

# PUBLIC-PRIVATE PARTNERSHIP IN TERTIARY EDUCATION IN NIGERIA: THE SUSTAINABILITY QUESTION

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## Abstract

- This paper examines the sustainability question of Public-Private Partnership (PPP) in tertiary education in Nigeria. The theoretical framework of the paper is based on the concept of environmental determinism - an analytic framework, which assumes that tertiary education dynamics are driven by changes in the external environment. The paper discusses the major issues and challenges of the education system as pertaining to poor funding, infrastructural decay, and the rising index of unsatisfied demand, proprietary neglect and lack of autonomy-which have triggered systemic instability in Nigerian tertiary institutions. Government's attempt to redefine the mission of public universities through the Education Reform Bill (2002) has not yielded the desired results. The justification and strategies for a sustainable PPP is highlighted. In spite of the high degree of graduate unemployment, there is an increasing demand for access, and a more compelling need to attune the system to the dynamics of globalization. While total deregulation will negate the merit good concept of education, it is the contention of this paper that since private universities are market-driven, a sustainable partnership framework can be entrenched through joint research development, exploration of entrepreneurial possibilities and industrial parks managed by joint ventures. PPP in tertiary education has worked in other countries like China, India, Thailand and the Philippines; it can work in Nigeria. The conscious implementation of PPP will enhance the efficiency of tertiary institutions, increase access, broaden stakeholders' participation and ensure accountability and sustainability in tertiary education service delivery.

## Introduction

The tertiary educational sub-sector has the complex responsibility of training high-level manpower in various fields of specialization, expertise and professionalism. This could be achieved through teaching; research and development; virile staff development programmes and generation and dissemination of knowledge. Article 26 of the Universal Declaration of Human Rights (1948), asserts the right of the individual citizen to free, universal and compulsory education at the Primary and secondary levels. However, for higher education, the United Nations declared that it should be "equally accessible to all on the basis of merit", as government financing of tertiary education is only implied.

The world over, the demand for tertiary education has been on the rise due largely to the expansion of the lower levels of education, triggered by the *Educogenic* trend accentuated by the neo-liberal thinking-which sees education as an investment in a competitive knowledge economy. The exponential expansion of the system has left in its trail complex problems such as the need for adequate funding and an equally compelling need to relate the educational system with the dynamics of the marketplace.

In Nigeria, the tertiary education sub-system is facing more serious challenges than ever. There is the challenge of dearth of comprehensive data for sectoral analysis. World Bank (2002), report showed a high correlation between the decline in the quality of education and other variables such as infrastructural decay, shortage of books, journals and poor funding of research. Nigerian tertiary institutions are yet to grapple with knotty issues of gender inequality, access and equal opportunities- which are problems that require systemic attack. Scholars are agreed that the expansion of the system is not in tune with the much-desired national strategy, and innovation of the curriculum to meet with the demands of a fast growing knowledge economy.

Recently, government has initiated strategic policy interventions in the light of

neo-liberal thinking and developments in ICT. First is the increasing need for granting of autonomy to Nigerian Universities and such measures involve the devolution of powers to governing councils. Secondly and by far more importantly, is the adoption of markets-driven policies which permit private sector participation in the provision of hostels, business centers, e.t.c. Third, is the infusion of ICT into pedagogical techniques such as the introduction of the National Virtual Library Project and Virtue Institute for Higher Education pedagogy (VIHEP). While the digital library project is designed to enhance access to information in local and international libraries, the VIHEP scheme is tailored towards enhancing staff development, curricular implementation and innovation. Fourthly, the NUC has succeeded in getting government to agree to earmark funds for the procurement of teaching and research equipment through the budget.

### **Conceptual framework**

The conceptual framework for this paper is the *Environmental Determinism theory*. The framework assumes that tertiary education dynamics are driven by changes taking place in the external world. Thus, educational institutions have a binary option of either adapting to changes to maintain a competitive edge or become irrelevant and fizzle out. Accordingly, any changes in the world such as the adoption of neo-liberal paradigms as marketization and privatization, resulting from shrinking government funding, the infusion of Information and Communication Technology (ICT), increasing demand-supply gap, the increasing education-industry research alliance, and other imperatives of globalization have tremendous effects on the tertiary education system in Nigeria. (Gornitzka and Oslon (2006:1 I).

Another concept related to environmental determinism is *Psycho-Infrasfructuralism*. As expatiated by Okorie (2002), enunciates psycho-infrastructuralism as a paradigm for re-engineering the higher education system in Nigeria. Psycho-infrastructuralism is an approach to the understanding and control of behaviour, which rests on the assumption that it is possible to control institutional patterns by regulating relevant environment factors. It enunciates that a change in the environmental structures and the process associated with them produces a clear-cut, predictable outcome. According to this model, the tertiary education system is characterized by indiscipline, political highhandedness, wrong values, proprietary neglect of institutions of higher learning, poor funding and lack of autonomy - all of which trigger and or sustain systemic instability.

### **Major Issues in Nigerian Tertiary Education**

One of the causalities of the expansion of the system is the acute funding crisis. In Nigeria, the total expenditure on education as a percentage of the GNP dropped from 1.4 % in 1990 to 0.9% in 1995. The national budgetary allocation to education has consistently diminished as compared to other sectors. It was 12.6% in 1999; 12.2% in 2001 and 7.5% in 2002. The period between 1997 to 2005, the Federal Government expenditure on education fell below 12% of the total budgetary allocation. (FME, 2005: 224). A more critical dimension is that funds generated from internal and other ancillary sources are not reflected in the budget. Thus while the federal government made efforts to increase its budgetary allocation to education, the World Bank also sought to improve the effectiveness and relevance of university teaching and research.

The University system is yet to contend with the Information and Communication Technology system, which has resulted in the emergence of global competitiveness in a knowledge economy. There has been a greater demand for access in spite of the high rate of graduate unemployment in the country. Presently, the tertiary education system has been subjected to a nugget of criticisms for being inefficient and ineffective due largely to under-funding the University system. To redress the problems of under-funding the Federal Government established the Education Tax Fund (ETF), in which companies with more than 100 employees contribute 2% of their pre-tax earnings to the fund. The ETF fund was divided into the following ratio: Primary Education (40%); Secondary Education (10%) and Tertiary Education (50%).

In spite of the challenge of under funding, the finger of expansion gained momentum in 1979 when tertiary education was placed on the concurrent list of the Nigerian Constitution. Most states took advantage of the constitutional provision and established state owned universities. With diminishing

allocations Nigerian Universities embarked on income generating activities to combat the negative effects of Structural Adjustment Programme (SAP). Tertiary institutions began to engage in income-generating activities and socially productive services, and research innovations that are relevant to industrial development. Adesina (1990), remarks that enrolment in tertiary institutions has burst the ceiling, far outstripping available but obsolete facilities. The growth of universities and the demand-supply gap is shown in table I

**Table I; Showing the unsatisfied demand index of Nigerian Universities**

Year	No. Of Universities	Applications	Admissions	% Admitted	Unsatisfied Demand
1978/79	13	114,801	14,417	12.6	87.4
1979/80		114,397	17,729	15.5	84.5
1980/81		145,567	24,191	16.6	83.4
1981/82		180,728	22,408	12.4	87.6
1982/83		205,112	29,800	14.8	85.2
1983/84		191,583	27,378	14.3	85.7
1984/85		201,234	27,482	13.7	86.3
1985/86	27	212,114	30,996	14.6	85.4
1986/87		193,774	39,915	20.6	79.4
1987/88		210,114	36,356	17.3	82.7
1988/89		190,135	41,700	21.9	78.9
1989/90		255,638	38,431	15.0	85.0
1990/91	31	287,572	48,504	16.9	83.1
1991/92		398,270	61,479	15.4	84.6
1992/93		357,950	57,685	16.1	83.9
1993/94		420,681	59,378	14.1	85.9
1994/95**		-	-	-	-
1995/96		512,797	37,498	7.3	92.7
1996/97		376,827	[56,055]	14.9	85.1

1997/98	37	419,807	72,791	17.3	82.7
1998/99		321,268	78,550	24.4	75.6
1999/2000		418,928	78,550	18.8	81.2
2000/01	47	467,490	70,277	10.7	89.3
2001/02		842,072	95,199	11.3	88.7
2002/03		1,039,183	N.A	N.A	N.A
2003/04	53	838,051	N.A	N.A	N.A

**Source: Fieldwork \*\* = Admissions not processed due to prolong ASUU strike of 1994.]**

The data in table I show that in 1979 a total of 114, 801 candidates applied but only 14,417 representing 12 percent was admitted with a huge unsatisfied demand of 87.4 %. In the 2000/2001 academic year the 47 public universities in Nigeria received a total of 467,490 applications, but only 70,277 or 10.7% was admitted leaving behind an unsatisfied demand of 89.3%. From the rising demand for university education it seems obvious that the demand for tertiary will not abate in the foreseeable future.

The expansion of the sub-sector is attributed to three main reasons. First, University degrees were seen as passport for socio-economic mobility, hence the increase in the demand for university education. Besides, the population explosion over the years put enormous pressure on (he system, creating a huge index of unsatisfied demand. Again, education is seen as a quasi-public good hence it is highly subsidized by government. As from the mid 1980's, the tertiary education sub-system was characterized by over-crowded classrooms and students' hostels, dearth of educational inputs, decay in infrastructure, absence of staff development programmes and severe cut backs in funding. There

was shortage of qualified manpower exacerbated by the brain-drain syndrome. Ejiogu (2003), believes that government's centralization of the sector goaded it to assuming the role of sole provider hence the decay. By the 1990's it had become obvious that government alone could not bear (the cumbersome burden of funding the universities. By 1999, it became apparent that only deregulation and the adoption of market-driven principles in the sector could provide the antidote for the ailing system. It was hoped that deregulation of tertiary education would create broad stakeholders' participation and ensure accountability and improved educational standards.

The thinking has been that the deregulation of the sector would foster a more market-driven educational system; curb unnecessary bureaucratization and maximize systemic efficiency. The general perception is that public provision and government funding of tertiary education is no longer sustainable. Already, there has been serious complaint about the rapid decline of educational standards, as epitomized in the credentials and performance gap. While a robust quality assurance mechanism is lacking, the accreditation system used by the National Universities Commission is not in tandem with contemporary realities. It is widely believed that if the tertiary educational system depends solely on government funding, it will never reach its take-off point. The general feeling is that partnership between public and private universities in Nigeria will bring about synergy to overcome the challenges of funding, institutional autonomy and economic efficiency. Other potential advantages include levels of funding, a healthy competition, improved quality of education service delivery and success as well as improve operational efficiency.

Accordingly, in 2000, the Federal Government introduced (the Education Sector Reform Bill, which sought to abolish Colleges of Education and Polytechnics and convert them into universities. The Reform Bill also sought to redefine the mission of Universities. Schedule 4, section 30 (20), of the Reform Bill stated the purpose of tertiary education in Nigeria as follows:

- a) The acquisition, development and inculcation of the proper value orientation for the survival of individuals and society.
- b) The development of the intellectual capacities of individuals and society.
- c) The acquisition of both physical and intellectual skills to enable individuals to develop into useful members of the community.
- d) The acquisition of an objective view of local and external environment.
- e) The making of optimum contribution to national development through the tertiary training of higher level manpower.
- f) The promotion of national unity by ensuring that admission of students and recruitment of staff into universities and other institutions of higher learning shall, as far as possible, be on a broad nationalities
- g) The promotion and encouragement of scholarship and research.

It was the need to involve the private sector partnership of tertiary education that underscored the promulgation of Decree No. 9 of 1999 also known as the Education Minimum Standard and Establishment of Institution (Amendment Decree). The Decree provided that:

An institution of higher Education may be sponsored or owned by the Government of the Federation or a State or Local Government or by any of the following, that is (a) By a company incorporated in Nigeria; or (b) By an individual or association of individuals who are citizens of Nigeria and meet criteria set out in the schedule of this Act for the establishment of institutions

The National policy of Education (2004), also stipulates in section 12 that: " Education is an expensive social service-and requires adequate financial provision from all tiers of Government for a successful implementation of the educational programmes... Government welcomes and encourages the participation of local communities, individuals and other organizations, (NPE: 2004: 50).

The above statements lend credence to the fact that the participation of the private sector in tertiary education service delivery is justifiable.

### **Justification for Public-Private Partnership in Tertiary Education**

There is vast literature on public-Private partnership in the provision of education service delivery. In Asia, Japan, South Korea, Indonesia and Philippines, there has been a shift from public to private University. Even in Africa, there has been a creeping incursion of private education providers. In Ghana, Kenya, Ethiopia and Tanzania private universities have been on the increase.

Private tertiary institutions are playing significant roles in terms of social responsibility and accountability. Not only are they promoting public-private synergy, they also challenge public institutions to rise to the challenge of providing quality education. Yalokwu (2005), believes that private tertiary education providers will spread stronger in Africa because of the failure of public universities to meet the expectations of the people. In Nigeria, he asserts that private universities appear well motivated to do well in the funding and management of universities. It was the failure of public institutions in telecommunications, electricity, water and petroleum that led to the privatization and commercialization of the services. The general experience is that services provided by non-public entity are delivered more efficiently and effectively. The same quest Jed the Federal Government to approve the establishment of private Universities by individuals, corporate bodies and religious organizations. This viewpoint is supported by UNESCO and the World Bank (2001).

Nwadiani (2000), posits that the massification of tertiary education has resulted in Jack of integration of the products of the universities and the economy. The dynamics of the market place resulted mainly from technological changes in ICT, which has dramatically improved education service delivery. Public-private partnership would ensure a more realistic and flexible responses to the demands of the market,

A critical challenge facing the public education system is poor funding. As from the 1990's Nigerian universities became more problematic. The level of public funding had reduced drastically amidst increasing demand for education. The system had to contend with the increasing pace of globalization, *Commoditization* of knowledge accompanied by the ICT revolution. Other challenges were the demand for substantial accountability from stakeholders in terms of resources, curricular relevance, pedagogy and quality of products. The near-collapse that characterizes the public education system is worsened by severe budgetary cuts and chronic under-funding. The thinking is that involving the private sector would help secure higher levels of funding, revitalize the system and improve the quality of education. Table II, shows federal Government expenditure on the education sector for a decade 1991 to 2001.

**Table II: Federal Government Expenditure and Federal Allocation To The Education Sector in Millions of Naira**

Year	(1) Total Expenditure	(2) Allocation to Education	(3) Percentage Allocation to Education	(4) UNESCO Threshold 26 % column 1	(5) Amount of Under- funding	(6) Percentage of funding
1991	66,584.4	1,166.0	1.88	17,311.9	16,145.9	93.3
1992	93,835.5	2,756.0	2.9	24,397.2	21,641.2	88.7
1993	191,228.9	6,331.5	3.3	49,719.5	43,388.0	87.3
1994	160,893.2	9,434.7	5.9	41,832.2	32,397.5	77.4
1995	248,768.1	12,172.8	4.9	64,679.7	52,506.9	81.2
1996	337,257.6	14,882.7	4.4	87,687.0	72,804.3	83.0

1997	428,215.2	16,791.3	3.9	111,336.0	94,544.7	84.9
1998	487,113.4	24,614.1	5.1	126,649.5	102,035.4	80.6
1999	947,690.0	31,563.8	3.3	246,399.4	214,835.6	87.2
2000	701,059.4	49,563.2	7.1	182,275.4	132,712.2	72.8
2001-	894,200.0	62,600.0	7.0	232,492.0	169,892.0	73.1

Source Central Bank of Nigeria, Annual Report and Statement of Accounts; July 2002

Table II shows that the percentage allocation to education in 1991 stood at 1.88 with a percentage of under-funding index of 93.3.. In 2001, a total of 7.0 of the annual budget were allocated to education with the percentage of under-funding at 73.1 of the federal budget. The allocations are far below the UNESCO recommended threshold of 26%. The implications for under funding are that educational inputs are either unavailable, grossly inadequate or existing ones suffer from obsolescence.

A critical dimension of under-funding of the educational system is the politics in budgetary allocations to Nigerian Universities. Babalola et al, (2005), posit that legislators often play politics with education budgets so as to create political problems and they may consciously cut-down budgetary allocations to universities to cause social unrest and to instigate reaction from other trade unions. Tertiary education funding is also subjected to serious politics. This is demonstrated from the allocation and utilization of money generated from the Federation Account Up to December 1990, the following formula was used for sharing federally collected revenue among the tiers of government: Federal Government (55%), State Government (30%), Local Governments (10%) and Special Funds (10%). From January 1991, the revenue sharing formula was revised as follows: Federal Government (55%); State Governments (25%) and Local Governments (15%) and Special Funds (5%).

Arguably, another factor that impedes scholarship and innovations is the low level of research funding. It is a settled fact that there exists a relationship between research funding and development. The thinking is that public-private partnership can contribute to increase funding to create a mutually reinforcing climate in a fast globalizing world. The public-private partnership in tertiary education is also necessitated by the imperatives of globalization. The advent of globalization fostered by ICT has induced strong competition to use knowledge for wealth creation. In the globalization regime, private rates of return for tertiary education have become very high in countries where a huge percentage of managerial jobs require higher educational qualifications.

In Nigeria, PPP seems to be the only way to sustain the tertiary education system. Sustainability in education has to do with three key factors namely: social responsibility, quality of service and viability of institutions. Social responsibility deals with the functions of institutions to society in general such as community service functions of universities. Quality has to do with meeting minimum standards set by a quality control body such as the NUC. Viability relates to the ability of institutions to generate revenue to sustain its programmes and operations. Thus, the Sustainability of institutions relates to the cost of educational services, quality of facilities, school fees/ other user charges and institutional capacity.

To improve funding, the Federal Government established the Education Trust Fund (ETF). A summary of the distribution of ETF allocation from 1999 to 2003 is shown in table III below.

**Table III: Summary of the Distribution of ETF Intervention Projects by Educational Institutions Nation Wide from] 999-2003.**

S/N	INSTITUTIONS	Total Allocation(£4)	Total Disbursement^)	Total Outstanding(#)
1.	Universities	9,686,627,960.12	7,215,902,960.12	2,470,725,000.00
2.3.	Polytechnics	4,815,709,288.00	4,087,042,112.23	728,667,175.77
		<u>5,156,457,430.00</u>	4,632,778,080.00	523,679,350.00
4.5.	Monotchnics SSEs SPEBs	1,323,000,000.00	1,146,080,000.00	176,920,000.00
6.7.	Special Projects (Year 2000)	6,769,800,001.75	5,556,470,753.67	1,24,329,248.08
8.		10,673,399,997.90	9,154,341,974.73	1,519,058,023.17
		248,035,944.18	248,035,944.18	0.00
		10,027,008,855.61	5,804,670,432.79	<u>3,979,884,308.32</u>
9.	Special Projects (Year 2003)	500,000,000.00	366,000,000.00	134,000,000.00
Total		49,227,039,477.56	38,211,322,257.73	10,773,263,105.33

Source: Federal Inland Revenue service (2002). Nigerian Tax News, Vol. 7, No. 2. Lagos: Published

by Kupag Public Affairs Production.

Similarly, the trend of ETF allocation of funds to various levels of education as shown in Table III, indicate that Universities are preponderantly favoured yet the amount of money released to the education sector is grossly inadequate. To maximize sustainability, there is a growing tendency for Nigeria towards the establishment of "for-profit" higher educational institutions. Attention seems to be given more to economic efficiency and market consideration in establishing private universities. This is largely determined by the desire to sustain the institutions to provide up-to-date educational inputs for quality education.

### Challenges Facing Public-Private Partnership in Tertiary Education

Although, PPP is workable in Nigeria as in other countries, there are some basic challenges that are likely to vitiate such partnerships.

First is the challenge effacing grim finance squeeze facing Nigerian Universities. The result of under-funding is that many universities have under-resourced libraries, dilapidated and obsolete physical infrastructure and poor student support facilities. Fears are being expressed in some quarters that in the nearest future, most of the programmes in the Arts and Humanities and other non-professional courses with diminishing marketable potentials may not attract patronage and may be scrapped. Thus, PPP in tertiary education is likely to reduce the range of programmes mounted in Nigerian universities.

There is the tendency for people to have a high patronage for more "for-profit universities" but in most countries of the world such universities do not command as much prestige as public universities. Altbach (2000), describes for-profit universities in South Korea, Malaysia and the Philippines as small, vocationally oriented institutions where specialized skills are trained. They have the tendency of offering services that are in high demand and most of their programmes are designed essentially for profit-making. In Nigeria, the high index of graduate unemployment has created a situation where programmes that are market-driven are given priority attention.

PPP in Nigeria, will also face the challenges of academic and institutional autonomy. University autonomy and academic freedom are crucial elements of any modern university. However, these concepts seem to be in conflict with the market oriented private institutions. In public universities the professorate is inclined to be involved in designing the curricula and conduct robust research. However, most of the private universities are new and they operate with considerable autonomy in terms of determining their goals, tuition fees, academic standards, personnel policies and curriculum.

Yet another challenge envisaged in the PPP is that of accreditation, co-ordination and control. Private universities are controlled by government agencies that impose tight measures and streamline their mode of operations. In Nigeria, the (NUC), is vested with the power of accreditation of programmes and the allocation of resources. The NUC faces severe difficulties in controlling and co-ordinating public universities. It is likely to face more difficulties when-dealing with private universities whose proprietary rights cannot be violated unnecessarily. What will make matters more complex is the fact that each university has its mission and mandate, which may be in conflict with the overriding public interest. A critical factor that justifies Public-Private partnership in tertiary institutions is the high index of understaffing and its effect on teaching and learning. Table IV below highlights the problem.

Table IV: University Academic Staff Shortfalls in Nigerian Universities in 2000						
Discipline	Staff Available	Students Enrollment	Existing Staff Student Ratio	NUC Staff-Student Ratio	NUC Requirement	% Shortfall by Norm
Administration	697	43,933	1:63	1:20	2,197	1500(68)
Agriculture	1,904	25,602	1:13	1:9	2,845	941 (33)
Arts	2,116	45,440	1:21	1:20	2,272	156(7)
Education	1,652	46,812	1:28	1:24	1,930	278(14)

Engineering Technology	1,798	52,843	1:29	1.9	5,871	4,073 (69)
Environmental Science	904	15,663	1:17	1.10	1,566	4,073 (69)
Medicine	1,876	23,241	1:12	1.6	3,874	1,998(56)
Pharmacy	360	5,066	1:14	1.10	507	147(29)
Sciences	4,146	77,092	1:19	1.10	7,709	3,563 (46)
Social Sciences	4, 146	77,092	1.19	1.10	7,709	3,563 (46)
Vet Medicine	368	2,318	1:6.0	1.6	386	16(4)
Law	586	23,431	1:40.0	1.20	1,172	586 (50)
Total	18,328	433,87		-	33,951	15,718(46)

Sources: i. National Universities Commission (2001); ii Federal Ministry of Education (2003)

Data, on the table IV show that the dearth of academic staff in Nigerian Universities was most severe in Engineering and Technology (69%), Administration (68%) and Medicine (56%). The existing student-staff ratios in Engineering and Technology, and Administration more than doubled the standard NUC ratios. With the brain-drain syndrome occasioned by rapidly deteriorating working conditions, most teachers abdicate their responsibility of mentoring students in the system- which in turn results in students' wastage.

One of the functions of public universities in Nigeria is community service. Public universities are therefore, expected to render services to the community by way of providing community support services such as admission concessions, scholarship and employment quota. This aspect of social responsibility can largely be ignored by private universities. Private universities (PUS), admit candidates who have the capacity to pay in addition to academic qualifications. Thus, PUS can hardly make provision for such concessions since they operate on the principles of market capitalism. They are scored very low on social responsibility hence PPP can undermine the needs for democratizing education especially the need to cater for under-privileged in the locale of private universities.

### Strategies for Sustainable Public-Private Partnership in Nigerian Tertiary Institutions

The term "Sustainable Development" was brought into general usage by the World Commission on Environment and Development (the Brunddand Commission), in 1987. The Commission defines Sustainable Development (SD) as " *Meeting the Needs of the Present Generation Without Compromising the Needs of Future Generations*". Since the Earth Summit in Rio de Janeiro in 1992, the term has become a byword in the developmental policies of countries around the world.

Within the context of education, sustainability means the ability to operate and maximize optimum results from a programme. Sustainability is therefore, inseparably linked with operational efficiency.

Translated in to education, efficiency is the optimization of resources, the relationship between input and output in the production of manpower. There are two dimensions to efficiency namely: technical efficiency (TE) and economic efficiency (EE). Technical efficiency refers to the quantitative relationship between the output and the input in the production process. If the inputs exceed the prescribed minimum level, their production can be said to be inefficient. This can be represented as follows:

$$\begin{array}{lcl} \text{TE} & = & \text{Input} > \text{Output:} & \text{Efficient} \\ \text{EE} & = & \text{Input} < \text{Output:} & \text{Inefficient} \end{array}$$

Economic efficiency defines the relationship between output and the cost of inputs. The economic efficiency of production system increases without a corresponding increase in production cost. Thus, an educational system is efficient if it can admit students, provide them with the requisite

tools to acquire the requisite skills and graduate at the appropriate time. Efficiency considerations are necessary for sustainable education because in the words of Leadbeater (1999),

Knowledge is our most precious resource: we should organise society to maximize its creation and use. Our aim should not be a third way, to balance the demands of the market against those of the community. Our aim should be to harness the power of both markets and community to the more fundamental goal of creating and spreading knowledge.

Since the central problem of tertiary education in Nigeria is funding, one of the areas where PPP can be encouraged is in the sources of university funding. Three major areas of partnership may be explored. First, public universities can jointly conduct research with private universities and commercialize the results of such researches. This is possible because public commercialized universities have a huge array, of under-utilized, high caliber manpower, which can conduct quality research. Secondly, public universities can mount fee-paying continuing education programmes that can be run on part-time basis. Such programmes may be effectively managed by joint ventures on strictly commercialized basis. Third and perhaps a major window of partnership is for government to allocate funds to students in private universities based on certain equitable criteria, while students pay only a negligible portion of their tuition and other user charges. This model of funding is already practicable in India and the Philippines (Yalokwu; 2005).

In Nigeria Investment in research is very low as compared to other developing countries as shown in Table V.

**Table V: Investment in Research and Development as a Proportion of GDP in Selected Countries in 2004**

S/N	Country	Expenditure on R & D (as % of GDP)
1.	Togo	8.4
2.	Tanzania	1.03- 1.35
3.	Uganda	0.8
4.	<b>Nigeria</b>	<b>0.1</b>
5.	India	2.0
6.	South Korea	2.9
7.	United Kingdom	2.3
8.	Germany	2.8
9.	Canada	1.7
10.	United States	2.5
11.	Japan	2.8
12.	Israel	3.7
13.	Sweden	3.8
14.	Russia	5.0

**Source:** Olatunji, 2004; cited in Asobie

2006:17

Table VII clearly shows that Nigeria spends a paltry 0.1 % in research and development, yet political power holders pay lip-service to development. Besides, the Federal Universities spend only 1.3% of their budgets on research. The implication is that technological breakthrough or development for that matter cannot happen without engaging in applied research.

An emerging trend in public-Private Partnership in tertiary education is in the area of research and development. In Taipei, China a science-based industrial park is established in Hsinchu. The park was built with a combination of government and private funds. The park is host to most hi-tech firms and Multinational Corporations in China. In Nigeria, Universities in the South-South geo-political zone

can take advantage of the presence of crude oil and gas to invest in research and development related to the hydrocarbon industry. For instance in Bayelsa State, the Niger Delta University can partner with the organized private sector to establish a viable fishing industry and palm plantations for employment generation and improve on the sophistication of the programmes in Agriculture and Fisheries. Another viable partnership option is to engage in private sector, profit-oriented enterprises such as bookshops, retail shops, food service and other activities related to university operations. Universities can also franchise private sector companies for educational operations.

Government can partner with individuals and corporate organizations by creating an enabling environment for private universities to thrive, when the federal Government realizes that Private Universities will increase Nigerian's global competitiveness and improve the nation's export potential. Relaxing stiff accreditation requirements will stimulate the demand for private universities. Public universities can also engage in outsourcing of critical educational services delivery with private sector providers. For example, the gargantuan intellectual content in public universities can be used to build the capacity of teachers in PUs for the mutual benefit of each other.

Private Universities must be ready to take entrepreneurial risks and explore opportunities by identifying cost-effective strategies of education service delivery. Essentially, private universities should enhance management capabilities, staff development and demonstrate certain level of quality.

Private University proprietors could liaise with public institutions and explore ways of tapping opportunities for the mutual benefits of both parties. Such partnership cannot be avoided because all over Africa, Private university education seems to be growing by leaps and bounds. PUS cannot exist in Isolation; they must fit within the academic system, as their survival depends on the dynamics of the labour market.

### **Recommendations:**

1. In Nigeria the sustainable implementation of PPP in providing tertiary education is indispensable. Such PPP worked in other lands and if carefully managed, with mutually reinforcing mechanisms, PPP has the chances of success in Nigeria.
2. Financing tertiary education in Nigeria is a complex, political and controversial issue, which requires an enabling legal regime for effective control and sustained systemic stability. In the longer term, the sustainability of public-private partnership in tertiary education depends largely on robust synergy, improved funding and prudent management of resources for institutional governance.
3. There is need for Nigerian tertiary institutions to adopt an entrepreneurial funding framework in order to increase university-industry research alliance for the enhancement of scientific research and employment generation.

### **Conclusion**

This paper examined a contemporary issue that of the sustainability question of public-private Partnership in tertiary education in Nigeria. It was contended that government alone could not bear the cost burden of tertiary education hence a shift of emphasis from massification of to efficiency paradigm as demonstrated in the emergence of private universities in Nigeria has become a pragmatic imperative. Although, private universities are tended towards maximizing efficiency through marketization, there is an oval possibility that when public universities enter into partnership with private institutions, they will improve systems efficiency, promote entrepreneurial culture through market-oriented research and broaden access. The Nigerian private university sector is growing faster than anticipated. Tertiary education is an expensive, capital intensive social service, and cost-sharing among the service providers and beneficiaries from the system has become an inescapable reality.

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