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Deregulation, Public – Private Partnerships, and Private Universities in Nigeria

By

Anthony U. Osagie, (au_osagie@yahoo.com)¹

Benson Idahosa University, Department of Basic and Applied Sciences, Edo State, Nigeria

Abstract

The aim of this paper is to examine some factors in Public –Private Partnerships which would sustain and improve private tertiary education in Nigeria. These factors include: access to the Tertiary Education Tax Fund, provision of research funds to the private universities, training and human resources development, funding for provision of ICT Infrastructure, Free provision of virtual Library facilities, Build – Operate and Transfer Hostel facilities. These arrangements call for relaxing or dismantling the legal and government restrictions on the operations of education business. This partial support approach would encourage private universities who now contribute about 12% of University education in Nigeria.

¹Former Vice-Chancellor, Igbinedion University, Okada

Introduction

The history of university education in Nigeria dates back to the setting up of the Elliot Commission by the British Colonial Government in 1943. The Commission recommended the establishment of a University College in Nigeria. The University College, Ibadan, was established in 1948. The Nigerian University system has witnessed enormous growth within the past five decades. With only six universities in 1960's the number rose to thirty in the 1980's. Today we have over 130 universities which are owned by the Federal Government, State Governments and 45 private Universities.

The phenomenal growth was not only in the number of institutions but also reflected in the student enrollment figures and the academic staff strength. (Table 1).

The Nigerian University system has therefore matured into a huge industry, the management of which is getting more and more complex. This complexity is underlined by factors such as the country's economic decline, uncertain political developments, decay in physical infrastructure and facilities in the Institutions, and decline in Executive Capacity necessary to effectively manage the universities. Resources needed for the provision of qualitative university education has been on the decline since introduction of the structural adjustment programme (SAP) in 1980's leading to intellectual flight, so called brain drain, and the consequent declining educational standards of the products. This led to half-baked university graduates.

Private Universities

Private Universities are non – public or independent universities which do not receive governmental funding and are usually administered by denominational or secular boards (Ajadi 2010); others are universities operated for profit. Osagie (2009a) also refers to private universities as those universities that are solely owned, financed and managed by private individuals with intention to recover cost within a short time and make profit. The first set of surviving private universities in Nigeria were established in 1999. Table 2 shows the list of licensed Private Universities in Nigeria and the year they were established. The justification for the establishment of private universities in Nigeria cannot be over-emphasized because it contributes to the growth and development of the education

industry, (Ajadi 2010). Chukwuma & Nwaham (2006) highlight other needs for private universities as follows:

- (a) To meet the local demands for knowledge.
- (b) To encourage healthy competition and standardization between the public and private universities.
- (c) To provide employment opportunities to those seeking jobs.
- (d) To reduce Brain-Drain across countries.
- (e) For security and discipline in the campuses.
- (f) For development in the host communities.

The funding challenges of the private universities have been amplified (Idealu & Idealu 2012). Different ways of generating funds should be looked into so that the funding and payment of workers/lecturers salaries and allowances will not be a problem.

Public – Private Partnership

Public – Private Partnerships (PPP) are seen as a key mechanism to improve the quality of African Higher Education (NEPAD 2005) which in turn is seen as a key driver of development (World Bank and UNESCO 2000). Over the years, the responsibility of management, funding and supervision of education has solely been that of the government, and this has caused a number of problems in different aspects of education in Nigeria. The major areas which have been affected are quality, equity/access and efficiency of the system (Okuwa 2011). As a result of the establishment of the private universities, collaboration between the governments and the private sector in delivering of the high quality, effective and efficient higher education services to the people has become important.

The Public – Private Partnership initiative in tertiary education has involved individuals and corporate organizations who made contribution towards building lecture halls, lecture theatres, hostels, water supply and even road construction and supply vehicles to schools. Corporate organizations contribute to tertiary education development through endowment and research grants, and scholarship awards to students. Such corporate organizations include Shell, Chevron and private individuals like Efionayi Iyayi who donated a building for the Department of Computer Science at the University of Benin. Zenith Bank donated the building occupied by the Bursary in Uniben. Some services have also been contracted to the private sector such as cleaning, hostel and cafeteria management, and waste disposal in various universities. All these and the establishment of private tertiary institutions are geared towards increasing access and quality through public private partnership in Nigeria. Thus, in Nigeria, the common areas of partnership are funding, ownership, provisions and maintenance of facility, quality control and management (Okuwa 2011). Some examples will now be considered.

Education Tax Fund

The Education Tax Fund (ETF) is currently a major source of funding for the various institutions in the country particularly with the federal government directing the fund through a major policy that stimulates that it should assist tertiary institutions in the commencement, completion and rehabilitation of capital projects embarked upon by them. The Education Tax Decree No 7 of 1993 enforces the payment of 2 percent of profits of limited liability companies registered in Nigeria as an Education tax to be disbursed according to the ratio of 50:40:10 to higher, secondary and primary education respectively. The share of higher education is further allocated to

the universities, polytechnics and colleges of education to the ratio of 2:1:1 respectively.

The ETF funds are contributed by the private sector in Nigeria. The same private sector largely established the private universities. It is an irony that private universities are not allowed to draw fund from the ETF. This is due to the fact that the ETF decree was promulgated in 1993, six years before the private universities were licensed. Thus the decree does not specifically mention that private universities can benefit from the fund. Efforts to remedy the situation and amend the law have not been successful so far. Opening up the ETF funds to the private universities would be a good example of public – private partnership.

Research Funds

Academic research has been poorly funded in Nigerian universities and hence impact on the world scene has not been remarkable. There is evidence of chains of demands by the ASUU for improved funding of universities generally and research specifically. Government funds for the federal universities are channeled through the NUC to the 24 federal universities. These universities are expected to spend 5% of total allocation for current expenditure on research. A nation's university system is the catalyst for cutting edge and exceptional knowledge – making and intelligence gathering. The research contributing of the IVY-league universities in the USA have been widely acknowledged. These American private universities and indeed many other private universities receive generous grants from the government.

Private universities make virtually no contribution to research in Nigeria today because they have no infrastructure and funds for research. Many private universities have retired/experienced staff who could make valuable contribution to contemporary academic research. It could enhance the contribution of private universities to national life and education if they are generously supported with research funds from the ETF, the National research Foundation as well as bilateral and international organizations. Government should channel all researches and major consulting jobs to the public and private universities. The universities should develop innovative funding ideas through partnering with industries and organized private sector. These will enhance public – private partnership.

Training and Human Resources Development

It was stated earlier that the Nigerian university system has witnessed enormous growth. The resources needed for the provision of qualitative university education have also increased. On the academic side, the NUC insists on the acquisition of a PhD degree as minimum requirement. Specialized training and exposure is required for officers e.g. registrars who handle leadership positions in the institution. It is suggested that all the officers should be enabled to the existing development avenues whether they are in private or public universities. In the long run, the university system will benefit tremendously because of the mobility of labor and in the spirit of public – private partnership.

ICT – Infrastructure

To achieve high standards, private universities must have effective information and communication technologies (ICT) facilities. This will strengthen their capacity to produce, select and adapt scientific and

technological knowledge. It is important that lectures and programme delivery in private universities are ICT – driven. Mejabi & Raji (2010) described the contributions of ICT to institutional management and academic work at the University of Ilorin. It is obvious that every university cannot afford the cost, complexity and staff required for a good ICT set-up. This calls for cooperation and offers excellent opportunity for public – private partnerships. The e-revolution and rapid emergence of applicable technologies in the market are indicative of the input required by Government to assist the private institutions.

National Virtual (Digital) Library Facilities

The National Virtual (Digital) Library project was conceived by the NUC in 2002 to bring comprehensive library facilities to all university-based digital libraries. The delivery of the virtual library is basically through internet, CD ROM, and Wide Area Network (WAN). The National virtual library facilities should be made freely available to all private universities as a public – private partnership. Similarly, the order and distribution of EBSCO Data bases by NUC on behalf of federal government universities should be made available to the private universities at no extra cost.

Build – Operate and Transfer Hostels

It has been proposed that all universities in Nigeria should provide land on their campuses for private investors to erect hostels which would be economically managed by the investors for 10 – 15 years in order to recover their initial investments. Such hostels would be handed over to the universities at the end of the agreed period. This provision of accommodation for students, within stipulated guidelines and the

development plan of the university, is another excellent example of public – private partnership.

Discussion

For meaningful development to take place in private university system in Nigeria, the government must be ready to work hand in hand with the proprietors of these universities by providing them with necessary logistic support and infrastructural facilities arising from public -private partnerships. The universities, whether public or private, are the centers of knowledge, and responsible for the development and production of high-level manpower within the context of the nation's needs.

It has been argued in some quarters that many private universities owners are motivated by profit rather than service and so should not qualify for any form of government assistance, cooperation or partnership. This would only be the half-truth. According to Ahmed (2011), Partnerships between the public sector and private companies (PPP) for the finance, design, build and maintain infrastructure and delivery of associated services are means of meeting the need for modern, efficient infrastructure and for reliable cost effective delivery of public services. They offer better risk allocation between public and private sectors, and offer better and sustainable incentive to perform. They often lead to the generation of additional revenue and overall value for money for the entire economy.

Public-private partnership opportunities outlined above share educational provision between the government and the private universities owners for the benefit of the undergraduates. Theoretically, all the children

of the state are equally important and are entitled to have the same advantage. The duty of the state is to secure for all as high a minimum of good education as it is possible. The state should ensure equal educational facilities to every child within its borders at a uniform effort.

The changing circumstances and present situation is that the traditionally predominant role of government in the financing and provision of universal education is no longer consistent with the prevailing economic realities. The pressure in enrolment demand at the university level has often outstripped government ability to provide high quality education to its citizens.

Given the adverse fiscal and budgetary constraints facing government's capacity to sustain the direct provision and financing of university education, as well as the rise in market forces, the scope and modalities should change drastically. Rather than relying on government control model to impose reforms, government can bring about a positive change by encouraging both private and public institutions in a high flexible manner. This could be achieved by relaxing stringent rules around the ETF and NUC so that public – private partnership can flourish. This was captured by the former President Obasanjo of Nigeria in a recent statement that “public – private partnership in Nigeria today must go beyond mortar and bricks and extend to shared services, entrepreneurial development and reform ideas” (Obasanjo 2012). Thus private universities can have access to publicly funded facilities.

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APPENDIX

Table 1: Total Number of Universities, Total Student Enrollment and Academic Staff in Nigerian Universities between 1980/81 and 2008/09

Session	No of Universities	Total Student Enrollment	Academic Staff Strength
1980/81	17	77,791	NA
1981/82	19	90,751	-
1982/83	22	104,774	-
1983/84	23	116,822	-
1984/85	23	126,285	-
1985/86	24	135,783	-
1986/87	24	151,967	-
1987/88	29	160,767	-
1988/89	29	160,174	-
1989/90	30	180,871	-
1990/91	31	200,774	-
1991/92	33	232,482	-
1992/93	38	264,684	11,157
1993/94	38	292,097	11,883
1994/95	38	-	-
1995/96	38	335,790	12,170
1996/97	38	245,699	13,013
1997/98	38	374,494	13,100
1998/99	38	399,812	13,782
1999/00	38	448,230	15,115
2000/01	47	502,770	15,587
2001/02	47	-	-
2002/03	53	443,418	16,936
2003/04	54	457,306	17,681
2004/05	56	477,155	17,507
2005/06	75	484,417	18,732
2006/07	76	506,608	-
2007/08	94	-	-
2008/09	95	574,654	18,114
2009/10	-	-	-

Source: Okojie, J (2010); National Productivity Centre's Publication (1994)

NA: Not Available

Table 2: List of Licensed Private Universities in Nigeria

S/N	Name of University	Year Established
1	Abi-American University, Yola	2003
2	Achievers University, Owo	2007
3	Afe Babalola University, Ado Ekiti	2009
4	African University of Science & Tech., Abuja	2001
5	Ajayi Crowther University, Ibadan	2005
6	Al-Hikman University, Ilorin	2005
7	Babcock University, Ilesan-Remo	1999
8	Bells University of Tech., Otta	2005
9	Benson Idahosa University, Benin City	2002
10	Bingham University, Jos	2005
11	Bowen University, Iwo	2001
12	Caleb University, Lagos	2007
13	Caritas University, Enugu	2005
14	CETEP City University, Lagos	2005
15	Covenant University, Otta	2002
16	Crawford University Igbesa	2005
17	Crescent University, Abeokuta	2005
18	Elizade University, Ilara Mokin	2012
19	Evangel University, Akaeze	2012
20	Fountain University, Oshogbo	2007
21	Godfrey Okoye University, Ugwuomu-Nike	2009
22	Gregory University, Uturu	2012
23	Igbinedion University, Okada	1999
24	Joseph Ayo Babalola University, Ikeji-Arakeji Osun State	2006
25	Lead City University, Ibadan	2005
26	Macpherson University, Seriki Sotayo	2012
27	Madonna University, Okija	1999
28	Nigeria-Turkish Nile University, Abuja	2009
29	Novena University, Ogume Delta State	2005
30	Obong University, Obong Ntak	2007
31	Ododuwa University, Ipetumodu	2009
32	Pan African University, Lagos	2002
33	Paul University, Awka	2009
34	Redeemer's University, Mowe, Ogun State	2005
35	Renaissance University Enugu	2005
36	Rhema University, Obeama-Asa, Rivers State	2009
37	Salem University, Lokoja	2007
38	Southwestern University, Okun Owa	2012
39	Tansian University, Umunya	2007
40	University of Mkar, Mkar	2005
41	Veritas University, Abuja	2007
42	Wellspring University, Evbuobanosa, Edo State	2009
43	Wesley Univ. of Science & Tech., Ondo	2007
44	Western Delta Univ. Oghara	2007
45	Wukari Jubilee, University	2005