

Innovative Approaches to Funding Tertiary Education for Sustainable Development in Nigeria

Adamu Maidallah ABDULLAHI

Department of Education
Umaru Musa Yar'adua University, Katsina
Email: maidallah0128@gmail.com

Aminu SURAJO

Department of Education
Umaru Musa Yar'adua University, Katsina
surajo.aminu@umyu.edu.ng

Abstract

In the 21st century, financing of tertiary education has become a critical factor in achieving sustainable development in Nigeria. The objective of this study is to provide actionable insights for policymakers, educators, and stakeholders seeking to advance sustainable development through innovative financing within the scope of tertiary education. The paper is designed as a conceptual study that explores innovative approaches to financing tertiary education in the 21st century in order to attain Sustainable Development Goal number 4; which is quality education. The conceptual study investigates the role of tertiary institutions in Nigeria, challenges and opportunities associated with current financial models and proposes new strategies that can ensure equitable access to higher education while fostering economic, social, and environmental sustainability in Nigeria. However, the implications of the findings of the study implied that Nigeria can diversify funding sources, enhance sustainability, and improve the quality and relevance of tertiary education by embracing innovative financial models such as public-private partnerships, social impact bonds, technology-enabled fundraising, and income-share agreements, among others to transform Nigeria's tertiary education landscape for quality and equitable access to education for overall development and prosperity.

Keywords: Higher education; Progressive environment; Funding; Novel approach.

Introduction

Tertiary education plays a pivotal role in driving economic growth, social progress, and environmental sustainability. However, the financing of higher education has become an increasingly complex issue, posing challenges for both developed and developing countries. In the context of sustainable development, ensuring access to quality tertiary education for all individuals is essential. This requires innovative financing mechanisms that not only address financial barriers but also contribute to broader sustainable development goals.

Tanner and Tanner (2013), in their work on higher education and sustainable development, emphasize the need for innovative financing models to address the evolving landscape of tertiary

education. They highlight the importance of public-private partnerships in funding higher education, emphasizing the potential for collaboration between educational institutions and private sector entities to support sustainable development goals. Additionally, they advocate for alternative funding mechanisms, such as income-share agreements and community-based financing, to ensure equitable access to higher education while promoting economic and social sustainability.

Furthermore, Tanner and Tanner (2013) underscore the transformative potential of technology-driven solutions, such as online learning platforms and digital education resources, in reducing the cost of tertiary education and expanding access to underserved communities. Their perspectives underscore the critical role of innovative financing in advancing sustainable development through tertiary education. Okebukola (2016) argues that public funding for tertiary education in Nigeria is insufficient to meet the growing demand for higher education. Alternative funding mechanisms, such as private-sector partnerships and international collaborations, are necessary to ensure equitable access to quality education. He also highlights the potential of technology-driven solutions, such as online learning platforms and massive open online courses (MOOCs), to reduce the cost of tertiary education and increase access for marginalized communities.

Moreover, Okebukola (2016) emphasizes the importance of aligning financing mechanisms with broader sustainable development goals. This requires a focus on developing sustainable funding models that priorities long-term investments in education and research, as well as strategies that promote social inclusion and environmental sustainability. Nigeria, as a developing nation, is currently experiencing a surge in university student enrolment. This rise in enrolment necessitates a proportional increase in funding, which, unfortunately, is not being met. The allocation of funds does not rise to meet the heightened demand caused by the increase in enrolment. Both parents and students are apprehensive about any new initiatives in the management of tertiary institutions, fearing that this might lead to the increase in tuition fees. Despite the regular government subventions (allocations) to universities, higher institutions, particularly universities, still struggle to meet their minimal 10% internal fund generation quota. These challenges persist, and adequate financing is crucial to address them (Oladiran, 2015). Regrettably, tertiary education in Nigeria has not been accorded the anticipated level of prominence in terms of funding, as evidenced by the recurrent inadequacy of allocated funds to

government agencies responsible for colleges of education, polytechnics, monotronics, and universities (Lawanson & Umar 2020). Therefore, the objective of this study is to propose gateways, awareness and encouragement to policymakers, educators, and stakeholders seeking to advance sustainable development through innovative financing within the scope of higher education.

Sustainable Development

It involves balancing economic growth, environmental protection, and social equity to ensure that development initiatives are carried out in a way that is environmentally friendly, socially inclusive, and economically viable in the long term. Sustainable development aims to address the interconnected challenges of poverty, inequality, environmental degradation, and economic instability by promoting responsible resource management, social justice, and the preservation of ecosystems for the benefit of current and future generations. This concept has gained significant importance in global policymaking and planning as societies seek to create a more sustainable and equitable future for all. Sustainable development is a concept that can be understood in various ways, but fundamentally, it involves a development approach that seeks to harmonize diverse and sometimes conflicting needs while recognizing the environmental, social, and economic constraints that society encounters. Frequently, development initiatives are driven by a single imperative without fully taking into account broader or future consequences. The repercussions of such a narrow approach are becoming increasingly evident, from major financial crises triggered by reckless banking practices to global climate shifts stemming from our reliance on fossil fuels. As we continue down this unsustainable path, the more challenging it becomes to reverse the damage and secure a viable future for generations to come.

Current Challenges in Tertiary Education Funding

Nigeria's model of financing tertiary education is primarily based on public funding, with the government being the primary source of funding for public tertiary institutions. The government allocates funds to these institutions through the annual budgetary process, which is then disbursed to the institutions based on their needs and priorities. Public tertiary institutions in Nigeria receive funding from the federal and state governments, with the federal government providing the majority of funding. In addition to public funding, tertiary institutions in Nigeria also generate revenue through tuition fees, research grants, endowments, and partnerships with the

private sector. Private tertiary institutions in Nigeria are also emerging as an alternative to public institutions and are primarily funded through tuition fees and other forms of private funding. Despite the efforts made to finance tertiary education in Nigeria, the country still faces significant challenges in adequately funding its tertiary institutions. These challenges include inadequate funding allocation, delayed disbursement of funds, and corruption in the allocation and management of funds. As a result, many tertiary institutions in Nigeria struggle to provide quality education and infrastructure to their students.

The model of financing tertiary education in Nigeria has been widely criticized for its heavy reliance on public funding and the associated challenges. Some of the criticisms include:

- **Inadequate funding:** The public funding allocated to tertiary institutions is often insufficient to meet the growing needs of the institutions, leading to a lack of resources for infrastructure, research, and academic programmes.
- **Delayed disbursement of funds:** Tertiary institutions often experience delays in the disbursement of allocated funds, which hinders their ability to effectively plan and execute their programmes and projects.
- **Corruption and mismanagement:** There have been cases of corruption and mismanagement of funds within the tertiary education sector, leading to a lack of transparency and accountability in the use of public funds.
- **Over-reliance on tuition fees:** With the emergence of private tertiary institutions, there is a growing reliance on tuition fees to fund education, which can limit access to higher education for students from low-income backgrounds.
- **Inequitable distribution of funds:** There are concerns about the unequal distribution of funds among different tertiary institutions, with some receiving more funding than others, leading to disparities in the quality of education and infrastructure.

According to Okebukola (2016), the "envelope model" of funding tertiary education in Nigeria refers to a system where the government allocates a specific budgetary "envelope" to tertiary institutions, which includes both public universities and polytechnics. This funding is intended to cover various aspects of the institutions' operations, including personnel costs, recurrent expenditures, and capital projects. Under this model, the government determines the total amount

of funding allocated to each institution and provides it as a lump sum, or "envelope," which the institution is expected to manage and allocate internally. The institution has the discretion to decide how to distribute the funds across different areas, such as faculty salaries, administrative expenses, infrastructure development, and other operational needs. The envelope model is intended to provide greater autonomy to tertiary institutions in managing their finances and prioritizing their needs. However, critics argue that this model can also lead to challenges such as mismanagement of funds, lack of transparency in financial allocation, and potential disparities in resource distribution among different departments or faculties within the institution.

Government Policies and Initiatives for Tertiary Education Funding

The Nigerian government has implemented several policies and initiatives to address the funding challenges in tertiary education. Some of these policies and initiatives include:

- **The Tertiary Education Trust Fund (TETFund):** The TETFund was established by the government to provide additional funding for public tertiary institutions in Nigeria. It allocates funds for infrastructure development, research, and staff training (Ojeifo, 2013).
- **National Universities Commission (NUC) Funding Guidelines:** The NUC has developed funding guidelines and criteria for allocating resources to universities in Nigeria. These guidelines aim to ensure equitable distribution of funds and promote accountability in the use of resources (Okojie, 2001).
- **Public-Private Partnerships (PPPs):** The government has encouraged partnerships between tertiary institutions and private sector organizations to attract additional funding for infrastructure development, research, and academic programmes (Ezezue, 2018).

These policies and initiatives reflect the government's efforts to address the funding challenges in tertiary education in Nigeria. While these measures have had some impact, there are ongoing discussions about the need for further reforms and innovative approaches to ensure sustainable and equitable funding for tertiary institutions.

International Collaborations and Funding Opportunities

Some sources of literature that discuss international collaborations and funding opportunities in Nigeria's tertiary education include: Chukwuma et al. (2002) opined that collaborative research grants are crucial for funding research that promotes high-quality output and contributes to the

knowledge economy. By leveraging the massive research grants awarded by industrialized nations, local and international institutions can engage in cutting-edge collaborative research. Inter-nation agreements or research funding can also significantly promote research collaboration among different institutions.

In addition to benefiting the career path, productivity, and growth of researchers, research grants foster multi-disciplinary collaboration among investigators and institutions, resulting in the acquisition of data or other products that inform decision-making for societal benefit. For example, the National Institutes of Health provides over \$32 billion in research grants annually, leading to life-changing discoveries that establish new methods of disease treatment, advance healthier lives, and contribute to societal and economic growth. In contrast, research funding institutes in Africa, particularly Sub-Saharan Africa (SSA) countries, are poorly developed, with limited or no grant mechanisms to inform decision-making or drive monumental changes in people's lives. This lack of funding results in weak research output from Sub-Saharan Africa (SSA), highlighting the need for increased investment in collaborative research grants to promote research excellence and contribute to societal development.

Conclusion

In conclusion, addressing the funding challenges in Nigeria's tertiary education system requires innovative approaches that go beyond traditional sources of funding. By embracing innovative funding models such as public-private partnerships, social impact bonds, technology-enabled fundraising, income-share agreements, and research and innovation funding, Nigeria can diversify funding sources, enhance sustainability, and improve the quality and relevance of tertiary education. Furthermore, to ensure sustainable tertiary education in Nigeria, it is essential to strengthen governance and accountability within institutions, diversify revenue streams, prioritize quality assurance and relevance, implement policy reforms, and foster partnerships with various stakeholders. These efforts can contribute to building a resilient and vibrant tertiary education sector that meets the needs of students, the economy, and society as a whole. Innovative funding approaches, coupled with strategic reforms and collaborations, have the potential to transform Nigeria's tertiary education landscape, making it more responsive to the demands of the 21st century and contributing to the country's overall development and prosperity.

Recommendations for Sustainable Tertiary Education in Nigeria

Innovative approaches to funding tertiary education in Nigeria are crucial for addressing the funding challenges and ensuring the sustainable development of the sector. Some innovative approaches and future prospects for funding tertiary education in Nigeria include the following:

- **Public-Private Partnerships (PPPs):** Collaborations between the government, private sector, and philanthropic organizations can provide sustainable funding for tertiary education. This approach can involve initiatives such as endowment funds, scholarship programmes, and infrastructure development partnerships.
- **Social Impact Bonds:** Introducing social impact bonds in tertiary education can attract private investors who are willing to fund programmes that deliver measurable social and educational outcomes. This innovative financing model can incentivize private investment in education while ensuring accountability for achieving specific targets.
- **Technology-Enabled Fundraising:** Leveraging technology for crowd funding and online fundraising platforms can enable tertiary institutions to reach a broader network of donors, alumni, and supporters, thus diversifying funding sources and engaging stakeholders in supporting education.
- **Income-Share Agreements:** Implementing income-share agreements where students agree to pay a percentage of their future income in exchange for funding their education can provide an alternative financing model for tertiary education.
- **Research and Innovation Funding:** Encouraging partnerships with industry for research and innovation funding can help tertiary institutions generate revenue while addressing societal challenges and contributing to economic development.

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