

We Matter Too; the Role of Government in Financing Private Varsities

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Abstract

This paper looks at the need for private universities financing by government. It starts with the genesis of private universities in Nigeria after which comparisons were made with public varsities in terms of financing. Also, the updated list of private universities in the country was also provided. Furthermore, it examined the different theories that backs-up the justification of the existence of private universities and also their achievements before a conclusion on why government should finance them is drawn.

Keywords: Private universities; Promulgation; Public universities; Administration

Introduction

Any country that seeks to develop must take education as an important tool. It is a known fact that education helps in attaining economic stability, political transformation and social advancement. In achieving this, it becomes imperative that such country aiming to develop must take higher education with all seriousness. While one must commend the Nigerian government for the creation of 40 federal universities and 44 state universities, the emergence of private varsities has further improved the educational system of the country. It is no accident that according to the January 2017 N.U.C release of the best universities in Nigeria, Covenant University, Ota currently ranks 6th out of 151 universities in Nigeria. Notable mention must be given to Afe Babalola University Ado-Ekiti and Landmark University, Omu-Aran for being in the top twenty list.

Compared to their public counterparts, the private universities have had little to rely on in terms of funding. Quick glances at the public universities source of fund are:

1. Government grants/Subventions/NUC grants
2. Endowments/Donations
3. International aids/Foreign grants
4. School fees/levies
5. Gifts
6. Investment and other internally generated revenues.

From the aforementioned above, government grants constitute the major source of fund for public universities. According to Ahmed, 90% of state universities funds comes from government grants, federal universities gets 64% of their finances from government. In contrast, private universities only gets 3% of their finances from their proprietors, the remaining 97% are generated through internally generated sources and donations from individuals/corporate agencies.

In this vein, this paper aims to find solutions proffered by the participation of private universities and also look at ways government intervention can help grow these institutions.

Origin of Private Universities in Nigeria

The first private university could be traced to the one established in 1979 by Dr Basil Nnanna Ukaegbu called Imo Technical University. It came to being after many legal battles with the military administration. Created in the second republic only to be abolished after a promulgation

by the administration of General Muhammadu Buhari who prohibited private universities. This forced the twenty six (26) private universities in operation to close down. The issue of private universities did not come to the fore until Governor Chukwuemeka Ezeife of Anambra state in 1991 granted approval to the commencement of Madonna University, the then Federal Government promptly came out with a bill claiming only the federal government can legislate on such matters. In the latter part of 1991, the military president General Ibrahim Badamosi Babangida had to set up a committee to review higher education in the country, this commission is popularly known as "Longe Commission". The 'Longe' report of 1991 recommended the establishment of private universities. Consequently and in support of the recommendation, the federal government promulgated Act No. 9 of 1993 which repealed the private universities (Abolition and Prohibition) Act of 1984 Okojie [1].

The number of private universities in Nigeria has increased to 69 as at January 2017. These are the names of all accredited private universities and the year they were established as approved by National Universities Commission (NUC).

S/N Name of Institution Website Year

1. Achievers University Owo www.achievers.edu.ng 2007
2. Adeleke University Ede www.adelekeuniversity.edu.ng 2011
3. Afe Babalola University Ado-Ekiti www.abuad.edu.ng 2009
4. African University of Science and Technology Abuja www.aust.edu.ng 2007
5. Ajayi Crowther University Ibadan www.acu.edu.ng 2007
6. Al-Hikmah University Ilorin www.alhikmah.edu.ng 2003
7. Al-Qalam University www.auk.edu.ng 2005
8. American University of Nigeria www.aun.edu.ng 2003
9. Augustine University www.augustine.edu.ng/2015
10. Babcock University Ilishan Remo www.babcock.edu.ng 1999

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11. Baze University www.bazeuniversity.edu.ng 2011
12. Bells University of Technology, Ota www.bellsuniversity.org 2005
13. Benson Idahosa University, Benin City www.Idahosauniversity.com 2002
14. Bingham University, New Karu www.binghamuni.edu.ng 2005
15. Bowen University, Iwo www.bowenuniversity-edu.ng 2001
16. Caleb University Lagos www.calebuniversity.edu.ng 2007
17. Caritas University Enugu www.caritasuni.edu.ng 2005
18. CETEP City University, Lagos www.cetepuniversity.com 2005
19. Chrisland University www.chrislanduniversity.edu.ng 2015
20. Covenant University Ota www.covenantuniversity.edu.ng/2002
21. Crawford University Igbesa www.crawforduniversity.edu.ng 2005
22. Crescent University www.crescent-university.edu.ng 2005
23. Edwin Clark University Kaigbodo www.edwinclarkuniversity.edu.ng 2015
24. Elizade University Ilara-Mokin www.elizadeuniversity.edu.ng 2012
25. Evangel University, Akaeze www.evangeluni.edu.ng 2012
26. Fountain University Oshogbo www.fountainuniversity.edu.ng 2007
27. Godfrey Okoye University, Ugwuomu-Nike, Enugu state www.gouni.edu.ng 2009
28. Gregory University Uturu www.gregoryuniversity.com 2012
29. Hallmark University www.hallmark.edu.ng 2015
30. Hezekiah University Umudi www.hezekiah.edu.ng 2015
31. Igbinedion University Okada www.iuokada.edu.ng 1999
32. Joseph Ayo Babalola University, Ikeji Arakeji www.jabu.edu.ng 2006
33. Kings University www.kingsuniversity.edu.ng 2015
34. Kwararafa University, Wukari www.wukarijubileeuniversity.org 2005
35. Landmark University, Omu Aran www.lmu.edu.ng 2011
36. Lead University Ibadan www.lcu.edu.ng 2005
37. Madonna University www.madonnauniversity.edu.ng 1999
38. Mcpherson University, Ajebo www.mcu.edu.ng 2012
39. Micheal and Cecilia Ibru www.mciu.edu.ng 2015
40. Mountain Top University www.mountaintopuniversity.org 2015
41. Nile University of Nigeria, Abuja www.ntu.edu.ng 2009
42. Novena University Ogume www.novenauniversity.edu.ng 2005
43. Obong University, Obong Ntak www.obonguniversity.net 2007
44. Oduduwa University, Ipetumodu, Osun State www.oduduwauniversity.edu.ng 2009
45. Pan Atlantic University Lagos www.pau.edu.ng 2002
46. Paul University Awka, Anambra State www.pauluniversity.edu.ng 2009
47. Redeemers' University Mowe www.run.edu.ng 2005
48. Renaissance University Enugu www.renaissanceuniversityng.com 2005
49. Rhema University, Obeama-Asa, Rivers State www.rhemauniversity.edu.ng 2009
50. Ritman University www.ritmanuniversity.edu.ng 2015
51. Salem University Lokoja www.salemuniversity.org 2007
52. Samuel Adegboyega Univesity, Ogwa, Edo State www.sau.edu.ng 2011
53. Southwestern University Oku Owa www.southwesternuniversity.edu.ng 2012
54. Summit University www.summituniversity.edu.ng 2015
55. Tansian University Umunya www.tansian-edu.com 2007
56. University of Mkar www.unimkar.edu.ng 2005
57. Veritas University www.veritas.edu.ng 2007
58. Wellspring University Evbuobanosa, Edo State www.wellspringuniversity.net 2009
59. Wesley University of Science and Technology, Ondo www.wusto.edu.ng 2007
60. Western Delta University, Oghara Delta State www.wdu.edu.ng 2007
61. Christopher University Mowe www.christopheruniversity.edu.ng 2015
62. Anchor University www.anchoruniversity.edu.ng 2016
63. Arthur Jarvis Akpabuyo University Cross-river www.aju.edu.ng 2016
64. Clifford University, Owerinta Abia www.clifforduni.edu.ng 2016
65. Coal City University Enugu 2016
66. Crown Hill University Kwara 2016
67. Dominican University Ibadan www.dui.edu.ng 2016
68. Kola Daisi University Ibadan 2016
69. Legacy University Okija Anambra www.legacyuniversityokija.com 2016.

Source: National Universities Commission.

Justification for Private Participation in University Education

According to Omuta, G.E the emergence and present surge of

private universities in the Nigerian educational system has been explained in terms of a number of factors [2]. These include, but are by no means limited to the following: The Public Failure Theory, the Demand Absorption Theory, and the Choice Theory.

The public failure theory

The story of contemporary university education in Nigeria has largely been a story of mixed fortunes Ajayi and Haastrup. In the beginning, Nigerian universities laid justifiable claim to remarkable impact on the socio-economic and political development of the country. The likes of the University of Ibadan, University of Ife, University of Lagos, Ahmadu Bello University and University of Nigeria compared very favourable with the best universities anywhere in the world. They boasted of the best facilities and teachers. Their products stood out globally, especially in postgraduate studies, and secured very competitive international jobs, both in academics and in the industry. However, today, most people will doubt if, in their present conditions, Nigerian universities can continue to lay serious claim to their relevance even locally, in the nation's capacity to properly connect with the new global knowledge economy and adapt, adopt and further develop the emerging technologies in the wider society [3]. This fact can further be corroborated with the recent *webometrics* release that put the first Nigerian university on the list 1715th position in the world university ranking.

It is indeed, a manifestation of public failure, or what Adalemo has called institutional inadequacies [4]. The public failure theory in support of the emergence of private participation in the university system has been characterized by the following interrelated factors and indicators, among others: Inadequate Funding; Dilapidated Infrastructure; Erosion of Autonomy; Secret Cults and Union Agitations; Brain Drain and Curriculum Development.

The demand absorption theory

Although public universities have dominated the higher education landscape in Nigeria for several decades, their failure to cope with admission pressures became more critical with the introduction of the Structural Adjustment Programme (SAP) in the later part of the 1980s.

The demand absorption theory of the emergence of private universities, therefore, is rooted in the argument that the public supply of higher education falls far short of new demand [5-7]. According to Jubril; Obasi and Eboh, in 1990, about 250,000 candidates applied for admission into Nigerian universities, out of which less than 50,000 or about 20 per cent were admitted [8]. In 1992, close to 300,000 candidates applied for admission and about 50,000 (17 per cent) were successful. In 1994, out of the 400,000 that applied, less than 50,000 (13 per cent) were admitted.

The choice theory

Osagie has also posited the Choice Theory of the emergence of private universities in Nigeria. Simply put, the theory takes the position that private universities offer the admission seeker a choice beyond what is available in, or can be offered by, public universities. Many of the candidates that fall into this category are children who attended private primary and secondary schools; to whom admission into private universities is a mere continuation of the tradition of attending "special schools". The Choice Theory also includes the argument that the more students pay for their education, the more pressure, rational and informed, students and their parents put on the institutions to provide the courses they wish to study [9]. Recently, the Pro Chancellor of a

state public university, the Olabisi Onabanjo University, AgoIwoye, in making case for charging fees argued that "cheap university education produces cheap graduates" (Sunday Punch, June 6, 2010: 53). The concept of choice also implies competition. And in connection with private participation in university education, the World Bank (IBRD/World Bank, has asserted that in many parts of the world, increased competition from private institutions has brought about greater diversity and choice for students and has served as a powerful incentive for public universities to innovate and modernise [10-13].

Achievements of Nigerian Private Universities

- The private universities have been able to curb the menace of secret cults witnessed in universities; private universities have raised the moral standards of students [14,15]. Parents and candidates now have choice, and ill-discipline and cultism have been significantly curtailed because the proprietors of private institutions are mostly faith-oriented Fajana.
- Another achievement is that they have boosted the number of entrants into the universities.
- The private universities have improved upon existing structures found in the government institutions which are in a state of decay
- Private varsities have also improved the quality of graduates produced in Nigeria. They are responding to the unemployability of Nigerian graduates at all levels, through entrepreneurship education.
- Stable academic calendar is also one of the success stories of the private universities.
- The recent release of *webometrics* shows Covenant university is only second to University of Ibadan in terms of research.

How Government Can Help Improve Private Universities

Legislation can help regulate universities however it will not be enough if Nigeria seeks to be among the comity of educated nations. The following should be adopted to help improve private universities funding.

1. Reviewing the Education Trust Fund (ETF). The enactment of Education Tax Act No. 7 of 1993 and amended by Act No.40 of 1998, "with the objective of using the fund for project management to improve the quality of education in Nigeria' is a commendable law [16,17]. The exclusion of private universities from benefiting from this incentive however begs a lot of questions. Since ETF is funded from a 2 per cent tax on the profit made by all companies operating in Nigeria then both should enjoy from the fund as they both see to the attainment of the educational objective.

2. The provision of a single digit interest loan should also be made available to private universities. This will help improve tremendously the output by private universities. With this, staff ratio will be increased, structures improved and well rounded students produced.

Conclusion

The need for a viable and a competitive educational sector is needed if the country intends to move from a developing nation to a developed nation. Government needs to understand that the private universities also contribute to the economy. If the private universities are left to wander in isolation it might lead to decay and disrepute.

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