

# ALTERNATIVE SOURCES OF FINANCE FOR VOCATIONAL AND TECHNICAL EDUCATION IN THE 21<sup>ST</sup> CENTURY

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## **Abstract**

Today Nigeria lays much emphasis on self-reliance for economic growth and development. It is obvious that the role which vocational and technical education plays in achieving this objective is crucial. However, for this role to be played effectively, vocational and technical education must be properly and adequately funded to meet up with the challenges of today's economic realities. Nigeria is passing through difficult times occasioned by political crisis, high rate of inflation, debt over-hang, over-stretched government revenue, wide spread corruption and other economic doldrums. These negative factors have drastically retarded the efforts of government in properly funding vocational and technical education in the country. With this- socio-economic scenario in mind, this paper analysed the present arrangement of funding vocational and technical education. The paper proffers alternative strategies for financing this form of education.

## **Introduction**

The independence euphoria brought with it a rapid expansion in public expenditure on various factors of the economy. This was intended to achieve the cardinal objective of a democratic, egalitarian and a self-reliant nation whose citizens could be afforded with ample opportunities of self-employment, self-determination and economic prosperity. In fact the oil boom period of the 1970s provided the nation with the opportunities to realize this noble objective.

It was against this backdrop that the educational sector witnessed a phenomenal increase in the number of vocational and technical institutions in the country. This was informed by the belief that vocational and technical education could play a crucial role in the nation's quest for more employment opportunities for its teeming population. As Olaitan (1996) observed, vocational and technical education has the potentialities to insulate Nigerians from the scourge of "unemployment and unemployability". However, after about three decades of implementation of the laudable objectives for which vocational and technical institutions were set up, it has become obvious that government alone could not shoulder the responsibility of funding them. This is as a result of the rapid increase in the desire for more educational services occasioned by a sharp population increase. Also vocational and technical institutions are very costly to run in terms of both human and material resources. Besides, negative factors such as mismanagement of government resources, an increasing debt burden and inflationary crises have compounded the problem of funding vocational and technical institutions. As Oguntoye (1987) pointed out, the educational sector in Nigeria is bedeviled with a lot of financial distress: It has therefore become imperative to look for an alternative means of financing vocational and technical education in the country.

## **Brief Historical Development of Vocational and Technical Education in Nigeria**

The history of vocational and technical education in Nigeria dates back to the establishment of the Yaba High College. The college was officially opened on 19<sup>th</sup> January, 1934 by then colonial Governor, Sir Donald Cameron. However, the Yaba High College was later transferred to Ibadan by Dr Kenneth Mellanby in preparation for the establishment of Ibadan University College which took off on 18<sup>th</sup> January, 1948. A technical teacher training programme was established with the Yaba Higher College in the 1950s. The programme was initiated and funded under the auspices of UNESCO. At the inception of the programme, technical education was not well known in Nigeria and government support for it was grossly inadequate. However, the University of Nigeria Nsukka became the second to be established in the country when it was officially opened in 1960. Two years after its inception, the department of vocational and technical education was created at the university which became the first indigenous degree programme in vocational and technical education in the country. At the beginning of the programme it enjoyed sponsorship from both the Michigan State



University and the Ford Foundation. Having realized the importance of technical education to the nation, the Federal Government established and funded the National Technical Teacher's College, Akoka, in 1967. The college changed its name to Federal College of Education (Technical) Akoka, in 1982. Similarly, the Federal College of Education (Technical) Gombe was also initially established as National Technical Teacher's College in 1977 and was fully funded by the Federal Government. However, as a result of the need for more technical education in the country, the Federal Government also established more Federal Colleges of Education (Technical) at Asaba, Bichi, Gusau, Omoku, Potiskum and Umunze to produce sufficient technical teachers for the nation. The Federal and State Colleges of Education also have departments of vocational and technical education.

According to the National Policy on Education (NPE, 1998), the goals of the N.C.E. in Vocational and Technical Education are:

1. To produce competent teachers of the discipline for primary and secondary schools;
2. To produce trained manpower in applied sciences, Technology and commerce at the sub-professional levels;
3. To produce the technical knowledge and vocational skills necessary for agricultural, industrial and economic development of the nation; and
4. To produce skilful, self-reliant and enterprising craftsmen and technicians.

### **Government Funding of Vocational and Technical Education in Nigeria**

Funding of Vocational and Technical institutions simply means the ways and means employed by the government to satisfy the recurrent and capital expenditure requirement of these institutions. Expenditures of vocational and technical institutions are normally in the areas of provision of accommodation for both staff and students, construction of libraries and class-rooms, purchase of equipment and consumables, research, security as well as staff development and training among others. The funding of vocational and technical education in the country has been done largely by the government through recurrent, capital and special grants. Recurrent grant is expected to meet recurrent expenditure on salaries and allowances, administrative costs, maintenance of security etc while capital grants are expended on capital projects such as building, classrooms, libraries, laboratory equipment etc. Special grants, on the other hand, are given to vocational and technical institutions to execute special projects or carry out a specific research programme.

The direct funding of vocational and technical education in the country dates back to the establishment of the Yaba High College, Ibadan, in 1948. The main sources of funds to the College at inception according to the Report of the Commission on the Review of High Education in Nigeria, were the Nigerian government contribution of about 70% and the contribution of U.K. Government of the remaining 30%. However, when a technical programme was established at the Yaba High College in the 1950s, UNESCO mainly funded it to train technical teachers. According to Olaitan (1996) government support for the programme was not sufficient and highly erratic. Nevertheless, with the advent of the oil boom period, the nation witnessed an increasing funding of Vocational and Technical Institutions. Various Universities of Technology, Polytechnics, Federal Technical Colleges, vocational and technical institutions were established and largely funded by the Federal Government. Also many state governments in the country established and funded state-owned Polytechnics as well as Vocational and Technical Institutions. The Polytechnics owned by Federal Government have been funded through the N.B.T.E. and according to the N.B.T.E. sources the amount received between 1980 and 1990 by the 10 Federal Polytechnics for both capital and recurrent expenditures was N877.41 3m and the internally generated revenue was merely 4% of the total amount received during the period, and following the establishment of the N.C.C.E. in 1989, the funds meant for the Federal Colleges of Education are being channeled through the council. According to the data provided by the N.C.C.E. in 1990 a total amount of N82.854m for recurrent and capital expenditure was received during the year from the federal government for disbursement to the various colleges of education in the country. Internally generated revenue during the same period amounted to less than 3% of the total federal allocation to the colleges. During the same period the Federal Technical Colleges of Education were granted a total amount of N28.718m and

N3.007m as recurrent and capital grants respectively and the corresponding internally generated revenue was only about one percent of the total amount received for both capital and recurrent expenditure. Similarly, the 8 Federal Technical Colleges in the country were granted in 1997 N4.4b and N89.5m as recurrent and capital grants respectively, representing more than 90% of the revenue, that accrued to the colleges during the period. This means that the Federal Technical Colleges generated internal revenue of less than 10% during the same period. While Vocational Schools at the post primary school level and Technical Colleges at the post secondary school level were also established and solely funded by various states in the Federation. The above scenario indicates the total dependence of vocational and technical institutions on government for funding.

### **Alternative Strategies of Financing Vocational and Technical Education in Nigeria**

It is now glaringly clear that government alone cannot continue to properly fund vocational and technical institutions in the country. This is because the generous funding of these institutions in the past was predicated on the windfall gain made during the oil boom period when it was erroneously assumed that money was not a problem but how to spend it. Therefore, when the nation started to feel the impact of the vicissitudes of international oil market and the decline in the fortunes of the Federal Government, it has become evident that the over dependence on the Government by the Vocational and Technical Institutions could be precarious with a resultant devastating effect on the manpower needs of the nation. Hence the need for the Vocational and Technical institutions to seek for alternative sources of finance. Thus vocational and technical institutions themselves should intensify efforts to raise funds internally. For the above reasons, therefore, the following measures are suggested as an alternative means towards improving the lean financial position of vocational and technical institutions in the country.

#### **Establishment of Business and Commercial Ventures**

Vocational and Technical Institution should vigorously look inward for other sources of fund with the hope of supplementing the meagre financial resources being received from government. Business and commercial ventures such as the provision of consultancy services and commercial guesthouses should be operated to generate additional funds. Other commercial or business ventures like the provision of bookshop facilities, Printing and Photostatting business as well as fabrication of simple tools for private businesses should be given favourable consideration.

#### **Contributions of Philanthropic Individuals and Organizations**

Philanthropic individuals and organizations should be encouraged to establish endowment funds for vocational and technical institutions found in their localities. This will go a long way in improving the financial positions of vocational and technical education in the country.

#### **Contributions of Alumni Associations**

Alumni associations should also be requested to contribute through the provision of special grant, accommodation facilities and launching of endowment fund.

#### **The Use of Rental Institutions**

With the evolution of leasing and renting organizations, vocational and technical institutions should adopt the lease option instead of outright ownership of some equipment and machinery. A study by Salami (1990) has shown that more funds could be saved from a reduction in the costs of maintaining obsolescent equipment and machinery if the lease option is adopted.

#### **The Contribution of International Organizations**

States where vocational and technical Institutions were established should also solicit for technical assistance or any form of assistance on behalf of these institutions from foreign philanthropic organizations such as the Ford Foundation and other world bodies such as, UNDP, UNESCO etc.

#### **The Contribution** of Parents **and** Guardians

Parents and guardians should financially contribute to the education of their children and through the payment of surtax. Also payment of education development levy for example, could help in the partial recovery of academic costs and costs of improving dilapidated structures and facilities.

### **Prudent Management of Financial Resources**

Administrators of vocational and technical institutions should imbibe the culture of honesty, prudence and accountability in the management of the financial resources entrusted to them. This ensures more funds for the vocational and technical institutions.

### **Conclusion**

The economic crisis faced by the nation has adversely affected the fortunes of vocational and technical institutions in the country. It has become imperative therefore that these institutions should explore all possible avenues of generating additional funds. There is also a need on the part of the government to streamline and reorganize the existing tertiary institutions in the country. This is because the proliferation of these institutions has tremendously contributed to the failure of the Federal Government to adequately take care of the financial need of vocational and technical institutions. Besides, there is a need to make the system more accountable.

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