



INCOME GENERATING VENTURES AND FUNDING OF PUBLIC UNIVERSITIES IN SOUTH-SOUTH GEO-POLITICAL ZONE OF NIGERIA

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Abstract

The study sought to investigate income generating ventures and funding of public universities in south-south geo-political zone of Nigeria. To give direction to the study, one research question and hypothesis were raised. The study adopted descriptive survey design with the population of 764 bursary staff of the twelve universities in south-south zone and a sample of 250 respondents using purposive sampling technique. The instrument for data collection was self-structured questionnaire titled: Income Generating Venture and Funding University Questionnaire (IGVFUQ) which was validated by two experts in test and measurement from Degree unit of Federal College of education Obudu, an affiliate of University of Calabar. Data collected from the instrument were analyzed using both descriptive statistics of mean/standard deviation to answer the research questions using 2.50 as benchmark and Spearman correlational coefficient to test the research hypothesis. The finding revealed that income generating venture affects the funding of universities in south-south geo-political zone of Nigeria. It was as a result



of the above conclusion that the study recommended that to solve the problem of underfunding, Universities should engage in commercial ventures to maximize their funding capacity.

Keywords: *Income, Generated Ventures and funding*

Introduction

Despite the Government interest in providing education free for its citizenry, present economic realities in Nigeria point to the fact that Government can no longer fund university education alone. Government functionaries, researchers, economic analysts and observers have, in diverse manners and various occasions, made this stark reality known to university authorities. As a result, some of them have embarked on diverse conventional measures to generate revenue internally to supplement Government grants and subventions. These measures or sources have not delivered the universities, especially those in the south-south geopolitical zone from the problem of underfunding and its attendant consequences. The need to look out for alternative sources of funding has therefore become imperative.

Income generating ventures here refer to persons, organizations, places/areas, avenues or means of raising or generating money other than the popular conventional means to finance public university education. The sources involve careful planning and processes aimed at getting substantial income from specific persons or group(s) of people or activities. In fact, alternative fund sources are new and innovative sources of revenue. The integration of venture creation with education is argued to be beneficial through

the involvement of technology transfer or university spin-off process, networks of business-minded individuals engaged to support the process and framework to guide activities in the guise of ownership structures and phases of development among others. The implication of the above is that with proper guidance from experts of entrepreneurial studies, universities can create new ventures or businesses. Famurewa (2014) noted that there are four major business enterprises in which tertiary institutions can invest their productive funds. These are; agriculture, manufacturing, commercial and portfolio management. Some of the income generating ventures that tertiary institutions could embark upon to supplement their funding stream from the state or Federal government include- consultancy services, estate/hotel management, bakeries, table water factory, transportation, printing press, fruit juice industry, mechanized farming, investment, grains storage and others.

Many countries of the world, especially the advanced nations, do not depend on the Government for their funding. They employ alternative sources in addition to the conventional sources. In most cases, the conventional sources account for a lower percentage of their total income. Universities in the United States of America, United Kingdom, China, Israel, Italy etc generate a lot of income from commercialization of their research



findings, manpower development programmes, mobilization of alumni associations and other funding initiatives. Universities in the south-south Nigeria can follow suite and solve the problem of poor funding of their highly valued academic programmes.

To achieve these, they engage in teaching, learning, researching, dissemination of information on current developments and findings. The Federal Republic of Nigeria (2014), in her National Policy on Education stated the aims of university education as follows:

- (i) The acquisition, development and inculcation of the proper value-orientation for the survival of the individual and the society;
- (ii) The development of the intellectual capacities of the individuals to understand and appreciate their environments;
- (iii) The acquisition of both physical and intellectual skills which will enable individuals to develop into useful members of the community and;
- (iv) The acquisition of an objective view of the local and external environments.

The desire to achieve the above and similar aims of university education has led nations into huge capital and recurrent expenditures in order to fund various university programmes and projects. A study investigated by Ofoegbu, and Alonge (2016) on the impact of commercial ventures on the funding of Public Universities in Nasarawa State. One research question and one objective guided the study. Cross-sectional survey design

was adopted and data were gathered from the primary source with a sample size of 346 out of a Population of 2,578. The instrument for data collection was a self-structured questionnaire titled “Questionnaire on Internally Generated Revenue for University Staff” (QIGRUS). It was structured on a five point likert scale. Stratified sampling technique was used to select the sample. The reliability of the instrument was established using Cronbach alpha method which yielded 0.88, it was found to be reliable at 88 percent. The study employed the use of mean and standard deviation in analyzing the data. Findings from the research question revealed that commercial ventures were insignificant on funding of public universities in the study area. That internally generated revenue through commercial ventures by public universities does not significantly contribute to the funding of public universities, which implies that public universities still depend on government allocation for their operations. The study recommended among others that public universities should set-up committees that will explore ways of establishing viable businesses and they should be encouraged by government to establish more commercial ventures to improve their revenues.

Akai and Sakata (2002) conducted a study on the impact of fiscal decentralization on the economic growth of public universities at the State level in the United States of America (USA). The study employed data from 50 States of the USA. 100 questionnaires were distributed in each public university in the respective States making a total of 5000 sample for the



study. The study found out that fiscal decentralization plays an important role in economic growth of public universities. The study concluded that the total internally generated revenue including commercial ventures received by 50 states in the United States of America positively affects the economic growth of their public universities. Ironkwe and Ndah (2016) also carried out a research on the impact of commercial ventures as internally generated revenue on the funding of public universities in Rivers State Nigeria, using commercial vehicles as a case study. The study adopted the ex-post facto research design and made use of a population of 1550 with a sample size of 350 respondents in the Public universities in Rivers State. The findings of the study revealed that commercial motor vehicles plying in the universities' campuses had no significant impact on the funding of public universities in the study area, which implied that the use of commercial motor vehicles as internally generated revenue cannot adequately enhance funding of public universities in River state.

Statement of problem

Over the years, inadequate funding has been the perennial issue in the development of Nigeria educational system in general and university education in particular. As a developing country, Nigeria has witnessed in recent times the increase in enrolment of university students without corresponding increase on funding occasioned by the enrolment. The government finds it increasingly difficult to match the growing enrolment with qualitative funding due to drastic reduction in revenue and economic dependency

experience in the country. The above scenario make members of the public and stakeholders in education industry to describe universities has been inefficient and ineffective in actualizing their goals. It is as a result of the above that necessitated this study to investigate the effect of income generating ventures on university administrative effectiveness in south-south geo-political zone.

Purpose of the study

The main purpose of this study was to investigate income generating ventures and administrative effectiveness of universities in south-south geo-political zone of Nigeria. Specifically, the study sought to examine the relationship between income generating ventures (IGV) and administrative effectiveness of universities.

Research Question: In what way do income generating ventures relates funding of Public Universities in South-South geo-political Zone of Nigeria?

Statement of hypothesis: Income generating ventures has no significant relationship with funding Public Universities in South-South geo-political Zone of Nigeria

Methodology

The study adopted descriptive survey research design with the population of 764 bursary staff from in the twelve existing public universities south-south geo-political zone. Out of this population, the study sampled 250 respondents were selected from five universities using stratified random sampling technique. The justification of the above sample was based on the five state that make up the zone (Akwa-Ibon, Bayelsa, Cross River, Edo and



River). Hence, 50 were selected from each of the five schools. A self-structured questionnaire titled: “Income Generating Venture and Funding University Questionnaire (IGVFUQ) was used to elicit information from the respondents. A four-point rating scale of Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD) was used to rate the scores and it weighted (4), (3), (2) and (1) points respectively. The instrument was face-validated by experts in Test and Measurement and Educational Administration/planning, Federal College of Education, Obudu an affiliate of University of Calabar. The experts vetted the items and approved the instrument to be

used in collecting data. The reliability of the instrument was determined through test-retest method using 10 lecturer outside the sample schools. The exercise was repeated after one week on the same respondents. The reliability coefficient of the two tests was statistically tested using Spearman Correlational Coefficient and it yielded a coefficient of 0.74 which was considered adequate for the study. The data collected from the instrument were analyzed using descriptive statistics of mean and standard deviation to answer the research questions using 2.50 as benchmark and Spearman correlational coefficient to test the research hypothesis..

Results

Research Question: In what way do income generating ventures relates to funding of Public Universities in South-South geo-political Zone of Nigeria?

Table 1: Mean Ratings and Standard Deviation of the relationship between income generating ventures on the Funding of Public Universities in South-South, Nigeria (n=250)

S/N	Items	- X	SD	Decision
1.	Income generated through printing press improves the funding ability of public universities	3.23	0.86	Accepted
2.	The cyber cafe shops would enhance the funding capacity of public universities	3.54	0.84	Accepted
3.	The income raised through commercial premises is used in constructing lecture halls in public universities	1.75	0.68	Rejected
4.	The income generated internally through bakeries/table water assist universities to supply sport facilities	3.07	0.74	Accepted
5.	Income generate from university owned transport companies would increase the funding ability of public universities	3.17	0.82	Accepted



6.The construction of hostel accommodation enhances the funding of public universities	2.80	0.93	Accepted
7.The commercialization of the universities guest house improves the funding of public universities	2.71	0.95	Accepted
8.The running of universities petrol station helps in improving the funding of public universities	2.51	0..78	Accepted
9.The consultancy services rendered, supplement the funding of public universities	2.54	0.88	Accepted
10.The hiring of auditorium halls for wedding and other events assist public universities funding	3.79	0.86	Accepted
Cluster Mean and SD	2.91	0.83	Accepted

Source: Computed using SPSS 23.0 from field Survey (2023)

Table one above show the respondent's opinion on the relationship between income generating ventures on the Funding of Public Universities in South-South, Nigeria. The table indicated that all items of the instruments were accepted with bench mark of 2.50 except item three which state that the income raised through commercial premises is used in constructing lecture halls in public universities was rejected with the mean score of 1.75 and the correspondent standard deviation of 0.68. Even the cluster mean of 2.91 was found to greater than the benchmark of 2.50. This implies that income generating venture has significant relationship on the funding ability of universities in south-south geo-political zone of Nigeria.

Statement of hypothesis: Income generating ventures has no significant relationship with funding Public Universities in South-South geo-political Zone of Nigeria.



Table 2: Summary of Pearson Product Moment Correlation analysis of the relationship between leadership styles and attitude to work among secondary school teachers.(n=250)

VARIABLE	\bar{X}	SD	r-cal	r-critical
Income Generating Venture	6.36	1.45	0.674	0.178
Funding Universities	6.10	1.24		

*Significant at 0.05, df = 248

The result of the analysis is found to be significant ($v=674$: $p<0.05$). The null hypothesis which state that income generating ventures has no significant relationship with funding Public Universities in South-South geo-political Zone of Nigeria was rejected because the calculated r-value of the 0.674 was found to be greater than the critical r-value of 0.178 at 0.05 probability level, and with 248 degree of freedom. This result means that income generating ventures does significantly relates to funding Public Universities in South-South geo-political Zone of Nigeria.

Discussion of findings

Findings from the research question which sought to examine how income generating ventures affect the funding of Public Universities revealed that majority of the respondents agreed that IGV as internally generated revenue affect the funding of Public Universities in South-South Geo-political zone of Nigeria, this is because most of the mean rating was above the benchmark of 2.50. Few of the respondents however revealed that the income raised

through commercial premises are used in constructing lecture halls in public universities do not contribute significantly to the funding of public universities in the study area. This finding lend support from Akai and Sakata (2002) who found out that fiscal decentralization plays an important role in economic growth of public universities. The study concluded that the total internally generated revenue including commercial ventures received by 50 states in the United States of America positively



affects the economic growth of their public universities. Also Ironkwe and Ndah (2016) reported that commercial motor vehicles plying in the universities' campuses had no significant impact on the funding of public universities in the study area, which implied that the use of commercial motor vehicles as internally generated revenue cannot adequately enhance funding of public universities in River state.

Conclusion/Recommendations

Base on the result of the statistical analysis and the finding that emerged, this study concludes that income generating venture variables such as consultancy services, estate/hotel management, bakeries, table water factory, transportation, printing press, fruit juice industry, mechanize farming, investment, grains storage and others has significant relationship with the public universities funding as supplement to government fiscal funding of the system. From the above finding, the study recommended that public universities should explore ways of generating revenue through commercial ventures by embarking on businesses that are profitable to them based on their peculiarities. Hence the success of any educational system is hinges on proper planning, effective administration and adequate funding.

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