



PRIVATE SECTOR PARTNERSHIP IN THE DEVELOPMENT OF UNIVERSITIES IN ECONOMICALLY CHALLENGED CONTEXT: FOCUS ON NNAMDI AZIKIWE UNIVERSITY AWKA, NIGERIA

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Abstract

The paper examined private sector partnership in development in university in economically challenged context: the case of Nnamdi Azikiwe University. Data were collected from stakeholders' across faculties in Nnamdi Azikiwe University, Awka. Data collected were analyzed using multiple linear regression. The study revealed that Private sector Partnership has become a tool for repositioning the university and removing the over-dependence on subsidies/grants from government. Consequently, It recommended that universities should reconsider absolute assumption of relying on government for survival of the system and conclusively emphasized that private sector partnership are the hallmark of modern university funding which should be embraced squarely.

Keywords: Private, Partnership, Development, Nnamdi Azikiwe University, Awka

1.0 Introduction

Most significant characteristics of the world economies today in areas like education, health and transport are increasing been reshaped. Public private partnership has been spotted as an overall economic policy for 21st century development drive which emphasizes on the third world economies (montanheiro, 2000). It is been realized that governments are stepping down from their traditional ideas about task and working methods. Reasons for this according to Jones (1999) include increased pressure on state budget that encourage search for new ways for service delivery and financing project. Secondly, new public management style that are flexible with vague boundaries between public private arrangement that encourage collaborating spirit.

Funding is a big challenge in the administration of the university in the light of increase need to educate the populace and extricate them from the ravages and ignorance, disease and hunger. This has forced the cost of university administration which hitherto manage few students. This is clearly observed by Ebuara et al(2009). When he noted that funding remained a major challenge and problem to Nigerian University education system, yet no conscious effort has been made to address it. The traditional source of funding federal support has simply not kept pace with the growing demand.

This imbalance between demand and available resource is aggravated by the running cost driven as they are by the number of students seeking admissions to the universities as our educational policy makers son not take time to do proper costing our educational programmes before embarking on expansion, they rather overestimate government capacity to fund such programme and this has always resulted in setbacks or managing what is available at the risk of inefficiency, ineffectiveness and poor quality education(Uwazuike, 1991) .The funding of university based research in Nigerian has direct relationship with government allocation for these institutions as well as the place of the subject in policy. The average annual allocation for the federal university for recurrent expenditure is 0.4% of gross domestic product of this allocation, 5% is to be used for research (Donwa 2006)

This change has become more evident in recent times owing to the potential riches of public private partnership which has significant strength and success in project funding and wealth creation. This is however based on the argument that public private partnership has specific positive correlated characteristics enabling more provision of public services that is sustainable making use of tax payer's money.

The need therefore arises in the use of public private partnership in addressing developments of university in economically challenged context. Increasingly, it is being accepted that government do not have the capacity to solve all economic and social ills and there is a limit to their ability to put funds into the pockets of every individuals or institutions. As the revenue of the government dwindle relatively speaking, with demand outstripping supply, the capacity and ability of government to provide critical funds for the running of our universities also dwindled to the university system. It is becoming increasingly clear that every university must strive to be financially self reliant or lose its relevance. We are not saying that financial problems of universities are dominant in Nigeria alone. Old and well established universities overseas, oxford and Cambridge share at times the same tight experience of those governments to let universities charge real world tuition fees, with research and teaching stifled by inadequate state subsidies (Ezeonu et al, 2009). Consequent upon this obvious case, the emerging system is a growing realization that capitalism and private initiatives through internally generated revenue is the way forward. The question this paper is seeking an answer for is "To what extent can university be developed in economically challenged context using private sector partnership option? To address these challenges in universities, thus, the study is set out to examine private sector partnership in the development of university in economically challenged context: The case of Nnamdi Azikiwe University, Awka.

Prompted by this, the researcher made the following propositions:

Ho: Revenue of government does not dwindle in the awake of numerous demands on government to provide critical funds for the running of our universities

Hi: Revenue of government dwindles in the awake of numerous demands on government to provide critical funds for the running of our universities

Ho: Private sector Partnership has not become a tool for repositioning the university and removing the over dependence on subsidies/grants from government.

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The rest of the papers are arranged in the following order: section one contains the introduction; section two is review of related literature on the subject matter; section three contains the methodology; section four has the results and discussions; finally, conclusions and recommendations were drawn in section five.

2.0 Review of Related Literature

2.1 Economic Challenges in the Development of Universities

Enormous economic challenges face by universities in Nigerian as educational provider at both federal and state level claim openly on the pressure on state budget which necessitated for search for alternative means of addressing social and economic problems. Secondly, of course, is the pathological problem of corruption that has virtually rendered every system ineffective. It is therefore not surprising about the worries of funding in the universities. This has created poverty and deprivation of the necessary facilities of life and thrown everyone into abject circles of poverty (UNDP (2007) as cited by Nkamnebe (2008) that poverty is endemic in Nigerian and is on the increase. For instance, poverty increase from 18 million people in 1980 to 35 million people in 1992 to 67 million people in 1996 and then 74 million people in 1999. At present, about one third of the Nigerian population lives below \$1(about N160) and \$2(about N320) a day respectively (UNDP, 2007). This support the ranking of Nigeria among the w world least developed nations in the world. It is not surprising that the Nigerian education system is in shambles and dire need to extricate it from the quagmire of underfunding, occasion by reckless diversion of government funds which puts everyone in crisis. This is captured by Ekundayo et al (2009) observed that university governance in Nigeria today is nothing but crisis management. He lamented that there is growing shortage of funds and lean resources in the university system. This was supported by Oyeneye (2006) and Adegbite (2007) who believed that major challenge facing the management of university system in Nigeria is inadequate funding. This Ajayi and Ayodele (2002) argued that there was increase in the proportion of total expenditure donated to education but thus has been considered to be rather grossly inadequate considering the phenomenon increase in student's enrolments and increasing cost which has been aggravated by inflation.

World Bank (1994) observed the declining rate of infrastructure in universities, the equipment for teaching research and learning are either lacking or very inadequate and in bad shape to permit the university the freedom to carry out the basic functions of academics

In a related development, Ochuba (2011) noted that It is worrisome, that Nigerian Universities are fast decaying. All the resources required for education production processes are in short supply. Lecture hall, laboratory, students' hostels, library space, books, journal and office space are all seriously inadequate. The funding uncertainties prevailing in universities came to a climax when in 2013 the academic staff union of Nigerian Universities (ASUU) embarked on a nationwide strike to drive home their anger and vexation resulting from the infrastructural decay in the Nigerian universities. This culminated in a total closure of Nigerian Universities for almost 9 months. Education was almost at zero level. However, government intervened by injecting over N100 billion to fund and develop infrastructures in Nigerian Universities. The strike was called off by the union leaders

2.2 Case of Nnamdi Azikiwe University

Nnamdi Azikiwe University (NAU but later UNIZIK), Nigeria as a federal university has got a formidable history right from the time it was Anambra State University of Technology (ASUTECH) and was owned by the old Anambra State. In September, 1992, it was taken over by the federal government without a takeoff grant on the conditionality that it will be non-residential. As a result, the University has suffered in the provision of infrastructures. The regime under Gen Obasanjo in 2001 removed the structures on residence and provided capital grants for the building of infrastructures. In 2002, no capital grant was in fact disbursed. This has in a major way frustrated the university development efforts as the centre of excellence and non-existence and inhibits learning to reach its crescendo owing to inadequate and non-existence fund. Ilochi Okafor administration was able to completely collapse the temporary site of the university which housed over 80% of the university facilities and faculties with march to its permanent site; the university is faced with funding problems as it plummets while challenges to its relevance to society intensify (Ezeonu et al. 2009)

The usual takeoff grant of N500 million that the federal authorities usually given to any federal university during its takeoff to enable it to cushion any financial problems that might arise was not given to Nnamdi Azikiwe University when it was taken over from Anambra state government. This has caused basic financial problems in the university. The federal government which is the main sponsor of the university is saddled with many financial headaches that what is given to the university right from the beginning have mounted aggressive fund raising ventures from private stakeholders/sources and lovers of the university and higher education who have come out from time to time to provide material and financial support to the university. As a result, over 40% of infrastructural development activities are funded from privately sponsored sources (Egboka, 2011)

2.3 Private sector partnership in Nnamdi Azikiwe University, Awka

Old and well established universities overseas oxford and Cambridge share at times the same tight experience of

those governments to let universities charge real world tuition fees with research and teaching stifled by inadequate state subsidies. Consequent upon these obvious cases, the emerging solution to the financial which facing the university system is a growing realization that capitalism and private initiative are the hallmark of modern university funding in delight of economically challenged circumstances. Instances are abound, Oxford University charges annual tuition of \$1,600 compared with Harvard's \$22,694. Oxford is having trouble paying salaries sufficient to attract top teachers. Oxford endowment is \$3.6 billion while Harvard's is \$18.3 billion. In 2001, total contribution to Oxford including those from private companies was a modest \$19.7 million Princeton University alone received in the same year \$70 million from former students (News week magazine, September, 2nd, 2002 as cited by Ezeonu et al, 2009.)

In many other countries, 50% of the research funding comes from industry countries like Belgium, Germany, Ireland, Sweden, Switzerland and USA recorded industry funding of over 60% while Korea and Japan showed industry funding of over 70%. Average spending on research and development in OECD (organization for European economic cooperation) countries is currently (8%) GDP. (OECD, 1999 in Millar and Senkar 2000 as cited by Donwa, 2006). France has a higher percentage of 9-10% and Japan slightly lower figures of 6-7%. In these countries, the aim is to attain world class excellence in University research and providing for sufficient funding for this purpose is paramount for the governments. It is to this end that these governments are posed to modify their involvement for university research (Geuna, 1999 in Millar and Senkar, 2000 as cited by Donwa, 2006).

Public sector partnership as engine of growth for success towards economic regeneration has been re-emphasized. This has become more evident in recent times where issues of public private partnership have become a tool for repositioning University education. This is at the backdrop in realization that capitalism and private initiative through internally generated revenue is the answer to funding to remove university from overdependence on subsidies and grants on governments.

This has yielded many sources stories. Today, real structures have sprung up everywhere in the university replete with state of the art equipment, new roads were reconstructed with street lights, hostel built and water supply all over the place. These projects are possible through various administration leadership of the university. The university is therefore greatly enriched with milk of philanthropy by well-meaning citizens of the country. A lot of private initiative were executed and created symbols that had made the university a great citadel of learning. Quite frankly, the leadership of the university realized that capitalism and private initiative are the hallmark of modern university funding.

Well-meaning Nigerians and corporate organizations and individuals have identified through endowment of professional chairs research funds, teaching and instructional materials, donation of vehicles and building the university has aggressively moved ahead over the years in collaborating with private stakeholder in moral, financial and water resources support of development programmes. These include the following

- Chike Okoli Centre For Entrepreneurial Studies: Chief (Mrs.) Stella Okoli, (MON), Chief Executive Officer, Emzor Pharmaceutical, single handedly built Chike Okoli Centre For Entrepreneur Studies and donation of Toyota Corolla car for the director of the centre.
 - CHISCO Institute Of Transportation Studies: Dr. Chudi Anyaegbu, Chief Executive Officer, CHISCO motors Nig. Ltd, partly funded this institute of transportation studies building.
 - Department Of Economic Building: Alhaji Ishyaku Umar funded the Department Of Economic Building
 - Department Of English Building: Chief G.U.O Okeke of GUO Motors/Transport built the dept of English building.
 - Elmelda Hostel: this is constructed under a partnership agreement by the Elmelda Inc, Canada and the University on 60:40 sharing terms. This is a three-storey building with modern architecture and facilities demarcated into wing A and B with over 108 rooms on each wing.
 - The Awka/Amansa/Nnewi/Mbaukwu/Agulu/Ifite-Ogwari communities donated large hectares of lands and other building materials support.
- Besides these areas of direct private sector partnership in infrastructural development, there is
- Esso Exploration and production Nigeria Ltd. A Toyota Hiace Bus for the Department of Geological Sciences for field work plus N1, 500,000.00 every year for field work logistic and to subsidise the honorarium to participating lecturers on the project
 - Chief Ifeanyi Ubah of Capital Oil Nigerian Ltd donated a vehicle /bus and motor cycles
 - The ETF, PTDF AND ESSO/NNPC are strongly supporting UNIZIK efforts at Awka, Nnewi, Agulu, Mbaukwu and Ifite- Ogwari communities.
 - Mr. Peter Obi, Governor of Anambra State –Donated a Toyota Coaster Bus, Hilux Security Vehicle, Innoson Coaster Bus and N15,000,000.00
 - Dame Virgy Etiaba, Deputy Governor of Anambra State- Donated a state of the- Art Mobile Clinic/Ambulance
 - Chief Dr. Andy Uba –Donated a Toyota Coaster Bus and a building for the Department of Mass Communication in memory of his father, the Late Chief Philip Ngamneje Uba.
 - Intercontinental Bank Plc- Donated a building for the school of Postgraduate Studies and a branch of its bank on campus.
 - United Bank for Africa Plc- Donated a Toyota Coaster Bus and a branch of its bank on campus
 - First Bank Plc- Donated a Toyota Coaster Bus and a branch of its bank on campus.
 - Zenith Bank Plc- Donated a Peugeot 406 car and a branch of its bank on campus
 - Diamond Bank Plc- Donated a Toyota Coaster Bus and a branch of its bank on campus
 - Spring Bank Plc- Donated a Toyota Avensis Car and a branch of its bank on campus
 - Fidelity Bank Plc- Donated a Toyota Avensis Car and a branch of its bank on campus
 - Dr. Eric Ifeanyi Okoye, MD/CEO, Juhel Pharmaceuticals-Endowment of the faculty of Pharmaceutical Sciences at Agulu.
 - Dr. Eric Ifeanyi Okoye, MD/CEO, Juhel Pharmaceuticals and five Agulu business men funded the six building for the faculty of pharmaceutical Sciences

- The Ifite-Ogware Community donation of 250 acres(100 hectares) of land for the faculty of Agriculture
- Bank PHB- Donated a Toyota Coaster Bus and a pledge of a branch of its bank on campus
- Union Bank Plc- Donated a Toyota Coaster Bus and a pledge of a branch of its bank on campus
- First Bank Plc – Endowment of a first bank professional chair in banking and finance
- Two long buses to ease student’s transportation and 20 million naira main water project both donated by Prince Engr. Dr. Arthur Eze
- Engr. Arthur Eze funded the construction of two deep giant groundwater boreholes for portable water supplies to the university;

The excellent self- financing efforts of UNIZIK was demonstrated in the establishment of UNIZIK Ogbunike Spring Water and Unizik- Chitis Bread. The former is a product of NAUSIL-Properties Ltd, a Joint venture of Unizik and the Osile Community, Ogbunike, while the latter is jointly owned with Chitis Foods, a leading food and bakery industry in Southeast Nigeria. As the University’s business interest grew rapidly, she established a commercial venture to oversee the running of such concerns.

In areas of academic linkages, the international, national/internal linkage and collaborative ventures/agreements between the university and similar institutions have grown from strength to strength over the years. These have increased the flavor of the international posture of the university.

3.0 Methodology

A total of 90 copies of questionnaire were distributed to the respondents out of which 63 copies were returned as duly filed and usable. This represent 70% response rate which is considered quite high for a study of this nature. This high response rate was informed by the fact that the researcher adopted the “drop off” and “pick off” method in distributing the questionnaire. After this some of the questions were summed to test the two hypotheses formulated for the study after which multiple linear regression was employed testing the hypotheses and the result are shown below. The analysis was with the aid of computer software the SPSS statistics version 22

4.0 Result and Discussion

REGRESSION

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000(a)	.999	.999	.53012

Model (ANOVA)	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	3194.933	56	57.052	203.033	.000(a)
Residual	1.967	7	.281		
Total	3194.900	63			

Model (Coefficient)	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	-38.060	2.280		-16.695	.000
Q 1-5	3.931	.037	1.028	106.538	.000
Q6-10	.597	.020	.282	29.235	.000

From the table of regression above, the model summary show the correlation is 1.000 which is very high. The R^2 is .999 and the adjusted R^2 is also .999. The ANOVA is significant at .000 which is lower than the .01. This shows that the model is a good fit. for the coefficients Q1-7 were summed significant at.000 which is lower than .01 hence the null hypotheses one is rejected and an alternative accepted that Revenue of government dwindles in the awake of numerous demands on government to provide critical funds for the running of our universities. Q8-14 were reduced to test hypothesis 2 and the coefficient is significant at .000 and lower than .01 and with this the null hypothesis were rejected while the alternative is accepted that Private sector Partnership has become a tool for repositioning the university and removing the over dependence on subsidies/grants from government.

5.0 Conclusion and Recommendation

In repositioning university leaders ideology and approaches in the management of university education, there is need to reconsider absolute assumption of relying on the government for the survival. Conclusively, emerging answer to the development of university in economically challenged circumstances is the use of private sector partnership in funding infrastructural development and research in Nigerian Universities in realization that private sector partnership is

the hallmark of modern university funding. This paper therefore recommended that private sector partnership option should be pursued in repositioning of universities and removing their absolute dependents for financial succor in times of economic challenges

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Annexure

TO WHOM IT MAY CONCERN

AUGUST 19, 2014

RESEARCH QUESTIONNAIRE

Research study on public-private sector partnership in the development of university in economically challenged context:
Nnamdi Azikiwe University, Awka Experience

ii. You are please requested to score each of the questions on a scale of 5-0 from strongly agree to strongly disagree

✓ TICK AS APPROPRIATE

STATUS: STUDENT OFFICE WORKER LECTURER ANY OTHER
 GENDER: MALE FEMALE
 AGE BRACKET: BELOW 30 31 TO 40 41 TO 50 ABOVE 60

s/n	QUESTIONS	SA	A	UD	SD
1	Nigerian government has effective education policy and program giving university a firm hope to teach and research				
2	Government is seriously addressing the financial challenges of the education sector and gives them what they desire				
3	Universities should strive to be financially independent to execute its programmes and policies or lose its relevance				
4.	Government should hands off funding of university education in Nigeria				
5	Revenue of government dwindles in the awake of numerous demands on government to provide critical funds for the running of our universities				
6	Government do not have the capacity to solve all the economic problems of the university and there is a limit to their ability to put funds into pockets of every university				
7	The traditional source of funding education by federal/states support have not kept pace with growing demand				
8	Government do not have the capacity to solve all the economic problems of the university and there is a limit to their ability to put funds into pockets of every university				
9	Funding is a high challenge in the administration of the university in the light of increase need to educate the populace and extricate them vestiges of ignorance, disease and hunger				
10	There is a declining rate of infrastructure in universities , the equipment for teaching, research and learning are lacking and or grossly inadequate				
11	Nnamdi Azikiwe university is one such universities where private sectors partnerships played a significant role in funding some of its projects				
12	Well meaning Nigerians and organizations identified with the university endowment of professional chairs, research funds, teachings and institutional materials, donations of vehicles and buildings				
13	Total expenditure allocated to education in the university has been considered grossly inadequate considering the phenomenon increase in students enrolments				
14	Public Private Partnership has become a tool for repositioning the university and removing the over dependence on subsidies/grants from government.				