

Deregulation policy: A review of Nigerian universities

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Abstract

This paper is intended to study the effects of the deregulation policy on university education in Nigeria with a view to understanding how the policy has been introduced and applied. The introduction of the deregulation policy to Nigerian universities has been aimed at improving the system. Although the policy has been introduced successfully in other sectors such as telecommunications, it has damaged other institutions such as the university system, because it is difficult to treat the university system like other institutions where deregulation policies have worked perfectly. The difficulty of treating a university like any other institution in terms of its multifaceted units has widened the gap in replicating any borrowed policy whether or not it has worked in any other sector to the university. The extent to which this gap has widened and its effect on service quality in the Nigerian university context have not been studied and these gaps remain unfilled. This research intends to fill this vacuum by exploring past literature using a standard literature review to discuss relevant works in the area of deregulation. The findings reveal that the introduction of a policy of deregulation on university education in Nigeria was not carefully considered and was not fit for purpose. Instead, the policy was suggested to try and solve the financial problems the country was facing at the time. As the policy was not considered properly before it was adopted, some confusion and misconception arose as to how the service was expected to run during the process. Likewise, other beneficiaries (such as funding bodies, accreditation team, employers of graduates, parents and students) of university education's involvement were not well spelled out in the process of implementing deregulation policy.

Keywords: deregulation; government policy; improvement; Nigeria; university

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1. Introduction

When university education began in Nigeria the Nigerian government took responsibility for the provision of a sound education from the primary level to the tertiary. This remained the custom and tradition in Nigerian until recently when the government found it difficult to finance the institution properly. Adebayo (2014) established that the introduction of a policy of deregulation in Nigeria came about as a result of the public sector not being accountable for what happens within that sector due to mismanagement and dysfunctional communication as well as poor academic integrity. These are but a few of the issues among others, including examination malpractice, immoral sexual conduct among staff, the extortion of money from students in return for higher marks, dilapidated infrastructure, corrupt practices and lack of funding on the part of government, all of which led to ill-considered strike action by the academic staff union. Such strike action has jeopardised the education system. At this point in time in the Nigerian university system, if a student enrolls on a four-year degree program, it may take up to seven years for that student to graduate, assuming he or she passes all their courses. If the student fails a course it may take them longer to finish their first degree. This state of affairs has been ascribed to the level of strike going on with the government not paying staff salaries and staff having to fight for their wages (Ajayi and Ekundayo, 2008, Adetunji, 2014). In circumstances such as the student is cast aside and forgotten as both parties look to themselves, intent only on winning the negotiation in favour of salaries over anything else. Likewise it has been observed that during this strike period facilities that were supposed to be used and regularly maintained were abandoned with no one to take care of them. In most cases, when things get back to normal, these facilities will no longer function properly and it will be difficult for academic staff or the university management to go back to the government to ask for money to replace, upgrade or maintain the facilities. These issues have been accumulating for a long period of time and today in most public universities laboratories no longer function, no apparatus is available for research work, and the numbers of researchers available for work are going down daily because such research activities are not supported by the government and no one else wants to put up the funding. This is one of the reasons why Nigerian universities are now more theoretical than practical knowledge.

The universities have been experiencing this problem for more than a decade and the huge numbers of students awaiting enrolment every year also continues to double as private secondary schools and colleges, many of which may not be on strike, continue to produce students. As a result of this the numbers of students seeking admission to university continue to rise. Moreover, due to the large student demand for university education, those who have been admitted may not graduate for a further three years or more after the time they would have expected to have graduated. Applications for admission have continued to mount as a result of these problems.

Following several decades of continued senseless strike action within the sector, the federal government of Nigeria sought funding and support from all over the world. In addition, it was suggested to the Nigerian government that it might be better if it were to deregulate some of the public services as public servants were not generating sufficient money to cater for the sector. The government realized that it could no longer cater for the needs of most of the public sector so they agreed to the deregulation of a number of businesses in that sector – for example telecommunications, the Nigeria Water Cooperation, the Nigeria Electric Power Authority (NEPA) among others – an approach which opened the door for the privatization and commercialization of much of the public sector (Adetunji, 2015a). During this period university education in the country also experienced privatization as well as commercialization as none of the existing universities was taken over by private investors; rather private investors were allowed to establish their own universities.

To begin with, in explanation of the need for public sector deregulation in Nigeria, Simbine (2003) argued that the conventional public administration had been faced with a lot of criticism that civil servants working in

public offices were unable to deliver a satisfactory service to the citizens. As a result of the inability of civil servants to satisfy the needs of the people, Omotola (2004) proposed that a new paradigm should be put forward to provide better services – the new public management approach.

When discussing the new public management approach – i.e. deregulation – it is first important to note that deregulation can be interpreted in many ways depending on what you want to achieve by the application of the policy. But it should always be borne in mind that deregulation is a monetary and fiscal policy measure under which the rules of entry into the market are weakened, relaxed or totally removed to enhance competition within the sector (Adegbemile, 2007). Indeed, Bako (2002) claimed that deregulation is, simply put, anti-subsidy.

Surprisingly, the application of the policies for the new public administration approach did not ignore Nigerian university education but had a bigger ambition. Alabi (2006) highlighted the fact that the deregulation of university education in Nigeria was centered on privatization and commercialization in order to create accessibility and funds. However, Fabunmi (2005) argued that this objective amounted to the sale of knowledge to the highest bidder. Fabunmi was of the opinion that a policy of deregulation would have an effect on standards, although customers would continue to be attracted as most are keen on gaining admission to university as mentioned in Adetunji and Ogunleye (2015).

2. Deregulation theory

In a paper presented on the deregulation of university education in Nigeria, its problems and prospects, Adeogun et al. (2009) were of the view that deregulation should come to terms with the problems of privatization. Kaplan (2002) stated that the deregulation of university education or of any other sector means the sector will become a private enterprise, controlled and managed by a corporate body or individual with the aim of maximizing profit as a return on its investment. Faniran (2012) expressed the view that the deregulation of Nigerian university education is linked with the privatization of the institutions, giving them the opportunity for self-regulation and control of their affairs. Tsai (2001) also added that deregulation will mean freedom from government-imposed decisions. Although deregulation is primarily linked with the economic development of the free market in the theories and study of Adam Smith, a text that has been widely cited in the study of deregulation was Encarta Encyclopedia (2003). The study asserted that deregulation is based on non-interference by the government, an approach which favors capitalist self-interest, innate consumer preferences, competition and freedom as the impetus for optimal prosperity. In addition, Faniran (2012) expressed the view that the deregulation of university education should mean such institution are no longer public goods. Faniran was of the opinion that the benefits an individual gets from the education system during the period of deregulation should be the result of their personal contribution.

In a study by Okundare et al. (2013) privatization was defined as the transfer of ownership of an enterprise or part of the business equity and other interests from the government and its agencies to a private owner(s). Izibili and Aiya (2007) commented that privatization would mean the government divesting itself of the provision of social services to that sector. Jerome (2008) describes privatization as a range of policy initiatives designed to alter or allow ownership and management of a business enterprise from the government to the private investor. From the debate put forward one can easily agree that privatization is given out the right of government has owner to the community to participate by running the affairs of the institution on their own. It simply means the government is not involved in the day-to-day business of the enterprise. On the other hand commercialization, according Schrum (2002), refers to the process of making university education – or indeed any government sector – a profit-making or profitable institution.

3. Deregulation in Nigeria

Government efforts to improve the well-being of Nigerian universities cannot to be overemphasized. In an attempt to improve the sector, the Nigeria government has introduced a policy of deregulation, among other

approaches, but what does deregulation actually mean? According to Oluleye (2005), deregulation is defined as the process of removing the controls and restrictions which the government imposes on the economy and business. This means that deregulation is a form of strategy to control government involvement or alter the structure put in place in order to have some sense of orderliness among businesses and in the economy in general. Aiya (2014) is of the opinion that the failure of public utilities in the market served as a financial drain on the government's budgetary allocations with little or nothing in return in terms of output. Thus the government had to resort to a policy of deregulation by licensing private individuals who perhaps are more efficient to provide such services to the public. Also Akintayo and Oghenekohwo (2006) noted that deregulation will offer individuals the opportunity to actively participate in business ownership in the state rather than the government monopoly. Faniran (2012) is of the opinion that the government assumptions for introducing the policy of deregulation were laudable since they would lead to increased private participation, foreign capital inflow and an increase in the size of the market.

However, the problems facing university education in Nigeria, that is the funding and access crisis, can be traced to the introduction of the policy. In Nigeria, deregulation started as a result of advice from the Breton Woods Institution, the International Monetary Fund (IMF) and the World Bank to the Nigerian government to reduce overhead expenses and emulate other countries, such as in Europe and the USA, where education at the tertiary level is not fully funded by the government (Akintayo, 2004). The Breton Woods Institution gave this advice to the Nigerian government in view of the financial burden under which the institutions were laboring (Jerome, 2008). According to Jerome, Nigeria operates some 1,500 enterprises which account for about 57% of the aggregate fixed capital investment, while about 66% of formal sector employment is taken up by the government. He explained that industrial enterprises typically operate at 10.35% of the capacity invested in the public sector which exceeded US\$35 billion, comprising US\$12.5 billion in equity with government loans of US\$10.2 billion and another US\$11.5 billion in subventions to various enterprises within the country. This was evidence of the magnitude of the persistent failure of Nigerian public enterprise observed by the Breton Woods Institution, the IMF and the World Bank.

Despite these facts being in the hands of the IMF and the World Bank, the Nigerian government continued to make several attempts to borrow more money from the international lending organizations. It is little wonder that the Breton Woods Institution, the IMF and the World Bank advised the Nigerian government to deregulate its enterprises. The policy gradually started to attract attention in different sectors of the country. Then, in 2001, the policies which had been adopted in other sectors of the country found their way into the university sector following a convocation lecture at the Federal University of Technology (FUT) Minna, with the President General Ibrahim Gbadamosi Babagida in attendance. The vice chancellor revealed that Nigerian universities were now facing huge challenges, among which he mentioned poor funding, overcrowding, obsolescent technical facilities and many more. The vice chancellor suggested that there might be a need for private investors to contribute to the development of university education in the country, and stressed that although there was a ban on the development of private university education in the country, at that moment in time all the public universities were overcrowded and more and more students were still waiting to gain access to university (Adetunji, 2014).

After the convocation lecture, the President immediately announced that the ban would be lifted on the establishment of universities and those private organizations and individuals could now set up their own universities in the country. This process saw Nigeria universities commercialized and privatized rather than deregulated. It marked the beginning of the privatization policy in Nigerian universities in the hope that government spending on universities would be reduced and overheads would be cut while access for students would continue to be created. The attempt has been successful as Nigerian universities have been able to create more access through the privately owned establishments. Statistically, Nigeria now enjoys more access to private universities which now outnumber public universities. National University Commission (NUC) (2015) figures record that there are 61 licensed private universities now in operation together with about 57 unlicensed universities across the country compared to 86 public universities. However, this policy approach has gradually

affected the quality of Nigerian universities. According to Duze (2011), the quality of education in the country is now in a parlous state with a continuing decline in all areas of university education due to obsolete materials. Meanwhile private investors cannot meet the huge demands put on them without the support of the government. Duze also pointed out that from 2001 to the present no Nigerian university has ever been ranked among the top 6,500 in the world. Such decline he considered to be serious.

Part of the failure on the part of the Nigerian government, according to Duze, was its failure to successfully support the universities that were created for the development of the national economy. Government failure was also evident from the work of Adeogun et al. (2009) who suggested that the reasons for the deregulation of university education in Nigeria were the result of adverse conditions not conducive for learning in most public universities in the country such as deteriorating physical facilities and lack of maintenance, overcrowding and the lack of up-to-date study materials. These conditions in turn have affected the quality of the graduates produced at universities. It is little wonder Adetunji (2015b) emphasized that graduates had not been productive as a result of obsolete knowledge, lack of practical knowledge and ability to change their society, these was contrary to government's intention to provide university education across the country.

However, the universities have benefited from the introduction of the deregulation policy in other ways which include but are not limited to increased student admissions into the tertiary institutions, improved infrastructural developments, improved business performance with higher productivity and efficiency, and increased employment opportunities as more Nigerians are working in the newly established private universities. Nonetheless, the approach has also caused some damage to the development of the state economy as a result of the poor funding of public universities and increased unemployment among university graduates who have more theoretical skills than practical knowledge. Admission procedures and the procedures for employment by private tertiary institutions have been compromised, for example through discrimination on the grounds of religion – such as Muslim, Christian, Baptist, Redeemer among others – and uncontrolled tuition fees. In the long run, this results in student drop-out, as well as increases in industrial action by the staff of public tertiary institutions and public university staff receiving lesser attention with regard to the government salary scale.

There are a number of further differing opinions on university deregulation. Omoike and Gbinigie (2005) claim that deregulation has increased the high levels of goods imported while Aiya (2014) posits that deregulation as a policy exacerbates the suffering of the people. These two statements provide evidence that deregulation has both a positive and a negative impact not only on education, but also on the nation's economy in general.

4. Conclusion

It was observed from this study that deregulation as a policy can be use plan a strategy to focus on one major goal which is improvement. Therefore, whatever the situation, whenever a new administrative approach is introduced, everyone involved – especially the administrators – should be prepared for change. In this study it was observed that at the point that deregulation was introduced into the university education sector; the manner of operation did not change. As a result deregulation, or any similar such policy, cannot be effective.

A major issue observed in the study was that when the government introduced the deregulation policy it failed to inform the people about what was expected of them or which area of the sector was going to experience the new changes. Although a few studies on deregulation were centered on access and the financial aspect, implementing a major policy like deregulation goes beyond just identifying the broad area to be covered in the study. It is not surprising that Nigerian investors have focused on one component of deregulation as they have the potential of getting or gaining a return on their investment in the future. It was also observed that, from the way in which the private universities in Nigeria operate today, these institutions are now edging toward commercialization. A question that remains unclear is whether universities in Nigeria would ever consider competing against each other in view of the urgent and continuous high demand for university education among

the Nigerian population. Will the improvements expected to be channeled through the policy of deregulation be achievable if Nigerian universities become fully commercialized?

4.1 Recommendation

The application or introduction of any policy should be spelled out in black and white to encourage accuracy and transparency within the system. It is of great importance to understand that a policy cannot function on its own, and that it requires the effort of those who are directly involved in the ruling of the university administration. It is important to bear in mind that the origin of any policy is to solve the problems that are looming or that continue to affect the operation of the system over time and need to be removed or resolved through another approach. Therefore, approach like deregulation need to be consider very carefully when introduced or applied within a system.

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