

Financial Governance and the Ideological Foundations of Underfunding in Nigerian Universities

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Abstract

The management of the education sector in Nigeria, with specific reference to the university system and the arising crisis from it, have been extensively discussed in existing literature and reports on causes and antidotes to the problem are replete in the literature. Problems ranging from policy somersault to decay in infrastructural facilities, mismanagement of finances, academic corruption and low staff morale, are some of the visible negative manifestations of the crisis. The much-touted acute problem of funding or underfunding (and by extension, the problem of financial governance) has been singled out as the bane of university system in Nigeria. This paper questions this supposition and argues that while the problem of financial management may obviously be taken as a factor in the challenges facing university education in Nigeria, the ideological force or orientation that shapes education policy, including the management of finance, is a more critical factor. Good financial management and adequate

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funding or otherwise is a product of an inherent ideology and in the case of Nigeria, neo-liberal policies are in ascendancy. Our conclusion in this paper, underscores that, in order to have a far-reaching resolution of the crisis of financial management and the deepening crisis of underfunding in Nigerian universities, it is imperative to reevaluate the neo-liberal policies of the Nigerian state as they relate to education.

Keywords: University, University education, Nigerian experience, Ideology, Financial Management, Underfunding

Introduction

The meaning of a University has been variously defined in academic literature(s). For a classical mind, for instance, 'a university is a citadel of the Truth; the fortress of integrity; and the Temple of Morality. It is the sanctuary of those committed to seeking the Truth, teaching the Truth and preserving the Truth. It is the nursery for grooming the adolescent and the adult human, for bringing out the best in humanity. It is a foundry for moulding man to become excellent, simultaneously, in character and in learning; and a nest for restoring the dignity of man amongst other things' (Asobie, 2016:2). The modernist images of a university differ significantly from this traditional idea of a university. While some modern minds perceive a university as 'a public service corporation provided by government', others view it as an enterprise in the knowledge industry, selling whatever mix of academic services it is most profitable to produce to whomever is willing and able to buy them' (Jega; cited in Egbokhare, 2007:59).

While opinions may differ as regards the definition of a university, it cannot be denied that a university exists for the sake of knowledge generation and acquisition. It is for this reason that Murrery Rose argues that a University is a community of people separated from the larger society and distinguished by 'respect for knowledge and love for learning'. For him, a University is a distinct, self-contained community of persons 'involved in the search for truth and perpetuation of high culture and civilized learning' (Murrery Rose; cited in Asobie, 2016:5).

Irrespective of location, space and time, therefore, a University is most normally established for the ultimate purpose of teaching, research and knowledge deriving thereof for public service or good. The essence of university education is to equip the learners with requisite knowledge, morals, techniques, principles, concepts, precepts and other ingredients of the developmental process for becoming agents of radical transformation for their society or community. This may have informed the enshrinement of the role of the university in Nigeria's National Policy on Education (NPE), as producers of high-level manpower for national development. In meeting up to this mandate, Universities are to engage in teaching, research and public service so as to stimulate cultural, technological and social development and change.

How well a university is able to carry out this mission is a function of several factors. Finance or funding is one of the critical factors. Money is needed to pay staff, run the activities of the university, build infrastructure, provide equipment and consumables in the laboratories, fund research, and staff development et cetera. To be sure, scholars are unanimous on the indispensability of adequate financing of education if the purpose and benefits of education are to be achieved (Sheehan, 1973; Eaton, and Nofsinger, 2000; Taggert, 2003; Awopetu, 2015). University financial governance consists of activities of a university as they relate to budgetary allocation, expenditure, running cost, funding of research and staff development. It is also about the income and sources of funding and how the monies or funds available to it are spent. University financial management will naturally mean the efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the University.

Sadly enough, the performance of Nigerian universities in terms of meeting their existential relevance in the development of the Nigerian state is far from satisfactory. At present, problems ranging from policy somersault to decay in infrastructural facilities, mismanagement of finances, academic corruption and low staff morale, have been canvassed as visible negative

manifestations of the crisis of universities in Nigeria. While these are good citations of the problems of Nigerian universities, a much-touted acute problem from which all these problems are derived has been identified to be funding or underfunding of university system in Nigeria. Awopetu rightly underscored this point when he argues that by far more damaging to the education sector in Nigeria is, among other, the low budgetary allocation to education due to adoption of policies that advocate reduction in government spending. This paper helps to extend this argument that while the problem of financial management may obviously be taken as a factor in the challenges facing university education in Nigeria, the ideological force or orientation that shapes education policy, including the management of finance, is a more critical factor. This is the case because as Egbokhare rightly argues 'the university is not insulated from the forces that shape society or the mentalities, ideological psychological dispositions of society and those who constitute its pivot. The performance of a university, for him, is inextricably tied to forces working within, around and about it. Situating these forces in the context of Nigeria, one is tempted to conclude that the performance of the university in Nigeria is a mirror image of the developments of the larger society.' (Egbokhare, 2007: 59).

Flowing from this, we argue in this paper that good financial management and adequate funding or otherwise of a government-established university is a product of the ideology driving the affairs of the government in power, and in the case of Nigeria, neo-liberal policies are in ascendancy.

Our conclusion is that, in order to have a far-reaching resolution of the crisis of financial management and the deepening crisis of underfunding in Nigerian universities, it is imperative to reevaluate the neo-liberal policies of the Nigerian state as they relate to education. The continuous sustenance and implementation of these policies will not only continue to deeply escalate crisis in the education sector but will make resolution of the problem impossible.

Theoretical Framework

The theoretical framework for the crux of this essay – the ideological foundation of underfunding in Nigerian Universities – is the Marxist conception of ideology. There is no consensus among scholars on what ideology means; its meaning is often dependent on the context of use. George Lichtheim aptly expresses the problem of having a clear and consensual definition of ideology when he says that “Few concepts play a larger part in present-day discussion of historical and political topics than does that of ideology, and yet it is not always clear what meaning is applied to the term by those who employ it. Even if one confines one’s attention to the utterances of sociologists and historians, living out the terminological misuse seemingly inseparable from ordinary political discourse, it is apparent that different and conflicting meanings are intended by writers who casually refer the “ideology” of this or that political movement.” (1967: 1) in this Paper, however, we use ideology in the same sense in which Karl Marx used it, a sense that has become crucial to the Marxist tradition in particular and Enlightenment discourse in general.

This sense of ideology is popularized by Karl Marx specifically in *The German Ideology* as well as by the Marxist tradition that follows. In the classical Marxist vision, ideology is a very special distortion of the world in which a class interprets its specific interests as maximizing the rationality of the whole. As Marx and Engels state in *The German Ideology*, “For each new class which puts itself in the place of one ruling before it, is compelled, merely in order to carry through its aim, to represent its interest as the common interest of all the members of society, that is, expressed in ideal form: it has to give its ideas the form of universality, and represent them as the only rational, universally valid ones.” (1972: 138). Hence, ideas and beliefs that are ideological in this sense are taken to be “a given”, universal truth beyond revision, unchangeable solutions to problems, and absolute truths. This is the way neo-liberalism is seen in Nigeria and many other developing nations. As an ideology forced upon such nations by its creator, the West, it is seen as the only route to a better life for such nations. But unfortunately, as we shall see in the case of its application to education management, it often fails to live up to expectation.

The Crisis of Funding in Nigerian Universities And Its Ideological Nexus

Characteristic of a post colonial African state, Nigeria has never hidden its sophistry love for, and interest in education as a required catalyst for national development. In several government approved documents, including the National Education Policy (NPE 2004) and the Constitution of the Federal Republic of Nigeria 1999 as amend, it is not in doubt that the Nigerian government has a philosophy of education which recognizes education as a key element in the development of human personality, and that which is indispensable to economic transformation, technological and scientific advancement. By inscribing the important role of education in constitutional and statutory books, successive governments in Nigeria tend to prove that they are concerned about the long term welfare of their citizens and development of their countries which qualitative education guarantees. They have by the same attitude show that education is a priceless commodity that should form part of the goals and values of the society. To continue to preach education as a value means that it is what the Nigerian society liked, prized, estimated, approved of for the benefit of its citizens and society. The goals of a society are its values and the values which people cherish and approve of in a society ultimately determine the political, economic and social behavior of that people. In striving for development in human society, values are generally expressed and applied through the concept of ideology. Ideology is the vibrant force that enables a people to define their existence. It represents a dominant set of ideas about the nature of good society (Gyekye, cited in Igbafen, 2014: 28). If Nigerian governments consider that values are the good things that are continually desired and cherished by a society, then education ought to be treated as such. That is education should be adequately funded by government in the best interest of the common good. Analyzing the system of financing in the Nigerian university system, Callaway and Musone (1968) explain:

Nigerian universities are autonomous institutions set up by a parliamentary Act of the federal or regional

legislatures. In the constituting Act, provisions are made for the financing of both capital and recurrent costs from government funds. In addition, being autonomous, the universities have the power to raise other funds by way of fees, to invest deposits and endowments, negotiate loans, receive grants, and conduct activities falling within the scope of their institutional objectives.

The main responsibility for financing recurrent and capital costs lies, in any case, with the governments. Normally they provide the capital outlay from the development funds in the form of subventions and contribute to the recurrent costs with annual grants covering the part of expenditure which is not offset by the universities' ordinary internal revenue or by other sources. The main items in the universities' ordinary revenues are represented by students' fees, income from investments, and staff quarters rents. These items, however, added together hardly cover between one-fourth and one-third of total recurrent expenditure.

Section 4.2.1 of the 2009 Agreement between the Federal Government of Nigeria (FGN) and the Academic Staff Union of Universities (ASUU) also buttressed the need and justification for funding of Nigeria's public universities by owner-government. The section specifically stated that:

the goal of this negotiation is to put Nigeria in a strong position to become a knowledge-based society that will be able to compete and survive in the 21st century. To achieve this, the entire education system requires massive funding at all levels. While non-budgetary sources have a role to play, and there must be continuous efforts to identify and use them prudently, the major source of funding education for national development is through budgetary allocation from state and federal governments

This means that education funding comes from many different sources, but in most countries of the world as in the case of Nigeria it is mainly through appropriations (annual budgetary allocations from state and federal governments). This also implies that for a country to benefit from education as a tool for economic growth and development, it must be well funded. The levels of funding of education can be used as indicator of the country's or government's commitment to the notion that education is the tool for economic, social, political and cultural development (Awopetu, 2015).

In recognition of the importance of education to the well being of the people, the United Nation Educational, Scientific and Cultural Organization (UNESCO) recommended that each country should spend a minimum of twenty-six percent (26%) of the national budget on education. Being mindful of the processes for meeting this goal of 26% annual budgetary allocation to education as enunciated in the UNESCO benchmark, ASUU (2016) advised the federal government to progressively increase its budgetary allocation to education sector in accordance with its vision 20:2020 programme. In particular, ASUU recommended that a minimum of 26% of the annual budget of the state and federal governments be allocated to education and at least 50% of the budgeted 26% be allocated to the universities.

It is sad to note that while successive Nigeria governments (state and federal) sloganeer about the indispensable role of education to national development, the reality leaves much to be desired in relation to funding and annual budgetary allocation to education. A peep into the profile of federal government annual budgetary allocation to education between 1960 and 2013 (Central Bank of Nigeria 2013 Statistical Bulletin and Information, cited in Awopetu, 2015: 7) suggests or indicates that the problem of underfunding may be as old as the independent post- colonial Nigeria state.

BUDGET ALLOCATION FOR EDUCATION IN NIGERIA SINCE 1960

S/N	Year	Allocation as % of Total Budget
1.	1960	6.02
2.	1961	6.15
3.	1962	5.19
4.	1963	3.43
5.	1964	3.65
6.	1965	3.57
7.	1966	4.23
8.	1967	4.88
9.	1968	2.84
10.	1969	2.20
11.	1970	0.69
12.	1971	0.53
13.	1972	0.62
14.	1973	0.88
15.	1974	2.96
16.	1975	4.57
17.	1976	8.71
18.	1977	3.12
19.	1978	11.44
20.	1979	3.70
21.	1980	4.95
22.	1981	6.45
23.	1982	8.09
24.	1983	4.04
25.	1984	4.49
26.	1985	3.79
27.	1986	2.69
28.	1987	1.93
29.	1988	2.40
30.	1989	3.55
31.	1990	2.83
32.	1991	1.09

33.	1992	3.86
34.	1993	5.62
35.	1994	7.13
36.	1995	7.20
37.	1996	12.32
38.	1997	17.59
39.	1998	10.27
40.	1999	11.12
41.	2000	8.36
42.	2001	7.00
43.	2002	5.9
44.	2003	1.83
45.	2004	10.5
46.	2005	9.3
47.	2006	11.00
48.	2007	8.09
49.	2008	13.0
50.	2009	6.54
51.	2010	6.40
52.	2011	1.69
53.	2012	10.00
54.	2013	8.70

From 2014 to 2016 federal government has continued to cut back on its budgetary allocation to education such that education received 12%, 11% and 8% percents in 2014, 2015 and 2016 respectively in federal government annual budgetary allocation. The states are not faring better. In contemporary Nigeria, even when some annual budgetary allocations are made to education, they are half-hazardly released, and in some cases, not released at all to benefiting institutions or universities. State Universities are worse hit by the non-release of budgetary allocations.

The resultant effect of this does not require elaborate analysis to justify the conclusion that the problem of funding is at the heart of the present deepening crisis in the Nigerian university system, the consequence of which is a low ranking of Nigerian universities

in relation to universities in other parts of the world (2011-2012 *Global Competitiveness Report*; Webometric Ranking of World Universities, 2011; Times Higher Education World Universities Rankings). Asobie (2016: 33) argues that it is a reflection, and at the same time an explanation, of Nigerian universities lack of significant impact on national society and economy.

The analysis of some scholars about the present sordid state of Nigerian universities is in two epochal perspectives, namely the pre-deregulation era and the deregulation period. The pre-deregulation period is examined as a period when higher education funding experienced high priority from government as a sole financier of higher education in the country. According to Akinsanya (2007:69) this period witnessed high priority to funding higher education, thereby creating a wrong impression amongst Nigerians that funding of higher education is the exclusive preserve of governments. The deregulation period is mostly a post Structural Adjustment Programme which ushered in a fundamental distortion of the classical idea of university education and some major changes in the concept, management and funding of higher education, particularly the universities. One of the lasting impacts of the deregulation regime is a strange realization that the benefits of the acquisition of any higher education programme is largely that of the individual as a 'private good' for which beneficiaries and their families should pay. This era signifies what Alemika (2014:4-5) calls commodification of education, that is the treatment of education as a commodity to be sold and bought at prices determined by profit maximization motive rather than public good that the state is obliged to provide. According to him, this led to deterioration in public schools. Commodification of education in the view of Alemika became acute after the adoption of the prescriptions of the IMF and structural adjustment programme in 1986, whose underlining ideology is to make the state to (a) expand spaces for capitalist penetration and expansion by withdrawing from provision of social services (especially education and health care), and (b) creating investment opportunities for profit maximization in the

social sector by the private sector through sustained impoverishment of the poor by auctioning public enterprises and commercializing social services. In agreement with Alemika, Fashina (2014) most appropriately defined this era as a period for the flourishing of a neo-liberal model for the development of the education sector in Nigeria. According to him, a neo-liberal model for the development of education sector started with the introduction in 1986 by the Babangida military regime through its Structural Adjustment Programme, which sought to run education on market principles.

He further argues:

Since that time, the World Bank and IMF have never ceased to work for the adoption of the neo-liberal, market model of education in Nigeria. The present crisis in education is an offshoot of the neo-liberal misdirection which Nigerian people did not choose. Our rulers still insist in the main that the solution to the crisis in education lies with flooding the country with private schools, Universities, commercialized education, etc etc, to operate in acceptance with market rules. This explains why public expenditure on education has never gone anywhere near the UNESCO prescription that each country should expend at least 26% of its national budget on education.

Awopetu calls the above scenario 'a policy of abandonment' which he argues contrasts sharply with policies in the technologically advanced world (OECD) and the emerging economies of Brazil, Russia, India and China and with many other developing countries with which Nigeria is competing (Awopetu:22). According to him, the low allocations to education from 1960 to date can only be explained in terms of the ideological orientation of successive Nigerian leaders, from Tafawa Balewa to Obasanjo and now Buhari.

In a similar vein, Assisi Asobie argues that Nigerian universities like their counterparts in other parts of the world have

been buffeted by the forces of neoliberal globalization since the 1980s. In his words, they have been battling to resist overwhelming transnational pressure to 'become more entrepreneurial and responsive to the market'. To Asobie, this is a push for 'academic capitalism', which is in conflict with the traditional structures and values of the University.

From the foregoing understanding, it is clear that the crisis of financing or funding in the Nigerian university system is not a result of paucity of resources as we have been made to believe. It is all about the priority of the successive governments or leaders in consonance with their ideological roadmap to 'academic capitalism', 'commodification of education' and 'a policy of abandonment' which they have accepted to foist on Nigeria and Nigerians. The argument by some scholars that government alone cannot fund education citing dwindling economic fortunes as reason does not make any sense in the face of report that 25% of the recurrent expenditure of the Federal Government of Nigeria goes to members of the National Assembly and the remaining goes to a parasitic elite who constitute less than 1% of the population. It does not sound logical to continue to call for diversification of funding to include private and public sectors against the background of report that Nigeria is the second most corrupt nation in the world such that between independence and 1999, an estimated sum of 600 billion USD was looted from the Nigerian treasury. Between May 6, 2010 and August 10, 2014, over 5 trillion naira of government funds had been stolen (Punch Newspaper of August 10, 2014, cited in Fashina, 2014:2).

We agree with Fashina in the argument that the root cause(s) of this is the fact that Nigeria is undergoing a typical class rule, the use of the resources of the country to enrich a few. Such moribund class rule is surviving because there is lack of a liberating education etched on sound philosophical framework, and a political economy of education.

In the final analysis, it is clear that the crisis in Nigerian universities is more of ideological and psychological dispositions of the Nigeria state and its leaders than availability of fund or

efficient and effective management of finances. By this, the problem is situated in the conservative spectrum of economic political thinking which derives from the neo-liberal development model of western globalization.

Conclusion/The Way Forward

We have in the course of this paper encapsulated the idea of a university in its classical and modern significance and the crisis of funding in the Nigerian university system which has diminished Nigerian universities from performing their role in national development. The paper underscored the fact that the emerging thrust of arguments on the problems facing universities in Nigeria rests on inadequate funding. The consequence(s) of inadequate funding of Nigerian universities is/are devastating at individual, state and national scales. If for nothing, it has led to loss of transformative functions of education at the individual, groups and the nation at large. The paper argued that the problem of inadequate funding is not a result of lack of resources but the fallout of implementation of neo-liberal education policies by the Nigerian state which forbid the Nigerian government to fully or adequately fund its universities. Thus, the paper located the problems facing Nigerian university system more in the neo-liberal education policies of the Nigerian state than the argument that the resources available to government are limited for adequate funding of education sector.

What is the solution? Many scholars including Awopetu, Fahina, Asobie, EskorToyo, and Orolode all agree that a good and workable solution to the crisis of Nigerian university system must necessarily begin with a radical resistance of Nigeria's neo-liberal education policies, a solution to which successive Nigerian governments and leaders are allergic. We believe that this is the appropriate antidote to follow for now if the Nigerian state must reverse the negative image of its universities as a result of poor funding. The adoption and implementation of neo-liberal policies by the Nigeria state has led to drastic reduction in Government's funding of its universities. This is amply demonstrated in the

annual budgetary allocations to education since 1960. The ascendancy and continuous promotion of privatization/commercialization or, in its more glorified version, 'public-private-partnership' as the thrust of a market-driven educational policy is not the best way to go.

Those who wish the Nigerian state well must not only acknowledge that investment in and adequate funding of higher education are viable, conditions that facilitate change since the value of education hinges on teaching, learning, research and the production of qualified personnel which are needed for national development; they must come together to resist the attempt to change the purpose of education from 'public good' to 'private good'. The best way to begin this revolution is to reject neo-liberalism in Nigeria's education sector. Our compromise of it means that we will continue to live by the current crisis in the Nigerian university system buoyed by policy-direction inadequate funding.

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