

## **Exploratory Study on the Funding of Private Universities in Nigeria: A Qualitative Approach**

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### **Abstract**

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*Presently, it has been observed that the private universities in Nigeria are under tight financial situation which has made some stakeholders to demand for government funding of the private universities in Nigeria. This has led to the debate whether government should fund the private universities in Nigeria. As a result, the present study conducted a qualitative study through a face-face interview on Ten (10) participants drawn through a convenient sampling technique. The study found that that the funding of private universities is a must and compulsory for the government. It was equally revealed by the informants that the funding of the private universities by the government should take the forms of percentage funding, staff and structural funding, infrastructural funding (provision of laboratories, modern classrooms etc.), and human capital development funding. The study more offered insight on the funding of private universities in Nigeria.*

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**Keywords:** Education system, Funding, Private Universities, Face-Face Interview, Nigeria.

### **1.1 Introduction**

Generally, university is described as any institution of higher or tertiary education and research that awards academic degrees in many different academic areas or disciplines of human endeavours (Uche, 2016). Universities offer both undergraduate and postgraduate *educations*. A university can be public or private in nature. In other words, it can be owned by the government (State or Federal) or by the private individuals and religious organizations. For example in Nigeria, most private universities are owned by the Christian and the Muslim organizations while a few of them are actually owned the individuals. A private university is a university that is predominantly owned and funded by private means through owner's capital or church fund as opposed to public universities which are predominantly funded by public means through a national or sub-national government. In Nigeria for example, private universities are majorly owned by various religious organizations such as the Christian or the Muslim while others are owned by private individuals. Private universities are becoming more popular and acceptable to the general public in Nigeria as they continued to play a significant role in the overall educational system of many countries across the globe including Nigeria. For example, private universities assist in the delivery of higher education services (Allen, 2007; Uche, 2016). In other words, they participate in the delivery of higher education services to the public. With increase in the number of private universities, available data revealed that the number of enrollment into private universities has continued to soar across the West African region of the continent including Nigeria (Messah & Immaculate, 2011).

Furthermore, the data as revealed by Tagoe (2010), show that private institutions which are more in number take up a total of 26% university enrollment in Ghana and 8.3% in Nigeria (Uche, 2016). Despite the crucial role play by the private universities in the nation's education system, they are still faced with problem of funding. This issue has been a subject of both public and academic debate. One interesting aspect about this debate is that should the government fund the private universities? This question has created different views from the public, educators, and practitioners including the academics. While some (e.g. Ajadi, 2010; Baje, 2015; Ogungbenle & Edogiawerie, 2016) believe that private universities should be solely funded by the owners since they are profit oriented in nature and also charge high fee, many (e.g. Baje, 2015; Akinnaso, 2017) on the contrary, want the government to play significant role in the funding of private universities as that is one way to ensure qualitative and meaningful education in Nigerian education system. Even though, this debate has been ongoing, there are only few empirical studies to support or counter it.

Furthermore, experience has equally shown that when education is not properly funded, institutions of learning will be ill-equipped in terms of teaching facilities and staff, the products of such poorly funded institutions is bound to be poor materials (Babalola, 2017). Since funding of university required a huge fund, billion of Naira (Baje, 2015), some argued that it is necessary for the government to intervene in the funding of private universities in a country like Nigeria. They argued that no matter what fund individuals might invest in private universities, they may not be able to provide quality university education that would be measurable with the global standard (). Owing to these views, the present study through a qualitative approach attempts to gain more insight on whether government should fund private universities in Nigeria or not?

## **2. Literature Review**

As a matter fact, there is very little academic literature on private university funding in Africa including Nigeria. Most literature is too general, only focusing on university funding. Thus, specific literature on the funding of private universities is perceived to be lacking. Despite this, the present study will attempt to examine available literature in other to build its understanding on the subject matter.

A theoretical paper by Ajadi (2010) argued that funding is very imperative to the private universities in Nigeria. The study examined the private Universities in Nigeria with a particular interest on the challenges ahead. Apart from that, the paper equally attempts to analyse the growth, expansion, justification and the challenges of private universities in Nigeria. The study noted that operational efficiency of private universities is far more higher than that of the public universities with a higher running cost. If this is true, it means that private universities would require huge amount of funding to meet up with this running cost (Babalola, 2017; (Baje, 2015). Ajadi (2010) believed that there should be a good understanding and partnership between the private and public universities in Nigeria rather than leaving the university education either to the public or market forces. Thus, private universities need adequate funding. Also, Omoregie (2011) examined the funding of private universities in Nigeria, and focused on the issues and challenges in private university education in Africa. The study contends that the funding of the Private Universities should be a major concern of the Federal Government through the Education Tax Fund and Petroleum Technology Development Fund as much as the government is concerned with the Federal and State Universities. If Nigeria truly believes in Education for All as a Millennium Development Goal, part of its citizens should not be cut off just because they are attending private universities where they are to be empowered to serve the same nation.

Accordingly, Aluede, Idogho, & Imonikhe (2012) claimed that growth and expansion of any university being it public or private is linked how well or to the extent to which the university is funded. In other words, there is a direct relationship between the growth and expansion of a university and funding. They noted that an improved funding would effectively assist to achieve the expansion goal of the universities in Nigeria. Unfortunately, it was noticed that there was a reduction in the education budget in 1999 to 2002 from 11.2% to 5.9% and also another reduction in 2003 to 1.83%. In 2012, the education budget was increased to 8.42% yet it is not up to the United Nations minimum standard of 26% for education budget. All these clearly show that funding is a major problem of the universities. The issue of government funding private universities has been raised by the Pro-Chancellor of Fountain University, Osogbo, Professor N.O. Adedipe during the 2013 Al-Hikmah University Convocation on the subject, "Strains and Stresses in the Nigerian University System. In his submission, he called on the Federal Government to fund the private universities, arguing that the future of quality-assured access expansion lies mainly in them (Sahara Reporters, 2013).

Relatedly, Mahabub (2014) investigated the challenges of access to university education in Nigeria with particular focus on access to university funding. He contends that Nigerian universities are faced with multiple issues and challenges ranging from administrative, social and infrastructural domains, few of the issues are, limited carrying capacity, quota system, inadequate fund, poor economic background of students, and absence of technology. From the finding, one can clearly see that funding is one of the key issues hindering Nigerian universities irrespective whether it is a private or public university. The study also suggests that the issue of funding is a serious one and must be taken seriously.

Furthermore, on the funding private universities with particular emphasis on private universities and TETFUND, Larry Page and Sergey Brin, the co-founders of Google noted that running a university, be it public or privately-owned, is not a tea party, that it required a huge fund for solid and stable infrastructure, high quality manpower, state-of-the-art libraries and laboratories, all with the aim of producing top-range manpower as the engine to drive the nation's economic growth. In fact, much money is required to achieve the lofty aims of the proprietors and chief promoters of such universities. They argued that it will be curious, if not unjust, that private universities in Nigeria are being denied access to the much-needed Tertiary Education Trust Fund (TETFUND) (Baje, 2015). In a related development, Ogunbenle & Edogiawerie (2016) equally examined budgetary allocation and development in Nigerian tertiary institutions. Specifically, the paper empirically investigated the effect of Federal government budgetary allocation on the development of tertiary institutions in Nigeria spanning from 2000 to 2014. The study generated data from the Federal Government Recurrent Expenditure from 2000- 2014. The finding revealed that inadequate funding deters growth in the tertiary institutions. In view of this, the study suggests that regardless the declining financial resource allocation to the education sector, there is the need for alternative channels of funding which will ensure qualitative education and standard growth in Nigerian tertiary institutions. Again, the study shows the importance of funding to the universities in Nigeria. In support of this claim, The founder of Elizade University, Chief Michael Ade-Ojo, founder of Elizade stated that funding generally has always been the problem of the universities in Nigeria whether public or private. He noted that it is a limitation particularly when you talk about repair and expansion of the universities, let alone to talk about establishing new ones. He further observed that lack of funding has turned many universities in Nigeria to analog teaching and learning, in an increasingly digital age (Akinnaso, 2017).

Another study by Academia (2018) also revealed that there is a direct relationship between private universities and funding. For instance, funding of private universities in countries like the U.S. assumes different forms such as loans, student's college loans, grants etc. It is noted that the average taxpayer subsidy is \$13,000 per student per year in elite private universities like Harvard and Yale. These financial figures reflect the amount of money colleges and universities receive in direct government support and tax breaks. However, loans and grants provided by state and federal governments to help students meet tuition costs are not covered by this.

From the evidence above, one can clearly see that generally, the funding of universities in Africa especially Nigeria is very poor to the extent that the overall budgetary provisions of most states of the federation and the federation itself for education dwindled to the effect that the amount actually budgeted were far below the 26% which the UNESCO directed governments to allocate for education. Popularly, the private universities are known to charge huge school fees when compared to the low school fees charged by the public universities. The high school fees charged by the private universities are justified by quality education, high running cost and are also funded by individuals and organisations as opposed to public universities which are government owned and funded. It has been observed that funding affects tuition, and since private universities are privately funded, they are obviously more expensive. It is argued that since private universities charge high or if not outrageous fees, they should be able to generate the needed fund to run and operate the universities (The Citizen Newspaper, 2015). The issue of status seems to worsen the matter as the word "private" gives the impression of prestige and high standing. Private is exclusive and it is not for everyone. Many students in private schools have the mindset that they are better than their counterparts in public schools.

Like public universities being constrained by huge infrastructure and funding deficits, as well as falling standards, no Nigerian private university is yet to be ranked among the world's top universities in terms of standard, quality of products and all; though they produce many first class graduates year-in-year out. No Nigerian university, whether public or private, made the Quacquarelli Symonds (QS) World University Rankings' list of world's top 700 universities within the 2015/16 QS ranking year, for example. The 18 universities from Africa that made the list comprised nine from South Africa; Egypt, five; and one each from Ghana, Kenya, Uganda, and Tanzania.

Babalola (2017) noted that regardless of the challenges faced by the private universities, and notwithstanding the huge fees they charge, some private universities are mounting pressure on the FG to consider their institutions for funding. One of such demands came recently from the founder of Afe Babalola University, Ado- Ekiti, (ABUAD), Chief Afe Babalola, who called for the inclusion of private universities as beneficiaries of the Tertiary Education Trust Fund (TETFUND). Babalola argued that TETFUND represented a levy on industrial establishments owned by private individuals as their contribution to educational advancement in the country; and that the exclusion of private universities from benefitting from the fund was unjust. TETFUND money should be given to private universities that already show seriousness by being established on their own permanent sites and already have some minimum accreditation for the courses they run. Collaborating this, the Vice-Chancellor of Bells University of Technology, Ota, Ogun State, Prof. Isaac Adeyemi, urged the FG to provide single digit interest loans to private educational institutions to enable them thrive. These demands appear curious, but they buttress the tight financial situation private universities might be enmeshed in. Therefore, the FG should look into the demands and weigh the possibility or otherwise of bailing them out. But we recommend that should the FG resolve to grant the requests, it should take pains to harmonise, regulate and monitor the fees charged by private universities to make such institutions accessible to the average Nigerian child. For, it would be unjust, too, for private universities to be supported financially by the government if they are not ready to give back to the society.

### **Research Methodology**

The study adopted a case-study research design with interview approach for the purpose of an indepth understanding of the issue being investigated (Lucky & Yusoff, 2015; Creswell, 2012). In all ten informants who are both male and female lecturers from different private universities in the South Western Nigeria were included in the study. The informants were interviewed on the government funding of private universities in Nigeria. These respondents were selected based on convenient sampling/purposive technique. This view is supported by Amin & Khan (2009) and Lucky & Minai (2017) who selected experts that participated in their study based on availability in their study of lecturers' performance evaluations. Also, Lucky, Minia & Hamzah (2014); Simmons (2011) adopted a qualitative approach with face-to-face interview in a study of this nature. Thus, the selection and qualitative approaches for this present study is well supported in this regard.

### **Results and Discussion**

From the interview, the study extracted the views of the participants on whether the government should take part in the funding of private universities in Nigeria. The major objective is to provide validation and more insight on government taking part on private universities funding in Nigeria. The key informant reported all the major challenges faced by women's progression to top management position. The interview responses were categorized into five major themes namely: business investment, profit oriented.

#### **Business Investment**

For some, they strongly believed that private university is nothing but just a business investment which the owners intend to earn returns. As revealed by the informant, private university is just like any other business investment engage by people in which they make profit. They do their business with the aim getting return on investment. The informant stated as follows:

*"I don't quite believe that private universities should be funded by the government because they are business investment. They are not doing philanthropies like what other organizations do. Their motive has always been that of profit."*

#### **Staff and Structure funding**

This is funding that have to take the forms of human capital development and building of structure for the private universities. The government can fund the private universities by assisting them to train and develop their lecturers in other to meet the quality of graduates they expected. The informant revealed:

*“Lecturers in both public and private universities should be treated equally and have the same access to the same fund because they produced the same level of graduates based on NUC standardization. A lecturer in private university may tomorrow move to public university-staff mobility where he would involve in the same job of training students. Staff training in private universities will ensure that the standardization of our graduates at both public and private universities is uniform and the same. This is more reason why government should fund private universities. The second part is the structural funding where the government should assist in building structure for them. For example, the building of lecture halls and others would be a good one for the private universities”.*

*Another informant also revealed that staff training is very critical and a core area in the funding of private universities. Take for example exclusion of private universities in the PTDF which provides fund for training, conferences, scholarship etc. This type of funding should be equal to all universities. Last time, I could not go a conference In Poland all because I am from the private university. Finally, the government is should fund the private universities through the provision of infrastructures such as the laboratories, modern classrooms, vehicles etc. for example, many private universities cannot provide vehicles for their Head of the Departments, Deans etc. How many of the private universities vehicles can you see on the room rather you only see vehicles belong to the public universities”.*

### **Percentage Funding**

Yes, government should fund the private universities probably partial funding rather than full funding. It means that government could give the private universities some levels of assistance but should be minimal. This level of funding could come from the Tertiary Education Trust Fund (TETFUND). As stated by Babalola, that TETFUND represented a levy on industrial establishments owned by private individuals as their contribution to educational advancement in the country; and that the exclusion of private universities from benefitting from the fund was unjust.

The informant stated:

*“For me the government should fund the private universities but it should be what I called percentage funding. For example, may be government should give them 30% or 40% of the total funds available for the universities. Since this fund is not directly from the Federal government but the education tax (such as Tetfund), the private universities should be meant to benefit from it. Some of the universities that are enjoying this Tetfund are not even located where some of these companies paying the taxes are operating. Some private universities are located where some of the companies paying the taxes are operating and therefore should be meant to benefits from the Tetfund. Also, the private universities should be incorporated into the PTDF as one way of funding them”.*

*Another informant revealed that “funding of private universities should be a compulsory thing. In fact, there is nothing bad at all in funding the private universities. It has been like that from the beginning during the time when the missionaries brought the education to us. Private universities are not for business even though they may have the mind of business”*

### **No Funding**

To some informants one should not even think of allowing the government to fund private universities as that may reduce the quality of the private universities. It seems to them that Nigerian government has no capacity to fund the public universities let alone funding the private universities. The informant claimed:

*The informant laughed. In this country? Fund private universities? Just look at this country and what should you expect? It is not possible. In the actual sense, do you think that Nigerian government can fund private universities? For me I don't even support it. If you allow the government to fund the private universities in Nigeria, they will mess it up, making them glorified secondary schools. My stand is that, I think the body or individual that is floating private universities should be able to fund them by running few departments they are financially capable of managing and controlling.*

## **Implications and Conclusion**

The study offers new evidence on the funding of private universities in Nigeria. It provides more insight on the need for the government to fund the private universities particularly in Nigeria. Therefore, the private universities in Nigeria would find the findings of this study very helpful and useful because it draws government attention towards funding the private universities and also help the private universities to know which area of funding they required from the government.

Secondly, the policy makers in Nigerian education system such as NUC would appreciate the findings of this study as it would guide them towards the kind of funding they may extend to the private universities if they wish to. The government would find this study useful since some of the areas which the government can extend their funding to the private universities have been revealed by study.

Furthermore, the findings presented in study suggest directions for the provision of better information that would lead to the effective way to fund private universities in Nigeria. The findings would equally strike a balance between the various views on whether government should fund private universities in Nigeria. Finally, the study contributes to the few academic literature on the funding of private universities particularly in the African indeed West African sub-region. This is believed to stir more research works in this area of study.

## **Conclusion**

The present study has no doubt drawn some conclusions from the interviews conducted. First and foremost, the study has provided more insight on whether should the government also fund the private universities. All the findings of the present study have provided empirical evidence that funding of private universities should be a must and compulsory thing. These funding should take the forms of percentage funding, staff and structural funding, infrastructural funding (provision of laboratories, modern classrooms etc.), and human capital development funding. These finding collaborate capital theory/Resources-Based View theory (RBV) which posits that resources in the form of capital or fund are significant resources that affect firms (Penrose, 1959). The findings suggest that private universities in Nigeria are very concerned about government funding as equally stated by ..... Finally, the study concludes that funding such as percentage funding, staff and structural funding, infrastructural funding (provision of laboratories, modern classrooms etc.), and human capital development funding would help the private universities to produce quality graduates for the nation growth and also promote quality education system in Nigeria.

## **Limitation and Suggestion for Future Study**

Although, the present study has achieved its major objective, however, the study is still aware of certain limitations and shortcomings. First and foremost, the findings obtained in this study may not be generalized as such due to its qualitative nature which often supports small sample size. In this case, further study of this nature may want to consider larger sample size for larger generalization of the findings.

Secondly, emotions seem to influence the respondent's views. It was difficult for the present study to control the emotions of the respondents as some of them were perceived to subjective rather than being objective on the issue being investigated. Therefore, it is would be very necessary for incoming studies to take emotion of the participants into consideration for more robust findings.

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