria have utilised the above conventional fund sources, yet funding (both from government and internal sources) have continued to decline. For instance, receipts from user charges in University of Port Harcourt declined from N1.74b in 2008/2009 academic session to N1.37b in 2012/2013 receipts from investments fell from N117.6m to N6.1m during the same period. There are lamentations on poor funding and its consequences as well as cries for more funds. This is the situation in Uganda, Israel, United States of America and some other advanced countries before alternative sources of funding higher education are discovered. Today, the funding fortunes of the universities in such countries which resorted to alternative fund sourcing have become models for others to copy. Makerere University in Uganda for instance turned its funding around through three main actions: alternative funding instead of depending on government, restructuring and monitoring demand-driven programmes (Juma, 2007).

As Nigerian institutions strive for quality service, urgent need to seek alternative sources of revenue to supplement government efforts becomes paramount. Currently the problem funding and overdependence on government subventions has become the most persistent and theory issues militating against tertiary institutions ability to maintain existing service in all states of the federation. Consequently, upon the financial constraint facing the tertiary institutions, the role of Internally Generated Revenue (IGR) in the management of public universities cannot be overemphasized. This is because internally generated revenue is an alternative sources of funding that are available in the tertiary institutions. There is no doubt that public universities in Niger Delta States have had their own challenges and constraints in the provision of finance for the effective management of the universities. Students of tertiary institutions in Nigeria Delta States face difficult conditions of learning intermesh of overcrowded classrooms and hostels, inadequate library and laboratory buildings and other infrastructures are in a dilapidating condition. The management of the public universities in the new millennium face a dramatic state of uncertainty, there is a great deal of pressure to achieve a range of performance expectations in a climate of students performance, staff development and financial accountability (Aborode, 2005).

It is noteworthy that except these constraints are removed, these institutions may continue to struggle with high level of financial inadequacy that is notable today. The inadequate funding has put educational managers under pressure and stress (Nwiyi, 2016). However, the alternative funding from the internal generated revenue concept implies that the government does not have to shoulder the responsibilities for providing funding for all its universities on every expenditure headings. The public universities are therefore persuaded to seek ways of earning additional revenue locally and to see them as supplement to government funds in order to effectively manage the universities for the achievement of its laudable objectives. Therefore, the researcher decided to find out the public universities in Niger Delta States for smooth and improve university administration.

The researcher therefore decided to find out the alternative sources of funds available for the management of public university education in the area and how to harness them for effect university administration.

**Purpose of the Study**

The purpose of the study was to determine the alternative sources of fund and its implication in the management of public universities in Niger Delta States. Specially, the sought to:

1. Identify alternative sources of fund available for the management of public universities in Niger Delta States.
2. Find out the benefits of alternative sources of fund in the management of public universities in Niger Delta

**Research Questions**

Two research questions guided the study

1. What are the alternative sources of fund available for the management of public universities in Niger Delta?
2. What are the benefits of alternative sources of fund for the management of public universities in Niger Delta?

**METHODOLOGY**

**Research Design**

This study is the descriptive survey. It is descriptive because it is concerned with gathering data for the purpose of describing and determining how alternative sources of funding could contribute to the effective management of the public universities in Niger Delta.

*Research Question 1: What are the Alternative Sources of Fund Available for Management of Public Universities in Niger Delta?*

**Table 1. Alternative Sources of Funds Available to Universities in the Niger Delta**

S/N	Item	N	Male			Female			Decision
			$\bar{X}$	SD	N	$\bar{X}_t$	SD	$\bar{X}_t$	
1.	The Triple Helix-a tripartite healthy interaction between the Academia, government and Industry	378	3.15	0.65	222	3.26	0.69	3.19	Agree
2.	Mobilization of Alumni Associations	378	3.37	0.63	222	3.14	0.62	3.29	Agree
3.	Commercialization of Research Results	378	3.40	0.80	222	3.23	0.68	3.34	Agree
4.	Foreign Donations/Aids	378	3.30	0.52	222	3.45	0.59	3.36	Agree
5.	Foreign Direct Investments (FDI)	378	3.06	0.59	222	3.23	0.46	3.13	Agree
6.	Manpower Development and Training	378	3.46	0.72	222	3.51	0.63	3.48	Agree
7.	Entrepreneurial units to serve University	378	3.51	0.54	222	3.34	0.57	3.45	Agree
8.	Attraction of foreign students into universities.	378	3.16	0.65	222	3.18	0.76	3.17	Agree
9.	Other funding initiatives such as ETF/TEFUND, Endowments, Capital Campaign	378	3.61	0.60	222	3.43	0.68	3.54	Strongly Agree

**Grand Mean = 3.33**

From Table 1, the total mean  $\left(\bar{X}_t\right)$  for each of the items was above the criterion mean of 2.50 and the grand mean score of all the 9 items used to answer the research question is 3.33 all of which signify agreement. Items 5 has the lowest total mean of ;3.13 while item 9 has the highest -3.54. The lowest

mean for male respondents is 3.06 from item 5 while the highest is 3.61 from item 9. The lower mean for female respondents is 3.14 from item 2 while the highest is 3.51 from item 6. The standard deviations showing the spread of the responses for both male and female respondents were within close ranges signifying in the opinions of both genders. The male standard deviations ranged from 0.52 to 0.80 while those of female ranged from 0.46 to 0.69.

Item 1-8 were rated agreed by respondents as shown by the total mean responses while item 9 was rated strongly agreed. None of the items was rated disagreed by either the male or the female respondents. The overall responses therefore showed that both male and female respondents perceived that the Alternative sources of funds available to universities in the Niger Delta included. Funding initiatives such as ETF/TETFUND, endowments, capital campaign etc, manpower development and training, entrepreneurial units to serve university communities, foreign donations/aids, commercialization of research results, mobilization of alumni Association, the Triple Helix, attraction of foreign students into universities and foreign direct investment (FDI).

**Research Question 2:** *What are the benefits of Alternative sources of Fund for the Management of Public Universities in Niger Delta?*

**Table 2. Benefits of Alternative Fund Sourcing to Universities in the Niger Delta**

S/N	Item	N	Bursary			N	$\bar{X}$	SD	Admin.		Decision
			$\bar{X}$	SD	$\bar{X}$				SD		
1.	Realization of more internally generated income than government shortfalls to universities	158	3.16	0.74	442	3.27	0.59	3.24		Agree	
2.	Universities in the Niger Delta becoming less dependent on government for funding	158	3.32	0.64	442	3.53	0.58	3.48		Agree	
3.	Development of infrastructure and equipment greatly enhanced.	158	3.37	0.49	442	3.39	0.56	3.39		Agree	
4.	Financial independence leading to true autonomy of the universities	158	2.98	0.71	442	3.23	0.69	3.17		Agree	
5.	Creation of more jobs.	158	3.47	0.54	442	3.47	0.61	3.47		Agree	
6.	Harmony to university calendar	158	2.94	0.69	442	3.24	0.59	3.16		Agree	
7.	Students' acquisition of practical skills	158	3.57	0.50	442	3.57	0.63	3.57		Strongly agree	
8.	Facilitation of staff development	158	3.56	0.50	442	3.51	0.58	3.52		Strongly agree	
9.	Improvement in the quality of university education	158	3.38	0.49	442	3.40	0.62	3.40		Agree	
<b>Grand Mean = 3.38</b>			<b>3.30</b>			<b>3.40</b>					

In Table 2 above, all the individual and total item means for both Bursary and Administrative Management staff of universities in the Niger Delta were above the criterion mean. Item 15 has the lowest mean of 3.16 while item 16 has the highest mean score of 3.57. The lowest mean for Bursary staff respondents is 2.94 from item 15 while the highest means for Bursary staff respondent is 3.57 from item 16. The lowest mean for Administrative staff respondents is 3.23 from item 13 while the highest mean for Administrative staff respondents is 3.57 from item 16. Item 10-15, 18 were rated agreed by respondents as shown by the total mean responses of each item and none of the items attracted a total

mean score less than the criterion mean (2.50). Items 16 and 17 were strongly agreed to while the rest of the other benefits were just agreed to the respondents. Cumulatively, the grand mean score of the 9 items used to answer research question two is 3.38. The overall responses therefore showed that items 10-18 were perceived as developmental benefits of Alternative fund sourcing to universities in the Niger Delta according to Bursary and Administrative Management Staff.

### **Summary of the Finding**

The overall responses showed that the procedures for harnessing the Alternative fund sources in the eight universities in the Niger Delta were: recognizing with government and industries for research contracts and disposal of research findings, organizing sensitization workshops for all parties or stakeholders concerned, establishment of university foundation or university advancement office to coordinate alternative fund sourcing, consulting personalities and organizations for their inputs and donations, setting up Alumni Associations' offices in the universities and communicating with them regularly, mobilising both physical, material and human resources towards fund generation, setting up of committees or Boards on various aspects of Alternative fund sourcing in the universities and organizing annual fund raising at favourable items.

### **DISCUSSION OF FINDINGS**

- The Alternative fund sources available to universities in the Niger Delta.
- The developmental for harnessing alternative fund sources.

#### **The Alternative Fund Sources Available to Universities in the Niger Delta**

The study revealed the main alternative fund sources that public universities in the Niger Delta region of Nigeria could tap to enhance the funding of their programs and projects. Top in the list according to the ranking of the opinions of the respondents (Management Staff) was the establishment of funding initiatives such as Tertiary Education Trust Fund (TETFUND). This was followed by the establishment of entrepreneurial units like Engineering/Mechanical Workshops, Wood Work/Furniture workshops, Information and Communication Technology (ICT) centres (or at least business centers), supermarkets, filling stations, agricultural farms and gardens (e.g. Poultry, piggery, Crop farms, palm/plantain plantations, fruit Gardens, etc). Manpower development and training programmes ranked next. This involves organization of orientations, employee development and training programmes for workers of companies, government establishments, educational institutions and individuals who need proficiency training in certain careers and specializations. Other alternative fund sources include foreign donations/aids, commercialisation of research results, mobilization of alumni associations, the triple helix, attraction of foreign students and foreign direct investment (FDI).

Special note above is the Triple Helix which refers to a healthy interaction or relationship between the academia, the government and the industry that opens opportunities to revenue generation and achievement of goals. In a healthy relationship, it is felt that universities are so much endowed with human capital that can help the government and industrial establishments achieve their goals with returns to the universities on the human capital employed. This source – the Triple Helix, is not yet known in most Nigerian universities. Hence the low ranking by respondents.

Also of note is the commercialization of research results, presently, most university research works are only meant for students' graduation and promotion of academic staff. As a result, they end up in the university libraries. Industries that need them to solve their production, marketing and management problems are oblivious of the society and companies in particular and direct their researchers towards finding solutions to the existing problems. The results of researches carried out should also be brought to the knowledge of those who need them for improvement. In so doing, universities in the Niger Delta could attract research contracts and huge revenue to fund their programme. If a reasonable percentage of the revenue from commercialization of research results is given to lecturers, universities will become true research centres as they ought to be. The eyes of lecturers will go off from "sourcing" (collecting money or canal satisfactions from students in order to pass them) and making merchandise of the students through textbooks and handouts.

It is important to remark that Alumni Associations which constitute huge and regular source of income to universities in the advanced countries are trivialized in Nigeria and in the Niger Delta in particular. Graduates of universities at various levels of success and prominence in life seldomly have contributions (if any) to further the development of their alma mater. This untapped resource can be made a alternative source of fund to universities in the oil-rich Niger Delta.

The above findings are in agreement with a number of previous research and position papers on related subject matters. According to Koko, (2016), the Tertiary Education Trust Fund was soon to be turned into not just a major source of funding to the education sector, but was indeed to emerge as the main alternative source of funding the tertiary education in particular. He opined that pooling agency to equally being a fund raising status agency.

To strengthen the agreement, Ogundu and Nwokoye (2013) observed that TETFUND had alleviated the problems of universities in the areas of infrastructure, instructional materials and equipment but needed to do more in the area of human capital development. The finding on entrepreneurship as a alternative source of fund agrees with Etuk, (2015) who argued that entrepreneurial activities were envisaged not only for financial gains, but also as a source of skills for students to acquire. In their agreement, Akaranta and Uche (2015) asserted that the funding of universities in Nigeria must advance and follow global trend to make for scientific and technological development. The global trend here refers to what the Organisation for Economic Cooperation and Development (OECD) called model of commercialization in which universities and public research institutions transfer academic inventions and research results via sale or licensing of intellectual property, often on exclusive basis, to existing firms or new ventures (OECD, 2013). Still in agreement on foreign donations/aids, Ogbogu (2011) explained how some foreign agencies such as Mac Arthur Foundation, Ford Foundation, Carnegie Foundation, World Health Organisation, etc have aided some universities in the south-south, Nigeria.

#### **Benefits of Alternative Fund Sourcing to Universities**

The analysis of the responses to the research question on the above variable found out nine benefits accruable to public universities in the Niger Delta which engage in alternative fund sourcing.

These findings include acquisition of practical skills by students, facilitation of staff development, universities' less dependence on government for funding, creation of more jobs through entrepreneurial activities, great improvement in the quality of university education, more development in infrastructural facilities and equipment, realization of more internally generated revenue (IGR), financial independence leading to true university autonomy and harmonization of university calendar. On these benefits, there were no significant differences between the opinions of Bursary and other Administrative Management Staff on the development of infrastructure and equipment, acquisition of practical skills and staff development. Other benefits attracted significant differences in the results of the hypothesis test. These imply that while both Bursary and Administrative Managers of universities in the Niger Delta equally agree on the first three benefits of no significant differences, they differ significantly in the levels of their agreement from the details of their responses in appendix four. It is evident that the administrative staff were stronger in their agreement. The implication of the above finding is that all categories of respondents agree harnessing the identified sources of Alternative funds would confer developmental benefits on the universities.

This finding is in agreement with Uche and Wordu (2015), Ayo-Sobowale and Akinyemi (2011), Etuk (2015), Envi (2009), Anvamele (2014), Ojule (2012), etc who identified various benefits of alternative/Alternative fund sourcing including generation of additional revenue, financial independence, creating jobs for the unemployed, provision of infrastructural facilities and equipment and improving educational standards. For instance, Enyi (2001) asserted that alternative sources of funding could provide a viable supplementary source of government efforts in funding higher education.

## CONCLUSION

The global downturn in economy has made it more difficult for the government to fund public university education alone. There are Alternative to sources available to public universities in the Niger Delta region of Nigeria to harness and overcome the problem of perennial underfunding of their programmes. Planning and harnessing these sources will make them less dependent on the Government Standing Resource Development Committees could be established to carry out the Alternative fund sourcing. The fund sources have been found to be sustainable only if some challenges especially corruption, mismanagement, insecurity in the Niger Delta etc. are properly addressed.

## RECOMMENDATIONS

Based on the findings and conclusions of this study, the following recommendations are put forward:

1. Managers of public universities in the Niger Delta should come to terms with the fact/reality that Government can no longer fund university education alone. Looking up to the Government to fund every cost (both capital and recurrent) of their programmes has become very unrealistic and hopeless, strike actions notwithstanding. They should therefore open their eyes to the Alternative fund sources available to them as a way out of the problem of underfunding.
2. Universities in the Niger Delta should set up adhoc committees to ascertain which of the Alternative fund sources identified in this study are available in their areas for possible harnessing to augment government shortfalls in funding. If successful, such committees should translate into the Standing Resource Development Committees which respondents highly recommended in the data analysis. Chairmen and some members of such committees (adhoc or standing) could be sent to understudy universities (local and abroad) which have succeeded in effectively harnessing Alternative fund sources and have become more or less independent of the government financially.
3. University authorities or their delegates should pay regular fact-finding visits to industries/firms in their areas of operation to find out their production, management and marketing problems so as to channel their researches towards finding solution to those problems at affordable costs.
4. Governments should organise a ceremony annually to celebrate and give awards (with huge financial benefits) to the universities that generate the highest income through Alternative fund sourcing. This will generate a healthy competition among the universities.
5. The government should, through the National Universities Commission (NUC), State and Federal Ministries of Education in collaboration with industries, organise workshops on Entrepreneurial Developments in the universities and set out funds for establishment of Entrepreneurial units such as Mechanic Workshops, Electrical/Electronic Workshops, etc. (in the faculty of Engineering) various Agricultural farms (palms, crops vegetables, fisheries, poultry, piggery etc. in the faculty of Agriculture), Fine and Applied Arts Studios, Bookshops, Supermarkets, etc. Only staff with entrepreneurial mindsets should manage such outfits. If they are not available among the staff, the universities should recruit them from outside.
6. The education tax paid by the oil companies in the Niger Delta to TETFUND should be increased from 2% to 3%. The increase should specifically be set aside for public primary, secondary and tertiary education in the Nigeria Delta, This should be shared in the' ratio of 1:2:3. The share for tertiary institutions - Polytechnics, Colleges of Education and Universities should in turn be distributed in 1:1:2 ratio.
7. The punishment for corruption and mismanagement of financial resources in the universities should be made punitive enough to deter future perpetrators. It should not end up in loss of position or job or even in imprisonment, but go further into seizure of the perpetrator's assets.
8. The best solution to the insecurity in the Niger Delta is true federalism whereby states are allowed to control their natural, financial and human resources. Nearest alternative is to share the natural endowments in 50:50% ratios between the states and the federal government.

It is hoped that the above recommendations will go a long way in reducing the problem of underfunding of the university development in the Niger Delta to a barest minimum.

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