

ROLES OF PUBLIC PRIVATE PARTNERSHIP TOWARDS THE DEVELOPMENT OF HIGHER EDUCATION IN NIGERIA

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Abstract

Higher education has long been acknowledged as the vehicle to national and individual development. This position is amplified in the Nigerian National policy on education, which stated that education is an instrument par excellence for effecting national development. Owing to constrained investment, the public education sector is unable to cope with growing market demand and global competition. The need for private investment is thus imperative to expand infrastructure and provide greater access to quality higher education. Public private Partnership is an initiative that involves New Management Practices and Public Governance. PPP is a means of introducing private sector technology and innovation in providing better public services such as education through improved operational efficiency, incentivizing the private sector to deliver projects on time and within budget as well as a means of risk sharing between the government and the private sector. This paper examined the brief history of public-private partnership in higher education in Nigeria. It also looked into, Actors in Public Private Partnerships and the roles of public private partnership in the development of higher education. The challenges of providing adequate and equitable access to quality higher education through public private partnership are consequently examined while recommendations are made on the way forward. PPP initiative in Nigeria education sector still has a long way to go. The government is yet to have adequate control over PPP and this manifest in increase cost being borne by the consumers, questionable level of accountability, low level of efficiency and bias in the selection process of bidders. In view of this Government should synergies with companies that have the required wherewithal such as technological know-how, fiancé and human resources so as to ensure quality service delivery in tertiary institutions. The onus also lies on the government to empower ministry of education and other related parastatals that has authority over the aspects of quality control to monitor and uphold standards in private institutions. Finally to facilitate improvement in university education, government should continue to improve on ICRC National policy of Public Private Partnership in the country.

Key Word: Investment, Partnership. Access, Infrastructure, Quality

Introduction

Education has been adjudged to be a major catalyst in development of a nation. Thus, every nation has a blueprint on education, this documents is referred to as National Policy of Education in Nigeria. The objectives of University Education according to Federal Republic of Nigeria (2004) are to; contribute to national development through high-level relevant manpower training, develop and inculcate proper values for the survival of the individual and the society, to develop the intellectual capability of individuals to understand and appreciate their local and external environments, acquire both physical and intellectual skills which will enable individuals to be self-reliant and useful members of the society, promote and encourage scholarship and community service, to forge and cement national unity; and to promote national and international understanding and interactions.

In the past decades, education was a social service and its provision was solely the responsibility of the

government through the ministry of education.. However, this trend could not be sustained by the government due to population explosion, paucity of fund and ever-increased responsibilities on its part which all manifest in decline in the standard of education. The leeway for provision of quality education therefore remains public-private partnership initiative. The public in this context comprises all government involvements in the provision of education to the citizens while private means private sectors involvement in the provision of education services.

Kolade and Balalola (2007) submitted that the activities of the public sector in educational provision generally in Nigeria cover areas such as policy formulation and execution, monitoring of standard, ownership, financing and management of educational institutions. Globally, experiences across nations have revealed that the attainment of meaningful and sustainable development requires the genuine participation of the public, the organized private sectors, donor agencies, individuals and civil society in the education system. The public private partnership therefore, is

one of the new trends in partnership strategies; it is being popularized as an alternative approach to the delivery of goods and services. It is also referred to contractual arrangement between the public sector and the private sector to achieve well-defined and shared objective in a cost effective, efficient and sustainable manner. These arrangements always specify targets, responsibilities, priorities and feedback processes. It primary involves sharing of resources, knowledge and risks between the two sectors so that the country at large can benefit from the arrangement (Oni and Akinbinu, 2005).

Public private partnership involves a contract between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project. In some types of PPP, the cost of using the service is borne exclusively by the users of the service and not by the taxpayer. In other types (notably the private finance initiative), capital investment is made by the private sector on the basis of a contract with government to provide agreed services and the cost of providing the service is borne wholly or in part by the government. (Barlow, Roehrich, and Wright, 2013).

Brief History of Public Private Partnership in Nigerian Universities

Public Private Partnership (PPP) has been in practice for a long time in many countries. The pioneer adopters of PPP are countries such as Netherland, Denmark, and Belgium. PPP has assumes different nomenclature in different countries. For example, it is referred to as Private Finance Initiative, in Canada; it is called Alternative Financing procurement. In Nigeria, the present initiative of PPP dates back to 1990s. To be precise, it was adopted at the beginning of the 4th Republic in 1999. The regulatory body for PPP in Nigeria Infrastructure Concession Regulatory Commission (ICRC) was inaugurated in the 2005

According to Manuel (2012), PPPs approach harnesses prudently the needed expertise from pools of qualified labour and the prerequisite resources in the private sector, utilizing the combined resources for optimal service delivery and thereby making it easy for the government to focus mainly on its assigned regulatory functions. It is important to state at this point that; For PPP to be meaningful and successful as in other countries the area of partnership should be highlighted and the nature of partnership between the two should be well spelt out. Nigeria has policies that guide public private partnership in the country. The areas of partnership are funding, ownership, provisions and maintenance of facility, quality control and management.

In the Nigerian PPP Review Detail (2012) drafted by the infrastructure concession regulatory commission, it was noted that the success or failure

of PPP can often be traced back to the initial design of PPP policies, legislation and guidance. A well institutionalized framework is often required to provide explicitly a detailed overall roles and responsibilities of the participating PPP partners. PPP being a competitive procurement process requires due process of structuring in accordance with the Federal government of Nigeria directive for any form of procurement relating the Federal government of Nigeria and concerned ministries, departments and Agencies. The legislation governing PPP procurement in Nigeria as was enlisted in the Public-Private Partnerships manual are as follows:

1. The Infrastructure Concession Regulatory Commission (ICRS) Act of 2005.
2. The public procurement Act 2007
3. Regulations issued by ICRC governing the PPP process.
4. The state laws as described in each state's PPP policies. (Dominic, Ezeabasili, Okoro, Dim, and Chikezie G.C. 2015)

According to Infrastructure Concession Regulatory Commission (ICRC, 2013), the main reasons that motivates governments to engage in PPPs for infrastructural development and service propagation are; (a) for optimal utilization of available resources and efficiency in services. (b) To improve on the standing organizational plans and policies that will pave more ways for transparency and fairness assessment. (c) To attract more skilled force with competitive flair and orientation on efficient performance. (d) To reform sectors through a reallocation of roles, incentives and improve accountability.

The rise in demand for higher education in Nigeria in the recent years is a departure from the reality of 1960s and early 1970s when university graduates had jobs awaiting them upon the completion of their education. In 1960s and 1970s, most of the expansion of education was financed by increased public expenditure on education, which rose in relation to national income, and public expenditure as a whole. This trend began to nosedive in the mid1980s. An insignificant proportion of Nigeria's financial resources are spent on education. Education budgets as percentages of total national budgets were 8.43% in 2012 and 8.67% in 2013. These fell below those of other developing countries. Ghana, South Africa Cote d'Ivoire Kenya and Morocco had 31%, 25.8%, 30%, 23% and 17.7% respectively of their annual budget for education. The United Nations recommends that 26 per cent of the total expenditure be devoted to education. Tto make the matter worst, 60% of funding for Nigeria Universities goes to recurrent expenditure. Oseni. (2012),

This was further corroborated by Romina (2015) in his work, he submitted that, one critical challenge to quality higher education especially university in

Nigeria is funding. Nigerian government appears not to have seen the need to allocate a reasonable proportion of budget to higher education.

According to Akaranta (2014), the standard argument for Nigerian government not paying adequate attention to the education sector is the competing demand from other sectors such as transportation, health and similar areas of services to the economy. In an attempt to complement government funding, agencies such as the Central Bank of Nigeria (CBN) and Education Trust Fund (ETF) intervene on infrastructural development in Nigeria universities. Despite this effort, funding of Nigerian universities remains grossly inadequate.

As at 2013, Nigeria had 40 federal universities, 38 state universities, 50 private universities, 128 polytechnics and monotechnics, 117 Colleges of Education and 57 Innovation Enterprise Institutions, bringing the total number of tertiary institutions to 430. Nevertheless, many Nigerian students seeking tertiary education are more interested in university education. In 2010/2011, Nigeria had 112 universities with carrying capacity of 450,000 and 1,493,611 applicants. Thus, the admitting capacity was 30.13 per cent of the total number of applicants. This means that at best, only 30.13 per cent of the total number of applicants were accommodated during that academic session. In the 2011/2012 session, five universities were added, bringing the number to 117, with 500,000 carrying capacity amounting to 33.25 per cent and 1,503,933 students applied that year. However, in 2012/2013, 11 universities were added bringing it to 128 with 520,000 (29.96 per cent) admission spaces. In that year, a total of 1,735,729 applied for UTME. (Vanguard, 2014).

The responsibility of management, funding, and supervision of education was solely that of the government in about three decades ago but the present realities in terms of increases demand for education service and human capital coupled with increased government responsibilities has made this almost impossible in the Nigeria of today. The way out of this predicament was found in PPP as provided for by Infrastructure Concession Regulatory Commission (ICRC) in National Policy on Public Private Partnership. This call for the adoption of alternative methods of funding education in general and higher education in particular instead of relying entirely on the government. Public-private partnership in higher education is a collaboration between the governments and the private sector in delivering of high quality, effective and efficient higher education services to the people.

The PPP initiative in tertiary education has been encouraging of recent. Apart from the Education Trust Fund (ETF) into which two per cent of total profit of companies are paid, some individuals and corporate organizations have been contributing to tertiary education development through

endowment and research grants, scholarship award to students in various disciplines and contributions towards building lecture halls, lecture theatre, hostels, water supply and even road construction and supply of vehicles to schools. Some of the roles being played by PPP in higher education in Nigeria would be discussed under "the role of ppp in higher education in Nigeria".

The Role of PPP in Higher Education in Nigeria

Commonwealth Local Government handbook conceived the concept of Public-Private Partnership (PPP) as the collaboration between public and private sector organizations in public service delivery. The major actors in PPPs include are; the Government; Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs); and the private sector. The role of public private partnership in all facets of the country, education inclusive has both benefits and risks.

PPP has been identified as an important way of financing higher education from alternative sources vis a vis funding. The opportunities have not been properly harnessed due to dicey dialogues between higher institutions and private sector as well as inadequate marketing on the part of the institutions. However, there are steps towards this direction. For instance, the John D and Catherine T Mac Author Foundation had developed partnership with some Nigerian universities in its global programme for sustainable development. In 2001, the foundation provided a planning grant of US \$ 100,000 and an institutional strengthening grant of US \$3,000,000 to University of Ibadan in 2001 and 2002 respectively. The focus of partnership includes ICT (provision and training) and university – industry collaboration for research, entrepreneurship and innovation. The latter catalyzed into the Ibadan Business School. (Rupert , Godwin, Timothy. and Steven 2006).

Furthermore, Zinox Technologies, a computer company have collaborated with universities in developing Information Communication Technology (ICT) facilities and training of high level manpower on ICT components. The communication industry such as MTN, GLOBACOM, the banks, and other financial institutions are also involved in private initiatives and collaboration. For instance, in university of Lagos, MTN has lend support in the area of e-library, banks have also intervene in the areas of funding scientific research. The private sector have formed partnership in higher institutions in the advancement of research which include donation of teaching and research infrastructure such as lecture halls, laboratories, hostel accommodation, ICT centers, promotion of scholarship, supply of textbooks and journals, and the development of fractured and work – related curriculum (Ogbodo and Nwaoku, 2007 and Oghenekohwo and Abu, 2011).

However, contributions from the private sector to the emerging situations in higher education are still appalling. These situations have prompted the federal government of Nigeria to evolve several reforms for effecting positive change in Public Private Partnership (PPP). Some of these reforms which include Public Private Partnership Initiative (PPPI), Adopt – a – School, Community Accountability and Transparency Initiative (CATI), Private Development Initiative (PDI) and Higher Education Collaboration (HEC) are geared towards providing an enabling environment and stimulating active participation of the private sector in higher education development.

Despite these reforms Public Private Partnership (PPP) still remain limited in Nigeria. It is therefore important to find out the limiting factors and challenges to PPP in managing higher education in Nigeria. Public Private Partnership (PPP) is important in managing higher education because a greater deal of education reforms revolves around the collective input of all parties concerned.. (Thomas and Thomas-OluFuwa 2013).

Benefits of Public-Private Partnership.

Cost Savings: These can result through more efficient and cost effective operations and service delivery. The private partners can contribute to cost reduction through the application of economies of scale in providing, operating and maintaining facilities, the use of innovative technologies, adopting more flexible procurement and compensation arrangements and by reducing overhead costs.

- **Risk Sharing:** The associated risks can be shared with a private sector partner
- **Improved Levels of Service:** more innovative approaches can be introduced in order to increase the level as well as quality of service.
- **Enhancement of Revenue generation:** Apart from setting appropriate user fees, which fairly reflect the cost of service delivery, PPP can offer the opportunity for introducing more innovative ways of generating revenue
- **More Efficient Implementation:** Through more efficient decision making processes and collaboration, PPP can facilitate more efficient ways of project implementation
- **Economic Benefits:** Public-private partnership can stimulate employment generation, transfer of expertise and economic growth. (Kolade and Babalola, 2007).

Challenges of Public-Private Partnership

Privately own higher institutions are in the categories of Build Own and Operate model of PPP. Despite the immense benefits of private involvement in university education as highlighted above, the move had been criticized on various grounds. Some of this criticism include;

- **Loss of Control by the Public Sector:** Where the private partner commits more funds to a project than the public sector, there is a likelihood that the private partner would seek for more control over how services are provided and priced. In this type of situation, the onus of establishing services standards and ensuring the protection of public interest rests squarely with the government.

- **Learning Outcomes and Equity Goals**

Public private partnership in education sector appears to be gaining popularity around the world but this contrasts with the fact that existing research on the effectiveness of these interventions in the improvement of different aspects of the educational system is still scarce and far from conclusive (Day Ashley et al., 2014; Verger Fontdevila, Rogan and Gurnet, 2017; Waslander Pater and Van Der Weide, 2010). In view of the purported general descriptions of the benefits of educational PPPs in terms of expanding access, improving quality and equity, existing, academic evidence and findings shows no consensus as to whether PPP in educational sector yields the desired result in the areas of learning outcomes, education inequalities, efficiency, parental satisfaction, innovation and teachers' job performance. (LaRocque, 2008; Pavon, 2008)

On the contrary, the differences in student learning outcomes are less likely to be attached to the inherent quality of the providers, but tend to be related to their socio-economic composition⁶ (OECD, 2012), or to the fact that they are subject to more intense hours of teaching in privately managed schools (Termes Bonal, Verger, and Zancajo, 2015). Equity is, however, not so balanced. For instance, most studies suggest that PPPs is based on demand-supply forces for funding tend to increase educational inequalities and school socio-economic segregation (Alegre and Ferrer, 2010)

- **Increased Costs:** Since the delivery of services through PPP requires some degree of cost recovery or pricing policy to reflect all relevant costs, then one can expect some increase in user fees for the affected services

- **Accountability:** Accountability is, in all types of PPP arrangements, a key component, but also a key concern. The main areas of accountability and state control in educational PPPs are: the transmission of a national curriculum, quality of school facilities, teacher training and development, teachers' qualifications, teachers' salary and working conditions (including students-teacher ratios), gratuity (ensuring that schools do not charge uncovered fees to families), democratic school governance (guaranteeing participation of teachers, families and other stakeholders at the school level), as well as transparent students' admission processes (controlling against discriminatory student selection). For governments to monitor and enforce adequate performance in all of these intrinsically different areas, strong regulatory and management capacity is needed. Unfortunately, the level of accountability in PPP is below expectation

in many countries.(Antoni and Mauro 2017) Similarly, Kolade and Babalola (2007) posit that with PPP, the lines of accountability for the provision of services are often not very clear to the public, to the extent that this may result in public criticism of the partnership arrangement.

• **Absence of Competition:** Fairness to consumers can be ensured through healthy competition among bidders. Some key benefits of competitions which include innovation, efficiency and reduced costs may be done away with, if there are few potentials private partners with the expertise, resources and /or the ability to respond to a request for partnership for proposals from the government.

• **Poor Quality of Service Rendered:** A situation whereby the private sector partner fails to break even on its investment, the leeway is to render low quality service-PPP in education sector is not an exemption. Private sector will do what it is paid to do and no more than that – therefore incentives and performance requirements need to be clearly set out in the contract. Focus should be on performance requirements that are out-put based and relatively easy to monitor

• **Selection Process Bias:** Serious care needs to be taken in the selection of partners that may want to offer 'low bids' in order to win PPP contracts. Consequently, more transparent and well developed selection procedures are needed in the selection of private sector partners.

Conclusion and Recommendation

This article discussed the roles of public private partnership towards the development of higher education in Nigeria. The paper posits that government who has continued to be the main financier of education in Nigeria has not been able to meet the demands of university education systems in the country. Owing to multi-faceted nature of government responsibilities, the era when government exclusively fund education is winding up. In a bid to achieve quality in university education, government should collaborate with privately own industries and NGOs who are favourably disposed to the course of education. Government should synergies with companies that have the required wherewithal such as technological know-how, fiancé and human resources so as to ensure quality service delivery in tertiary institutions. The onus also lies on the government to empower ministry of education and other related parastatals that has authority over the aspects of quality control to monitor and uphold standards in private institutions. Sustainable and systematic transformation efforts must involve public private partnership whose contributions are imperative in achieving the desired changes in the functions of universities in Nigeria. Finally to facilitate improvement in university education, government should continue to improve on ICRC National policy of Public Private Partnership in the country.

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