



## **Alternative Revenue Generation Methods for Sustainable Development of Nigerian Universities: Problems and Prospects.**

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**Abstract.** This paper examined the alternative revenues generation methods for a sustainable development of Nigerian universities, the associated problems and their ways forwards. However, the study however identified the, needs for the Nigerian universities to sources for alternative revenue, the usages, the associated problems and ways forwards. It was however suggested that since the government alone cannot soldier all the financial needs of the university education; therefore the university management should endeavor to sources for reverence both internally and externally so that sustainable development of Nigerian universities will be adequately enhanced.

**Keywords:** Alternative revenue generation, Sustainable development, Problems and prospects and Nigerian Universities.

### **1. Introduction**

It is an undisputable fact that no organization can achieve her predetermined goals without adequate financial resources at her disposal. It should also be agreed that despite all the governmental effort in making the life bearable to the citizens through adequate financial commitment to the capital and recurrent yet the financial allocation are still not adequate. In the recent time, budgetary allocation to education takes a lion share because the federal government regarded education as the social responsibility and birth right that every citizen should enjoy as a member of any country.

The university role and the goals had been expanded towards producing quality and good minded citizens to serve as the needed man power needed of sustainable National development Federal Republic of Nigeria (2013) identified the objectives of tertiary institution in contributing to national development through high level relevant manpower brang to inculcate and develop proper value for the survival of individual and society to develop individual, to forge and cement national unity to promote and encourage scholarship and country services and to acquire physical and intellectual skills. However, to achieve the objectives the universities have the following responsibilities of teaching, research publication, community services, extra-curricular activities and record keeping. It should be noted these responsibilities can never be achieved without financial resources at their disposal. Also for the fact that the state and federal government could not soldier all the responsibilities of financing education alone, that everyone should contrite their quota towards development of education.

Nigerian universities need both the capital projects like buildings lawns library and laboratory equipment, hostels, instructional facilities and all resources that will cater for the large population of the students admitted. To satisfy the physical facilities and to provide human resources for the management of the students and facilities there is need for adequate financial resources. The provision of money will encourage adequate facilities provision and maintenance. It should be noted that the

Nigerian universities are still crying of inadequate funding that the financial allocation could not cater for the provision of both needed physical and human resources needed need for effective teaching- learning process. The inadequacy of financial allocation however called for alternative revenue generation so as to complement the governmental efforts in the budgetary allocation.

This paper therefore examined the concepts of revenue generation methods as an alternative method for encouraging administrative effective new of Nigerian universities. Those alternative methods where funds can be generated, the problems militating against the revenue generations for Nigerian universities and methods of curbing the problems also investigated.

Ogundele and Oparinde (2014) defined revenue generation as the process of raising funds for enhancing administrative effectiveness in Nigerian schools. It is the process of sourcing for the needed funds or resources without necessarily depending on the governmental capital and recurrent grants. The funds are sourced internally within and outside school environment. However, it should be noted that investment in education is a key factor in the economic growth of any country. It is also very important to note that any country that toy with educational provision for her citizens, such country can never be ranked high among other developed nations at the global level. The Federal Republic of Nigeria recognizes education as a huge investment which everyone should contribute their quota.

In order to sources for revenue for the running of the various institutions in Nigeria, the universities have their own source of internally generated revenue outside the governmental grants. Such methods of generating, revenue are regarded as non-NUC programme like running of part time and distance education, consultancy services, research publication of different journals, Educational Trust Funds intervention, university-friends forums, lunching loan, stakeholders involvement, entrepreneurship skills practical efforts, agricultural exhibitions, Postgraduate Associations, public-private

partnership and social responsibilities' cooperation. It should be noted that huge amount of revenue are beings generated through the mentioned method which complement government financial efforts. This paper therefore makes an explanatory approach to the basic sources of alternative revenue generation method in Nigerian universities, the prospects of those methods the utilization, the need for alternative revenue generation method in Nigerian universities administration, the associated problems and the ways forward.

## **2. Needs for Alternative Revenue Generation for Nigerian Universities**

The following reasons called for the need for alternative revenue generation in Nigerian universities, flimsy excuse of the federal republic of Nigeria that stated that the government alone cannot soldier the responsibilities of education in Nigeria. However, though they soldier large percentage of commitment to education. The need however called for the citizens that have good will to education to contribute their quotas towards development of education.

The first reason is the expansion role of Nigerian universities leading to the rapid expansion in the university programme and curriculum. However, the expansion however called for the adequate demand and supply of human and instructional resources to be supplied. The revenue generated will ease the demand and supply of the needed resources in Nigerian universities (Adesina, 2005).

Secondly, rapid education demand and supply increase the population of the students' admission into Nigerian universities. The need to make the university life bearable to the admitted students called for alternative revenue generation into Nigerian universities. It is also important to note that there is the need to cater for the overcrowded classrooms and reduce the students populations stresses however demand for the alternative revenue generation for Nigerian universities administrations no wander that Mariuki (2011) stated that the earing students population need qualified teachers,

quality infrastructural facilities school plants like building equipment, library lecture theatre, good feeder road, etc. all these resources demand large amount of funds. Durosaro (2013).

Thirdly, the funds allocation is not adequate to enhance effective development in Nigerian administration. The author also advocated for the internally generated funds to cater for the cost of education the author also described the cost of education as the only tool that pinches the shoes of education. What the cost of education is catered for through, alternative revenue generation, effective universities administration will be adequately enhanced.

Fourthly, the outbreak of high rate of social menace and indisciplinary rate among the students called for the adequate revenue to provide adequate security in the school system. Odetundun (2005) also observed that many school environments are so porous with so many entrances which make the security to be weak. However, the alternative revenue generation for Nigerian universities administration will encourage the university administration to provide enabling environment for their institution.

Demand for quality in Nigerian universities education demand for huge amount of money which government alone cannot solder all the responsibilities. However, the contribution of other sources of revenue is therefore demanded from everyone in the society.

Finally, the need for the institutional support services also called for the alternative revenue generation.

### **3. Alternative Sources of Revenue for Sustainable Development of Nigerian Universities**

Since it is general acceptable fact that educational provision is the only instrument for a sustainable national developments and transformation, for any meaning development to be enhanced and for quality universities products to be graduated for a sustainable national develop of any country, adequate financial resources should be at the universities

management disposal. However, high demand for university education had also called for quality product and without adequate financial resources to be made available and utilized; such quality needed may not be achieved.

Many educationists and well-meaning Nigerians that have good will for quality Nigerian education had identified many alternative sources of revenue generation to be used for sustainable national development of Nigerian universities as follows.

Establishment of non-NUC academic programmes every university are requested to establish their series of Non-Nuc academic programme like full time diplomas, certificate, part-time and online courses on Bachelors, Masters and Ph.Ds programmes. It is therefore advisable that the institute of education, technology and entrepreneurship education should be charged with the responsibilities of conducting these programme for the universities to issue out the necessary certificates for the graduates. However, huge amount of revenue can be generated from there non-Nuc programme that can be used to complement the governmental capital and recurrent grants and can also assisted in enhancing sustainable development of Nigerian universities.

Establishment of centre or research conduct and development: Due to the fact the research publication is one of the basic requirement necessary academic growth of every staff in universities. However, it should be noted that each of the journal demand vetting fees publication and sales of the extra hard copies of the printed journals and textbooks. Therefore, the profit made from the journal and txt books constitute huge amount of revenue to be used for the universities library development. Adeogun (2005) also noted that every faculty and department can organizes workshop conferences, seminars at the local, national and international level. The return of money paid by the conference participants constitutes part or revenue needed for the professional development of the universities staff.

**Educational Trust Funds (ETF) Interventions:** Important source of revenue for the university administration is the revenue from the governmental agencies which is devoted for the development of university education in Nigeria. The ETF established by the federal republic of Nigeria in 1999. The purpose is to make effective use of the certain percentage of excess revenue from the petroleum and other taxes for developing Nigerian university resources and human resources. However, Oluwalola (2013) identified the area of intervention of the educational trust funds as binding construction, roads networking classroom bindings utility like pipe born water, electricity, scholarships research publications staff capacity bindings etc. the intervention of the ETF however complement the capital and recurrent budgetary allocation to education in Nigeria.

**Constitution of stakeholders forums into Nigerian universities administration:** The alternative revenue generation for effective university administration is stakeholders' involvement I n the administration of the university. Recently, Afe Babalola University recently introduced University- Friends Forum whereby many meaningful members of the society are invited as friends of the university to extend that whenever the university run into problem whenever the university rune into problem, they can be called upon to make contribution of at least ₦10,000 yearly. Babalola (2010) however noted that if there are 200 friends of the university and each is able to pay ₦10, 000 yearly then every year, the university will be generating 20 million naira form that method Oparinde (2013) also advocated for the positive involvement of the Alumini, association parents forums, industrial trust funds, and intervention. The financial involvement of the group will definitely of the group will definitely aid effective generating of revenue for effective administration of Nigeria universities.

**University environmental resources utilization for revenue generation:** Abdul (2011) observed that the universities in Nigeria are endowed with vast land and environment. That the available land can be effectively utilized and diversified for agriculture, leasing construction of shopping

complex, binding of small scale industries, establishing business centres hostels, hotels, quest houses, there should be revenue yielding ventures like printing press, book shops, model primary and secondary schools and all the venture that will yield revenue for the university administrations. Oparinde however, suggested that all the ventures in the universities environment should be placed under the control and direction of the consultancy services of the universities.

**Public-private partnership (PPP) should be adequately involved in the Nigerian universities.** The public private partnership should be involved in the alternative revenue generation for the construction of the necessary infrastructure through certain public-private partnership models like build-operate-transfer, build-operate-lease. The system of PPP can be used in the construction of the hostels, transportation parks, field stadium, guest houses, staff quarters, roads etc. all which are very essential for the smooth running of the schools. (Bello, 2013).

**The use of cost saving devices through a prudent management of the school administration:** Eresimadu, Adigun (2004) suggested direct labour operation by the directorate of works, of the universities, school fees, educational levies, development levies, taxes and so on can be used in this regard.

**School commercial activities:** Durosara (2009) asserted that students should be partially self-supporting so as to develop sense of financial responsibility, dignity of labour, Ogundele (2001) cited example of Taiye Solarin schools that make up total return of revenue from such activities life sales of agricultural products arts and crafts, entrepreneurship skills acquisition an products. The various institutions can also build shops around the institution for rent. Alternative source of generation revenue are non-monetary measure and cost saving devices. This is to say that the universities could receive support from the internal and external sources has UNECSO, UNICEF, USAID, IMF supply of expatriate lecturers an instructional facilities providing scholarship for study in other universities

cooperation with the government and the private individuals Bello (2013) identified private public partnership as the way of financing education such BOT, BOOT, BLOT, BOO, BDO, DCMF, BBD, LDD.

#### **4. Factors militating against revenue generating methods for a sustainable development of Nigerian universities.**

A number of factors had been identified as the problems militating against alternative revenue generating methods in Nigerian universities. The factors however include:

High poverty level in the society: poverty level among Nigerian citizens had constitute problems for the revenue generation among Nigerians. As Ogundele Oparinde and Oke (2015) had rightly said that many Nigerian families could not afford to provide three square meals for their children. It is therefore difficult for such individuals to be called upon to come and donate for the development of universities such call many not be fruitful. However, poverty level had negative impacts on the revenue generating methods for sustainable development of Nigerian universities violation of the institutional site is another factor that constitute problem revenue generation for Nigerian universities. The policy of the federal character commission is equitable distribute of the universities in each geopolitical zone in Nigeria, employment, admission and siting of universities. However, all these had been politicized to extend that every aspect is controlled by god fatherism.

It should however be noted that no one will be called upon to come and donate to the development of Nigerian universities when their citizens hand not benefited from the distribution of the universities opportunities earmarked by the federal character commission.

Inflationary trends made the revenue generation to be inadequate and insufficiently utilized. In the recent time high rate of inflationary fraud had negative impacts on the revenue generation. However, the escalating exchange rate of dollar in the foreign exchange markets like in fuel

prices. The problem of the high exchange rate and like in price of fuel affect the all aspects of universities education there is generally like in the price of all the resources devoted for university education. The problem however made the alternative revenue generated for a sustainable development of Nigerian universities inadequate and difficult. As Durosaro (2012) noted that inflationary trend made the purchase corrupt practice, embezzlement educational technology difficult and misappropriation of the alternative revenue generated.

Abdulkareem (1997) was of the opinion that most of the revenue generated had been misused, misappropriated and embezzled by the university management. Some universities management used the revenue generated to award unexecuted projects with kick back which Jimba and Ogundele (2014) regarded as unethical issues in teaching profession.

Social crises in the society: at the global level, the scoail crises and violence had greatly hampered effective generation of revenue for a sustainable development of Nigerian universities. Many universities are closed down for many years due to the outbreak of religious, civil, social and financial crises in the society. The crises according to Sofolawe, Ogundele and Oduwaye (2015) have adverse effects on the quality, accessity and revenue generation for the smooth ruing of educational system in Nigeria.

Uncontrolled wastages in educational system have negative effects on the alternative revenue generation in Nigerian universities. High wastage rate occurred in Nigeria in term of money materials and other facilities. However, the resources that are wasted become difficult to replace due to the difficulty in raising funds. However, the available resources wasted do not provide opportunities to expand or top provide other resources needed for teaching learning process instead the school managers explore or constantly looking for the refurbishing or maintain the damaged resources or wasted ones (Asibiaka, 2008). The wasted resources emanated from the existing poor maintainance culture in Nigerian universities and poor managerial orientation to various alternative

revenue generating methods for sustainable development of Nigerian education al system. Ogundele (2001) observed that many school managers were not exposed to the various methods on how the funds could be generated using the available resources instead majority depend solely on the governmental grants which many managers behaved that they are grossly inadequate undue monitoring of the governmental agencies on the revenue granted internally by the school managers. Many of the governmental agencies merely monitor the level of the revenue generated internally not because of their good will, but purposely to collect their own share of the revenue generated. Ajia (2013) stated that failure of the school managers to give the undue kickbacks resulted to negative languages such as extortions, embezzlements and misappropriations.

## 5. Conclusion

For sustainable development of the universities in Nigeria to be enhanced to and for the universities to achieve their predetermined goals there is the need for sufficient funds to be at their disposal. However, the government alone cannot shoulder all the responsibility of making provision for sustainable development of Nigerian universities. However, there are series alternative methods, for generating revenue for the university, yet the alternative revenue generated are confronted with many challenges. However, the university management need to explore the various ways of solving the problems in order to encouraged sustainable development of Nigeria universities.

## 6. Suggestions

The following suggestions were make for effective management of the alternative revenue generated for a sustainable development of Nigerian universities. Find below the recommendations.

Inflationary trends reduction by the government: The three arms of government should assist the citizens to adequately improve their living and welfare conditions. If this is done, members of the society will be happy to donate meaningfully

towards sustainable development of Nigerian universities.

All revenue yielding ventures should be put in place and adequately used to generate funds for a sustainable development of Nigerian universities. Revenue yielding ventures like vets customization, entrepreneurship skills, agricurnuriship skill, direct labour, and all services that bring about reduction of revenue expenses to the universities administration should be adequately put in place.

Financially management training skills should be organized for the universities management. Training, retraining and capacity building should be regularly organized for those in the financial units in Nigerian universities.

Public-Private Partnership (PPP) models and other non-governmental agencies should be encouraged to partner with Nigerian university authorities. Such non-governmental agencies like TETFunds ITF stakeholders like Alumni, parent forum and university-friends forum and national science and technology funds should be adequately utilized by the universities management.

Introduction of financial electronic data processes, for this will create adequate accessibility to the areas where funds can be generated for effective administration of Nigerian universities.

Prudency, honesty, accountability and transparency should be encouraged among the universities managers. Those that are concerned with the financial management in Nigerian universities should be encouraged to be prudent, transparent and honest in their financial management for sustainable development of Nigerian universities.

Also, peace and conflict resolution courses should be introduced into the school curriculum. Every university should prioritize the peace and conflict in the school curriculum through seminars, workshops, conferences and public lectures on the issues that will inculcate peaceful

coexistence to the mind of the staff and students and eliminate social crises.

External financial collaboration initiative should be encouraged in Nigeria universities. In Nigerian universities, international research collaborations should be initiated through exchange programme, research publication expert rate exchange. All this will provide financial gain to the universities.

A very reliable and competent unit should be established in every university to monitor the generation and utilization of the alternative revenue for continuity construction and maintenance of infrastructural facilities that will accommodate the increasing rate of student enrolment in the interest of revenue generation in Nigerian universities.

The universities management should explore ways of reducing wastages in their institutions and utilize effectively both the available human and material resources devoted for the teaching and learning processes in the schools. Finally adequate war should be waged against threats of corruption such as mismanagement, inflation of prices and misappropriation of funds which are not helping the society.

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