DIVERSIFICATION OF HIGHER EDUCATION FUNDING: AN OVERVIEW

Solanke, O. A.
University of Southampton, UK, Oas2x07@soton.ac.uk, wolesolanke22@yahoo.com
+447438840208

Abstract
In both developed and developing countries, educational policymakers are attempting to find new solutions to the various problems of sharing the financial burdens of higher education more equitably and efficiently. The financial crisis facing higher education is not a new phenomenon, but it became increasingly difficult in the 1980s as agitation for higher education increased and the ability of government to provide solutions to the financial burden of higher education institutions and provision of students support diminished. This study examines the need for diversification of higher education funding in regards to tuition fees, entrepreneurial strategies, and philanthropy. The study concludes on the need for visionary academic leaders who can generate additional funds for the survival of higher educational institutions in achieving their missions.

Key words:*Diversification, entrepreneurship, higher education, philanthropy.*

Introduction

Presently, adequate funding of higher education has occupied the heart of a worldwide crisis for colleges and universities. In many nations, academic institutions are faced with insufficient funds. Economic recession has been identified as a major constraint to government funding of higher education throughout the world and it has strengthened resistance to increasing tax burdens. Almost everywhere, it seems colleges and universities are being asked to do more with less funding, (Boyer 1993, p. iv). The public higher education institutions in most developing countries such as Nigeria and most countries in Africa rely on state funds as their major source of revenue. This pattern of funding has been the norm for decades (Abiodun & Oni, 2010, p.1, Ajayi & Ekundayo, 2009, p.344, Akinsanya, 2007, p.69, Okuwa, 2004, p.3, Olayiwola, 2010, p.154). On the other hand, the private higher education institutions put their reliance on tuition fees, ownership capital and bank borrowing as their major sources of funding. According to Liefner and Schiller (2007, p. 545), efforts geared towards generating new sources of funding such as commercialization, links with the industry have the potential to weaken these dependent relationships.

It is observed that governments around the world are facing a great task on how to finance higher education as they are experiencing economic problems and scarcity of public funds. This is combined with the increased mass demand for higher education, dynamic labour market demands, a need to improve quality of both teaching and research, and expand scientific and technological research and development. In both developed and developing countries, educational policy makers are making attempts to find new solutions to the various problems of sharing the financial burdens of higher education more equitably and efficiently. The financial crisis facing higher education is not a new phenomenon, but it became increasingly difficult throughout the 1980s as agitation for higher education increases, while the ability and capacity of government to provide solutions to the financial burden of higher education institutions, and provision of students support cannot be guaranteed Woodhall (1995, p.16). As noted by Bradburd and Mann (1993):

> Wealth to higher education institutions brings a lot of important advantages. It may allow substantial resources to be devoted to long-term goals by academic leaders and discourages budget adjustments when short-term financial fluctuations are experienced. Wealth

> encourages better inputs into higher institutions at the basic level, better faculty, better buildings, good laboratories, libraries, and even, through the use of subsidized education, better students (p. 472).

Similarly, Bender (1993, p. xi-xiv) considers that money in higher education institutions may not be everything but equally asserts that without money nothing is possible. As such he contends that higher education institutions need significant funds and it is therefore a great responsibility on the part of the academic institutions to search for diversified sources of funds. Bender (1993) also posits that, a simple but often forgotten truth is that institutions tend to be poor if their income is based on only limited number of financial sources. They tend to be wealthy if their income comes from a broad variety of sources.

In view of the across-the-board cuts in public funds the education industry has witnessed in the recent past, higher education institutions must diversify their sources of income. It is apparent that state funding will be decreasing rather than increasing in the years to come while the demand for highly qualified graduates will grow continuously. However, the present economic recession and new societal challenges are bound to force even the more focused governments to reduce expenditures and investments on higher education, (Kunzel 2004, p.226). This is as a result of the on-going recession which is biting harder in both developed and developing countries.

The system of government funding which is prevalent in many developing countries according to Palacious (2004, p.31), is characterized by two problems. The first is inefficiency while the second is inability by the government to expand the system due to lack of resources. The inefficiency is due to the inability of the students to influence the decisions of the public employee. Citing an example of a poorly managed higher education institution where students' option is only to attend, such resources that could be used more effectively on other expenditure amounted to wastage. The fiscal pressure being experienced by the government is an indication that higher education competes with other sectors of the economy, and as such, using public funds for expansion is highly unlikely if not impossible. Globally, it has become a reality that the fiscal pressure on governments for more allocations to higher education can no longer be guaranteed. This is as a result of scarcity of resources being experienced by governments. This is attested to by Ojo (2006) and World Bank (2010, p.8) by observing that due to increase in competition for funds, it has become very difficult for the government to fund higher education to the desired levels of quality and effectiveness. The two documents enjoin institutions to engage in strategies that will reduce drastically their dependence on public funding. In the same vein, Ziderman and Albrecht (1994, p.1) and Thomas (2001, pp.68-70) observe that the overcrowding of institutions, increase in access and decrease in government budgets have led to lack of quality. This is an indication that higher education institutions must generate income from other sources.

Describing why there has been major trends in higher education funding for a long time, Chevaillier (2002, p.87) explains that in most countries, there has been diversification of funding and a change in financial relations between the higher education institutions and the state. Moreover, such changes could be as a result of the higher education increasing cost associated with the democratization access and the enrolment growth relationship. On the other hand, many countries have embraced new approaches to public policy by introducing new public sector management, techniques and knowledge gained from private sector practices, partly through decentralization, incentives, and increasing accountability in public services.

In support for additional resources, Kunzel (2004, p.224 & 225) and Herbst (2007,p.2) maintain that other income streams must be tapped because higher education services costs are not covered by the price and the tuition only covers a certain inadequate fraction necessary to provide the service. However, the World Bank (2010, p.8) notes that for higher education institutions to develop income-generating activities, sufficient autonomy must be achieved and enjoyed by them. This is to enable them manage their budget in accordance with their developmental objectives, and in the course of redistribution of generated resources, the world financial institution advises that genuine transparency should be put into consideration. Kunzel (2004, pp.224 & 225) concludes that for a successful output-oriented financial management, institutions of higher education must be able to build up financial reserves without having to fear that savings might be confiscated by the state authorities. They must be able to own property and manage their buildings and real estate with the necessary financial funds being part of the university budget; to employ their academic and non-academic staff at terms compatible with the operational requirements of teaching and research; to recruit their academic and non-academic staff without any outside interference; to select their students; and to offer educational programmes on the basis of contractual funding regulations with the state.

According to Williams (1992, pp.39-43), there are six sources from which higher institutions can generate income to supplement government grants. They are gifts, investments, research grants, research contracts, consultancy, and tuition fees. The gifts generate enormous income to the institutions. The investment income constitutes investments interest and profits of short term nature. Research grants are enjoyed by the research institutions. The research contract does not emphasize profit making but it is more concerned with how academics can pursue research works. It is different from research grants. Research grant is initiated by the researcher to achieve academic goals and receive subsidies from the institution while research contract is initiated by the sponsor who funds the full cost of the research. Consultancy is embarked upon by institutions to generate profits and represents an innovation in managing higher education institutions. The last is the tuition fees and these generate controversies among higher education institutions. The controversies are examined in this study.

The Controversies over Tuition Fees

Consensus is broad that higher education funding must increase beyond reliance on government, but disagreement exists on the best means for financing expansion. However, the debate on tuition fees presents a very interesting and dynamic argument. In most countries today, the issue of tuition fees is more political than economical. As noted by Obasi and Eboh (2004, p.158), it has become very glaring to both the government and academic managers of higher education institutions in Nigeria that alternative or additional sources of funding need to be generated. This fact has been recognized by successive governments, but the fear of students' reactions had all along prevented them from adopting new policies on tuition fees. The question to be asked is whether the resistance and unwillingness to accept cost-sharing policy emanated from the inability of parents to contribute to their children's education or that they are able to pay economically but are unwilling politically to accept cost-sharing policy. In essence, the twin issues of ability to pay and unwillingness to pay are therefore crucial in any consideration regarding the introduction of cost-sharing policy. This indeed has become in many countries an undergoing political stalemate.

In Turkey as narrated by Dogramaci (1993, pp.77&78), cost of higher education ranged between twenty to one hundred US dollars per academic session for decades. A law that was passed requesting for increase of fifty percent brought negative reactions from the students and the public. The government was forced to reduce the increase to just one percent. Therefore in Turkey, contribution by students and their families continue to be insignificant. In recent times, the students equally protested a hike in tuition that is expected to take effect from the 2012 academic year in Britain. The implication of these protests showed that government policy on complex issue like education has become political rather than both economic and social issues.

In contrast, Vincent-Lancrin, (2009, p.271) did a study on cost-sharing on OECD countries from students perspective and found out that decrease in public funding had been minimal in the sense that students and their families have made a greater contribution to the cost of their education than in the past, both in absolute and relative terms, even though the higher education institutions still receive subsidies from the governments. Citing United Kingdom as a point of reference, Vincent-Lancrin observes that before 1998, there was no existence of tuition fees in British universities, while in 2005; students' payment represented only 25 percent of the government's budget. Vincent-Lancrin (2009) also observes that while the enrolments distribution for that period remained more/less stable in both public and private sectors, the increase has occurred across the board rather than as a mechanical impact of the growth of the private sector.

In the status report on higher education in Nigeria, Saint, et al (2003) laments the inability of institutions to generate more funds from students pursuing undergraduate courses in Federal institutions due to tuitions' prohibition. They note that this remains a great potential source left untapped and explain that what is expected of the government is to introduce sound financial strategies to stop the erosion of educational quality, promote resource efficiency and enhance learning effectiveness. Recognizing the unstable nature of the country's democratic environment, they regard the behaviour of the government on cost-sharing and tuition charges as very cautious due to societal lack of consensus (pp.276-277). In Nigeria presently, it is only the State governments and private institutions that charge tuitions while the Federal government's institutions hide under numerous administrative fees to support government subsidies. The World Bank (2010, p.68) enumerates some of the fees as; examination fees, registration fees, hostel maintenance fees, acceptance fees, students union fees, medical registration fees, identity card fees, departmental registration fees, library fees, management information system fees, and late registration fees. The recent addition is the SMS fee charged by some institutions so as to have personal communication with the students.

Picken and Wasser (1998) believe that the strategy behind tuition fees differ from country to country. For example, in China, those students admitted based on lower entrance examination pay several times compared with regular students in order to recoup fully the instructional costs. In Hungary, students who failed to obtain required marks pay higher tuition fees while in Poland, students who failed a course and have to repeat it must pay tuition for instructional costs. Picken and Wasser (1998) however observe that tuition fees only account for more than 10% recurrent expenditure in only twenty countries in the world, (p.29). Supporting this assertion, the World Bank (2002) observes that while public higher education institutions depend on the governments for their financial resources, tuition fees are often very negligible and any attempt to increase them have been met with stiff oppositions (p.25).

This is an indication that tuition fees alone cannot solve problems of inadequacy of funding in higher education institutions beside government subsidies. However, in the opinion of this study, a mixed method of funding is desirable. This is because it is considered beneficial to all the stakeholders of higher education and the society as a whole. The mixed method is in consonance with the views of Eicher & Chevaillier (2002) who maintain in their arguments that one must try to build upon what economics can tell us about the optimum funding of higher education and concluded that: Mixed financing is better than either exclusively public or exclusively private funding, (p.69). The mixed model presents recognition that the government alone can no longer bear the costs of higher education. In essence higher education institutions and academic leaders should not therefore depend on the government subsidies but must strive to source for alternative funds such as entrepreneurial strategies, revenue from sporting activities, etc. to supplement their existing revenues.

Institutional Entrepreneurial Strategies: Case Examples

Clark (1998) is a study of five universities; Warwick (England); Twente (Netherlands); Strathclyde (Scotland); Joensu (Finland); and Chambers (Sweden) for both positive and negative evidence of university entrepreneurship. Clark comments that the entrepreneurial response offers a formula for institutional development that puts autonomy on a self-defined basis: diversify income to increase financial resources, provide discretionary money, and reduce governmental dependency; develop new units outside traditional departments to introduce new environmental relationships and new modes of thought and training; convince heartland departments that they too can look out for themselves, raise money, actively chose among sustainable specialists, and otherwise take on entrepreneurial outlook; evolve a set of overarching beliefs that guide and rationalize the structural changes that provide a stronger response capability; and build a central steering capacity to make large choices that help focus the institution, (p.17). Entrepreneurship will add to the financial growth and prestige of institutions if well executed because it offers good alternative source to government dependency. Clark further recommends five principles for effective entrepreneurial transformation:

1. A strengthened steering core that reduces institution marginality and dependence upon understanding reputation and political clout for guaranteed resources and competitive status
2. An expanded developmental periphery to link up with outside organizations and groups
3. The diversified fund base to boost greater financial resources and discretional funds
4. Stimulated academic heartland in which transformation either fails or succeed, and
5. Integrated entrepreneurial culture which becomes very important in cultivating identity and distinct reputation for the institution as ideas and practices interact (pp.5-8).

In literature, there are many activities which higher education institutions can embark upon in order to generate internal revenues. Clark (1998, p.8) quotes Warwick Manufacturing Group's income generating drive as follows:

> The idea was sharpened with a strategic decision not to generate new income "fund raising – "we will not go begging for money" but to actually earn it. Endowments, alumni, tuition fees, all were road not taken, but rather put up an idea which became "an earned income policy". This idea was given organizational footing as it developed hand in hand with the creation and growth of a number of units at Warwick that were to compose an enlarged development periphery. Foremost in its unusual nature as well as its contribution to earned income has been the "Warwick Manufacturing Group" (WMG) set up in 1980.

Johnstone, Arora and Experton (1998) conduct a research on income generating activities of higher education institutions in six countries, Mexico, Argentina, Ghana, Zambia, Mozambique, and Nigeria. The results showed that departments in higher education institutions have generated internal revenues in Mexico through the sales of services and specialized courses. It is noted that disciplines where entrepreneurial activities were not practised have been improvising because departments who generated incomes were made to keep 80 percent of the revenues generated. In Argentina, results revealed that internally generated revenues increased in universities from 7 percent to 14 percent of the total budget between 1991 and 1996. In Zambia and Mozambique, University of Zambia and Eduardo Mondale University have generated internal revenues through information activity by establishing internet nodes linked to local electronic networks and non-university business organizations and individuals were made to subscribe to them. At the University of Ghana, results showed that 9 percent profit was made as internal generated revenue on consultancy initiative. In Nigeria, the internally generated revenue that accrued to the University of Nsukka from similar consultancy was put at US$35,238 with sharing ratio of 50 percent to the consultant, 30 percent to the institution, and 20 percent to the department. In conclusion, Johnstone et al, (1998) asserted that consultancy services among these institutions were very minimal as few faculties concentrated on the activities without any concrete rules and regulations (p.17).

Similarly, Molloy (1971) asserts that, for higher education institutions to alleviate the financial difficulties being experienced, have resorted to internal generation of revenues. He explored property rent and leasing under the following revenue streams:

- Revenues from empty facilities rented for a price
- Steady income through leasing of properties
- Incomes through charging of modest fees for the use of the college theatres, conference rooms, classrooms, auditoriums, and dormitories
- Medical centres rent space for training programmes
- Renting out recreational equipments when not in use by the students (p.2)

Furthermore, Molloy (1971) cites some case examples on how higher education institutions generate revenues internally. University of Minnesota created an indoor market for students and staff, made arts and crafts, leases space for sellers and charged commission on every sales made. This is akin to what is being practised at the University of Southampton where space is being provided for sellers to display their wares every Monday whenever the institution is in session.

At the University of Wisconsin, Student Union sells membership to townspeople, alumni, and senior citizens for a modest fee that allowed the usage of the cafeteria, library, bookstore, and all recreation facilities. New Orleans Tulane University runs summer recreation camp programme for the youth since 1952 and such programme attracted enrolment fees that catered for the furnishing, equipment purchase, and pay the salaries of summer workers including students. The University of Maryland made a basement connection to an existing bowling lane which became an amusement arcade with increased activities and generating the highest revenue per square foot.

The University of Oklahoma leased a 12 storey dormitory with parts of other buildings to the U.S Postal services for an in-service training called the Technical Centre. Similarly, Cameron College leased a two tower dormitory to Federal Aviation Administration (FAA) for a new Management Training. In addition, Cameron College provided the FAA students with catering, maintenance, classrooms, recreation equipments in return for million dollars revenue, Molloy (1971, p.3 – 4).

However, Molloy (1971, p.6) makes it clear that not all college commercial ventures involved immediate cash income. Citing the Hofstra University example, an arrangement was made with the New York Jets for the provision of on-campus training facility. The university provided the land and constructed the building and grounds. In return, the New York Jets reimbursed the capital costs to the university and took over the facility for twenty years. Afterwards, the university took over the entire complex for future revenue generations. Westbrook College also converted empty dormitories into conference and continuing education centre. The college equally provided schedule arrangements, meeting plans, print materials, organise social and leisure activities and charged hourly rates as incomes, (Molloy 1971, p.9).

As noted by Molloy (1971), institutions realised the benefits in commercial rentals and as such most institutions are building on-campus commercial space which generates internal revenues but does not involve or mix with campus functions. A case example was that of Millsaps College who financed and constructed a complete Holiday Inn on a remote corner of the campus. The university leased the hotel to the Holiday Inn Corporation with agreement to renew relations every two year, (p.11). This is called a refinancing contract.

Molloy (1971) also observed that institutions are now fond of incorporating commercial space into their plans. Prestigious Harvard University have under the Holyoke Centre some commercial tenants on the ground floor and receive rents as revenues. Some of the tenants include; a bank, store front offices, restaurants, art-gallery, boutiques, drug store, and clothing stores (p.12). Slaughter & Rhoades (2004) suggested that institutions can develop new programmes with technical components which the department can afford to offer. Professional masters can be a potential target in order to gain students population to attract high tuition fees. Fund-raising can be embarked upon to support educational services like maintaining classrooms, laboratories or equipping the library with modern books. Also, students can be placed in the industry to generate funds while some departments can act as employment agents to attract income to the faculty (p.189).

Oketch (2003) gave account of how public universities in Kenya generated internal revenues in order to subsidise declining government revenues. State universities in Kenya introduced self-sponsored degree programs, parallel degree programs, evening degree programs, sandwich programs, and school based programs. The students enrolled in them pay the full cost of the program and receive no government support in keeping with the market model of financing higher education. Apart from tuition fees, state universities have embarked on other income-generating projects and services (p.324).

Kenya's largest and oldest University, the University of Nairobi, set up the University of Nairobi Enterprise and Services (UNES) in 1996. Among its highly profitable activities are: the University of

Nairobi Press medical services and agricultural produce. However, the most visible venture is the university parallel degree program, mounted in 1997. The university generates approximately Ksh. 800,000,000 annually with 8,000 students enrolled in the parallel degree program, the most popular degrees being business-related fields, education, and journalism. Health and law also attracted a considerable number of applicants and enrolled sizeable number, but are constrained by space and facilities. The average fee is Ksh. 130,000 per year (US $2,000). Programs such as medicine charge Ksh. 500,000 annually (p.324).

Kenyatta University, another state institution generates revenues through a Master's of Science (MSc) degree with options in human resource management, marketing, and finance. Unlike the MBA degree, MSc requires pre-requisite qualification such as; bachelor of commerce, business or post-graduate diploma in human resource development. Kenyatta claims their program is market driven and designed to meet the needs of industry. Such market language was unheard of in state universities 10 years ago. The program trains professionals in finance, research, and provides specialists in finance for university teaching, industry and the public sector. The university unlike other institutions concentrated on cultural programmes as a means of generating funds, but has a limited base of parallel students Kenyatta University core area has not done very well (pp.326 & 327).

Moi University also launched programs to cater for private students. With a mere part-time student population of 250, Moi University Privately Sponsored Students Program (PSSP) has now over 2,000 students. The university offers commercial programs in Law, Business Administration, Engineering, and Education. Other state universities; Egerton, Jomo Kenyatta, and Maseno have a number of self-funding projects, though not vigorous in performance. Nairobi's success has not been matched, in part because of its location in the City centre and also the prestige attached to its graduates (p.327).

The Makerere University Investment Policy (2006) was formulated in accordance with the Universities and Other Tertiary Institutions Act 2001 Part XI: Financial Provision for Public Universities. The policy was intended to enhance University revenue so as to; modernize existing facilities and introduce new ones; fund research activities; and improving the general service provision. The policy was designed to maximize rate of return subject to policy constraints with respect to risk, liquidity and diversification of investments. Funding for these investments shall include; grants, loans, donations acceptable to University Council. Use shall also be made of accumulated funds within the University system (p.4). In addition, the funds to be used for investment shall among others include; donations/endowments; funds set aside from tuition fees; pooled resources from faculties; and any other unutilized university cash balances; private investors, and pension funds (p.5). Liquidity Related Investment includes; treasury bills, shares, bonds, fixed deposit account, and, any other short term investment that may arise. Service providing facilities, privatization of the management of halls of residence; Sports facilities/ complexes; Theatre/conference facilities; Student centre/ cafeteria (outsourced catering services), banking facilities, shopping centres, day care centre, contract the management of the primary school, petrol station, and parking services (pp. 6&7).

Further, university resources shall not be invested in volatile risky business as identified by the Investment Department. These include but are not limited to; trading in merchandise, transport; gambling activities; securities in companies not listed on the security exchange for short term, investment; and socially undesirable commodities/services. The proceeds from the University's investments shall be used for; introducing modern facilities; funding research activities; improving general service provision; re-investment; and other areas as determined by the Investment Advisory Committee (p.8).

Revenues from Sporting Activities

According to Duderstadt (2003) higher education institutions have devoted attention to sporting facilities in generating revenues to cover ever-increasing costs with emphasis on football, tennis, and basketball events. Citing the example of University of Michigan who decided to replace its artificial turf with natural turf in 1992 chopped up the old artificial turf into different types of souvenirs, ranging from coasters, doormats to large-rugs containing some of the letting on the field. This idea sold like hot-cakes and the faculty generated thousands of dollars (p.143). Furthermore, in 1995, an elegant new plaza was constructed and fenced surrounding the Michigan stadium. The athletics department went into the sales of paving bricks at a premium and allowed people to inscribe their names with brief messages. This idea equally attracted a lot of buyers who wanted to be part of the Michigan stadium and a lot of thousands of dollars were generated from the project (p.144).

Moreover, Milloy (1971) pointed out that the University of Pennsylvania built four indoor air-conditioned tennis courts in a new facility that is rented to the students and the faculties and was later turned into a learning laboratory through offering of variety of tennis courses and clinics for the entire community and huge internal revenues were generated (p.6). Institutions also provide vacation plans with empty dormitories and campus sporting facilities rented to tourists on summertime bargains. Some of the recreational facilities include; tennis courts, swimming pools, and golf courses. Part of the plans also included educational programmes for all age groups. Sometimes such summertime bargain is leased to a private developer for a summertime hotel and resort complex (p.10).

In a research conducted by Andalo (2011) on Universities of Hertfordshire and Leeds, it was found out that at the former university, commercial income generated £30.5 million in five years representing 115 percent as against its source of public funding which only increased by 15 percent within the same period (p.1). At the latter university, a senior lecturer and a research chemist, Dr Patrick McGowan developed a technology to dye materials which have traditionally been very difficult to colour using conventional methods under a spin-out company called "Dyecat" established by Academics at Leeds. It was one of the 45 spin-outs in the last three years which generated £150 millions into the university's coffers.

Williams (2009) considers entrepreneurial as fundamentally innovative and risky ideas that has future benefits. While the benefits, innovation and risk need not be financial but must have economic dimension, it is noted that the most important factor for entrepreneurial activity is finance. This is indeed in consonance with one of my native adages that says without money, one cannot generate money as money plays greater role in the pursuit of anything that is good in life. In essence, entrepreneurship to higher education and any entity for that matter is a good strategic vision which if successfully implemented would place such an institution in a level of prestige where life would no longer be same again.

Entrepreneurship is a human characteristic which mixes structure with passion, planning with vision, tools with the wisdom to use them, strategy with the energy to execute it and judgment the propensity to take risks. It enables structure to be created within organizations, departments, teams, and specialist groups with the available resources and responsibility for taking innovation forward, but effective change won't happen without the 'animal spirits' of the entrepreneur. Of course, entrepreneur plays out on different stages in practices. One obvious example is the new start up venture in which the lone entrepreneur takes a calculated risk to bring something new into the world. But entrepreneurship matters just as much to the established organization which needs to renew itself in what it offers and how it creates and delivers that offering (Bessant & Tidd 2011, p.11).

Slaughter & Rhoades (2004) perceive entrepreneurial as "academic capitalism". The theory of academic capitalism sees groups of actors, faculty, students, administrators, and academic professionals as using a variety of state resources to create new circuits of knowledge that link higher education institutions to the new economy. These actors also use state resources to enable interstitial organizations to emerge that bring the corporate sector inside the higher education institution, to develop new networks that intermediate between private and public sector, and to expand imperial capacity to supervise new flows of external resources investment in research, infrastructure for the new economy, and investment in infrastructure to market institutions, products and services to students. Expanded managerial capacity is also directed toward restructuring faculty work to lower instructional but not generally. The theory of academic capitalism moves beyond thinking of the students as consumer to considering the institution as a marketer (p.1).

Pawlowski (2006) defined entrepreneurial from an institution's perspective. Entrepreneurship refers to the reactions of an institution's authorities in an entrepreneurial way acquitting with the environment or needs of companies and public administration including social needs. It has nothing to do with the hierarchical creation of organization structure of heads of institution that will reign for some time. Tasks groups for problems solving, not confined to education arena alone, and application of research tasks group are associated with them. To experience higher internal mobility and efficiency, the organization structure is designed to be flexible with every units of the institution interacting as a team. In essence the entrepreneurial university must be closer to the environment and the community where it is located to enable the faculty interacts with the grassroots (p.143).

According to Kauffman (2006) entrepreneurship is the generation of value through transformation of innovation into a sustainable enterprise. College learning, he said must teach students how to make sense in which they live and how to affect the reality of it as insular and static cannot make education succeed (p.5). Therefore, entrepreneurship and innovation are interwoven and the two go pari-pasu. Innovation in its proper sense must be seen as the driver behind entrepreneurial strategy.

Bessand and Tidd (2011) opine that innovation does make a huge difference to organization of all shapes and sizes. The logic is simple:

> If we don't change what we offer the world (products & services) and how we create and deliver them, we risk being overtaken by those who do. Those enterprises which survive do so because they are capable of regular and focused change (p.5).

Innovation matters – but it doesn't happen automatically. It is driven by entrepreneurship – a potent mixture of vision, passion, energy, enthusiasm insight, judgment, and plain hard work which enables good ideas to become a reality. The power behind changing products or services comes from individuals. Whether acting alone – or embedded within organizations – which make innovation happens (p.10).

Drucker (1998) asserts that innovation opportunities came into being through purposeful searches and he identified four major sources; unexpected occurrences; incongruities; process needs, and industry and market changes. He enumerates three others as; demographic changes, changes in perception, and new knowledge. These sources as noted by Drucker (1998) overlap and different in their risks nature, difficult and complex, and potential for innovation may be found in more than one at a time. What is common however among them is that they account for innovation opportunities. He enjoins that for innovation to be effective, it must be simple and focused (p.8).

According to Ehrenberg (2001) the drive to generate extra revenues for the core activities has made some notable higher education institutions moved aggressively to establish private for profit subsidiaries for purpose of generating additional revenue for the core activities of institutions. He notes that response from the state includes; distance learning to reduce pressure on facilities and crowding in public campus. Private response include; more usage of endowments, evening programs, executive programs, web for distance learning, and due to larger students population than outside campus, the privates become more like the public's. He remarks:

> Motivation shifts from service rendering to greater revenue generation to support core academic programs. If economic growth is sustained and continues, academic institution financial prospects will be much brighter through dependence on diversification of their revenue sources because institutions must diversify their revenue sources to be successful in the decade's ahead (pp.12-15).

Buttressing this fact, (Audretsch, et al, 2005, pp. 69-70, Johnstone, et al, 1998, p.15) note that higher education institutions more than ever before are becoming strong partnership builders with potential employers-leading to technology transfer, apprenticeship engaging in both internal and external training. It can also be inferred that compared to several years ago, higher education institutions are now more entrepreneurial in nature.

Criticisms of Entrepreneurial Strategy

Despite the yearnings for entrepreneurial innovation in higher education institutions, it has been subjected to criticisms by higher education scholars (Frischmann, 2005; Giamatti, 1988; Lambert, 2009, Tierney, 1999) asking what the implications of entrepreneurial emergence in higher education has on the missions of institutions and commitment to serve public good?

According to Lambert (2009, p.147), entrepreneurial behaviour in institutions is not part of an academic's career assessment and enumerates the following point to support his criticism; civil servant status within institution, personal rigidities, seniority system, tenure and unions, lack of financial autonomy, limitation and steering state imposition, entrepreneurial behaviours not included as core goals, institution building and reform incentives are very few, awkward governance precludes entrepreneurial need permission, no motivator when work is comfortable and no change is needed, poorly organizational synergies, catalysts, and coalition building, conservatism, traditional non-competitive mentality, unwillingness by institution community to share prerogatives with business people or other outsiders, selfishness precludes effective coalitions, and institutions community have skills deficient in entrepreneurial economics and management.

Similarly, Giamatti (1988) remarks:

> As for entrepreneurial faculty, I doubt that a faculty member can ordinarily devote the time and energy the higher education requires and also pursue a substantial involvement in any such outside company. Such involvement demands great concentration and commitment particularly at the outset or if business goes bad...The burden of maintaining a teaching program and two separate research programs where the results of one research program are to be disseminated and the results of the other may be required to be kept secret in the pursuit of economic success, is more than even the most responsible faculty member can be expected to bear (pp.264 & 265)

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And to Frischmann (2005), he comments thus:

> Higher education institutions face a more difficult and complex decisions concerning the level by which their engagement ought to be in commercialization process. Recognizing the declining government funds as immediate problem, yet there are many forces at work as most visible factor forcing institutions to fall a victim to such decisions. Commercialization question is not unique to higher education institutions research context (p.159).

In his own reaction, Tierney (1999) says:

> The university's mission is different from that of a company whose sole purpose is to develop a good product and turn a profit. In a post-secondary institution, we come together to help educate students and one another. We aim to help students gain some insight into how they understand the world for themselves. Our purpose is not to sell an idea, market a product or inculcate individuals with a particular worldview but to equip our students with the intellectual and technical skills necessary to enhance effectiveness function in a democracy (p.12).

While respecting the views of these critics, one need to ask, what option(s) if not entrepreneurship?

They did not provide an alternative to entrepreneurship. As far as I am concerned, there is nothing impossible to accomplish if well planned and if there is willingness and interest to perform such function. Entrepreneurship should not be seen as a strange bedfellow in higher education but should be accommodated as an organ of rescue to institutions and should be seen as a policy that gives hope for tomorrow. For any higher education institution to achieve its missions adequate funding must be put in place but since the government can no longer fund higher education satisfactorily, it becomes a major task for the academic leaders to extend the scope of revenue generation beyond government subsidies.

As noted by Shattock (2009, p.3), the critics are of the opinion that institutions should not increase dependence on non-state resources through link with industry and commerce as doing so would not allow them to perform their traditional role as societal critics. In a swift reaction, Shattock (2009) asserts that entrepreneurialism should not be seen as simply generating resources even though it is an important element but as a whole economic terms funded in innovating ways to respond to anticipated or specific market needs based on an individual energy and imagination that will change the profile of an institution as distinct compared to other institutions. It is a way by which such an institution adapts to the changing environment and its capacity to emerge as being innovative through research and new ideas (p.4). According to Clark (1998, pp.3-4), the term entrepreneurial can be distinguished among institutions who have taken the traditional mode as a way of life and those who are willing to change the future of their institutions for better. Clark describes entrepreneurial as a social systems that affects the entire institution including their constituent parts found in faculties, departments, research centres and schools.

The system requires special activity and energy. It is a risk taking venture that will yield substantial major outcome. It is a way of business innovation and a determination to a promising and fulfilling future. It is an encouragement to institutions whose ambition is to raise their heads above troubled waters and become in their own terms 'stand-up' institutions of significant actors. Entrepreneurial among institutions reflects a process and outcome. Furthermore, Clark (2001) notes that if institutions are well-managed by a strong leader with clear, forward looking vision, the collegial spirit will encourage entrepreneurial development rather than stifling it, and does not make institutions handmaidens of industry that encourage all purpose shopping malls of institutional commercialization (p.10). He posits that the creation of entrepreneurship is a systemic attitude that is neither based on personality nor an organizational life-cycle stage, but rather a way of managing where one pursues opportunities beyond means that are currently available (p.16). Citing the revolution of entrepreneurial strategy among higher education institutions in China, Mok (2002) remarks:

> Many of the renowned higher education institutions in Mainland have created business firms to generate internal funds. Beida is one of these institutions doing business and commerce to generate extra funds to support teaching and research activities. This new mode of education integrates the school and business units, support the schools with factories, has gained momentum among schools and colleges in China to diversify sources of financial support (p.265).

These submissions on entrepreneurship are really food for thought if indeed higher education institutions are prepared to change the present gloomy financial stringency to financial buoyancy in the nearest future.

Philanthropy

Moody and Payton (2008) maintain that the world can be made better through philanthropy. Perceiving philanthropy through moral actions contend that coming together of people in any society voluntarily around an expression of moral imagination such as seeing that something is wrong and a call for a specific response to make things better and then engaging in voluntary giving and service is a way to advance moral mission. People are acting morally in order to improve the quality of life and advance the public good by coming to the aid of others voluntarily which most importantly is an act of mercy. To them:

> Philanthropy is about the search for the good life and the good society through good works...our own and those of others. Of course there is no such thing like good life or good society. The good life seems to have as many definitions as there are people. And so philanthropy deals with the whole gamut of the most important moral issues confronting the society (pp. 98).

In literature, Leslie and Ramey (1988, p.116) identified six types of philanthropists; alumni, non-alumni individuals, foundations, business corporations, religions, and others. However, philanthropy differs from country to country. In UK as reported by Chapman (2011), UK universities since 2007-2008 are proving a big draw for philanthropists with latest figures showing a 25% increase in the number of donations according to the annual Ross-CASE survey, which maps higher education philanthropic income in the UK. UK universities received £506m in philanthropic cash income in 2009-10, down from £526m in 2008-9 (£57m), with 11percent received from legacies. The just-published findings showed more than 185,000 people and organizations donated to UK universities, colleges and higher education institutions in the period 2009–10, supporting research, student bursaries, and new building projects. The number of alumni giving to their former university or college also increased by 10percent during this period, with over 147,000 individuals making gifts, contra to US figures from Council for Aid to Education's survey which reported a decline in alumni giving for 2010. A typical example of philanthropy in UK was the Oxford Thinking Campaign, launched in 2008 and regarded as the first major fund raising campaign in European history. The campaign aimed to raise £1.25 billion. Today, according to Cunnningham (2011, p.1), the campaign has realized £1.053 billion with 3000 donors from UK accounting for £500 million. This dispelled the notion that UK is not a philanthropic nation like the United States of America.

Conclusion

From the evidences shown above, this paper concludes that there is no best funding practice in any country. There is clear evidence that in most developing countries, governments have become incapacitated in funding higher education. Therefore, the responsibilities are on the stakeholders to put visionary leaders at the helm of affairs who can generate additional resources for higher education institutions and monitor their activities vigorously to ensure that a good quality of higher education is maintained. The paper agrees with Clark (2001) that entrepreneurship is not a stage that can be passed through once and forever but rather a process without end. It is creation of incremental results, evolutionary fashion, and a flexible organizational character that can be adjusted and readjusted with better responses to rapidly changing demands. In addition, the paper concludes that, diversification of funding requires the participation of all employees in an institution and not that of the top-management alone. It is indeed a collegial system that will be beneficial to the future of every higher education institutions.

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