Funding Tertiary Education for National Development in Nigeria: A Historical Perspective

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Abstract. Higher Education is a veritable tool for socio-economic development of any country. This paper looks at the funding of Higher Education from the historical perspective. Some briefs are made about the history of Higher Education right from the pre-colonial to the post-independence era. Though there seems to be more emphasis on university education, other tertiary institutions like Polytechnics or Monotechnics and Colleges of Education are also surveyed. The role of funding cannot be over emphasized in any meaningful endeavour talk more of tertiary education. The history of the funding follows the pattern of their ownership. It covers the sources of funding whether government (Federal or State) or private. From the public point of view Tertiary Education Trust Fund TETFund is considered a major source of capital expenditure. The paper found that from the beginning funding of tertiary education was sufficient in Nigeria however, the story changed after the oil boom. Today we are faced with infrastructural decay as a result of poor funding. To remedy the situation the paper recommends among others the encouragement of private participation; the raising of the education tax collected/or TETFund from 2% to 5% and the revisiting of the practice of Treasury Single Account (TSA) for our tertiary institutions.

Keywords: Funding, Tertiary Education, Sustainable, National Development, Historical Perspective

1. Introduction

Education is a very important human activity. It helps any society fashion and model individuals to function well in their environment. As a result of its importance to economic and national development, governments all over the world through history have accorded high importance to higher education. Higher education or tertiary education is education given at the post-secondary level. It composes of universities, polytechnic, colleges of technology, monotechnics and colleges of education and professional schools.

Higher education has the overall goal of producing a community of Nigerians that are highly skilled and who will be prepared for the world of work and help in sustainable national development. This can only be achieved if there is proper funding of education and especially the tertiary level. Most tertiary institution and especially universities tend to have derived their funding from the government right from inception. All public universities are funded by government whether federal or state in Nigeria. They are funded through incremental budgetary allocations to the universities (Olayinola 2012,
Wangenge-oma 2011). This paper would try to look at the trend in funding tertiary education right through history.

1.1 Historical Background to Tertiary Education in Nigeria

The desire for the development of higher education in Nigeria began during the colonial era. Before then Africans have had desire for higher education over a century ago. They had made effort to acquire and bring higher education on the African soil. The case of Samule Ajayi Crowther, a Nigerian ex-slave who had had higher educational exposure outside the African soil and his likes struggled for nationalism and better educational standards on our soil.

Western Education was brought to Nigeria by the missionaries who were more pre-occupied with primary and secondary education and saw no need of dabbling into higher education as their priority was evangelism. The colonial government was in no way better as they saw no need and even feared providing higher education for the Africans.

There were forms of secondary schools as put by Asokoya (1987), created as further professional educational centres. These were slightly above secondary education. These were created by govern departments like those of Agriculture and the Railway. Examples are the Central Agriculture Research Station (CARS), established at Moor Plantation Ibadan, that of Samaru Zaria and the Centre for Veterinary Vom. The Railway had a Railway Engineering Centre in Lagos. All these were created before 1930.

Increasing awareness by some educated Nigerians (Nationalists) came as they showed dissatisfaction with just the establishment of the above centres. This led to agitations which informed the then first Nigerian Director of Education to make proposals for an institution of higher level education to be established in 1932 as the Yaba College, Yaba. It was officially opened in 1934 with students who had been admitted in 1932 and kept in Kings’ College Lagos.

The Yaba College did not satisfy the yearnings of Nigerian. This, with an agitations in West Africa since 1886 and the Chanon Report of 1943, led to the need to set up a higher institution with good research facilities to enable them drop the London University external degree for their own (Watson,1978). This idea appealed to the then Colonial Secretary of State Rt. Hon. Oliver Stanby that he immediately set up two Commissions in1943. The first was the Asquith Commission whose task was to consider the principles which should guide the promotion of higher education and the development of universities in the colonies. The second and which has a direct effect on us, is the Elliot Commission. This was set in response to the agitations from West Africa particularly. It was to assess and report the organization of facilities in the existing centres of higher education in British West Africa and to recommend the future development of universities in the area. It unanimously saw the need for a university in West Africa. There was a majority and a minority report. The minority report which supported the establishment of only one University College in West Africa was accepted by the colonial masters. This, however, did not go without agitations the Gold Coast and some sections in Nigeria.

The above led to the setting of the Sir, William Hamilton Fyte delegation to West Africa in 1946. The report came out in a dispatch by the Secretary of State in August 1947. The then Secretary of State Mr. Creech Jones accepted the proposal that a university College be established each in Lagos, Nigeria and Legon, Ghana in 1948. The Nigerian University College took off in Ibadan in 1948 with 104 students transferred from Yaba College which essentially a Polytechnic, to form the foundation students. For its five years of its existence the college continued to be characterized by agitations and criticisms, one of which was the need for a full-fledge university and not a university college.
1.2 The First Generation Universities

At the eve of independence in 1959 the Ashby Commission was set. Its report came out in September 1960. It was a nine-man commission charged with the responsibility of looking into the post-secondary school certificate and higher education for Nigeria in the next twenty years. Its report came out some few weeks before the opening of the University of Nigeria, Nsukka on the 7th of October 1960 as the first autonomous full-fledge university in Nigeria. This was in addition to up-grading of the University College, Ibadan to a full-fledge university. After these two, three more universities were opened as the University of Ife in Ile Ife, Ahmadu Bello University in Zaria and the University of Lagos, Lagos all in 1962. The sixth university (University of Benin) was opened in 1971 and handed over to the Federal Government in 1975. These six were the first generation universities.

1.3 The Second Generation Universities

The Third National Development plan was developed in 1972 to capture the period 1975 to 1980. The plan gave birth to seven new universities (the second generation universities). They are as follows; Bayero University, Kano, Usman Danfodiyo University, Sokoto, University of Port-Harcourt, University of Ilorin, University of Calabar, University of Jos, and University of Maiduguri. Thereafter, the Federal Government saw the need to set up technical universities and those of Agriculture. These were set up in Makurdi, Yola, Bauchi, Akure etc. when the government of Goodluck Jonathan in 2011-2015 decided to set up fifteen additional universities to cater for those states that had no federal university

1.4 State Universities

The coming of the 1999 constitution and indeed civilian administration transferred university education and indeed all higher education from the exclusive legislative list to the concurrent legislative list. This made it possible for states that were willing and capable to start their own universities and other higher educational institutions. Between 1979 to 1983 starts came out in earnest to take the advantage. Rivers state started in 1980 and was followed by others like Imo, Ondo, Ogun, Old Cross Rivers, Old Anambra, and Lagos states. As at now virtually all the states of the federation have their universities, colleges of education, polytechnics monotechnics etc.

1.5 Private Universities

Private universities and indeed all other tertiary institutions were permitted especially with Decree No. 19 of 1984. However, in 1985 this Decree was amended allowing the establishment of universities and other tertiary institutions by government (federal and States), companies incorporated in Nigeria, individuals or organization of individuals who are citizens of Nigeria.

In 1991 the “Longe Commission” on review of higher education in Nigeria gave credence to the establishment of universities and other tertiary institutions by organizations and individuals. The Federal Government accepted the report which led to the promulgation of the (National Minimum Standards and Establishment of Institutions) Decree No. 9 of 1993. This led to the abrogation of government monopoly on tertiary education.

In 1999 private ownership of tertiary institutions was liberalized further such that individuals and religious organizations became interested and set up their own universities and tertiary institutions. Some of the first are Babcock University, Madonna University, Igbinedion University all licensed in 1999. Others include Bowen University in 2001, Covenant University and Pan-African University in 2002 (Abdulrahman Yusuf, 2012).

2. Historical Development of Polytechnics and Colleges of Education in Nigeria

Polytechnics and Monotechnics educational centre started since during the colonial era as mentioned earlier. The centres like CARS Ibadan, Samaru Zaria, Centre for Veterinary Medicine Vom and the Railway Engineering
Centre were more of monotechnics. Even the Yaba College which started in 1934 and was later converted to a technical College in 1945 and eventually became a polytechnic in 1947 and was renamed Yaba College of Technology in 1963. Apart from the Yaba College other such institutions established by the Federal Government, one each in the three regions then, came up. These include the Kaduna Polytechnic and the Institute of Management and Technology (IMT) Enugu.

With time in 1979 the Military Government saw the need for more polytechnics so it promulgated a Decree establishing seven more Polytechnics across the country. In 1979 again, the civilian administration came in and took education to the concurrent legislative list thus allowing states to establish their own polytechnics.

The amendment of Decree No. 19 of 1984 in 1985 and also as a result of Longe Report of 1991, private participation was allowed thus leading to the growth of private polytechnics/monotechnics. These institutions offer Certificate course and National Diplomas (NDs) and Higher National Diplomas (HNDs) accredited by the National Board for Technical Education (NBTE) as for Colleges of Education, and indeed Teacher Education in general, each of the missionary bodies that brought Western Education from the 1940s to the 1960s fashioned out their own Teacher Training Education programme. They started by training pupil-teachers who eventually grew to Teacher Grade III and II programmes. One of the first of such programmes was that by the CMS mission which starts its own in Abeokuta in 1859 and was relocated to Oyo as St. Andrews College. It is today the Emmanuel Ayandele College of Education, Oyo. The Baptist mission started its own in Ogbomosho in 1896 as the Wisleyan started its own in Ibadan in 1905.

When the Ashby Report came out in 1960 one of its dissatisfaction was the use of Grade III and II teachers as teachers of our secondary education. Even before then the Western Region after the introduction of its UPE in 1955 had started work with the University of Ibadan to provide a one year programme leading to the award of a Diploma Certificate in Education. The Ashby Report again, had suggested the provision of a teacher education which will provide teachers with an educational qualification that would be slightly above the teacher Grade I Certificate and a little lower than the bachelors’ degree in education. This programme was carried out with the technical support of UNESCO. The programme was called the Advance Teachers’ College (ATC). These colleges were started in Lagos in 1960, Zaria and Ibadan (now Adefyemi College of Education in 1962, Owerri (now Alvan Ikoku College of education) in 1963, Kano in 1964 and Abraka in 1971. All these were Federal Colleges of Education.

As mentioned earlier, the coming of civilian administration in 1979 marked the beginning of state governments’ intervention in tertiary education so most if not all states of the federation established their own Colleges of Education. With the amendment of Decree 19 of 1984 in 1985 and the Longe Report of 1991 private organizations and individuals are now participating in the provision of this level of education. The Colleges of Education offer the Nigerian Certificate in Education (NCE) accredited by the National Commission for Colleges of Education (NCCE).

3. Higher Education Funding in Nigeria

It should be noted right away that missionaries who brought western education in Nigeria only concentrated on primary and secondary education. Higher education was more of the prerogative of government. These started as some post-secondary education created as further professional education centers. They were slightly above secondary education. These were created and thus funded by some government department like agricultural and railway. Those of agriculture include Central Agricultural Research Stations (CARS) established in Moor Plantation Ibadan and Samaru Zaria, and a centre for Veterinary Medicine in Yom. The Nigeria railway had an Engineering Centre in Lagos.

When the crave for higher education intensified, the Yaba Higher College came and was funded by the colonial government even when it
metamorphosed into the University College Ibadan in 1948 which was still funded by the colonial government. After independence came in the first generation universities which were six in number and were funded by the federal. The federal government prohibited fees and made a steady funding of the then six universities. The universities were sufficiently funded. (Okebukola, 2010).

In the 1970s during the period of oil boom, the Federal Government went into a further project of universities (second generation universities) which were seven in number. These were established during the Third National Development Plan 1975-80. Again these were funding exclusively by the Federal Government. As the importance of universities education continued to increase the Federal Government since 2011 to date has added another set of universities. Today there about 43 federal universities scattered all over the country, all established in between 1948 and 2018. All these universities are funded by the federal government through the National Universities Commission (NUC). The NUC collects all budgetary requests from the federal universities and scrutinize them to ensure complete compliance with the funding parameter approved by government. A budget defense session is created by the National Assembly (NASS) for all the universities to defend their budget after which allocation will be made by NASS and forwarded to the NUC through the Federal Ministry of Education. It is from the allocation that each university will make an operational budget for NUC's approval and disbursement.

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation (in naira)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>209,498,125,598.00</td>
</tr>
<tr>
<td>2013</td>
<td>233,482,973,079.00</td>
</tr>
</tbody>
</table>

*Source: Compiled from Okebukola 2003 and NUC 2013.*

It should be noted that from 1999 there was TETFund contribution beside these sources from the NUC funding of universities. TETFund funded other levels of education through their controlling bodies like NCCE for College of Education and NBTE for Polytechnics and Monotechnics. Other sources also have to be explored. NUC for instance has mandated all universities to generate at least 10% of the total annual recurrent expenditure from internally generated revenue (IGR). Other sources that could be tapped by universities and other tertiary institutions according to Akenyemi (2013) include grants allocated to universities for special projects. These could include research grants received from research funding agencies. There are also grants from international organizations like, World Bank, UNICEF, UNESCO, UNDP, WHO etc. Research grants from Business organization could be in form of charity or endowments from corporate bodies like John D and Catherine I Mac Author foundation, Julius Berger PLC, CHEVRON, Petroleum Trust Development Fund (PTDF) (Ogbogu, 2011).

Other sources of funding higher education according to Ogundade (1989) support from government whether state or Federal which
constitutes 98% recurrent cost and 100% capital cost on government universities:
- Students contribution towards living expenses on campus.
- Private contributions by commercial organization in form of grants calmly e.t.c
- Interest earnings from short term Bank deposit and rent from school property.

4. TETFund Contributions in Funding Tertiary Education

Tertiary Education Trust Fund (TETFund) was established first as Education Tax Fund through ETF Education Tax Act No.7 of 1993 amended in 1998. It was eventually transformed to Tertiary Education Trust Fund (TETFund) in 2011 by the TETFund Act No. 16 of 2011. The Agency was established to raise funds for tertiary institution in Nigeria thereby reducing over reliance on government (Federal or state). It derives in income or funds from a 2% education tax on the profit of all corporate organization registered in Nigeria. The TETFund is as at today the major source of funding capital projects in our higher institutions. From 2004 - 2014 the TETFund allocated a total sum of over 6.8 billion Naira for the development of tertiary education in Nigeria.

Below is a rundown:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2008</td>
<td>₦202,240,000</td>
</tr>
<tr>
<td>2009</td>
<td>₦260,000,000</td>
</tr>
<tr>
<td>2010</td>
<td>₦640,870,000</td>
</tr>
<tr>
<td>2011</td>
<td>₦896,900,000</td>
</tr>
<tr>
<td>2012</td>
<td>₦1,251,000,000</td>
</tr>
<tr>
<td>2013</td>
<td>₦1,479,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>₦2,000,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>₦6,844,010,000</td>
</tr>
</tbody>
</table>

Source: Khalid S Soliman (ed), (2016).

It is important to note that TETFund intervention is normally made to government (federal and state) owned tertiary institutions

4.1 State Universities

State universities came to being as a result of the provisions of the 1979 constitution which transferred tertiary Education which was hitherto in the exclusive legislative to the concurrent legislative list. This allowed states to establish their own universities. From 1970 to 1983 there were six of such universities belonging to Rivers state, Ondo state, Imo state, old Cross River state, old Anambra state and Lagos State. As at now we have no fewer the 47 state universities.

These universities were licensed as a result of the states’ meeting up the condition of establishing universities -one of which is funding. The universities are controlled and funded by the states especially in terms of recurrent expenditure as a lot of the capital expenditure is done by TETFund.

4.2 Private Universities

They came into being after the abrogation of decree No 19 (private universities (abolition and prohibition) Act. 1984. In 1985 this decree was amended allowing the establishment of universities by government (Federal and State), companies incorporated in Nigeria, individuals or association of individuals who are citizens of Nigeria. The 1991 "Longe Commission" on review of higher education in Nigeria further gave private individual and organizations right to establish universities. Today we have over 50 of such universities.

These universities were licensed and eventually established only after the proprietors had met the conditions for establishing such universities. One of the strongest of such conditions is evidence of funding and continuous funding. Therefore the control and funding of these institutions is entirely in the hands of the proprietors that is why the charge high fees in addition to other sources for funding.

5. Conclusion

This work found that Higher Education started in Nigeria right from pre-colonial era and went through the colonial and post-independent era. At certain point in time it was exclusively the reserve of the colonial and federal governments. It was after the 1979 constitution that states were allowed to go into it. The private sector went
into it only after the amendment of Decree No. 19 of 1984 in 1985. The funding of higher education followed the pattern of participation. At certain points in time it was exclusively a Federal government affair then later, state governments joined and eventually the private sector after 1985. Much government funding comes through budgetary provisions and the Tertiary Education Trust Fund (TETFund). TETFund derives is funds through a 2% Education Tax Fund charged on the Annual Profit of all Companies registered in Nigeria. TETFund is today the main financier of capital projects in our tertiary institutions.

6. Recommendations

The success or otherwise of our tertiary institutions depends on how funds are sourced and managed. Below are some recommendations:

- There should be more/higher budgetary provisions in our governments' budgets to education. We should go at least with the UNESCO budgetary formula which suggests a minimum of 26% annual allocation to education for developing countries.
- More private sources of funding public institution like affordable school fees should be explored.
- The Tertiary institutions should devise more viable means of improving their internally generated revenue (IGR). This could be done through setting up viable consultancy units, development of entrepreneurial education centers and engaging in direct-labour projects than contracts. With these we can correct our infrastructural decay and shortage through renovations and constructions.
- The supervisory/monitoring agencies of our tertiary institutions (NUC, NCCE, NBTE, etc) should step up supervision and inspection of facilities in our institutions through regular accreditation to ensure judicious use of our scarce resources.
- The 2% tax deductible from profit of companies registered in Nigeria, managed by TETFUND should be increased to 5% to enable TETFUND make higher allocations to our government owned institutions and even make allocations to private institutions under the conditions that they will reduce their fee charges on students.
- The Treasury Single Account (TSA), good as it may be, should be handled with moderation when it comes to the issue of the chief executives of the tertiary institutions carrying out expenditure from fees collected from students.

References


