

# A Critical Analysis of Funding Strategies for Repositioning Higher Education in Nigeria

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*Key Terms: funding, strategies, Nigeria, higher education.*

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## Abstract

There has been continuously declining budgetary allocations to higher education in most countries in the midst of increasing demand and awareness of its important contributions to global competitiveness, economic growth and sustainable development. This new trend has remained a contending challenge to educational planners and development economists to develop sustainable strategies and techniques for the financing of higher education. This forms the basis for this paper, which attempts to identify measures of ensuring that existing funds to higher educational institutions in Nigeria are efficiently managed and alternative sources not previously explored and tapped are identified, through stock taking of the existing researches on the financial management and sources of education funding in Sub-Saharan Africa, South African countries like Botswana, South Africa; Europe, Asia, and the United States of America. In particular, the paper suggests, based on empirical evidences, and among other things, the need to adopt a market oriented model of Higher educational provision and funding that relies heavily on student and family contributions with different and varied aids models to support students to pay the cost of education, thereby helping to attain

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equity and maximum participation, which are the most promising directions for the development of higher education worldwide.

### **Introduction**

The notion that investing in education, particularly the tertiary level pays rich dividends to individuals and creates enormous dividends to nations abounds in development literature. (Harbison, 1973; UNESCO, 2003; World Bank Group, 2009). Both developing and industrial countries benefit from the dynamics of the knowledge economy; as the capacity of countries to adopt, disseminate, and maximize rapid technological advances is largely dependent on a relatively adequate, reliable, effective and functional tertiary education. In the modern era of information technology, knowledge has become the driving force for economic growth and development and higher education is the main source of that knowledge; it is at the heart of development, the most potent means of personal and social transformation; the critical nexus between all the goals on the development agenda, the critical factor that links all the items on the development agenda (UNESCO/IIEP, 2002, 2007). Indeed, an educated population is a springboard for jumping to high economic performance, and higher education remains the engine of creativity, innovation and social mobility.

Investment in higher education complements investment in physical capital. Education not only strongly affects economic growth, but that general investment has less effect on growth rates when it is not supported by educational investment or human capital development (Psacharopoulos and Woodhall, 1997). In fact, this accentuates the fact that investment in physical capital and infrastructure will not and can never achieve its full potential without investment in the people who are ultimately responsible for the successful operation of that physical capital. Indeed, it is only human beings, the active agents of development and modernization among the four factors of production, labour and entrepreneurial ability that lend themselves to improvement by education (Harbison, 1973; Folayan, 1983); hence education is often regarded as the investment in human

capital. Education is almost always an investment, a profitable investment for the individual and the public (Blaug, 1980). In the same token, governments and people of Nigeria have also acclaimed education as both an individual and a national investment over the years.

The increasing demand and relevance of tertiary education has resulted in critical crises revolving round funding and financial management issues, which authorities consider as the biggest problems confronting tertiary education in Nigeria (Nwadiani, 1993; Adeniran, 1999; Babalola, 2001; Olaniyan, 2001; Utulu, 2001; Nwadiani and Akpotu, 2002; Akpotu and Nwadiani 2003; Teferra and Altbach 2003; Okebukola, 2004; Akpotu 2005; NUC 2005; Akpotu and Akpochofo 2009). The legions of problems in the tertiary education system such as strikes, cultism, inadequate infrastructural facilities for modern day university teaching and research, poorly furnished lecture halls, ill equipped laboratories, lack of befitting library complexes, that are poorly stocked and not able to seat at least 30% of the student population; epileptic electricity supply, inadequate water supply, low level of telecommunications and ICT infrastructure, inadequate and poor state of students halls of residence, excess demand/ limited supply/access and severely limited faculty complexes without decent offices for lecturers and administrators; the over blotted class sizes and excessive work load for lecturers revolve round the twin problem of poor funding and poor management of the always scarce available resources. For example, Nigeria is the only odd nation in this modern world where university lecturers and school teachers engage in endless strikes in demand for better salaries and increased funding, while the public watches helplessly.

In the next section of this paper attempts will be made to examine whether or not there has been formulated funding policies that guide higher education delivery in Nigeria and the amount of funds allotted to education in relation to other social services over the years.

**Education and Budgetary Allocations**

As upheld by UNESCO and adopted by many developed countries, it is important to compare a country's size of education budgets in relation to that country's ability to generate wealth (GDP) and also to compare the share of education budgets with the overall state budget. This breakdown highlights the relative importance attached to education compared to other priorities, such as defense, military, security, health, agriculture and infrastructural development. The extent to which the public sector is able to give priority to education in her budgetary allocations helps to account for the differences in GDP growth and expansion in public education across countries. However, while available resources help to define the parameters for public education spending, the political will to re-distribute income and allocate investments to the sector differs greatly among countries and states. Indeed, from all indications, the level of funding and efficient utilization of scarce resources of an educational system is reflected largely on the state of available facilities and equipments, the environmental conditions under which staff and students learn and carry out research; and their general welfare.

Tertiary educational institutions are highly capital and labour intensive investments that require huge capital outlays in infrastructural facilities, equipment and personnel that must be aligned to the modern private sector employment if they must be functionally relevant. Unfortunately however, this is not the case. According to the FME (2009) the physical state of classrooms is very poor, and the level of infrastructure, equipment, laboratory and library facilities at all levels are grossly inadequate, obsolete, dilapidated, and non-functional. Indeed, NUC (2001) survey indicated that only about 30% of the students in universities could have access to classrooms, lecture theatres and laboratories. Also, academic staff are grossly inadequate in quality and quantity.

As shown in Table 1, there is acute shortage of academic staff in all tertiary institutions in Nigeria. The figures in pare tenses, which

represent teacher student ratio indicate that there is a ratio of 42 students to a lecturer in Nigerian universities. The situation where a lecturer has to contend with as many as 42 students and yet, more than

**TABLE 1: STAFF STRENGTH IN TERTIARY INSTITUTIONS IN NIGERIA**

Institutions	Acad Staff Strength	Non-Acad Staff Strength	Total Staff Strength	Student Enrolment	Acad. Staff Req'd	Acad. Staff Shortfall	Acad. Staff % of Total Staff
Coll. of Education.	11,256	24,621	35,877	354,387 (1:32)	26,114	14,858	31.4
Polytechnics	12,938	24,892	37,830	360,535 (1:28)	22,702	17,078	34.2
Universities.	27,394	72,070	99,464	1,131,312 (1: 42)	46,942	19,548	27.5
<b>TOTAL</b>	<b>51,588</b>	<b>121,583</b>	<b>173,171</b>	<b>1,846,234</b>	<b>98,816</b>	<b>51,484</b>	<b>29.8</b>

Source: FME, 2009.

**TABLE 2: FEDERAL GOVERNMENT BUDGETARY ALLOCATIONS (1990- 2006)**

Year	Agric. % of Total	Educ. % % of Total	Defense% % of Total	Internal Security % of Total	Gen. Admin % of Total	Def. & Int. Security % of Total
1990	0.8	7.2	5.2	4.2	10.5	9.3
1991	0.5	4.9	7.2	5.9	15.9	13.1
1992	0.4	4.6	5.6	4.8	14.1	10.4
1993	1.1	6.9	3.3	3	13.7	6.3
1994	1.2	9.9	5.3	6	15.1	11.3
1995	2.1	8.6	4.9	1.9	23.4	6.8
1996	1.2	8.6	8.1	8.4	18.4	16.5
1997	1.0	7.6	7.2	5.6	15.7	12.8
1998	1.6	7.6	8.3	6.7	13.4	15
1999	14.2	10.4	12.7	9.2	20.5	21.9
2000	1.4	12.5	9.4	5.4	14.6	14.8
2001	1.2	6.9	8.1	6.7	13	14.8
2002	1.4	11.6	9.9	9.1	16.9	19
2003	0.8	6.6	5.2	6.9	16.9	12.1
2004	1.3	7.9	7.2	8.9	10.6	16.1
2005	1.0	8.5	8.3	8.4	13.5	16.6
2006	1.4	9.6	6.2	7.4	11	13.6
Mean	1.9	8.2	7.2	6.4	15.1	13.6

Source: CBN, 2006

70% of staff are non-academic is most unproductive and retrogressive for the actualization of the ideals of tertiary education in the 21<sup>st</sup> century.

As shown in Table 2, the Federal Government budgetary allocations to education since 1990 have been far lower than the 26% recommended by the World Bank. The fluctuations in the allocation also show a lack of defined funding policy, which is often at the discretion of the political leaders, military or civilian. Indications are that poor funding remains a major challenge that has continued to blight the development of education in Nigeria (Utulu, 2001; Ayeni, 2007). Total expenditures on education have lagged behind other regions since 1990s, just as allocations to education have lagged behind other sectors of the economy and largely fluctuated over the years. Per pupil and per student expenditures that were relatively higher in the 1970s as a legacy of early efforts to emulate the European education systems gradually began to fall and since the 1990s fallen below the regional average.

As rightly remarked, NUC (2005) indicated that over 30 % of state universities are starved of funds by their proprietors and the universities are compelled to augment staff salaries from revenue sources that are unhealthy for the academic life of the institutions. In 2004 for instance, the federally- funded universities could only receive about 24.7% of their budget requests from the Federal Government (FME, 2009). In such a situation where universities are grossly underfunded, capital and development projects, research, teaching and learning are bound to be minimally attended to, or ignored completely. Funding a university goes beyond paying salaries to include provision of adequate infrastructure, equipment and facilities; enlarged capacity utilization, state-of-the-art library and laboratories; and the funding of research and staff development. All indications point to the obvious that lack of adequate funding results to limitation of basic infrastructure, over stressed facilities, overcrowded classrooms or excess capacity utilization, dilapidation of infrastructures; un-conducive

learning environment, inadequate staff development and research activities, reduction in staff morale, all culminating into devastating effects on quality of products .

As shown in Table 3 and Figure 1 the entire universities in Nigeria, except the private universities, exceeded their capacity utilization for

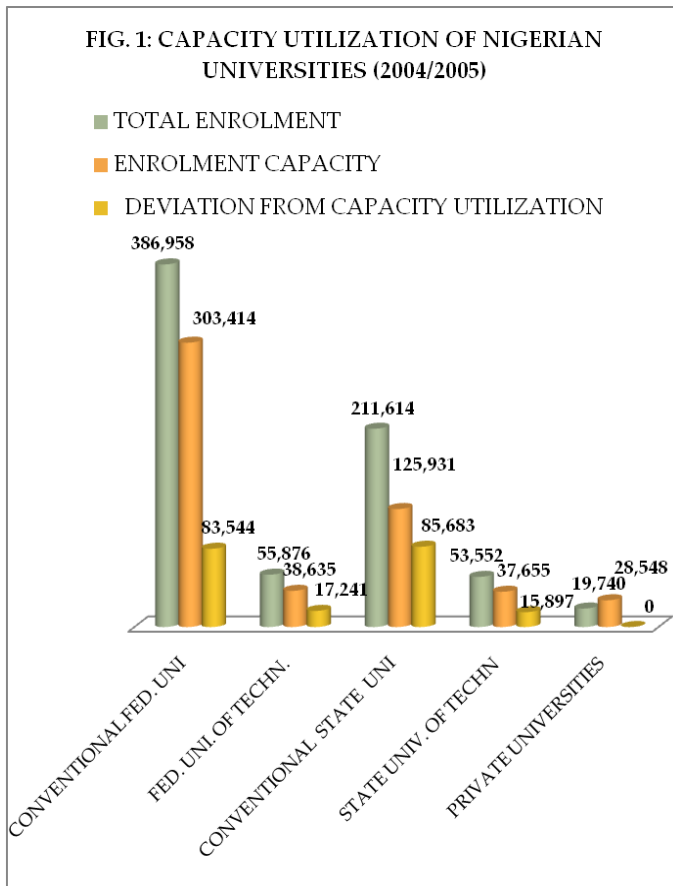
**TABLE 3: CAPACITY UTILIZATION OF NIGERIAN UNIVERSITIES (2004/2005)**

Type of University	# of Universities	Total Enrolment	Enrolment Capacity	Deviation from Enrolment Capacity	% of Deviation from Enrolment Capacity	Remarks
Conventional Federal Univ.	17	386,958	303,414	+83,544	127.5%	Over-Enrolment
Fed Universities of Technology	9	55,876	38,635	+17,241	144.6%	Over-Enrolment
Conventional State Univ.	13	211,614	125,931	+85,683	168%	Over-Enrolment
State Universities of Technology	6	53,552	37,655	+15,897	142.2%	Over-Enrolment
Sub-Total	45	708,000	505,635	+202,365	140%	Over-Enrolment
Private Universities	7	19,740	28,548	-8,808	69.1%	Under-Enrolment
<b>Grand Total</b>	<b>52</b>	<b>727,740</b>	<b>534,183</b>	<b>+193,557</b>	<b>73.4%</b>	<b>Over-Enrolment</b>

Source: NUC, 2005.

the year 2004/2005 by 202, 365 enrollees or (140%). In the first instance, that there are only 727,740 undergraduates in a country of about 140,000,000 people (0.5%) attending university shows the extent of limited access, which is further depleted by inadequate resources. This over-enrolment in both conventional and technology-based universities arising from under funding has devastating implications for access and quality university education in Nigeria. Perhaps, with increased

funding enrolment capacity of the universities can be increased and problem of access addressed in part.



Source: Computed from NUC. Monday Memo, Feb. 28, 2005.

### Global Trends in the Funding of Higher Education

All over the world, funding education has come to be regarded as a very profitable investment for individuals and society, and studies have shown that the higher the level of education investment the greater the private benefits to individuals and society (Blaug, 1980; Psacharopoulos



and Woodhall, 1997; UNESCO, 2003, 2005, 2007). Despite this seemingly glaring evidences of the relevance of investments in education, serious controversies abound as to who should pay for it; just as countries continually cut public budgets for higher education (Tilak, 2006). However, in countries like Sweden and Finland higher education is seen as a social- merit or public good, which makes it a right of all citizens; making it statutorily mandatory for governments to fund it, irrespective of the cost as tuition fees are not allowed in higher educational institutions as provided for by the constitution.

According to Teferra and Altbach (2003) the bulk of funding for virtually all public African higher education is generated from state resources, such that they consistently provide more than 90 to 95 percent of the total operating budgets of the institutions. The public role in funding of higher education is discharged in different forms and ways, in different countries. In Tanzania, the model of African Socialism, the new trend according to Court, 1999; Teferra and Altbach, 2003 is that government is confining itself to funding the direct costs of education and leaving the incidental costs such as costs of residence fees, food, transportation, and the like to be met by students, parents and family members. This is also the case in Ghana and many African countries.

The high-income countries of the Northern Europe and the Anglo-Saxon countries adopt two relatively successful financing models, which are affordability, and accessibility. The Anglo Saxon model is successful through its combination of a medium to high education cost and a highly extensive student assistance system, in particular with high availability of student loans; while the second successful model is the Northern European model, which provides the most accessible and affordable education to all students. They have large student bodies, high attainment rates, and the student bodies are reasonably similar to the country's socio-economic composition. This comes from tuition free or almost tuition free tertiary education combined with extensive student assistance programmes. However, to

sustain these models, the governments have to rely on a large public investment into tertiary education financed by very high tax contribution of its citizens (Murakami and Blom, 2008). This model of using increased tax revenue to fund higher education largely helps to expand access and encourage equity in resource distribution.

The recent innovative mechanisms that some governments in the United States of America have adopted are the creation of a 'demand-side' voucher system, and the "supply side" vouchers. As the name implies, the demand-side voucher system is one in which institutional operating costs are determined and distributed by government to all undergraduates through voucher or voucher-like incentives. On the other hand, the supply side voucher system is that where education costs are paid by governments directly to institutions to offset part of students' cost of higher education, based on student characteristics. To do this, there are two general types of allocation mechanisms that are used. These are the direct and indirect funding mechanisms. The direct funding mechanism adopted by governments all over the world include: financing of capital projects, cost of instructions, university-based research and research facilities and equipment. In most cases, these payments typically apply only to public institutions, although in a few countries such as New Zealand and Chile some private institutions are also eligible for public forms of institutional support. Such funding provisions are often determined through actual costs per student, average cost per student, normative costs per student (i.e., the use of the optimal staff/student ratios and other standardized efficiency measures to calculate what costs per student ought to be. This normative approach in costing education is being used in most developed countries, particularly England, and in Bulgaria, Hungary and the Czech Republic as requested by the World Bank.

The indirect funding mechanisms on the other hand include, the Demand Side's vouchers, used to encourage competition among private providers of higher educational institutions and to encourage

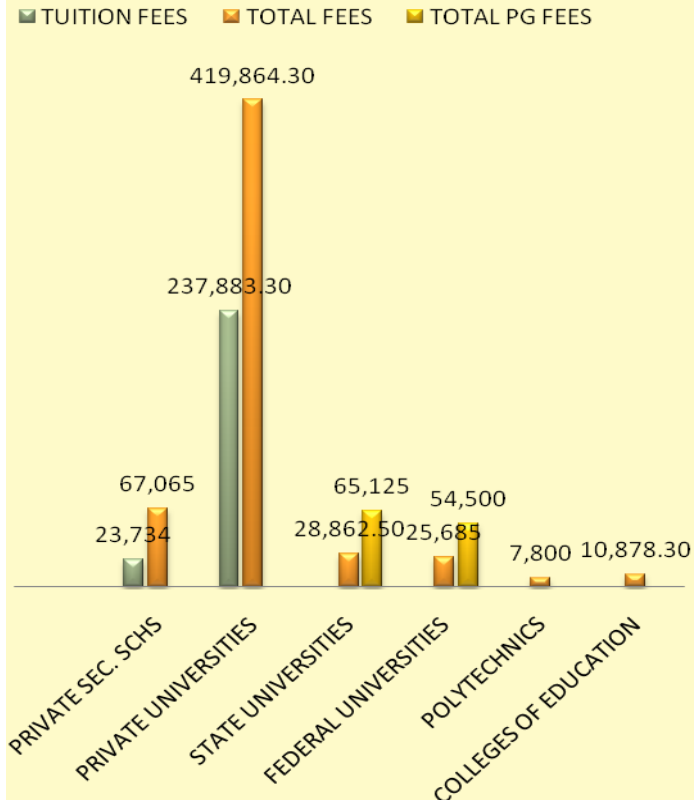
and ensure increased access, affordability and quality assurance. Examples include the State of Colorado in 2004, Republic of Georgia, the Universities for All Program (ProUni) in Brazil, where tax incentives are used to “buy” places in private universities for deserving, academically qualified low income students; the Iskolar Scheme in the Philippines, where a student from each poor family is targeted for a two–four year scholarship of about \$200 annually. (Pachuashvili, 2005) Other important mechanisms include scholarships, loans, tuition offsets in the US and Ireland, tuition tax- cash- back- credit in the province of New Brunswick in Canada, etc.

The private sector involvement in the funding of education is very crucial and significant. Nevertheless, the degree of private involvement varies widely across countries and levels of education. On the whole, countries tend to rely less on private funding for primary/basic to secondary education than at the higher level. Indeed, the share of private funding rises sharply at the higher level. For example, in Chile, 85% of higher education funding is private, and the share exceeds 75% in the Republic of Moldova and the Republic of Korea. In 11 out of 41 countries reporting data, 50% or more of higher education funding is from the private sector. In Italy and the United States, the proportion of private spending on tertiary education is almost five and six times higher, respectively, than at the primary to postsecondary levels of education combined. In the case of India, the share of private expenditure is relatively low at the tertiary level (14% of the total), where education typically benefits better-off families, while household contributions to primary and secondary education are twice as high as 28% (Colclough and Lewin, 1993; Colclough, and AlSamarrai, 2000; UNESCO-UIS/OECD/WEI, 2003; UNESCO/OECD/ Eurostat (2007; UNESCO-UIS/WEI (2007). However, in most parts of Southern Nigeria where most families withdraw their children from public to private schools, the household contribution to primary/basic and secondary education funding can be very significant to an upward of 95% or more.

The private sector involvement includes the role of the parents and students, philanthropic groups and non-governmental groups, proprietors of higher educational institutions, religious groups, etc. On the part of parents and students varied forms of fees, such as tuition, admissions, boarding, feeding, books, transportation, libraries, and development levies are paid . Of these forms of fees payable by students in higher education, tuition would appear to be one of the most viable and reliable source in places where used. In fact, Woodhall (2004, 2007) quoting the World Bank, opined that increasing cost- recovery strategies and charging of tuition fees in universities in the developing countries is fundamental in solving the problems of university education in the area. This recommendation is purely from an economic and rationality point of view, since the private benefits of higher education is often and always far greater than the social benefits. Indeed, the social benefits of education increases the lower the level of education. Hence more of public or social funds should be allocated to the lower levels of education for equity, and social justice; instead of using the people's scarce resources to fund higher education that benefits most, the individual educate and their families.

As shown in Figure 2, the average annual tuition fees charged in 40 randomly sampled private secondary schools across the country (#23,734) and their average total fees charged (#67,065) can be equated to the total fees charged in under graduate ( #28,862.5; #25,685) and post graduate programmes( #65,125 and # 54,500) in state and federal universities respectively. A comparison of fees charged in private and public educational institutions indicate a great disparity. For example, while the average tuition fees in the 14 sampled private universities stood at #237,883.3 and total fees #419,864.3, the total fees charged in postgraduate programmes are merely #65,125 for state universities or 27.4% of tuition or 15.5% of total undergraduate fees in private universities. The extremely large disparity in private and public university fees explains why there is low demand and under- capacity utilization in private universities as against over utilization in public institutions. The government, in addition to permitting increased fees

**Figure 2: Average Annual Fees Charged in Nigerian Educational Institutions.**



in public institutions, may need to also regulate the fees charged in the private institutions. For example, a situation where private institutions in Nigeria have to charge fees in foreign currencies is most unpatriotic and should be stopped.

In most countries where fees are charged, alternative measures are adopted to cushion the effects on parents, such as loans that are obtained, and after initial payments have been made by students and parents. These loan systems are obtainable in South Africa, Sweden, New Zealand, Germany, Hungary, Scotland, the US, etc. In some cases the fees are initially paid by governments, while students obtain loans or contingency funds from higher education contributory schemes to gradually offset them.

### **Recommendations**

Available literature posits that there is nowhere in the world where higher education is entirely free, not even in the former communist countries, the socialist countries, or the highly democratic, developed and welfare states of the world. Indeed, indications are that budgetary allocations are dwindling, and experts are recognizing that throughout the world the financing of education is in serious crisis (Woodhall, 2007); hence alternative sources of funding are being sort. This calls for a comprehensive planning approach in the funding of higher education. A close analysis of the actual and incidental costs of higher education need to be undertaken and concrete financing policies should be taken holistically, bearing in mind the need for increased access, quality assurance, and affordability. Also many studies repeatedly stressed the importance of ensuring sufficient and stable sources of funding education (Colclough and Lewin, 1993; Mehrotra, 1998; Bruns, Mingat and Rakitomala, 2003) and that the level of public funding alone does not indicate good outcomes; in fact “mixed financing is better than either exclusively public or exclusively private financing”(Woodhall,2007). This thinking informs successful governments finding a balance between private and public costs as they improve efficiency and prioritise education expenditure. From the experiences across the globe, it is only worthwhile recommending the introduction of enhanced fees in the higher educational institutions in Nigeria. There may be need to share the actual cost of tertiary education in such a way that governments provide funds for salaries and major

capital development projects in her institutions, while the institutions, from internally generated revenues fund staff development and research activities in collaboration with the private sector. In spite of the volatile and political nature of fee payment, its re-introduction can be achieved through a gradual and systematic consultations with the students body, parents and the entire stakeholders, just as was done at the Lagos State University some years ago, which is yielding massive results. Such a consultative forum would provide opportunity for all stakeholders to collectively decide how much is feasible and affordable by all. Also, it is required that fees are disguisedly and gradually introduced with new entrants through such items as development fee, caution fee, acceptance fee, library fee, science laboratory fee, sports fee, examination and field trip fees etc to forestall agitations from the student body.

In event of the government not able to muster the political will and courage to allow the introduction of tuition fees or some sort of substantial development fund of any guise, which has been the blight over the years, the alternative then should be to resort to either the Demand side or Supply side voucher system, by giving to the students or the institutions the normative unit cost equivalent. In particular, the use of the demand side voucher system that is targeted at the poor, and the re- introduction of the education loan system would help for equity; and the filling of the underutilized capacity in private universities while also enabling the public universities to improve on their carrying capacity and quality

The introduction of some form of user fees must however, be preceded with alternative sources of remedying the cost implications through different and varied support incentive programmes like scholarships, bursaries, loans, and grants that are targeted at supporting the poor to pay costs. The managers of the institutions also need to introduce series of entrepreneurial schemes through which students can enlist for skill acquisition, while at the same time be engaged in part time work to earn income to argument school expenses.

There is a strong case in favour of the use of scholarships for both excellence and indigence and the setting up of a guaranteed student loan system that is strictly managed by the insurance and financial institutions, taking into cognisance, the Nigerian circumstances, and the critical considerations of the factors that crumbled the first attempt at student loan so as to make it feasible. Such loans should however be of income-related repayment type which provides room for mutual insurance and collateral that is guaranteed by the student's university management. In addition, the degree certificates of the beneficiaries must be lodged with the financial institutions granting the loans until full repayment.

*Mandatory Statutory Provision:* Another major way of repositioning the higher educational institutions in the country for development is for the national and state assemblies to legislate and statutorily fix at least 26 % of the nation and state's annual budgets to education as recommended by UNESCO; and 50% of the education budget allocated to higher education. For example, in several Latin American countries, such as Nicaragua, Honduras, Bolivia, and Ecuador, the national constitution entitles public universities to a fixed percentage of the annual budget ([www.worldbank.org/education/tertiary](http://www.worldbank.org/education/tertiary)).

*Need for a legal provision for the establishment of an Education Expenditure Tracking Bureau:* There is an urgent need to constitute an education expenditure tracking bureau, made up of non-governmental officials, pressmen and pious men with integrity, empowered by law to regularly survey, campaign, publish and track down the various leakages of non-wage funds of educational institutions that never get to the institutions. This is being practiced in Cambodia, Ghana, Peru, Tanzania, Uganda and Zambia, with tremendous success stories (IIEP-UNESCO, 2005). There is indeed, a strong need for accountability and transparency in the allocation, utilization and management of the scarce resources available to education. With accountability and probity well entrenched in the management of education and all facets of our public lives, the need for a mandatory contributory fund for the development



of higher education at the State level becomes very relevant. Statutorily, every adult working Nigerian should be able to contribute at least 2 % of their annual earnings to this fund, just like the education tax on companies, but this should be collected and utilized by the individual states. In the same vein, business organizations operating in the country should be encouraged by government to re-direct their provisions for corporate social responsibilities towards tangible human capital development endeavours, rather than on beauty contests, variety shows or sports only.

There is also the need for an institutional mechanism that demands accountability and transparency in the distribution and utilization of internally generated revenues (IGR), which hitherto are not subjected to external auditing and are therefore prone to misappropriation and misuse. To ensure accountability and transparency that guarantee the attainment of the needs and aspirations of all stakeholders in the system, an all-inclusive participatory management approach, where all stakeholders—parents' body, students' body, academic and non-academic staff unions—contribute to the management of the institutions to create mutual trust among all. In this regard, the various unions in the institutions of higher education, beginning from the departmental students' associations to the students' union and the various staff unions must rise up to seek for self accountability and in turn demand accountability and transparency from management in the use of their collective resources. As a way of attaining further checks on management on the use of available funds, the internal audit department should be autonomous, separated from the office of the chief executive and empowered to collaborate with external auditors to audit the institutions and the various unions' finances and publish their reports periodically. Through this process, the amount of funds generated internally and externally and how expended will be known by all.

The major source of internally generated revenue (IGR) for higher educational institutions in Nigeria is largely from tuition fees

charged in part-time and postgraduate programmes and perhaps some minor levies charged on full time undergraduate programmes. Thus, the Makerere University revolutionary policy option that encourages the introduction of demand-driven courses that bring about entrepreneurial ethos which parents, companies and individuals desire and are willing to pay for is recommended. This can be attained by encouraging the intensification of adult and continuing education programmes such as the weekend, sandwich or summer, and evening degree programmes. This implies the adoption of the eclecticism of course offerings and flexibility of timing as practiced in the United States of America and elsewhere (Court, 1999). To achieve this, mechanisms for monitoring and quality assurance must be put in place to ensure improved internal efficiency of the system. Also, to attain quality education the academic staff strength must be seriously enlarged to reduce staff – student ratio to about 10 and adequate incentive schemes offered to staff and units that generate the revenue.

A very crucial recommendation for improving the revenue base of the institutions is to adopt diverse cost reduction strategies. One major way to reduce cost and thus attain optimum fund utilization and efficiency is to gradually cut down on the number of non-academic staff of the institutions. To do this many of the administrative and senior technical staff with academic master degrees that qualify them for doctoral programmes should be converted to lecturers. This is a surer way of reducing the excess number of non-academic staff over time to attain the ideal NUC stipulated academic – non-academic staff ratio. In addition, there should be a deliberate policy of non employment of junior staff and the gradual facing out of junior staff, which are to be replaced with contract staff to perform their functions.

Every academic and non-academic staff of the institutions including the management staff must compulsorily be computer and ICT Compliant. The institutions must also be highly ICT compliant, such that meetings, minutes of meetings and results are convened and circulated electronically to reduce the volume of paper works that cost

so much without attaining efficiency. Being ICT compliant can also help the institutions to introduce on-line course delivery systems and the use of such education technologies as Smart Boards, slide machines, overhead projectors, power points, etc.

### **Conclusion**

All over the world countries are desperately searching for innovative solutions to the substantial challenges in financing tertiary education, as the demand for this level of education is growing much faster than the ability and willingness of government alone to provide the resources that are adequate to meet this demand. For this reason and for the fact that the economic value of attaining a tertiary education in virtually all countries, as measured by rates of return or other indicators, is growing faster than the economic returns accruing to those who receive lower levels of education, introducing or raising tuition fees as a way of increasing cost sharing has become a fundamental option, even more in Nigeria. While introducing this and other funding mechanisms, the paper recognized the need to expand access and improve equity; attain better external efficiency such as enhanced quality and relevance, and increased internal efficiency through cost containment, prudent financial management, accountability and staff rationalization.

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