Deregulation Policy of Tertiary Education and Effects on Human Resources Development in Nigeria

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Abstract. Due to students’ enrolment explosion in Nigerian universities annually, it becomes imperative that to satisfy the ever-increasing demand for university education, the deregulation of the sector is paramount. This study focused on the implications of the deregulation policy on human resources development. Descriptive research design of survey type was employed for data collection. The sample for the study comprised 100 employers of human resources and 100 parents and lecturers drawn from Lagos and Ogun States because of their representative nature in terms of education and pool of human resources. Stratified random sampling technique was used to obtain the sample. The instrument titled: Implications of Deregulation on Human Resources Development (IDHRD) with 0.85 reliability coefficient was used to collect necessary data from the respondents. The data were analysed using descriptive and inferential statistics. The study revealed that; the deregulation of education influences human resources development in Nigeria; human resources produced from the private higher institutions in Nigeria are not more competent than the human resources from the public higher institutions; the deregulation policy is, to some extent, achieving its goals. It was concluded that the involvement of major Nigerian stakeholders, complemented by multiple partnerships with international agencies, NGOs, foundations, will be essential if the goals and potential of Nigerian educational system are to be realized.

Keywords: Deregulation, Human Resources, Human Resources Development, Capital Goods, and Consumer Goods.

1. Introduction

Education is not only an investment in human capital, but also a pre-requisite for economic development. This formed the basis for streamlining the provision and financing of education, from primary to tertiary, in Nigeria to the public sector. This was hinged on the assumption that it is only the government that can effectively provide quality education given the externalities associated with it. However, the government has been incapacitated to fulfil this task due to her dwindling resources. Nigeria, in past decades has been facing the problem of underfunding of her education, as the result of which the country witnessed gradual degradation in infrastructure, in manpower development and access to quality education (Rowell and Money, 2018). More so, there are unanswered questions from education analysts and policy makers as regards the sustainability of education financing by the governments.

One of the major controversies among the education analysts and policy makers concerns the objectives of educational development. The contended objectives are a continuum with one end regarding education as a consumer good that should be provided for its own sake, as a means of enriching individuals’ knowledge and developing their full personality. The other end posits that education is a capital good which should seek to prepare people to perform functions that are essential for the transformation of their environment. The educational policies of some countries around the world have been subjected to the influence of these two prevailing perspectives to education.

The classification of education as a capital good is rooted in the concept of “human capital,” which attaches a high premium to human skills as a factor of production in the development process. A corollary of this is that human skill is just as important an input in the process of development as other factors such as finance, land and material resources. Because education plays a most important role in the creation and improvement of human capital, its relevance and importance to economic growth and development are now very well
recognized in development planning. It has been pointed out that shortage of talents and skills needed for development can decisively retard economic progress (World Bank, 1995).

In the quest for development, developing countries have acknowledged that investment in and adequate funding of higher education are viable conditions that facilitate change since the value of education hinges on teaching, learning, research and the production of qualified personnel which are needed for national development (UNESCO, 2002).

Oghenekohwo (2004) classified the funding of higher education into two regimes namely: Pre-deregulation and deregulation regimes. In the pre-deregulation regime, higher education funding in Nigeria was done by government funding alone. High priority was accorded to funding higher education, thereby creating a wrong impression amongst Nigerians that funding of higher education is the exclusive preserve of governments. On the other hand in the deregulation regime, which is mostly a post Structural Adjustment Programme (SAP) period, things began to change. The benefits of the acquisition of any higher education programme now went largely to the individual as a “private good” for which beneficiaries and their families should pay (Babalola, 1995; Adedeji and Babalola, 2003).

In the submission of Okebukola (2003), he noted that "an additional concomitant of the 'private good' is that, grants have been changed to loans, pacing major burdens on many university graduates". The interactions of the various stakeholders (parents, teachers, students, administrators, ministries, and private sectors that employ the produced human resources) involved in the schooling process determine the educational success and outcomes. Therefore, the financing of higher education should be the function of all the stakeholders because government alone cannot fund it.

Other studies believed that not all levels of education ensures equity but rather there is higher private returns in higher education and as such individuals should be made to bear the cost of their higher education (Psacharopolous, 1996), while funding by the government should be limited to the basic education alone. Sharp, Register and Leftwich (1988) agreed with some studies that proposed cost-sharing in which those who can afford higher education are made to pay for it while the government should support the poor who may not be able to afford it. Reliance on one source of financing education by only the Government can inhibit educational growth. Possible options of financing education in Nigeria should be diversified to include private contributions by commercial organisations, consultancies and research activities and community participation.

From the foregoing, in an attempt to chart the right path for the financial operations of the country’s tertiary education systems, the government has embraced the deregulation policy. It is in this context that this research study has been undertaken to assess and critically investigate the implications of the deregulation policy on human resources development.

1.1 Research Questions

The questions answered as preludes to drawing valid conclusion and making recommendations are:

- To what extent is the deregulation policy of the tertiary education sector achieving its goals?
- How does the deregulation policy affect human resources development in Nigeria?
- Are the graduates of private universities performing better than those from public universities?

1.2 Research Hypotheses

The hypotheses tested in this research study are:

There is no significant influence of the deregulation of tertiary education on human resources development in Nigeria.
Graduates of private universities are not more competent than graduates of public universities.

2. Literature and Theoretical Framework

The development of the term “deregulation” is traceable to the free market economy of Adam Smith. It is based on the doctrine of laissez faire that favours capitalist self-interest, competition and natural consumer preferences as forces leading to optimal prosperity and freedom. However, in a free market economy, government is expected to provide education, which is a “public good”. As a public good its consumption by one individual does not reduce the amount of good left for others. Secondly, the benefits that an individual receives do not depend on that person’s contribution (Encarta Encyclopedia 2003).

Deregulation implies the withdrawal of government controls in the allocation of resources and the
production of goods and services. Deregulation of education removes the monopoly of Government in the provision and management of education and then transfers the power to the private sectors. It nullifies the notion that education is a public good. As against the features of public goods, consumption by an individual is now deemed to reduce the amount of goods left for others, and the derived benefit is directly related to that person’s contribution. Deregulation breeds competition and hence expectation of high yields or dividends or profits from investment. It means sale of knowledge to the highest bidder and hence possible lowering of standards for the attraction of customers (Kaplan and Norton, 1996). The deregulation of higher education means freeing the operations of the higher education from legal and governmental restrictions. Government would no longer be solely involved in the establishment, owning, funding and management of universities in Nigeria.

Lawton (1992) identified six main relationships between the public and private sectors in the areas of ownership, finance, administration and control of higher education. The first relationship concerns a completely free market of higher education where there would be no government intervention. This model affords the parents a complete freedom of choice with respect to their financial constraints. There are no provisions made for public financial supports, central controls and monitoring of standards coupled with free choice of attendance.

The second theory has to do with a completely privatized system of higher education operating within the framework of government guidelines. In this second theory, the central monitoring as well as the control system is usually specified by the nation’s legislation. The national laws therefore provide for admission conditions, infrastructural and minimum standards, curriculum, teacher qualification, monitoring system and specific conditions for the closure of institutions not measuring up with the required standards.

The third option is privatized system of higher education subsidized by government. The argument in favour of this is that private sectors would be more efficient than the public system because it would enjoy some freedom of bureaucracy. In addition if the private higher institutions failed to be efficient, they would be forced to close down. The fourth option is the theory of competitive relationship between private and public higher education institution. Thaver (2003) argued that since public higher education systems are slow, unresponsive and bureaucratic, an existence of parallel private system would lead to “value for money” for the consumer and is capable of raising the standard of higher education.

The fifth option assumes a complementary relationship between public and private higher education institution. In this model, both sectors cooperate to produce the required skilled man power. The sixth option is a system of higher education where only public institutions are permitted. Gianatti (1981) criticized this theory on the basis that it is only possible where private higher education has failed to be self-regulating and totally irresponsible thereby discouraging people from participating in private higher education.

The Nigerian University system is characterized by rough politics, and it is believed that deregulation of university education would reduce excessive politicization and encourage stakeholders to be more committed to investment in education. Nwangwu (1998) therefore argues that privatization would spread more strongly at the university level to sustain the system. In Nigeria, public universities are battling lack of commitment of teachers resulting from poor remuneration and conditions of service, cultism, examination malpractices, moral decadences and inadequate research facilities, to mention a few, as manifested in the products of the public school system.

Riley and Forglone (1997) examined the conditions of education in public and private schools: how do they differ? It was concluded from the study that how successful students are in school does not depend on whether they attend public or private schools, but is related in complex ways to the abilities, attitudes, and problems they bring to school; the skills and expertise of their teachers; and the quality of the learning environment, which is the joint responsibility of students, teachers, school administrators, parents, the larger communities in which the schools are located, and policymakers at the local, state, and federal levels.

Omoleke (2003) examined the effects of Nigerian government privatization policy on tertiary education in Nigeria. He established that the privatization policy of the Federal Government has positively and negatively impacted on educational sector. On the positive side, more opportunities are available for University aspiring students as private Universities came on board through privatization policy. Furthermore, more job opportunities were available in private Universities thereby reducing to some
extent, the degree of unemployment in Nigeria. Academic calendars are more stable in Private Universities than in the Public Universities, owing to absence of industrial strikes in private Universities. The fear of the nature of private ownership of organization was also mitigated when it was established by this study that intellectual excellence is not likely to be compromised with profit maximization which seem to be the motives of private organizations. This finding was informed by the control of the N.U.C on Private Universities especially in the areas of standardization and uniformity. On the negative side, the research established that only the few rich Nigerians can afford to send their wards to Private Universities as the school fees in private Universities is on the high side compared to the public universities. Corollary to this fact is that the poor would have no opportunity to enjoy university education. Furthermore, the private universities are deficient of staff and facilities and they rely mostly on the Associate Lecturers from Public Universities.

Okuwa (2004) in his research study titled “Private Returns to Higher Education in Nigeria” found out that the higher the level of education, the higher the rate of return to individuals. This makes higher education worthwhile investment for individuals.

Babalola, et al (2006) in an “economic thought about private sector education: policy implications for management of universities in Africa” provided relevant economic ideas that can assist Nigeria and other African countries to make innovative policies that will help them privatize their university education. Using the Babcock (private) University experience, they offered suggestions on area of policy response in sharing the costs and benefits of university education between government and private sectors.

Lubienski (2006) in their study of “charter, private, public schools and academic achievement,” discovered that after accounting for the fact that private schools serve more advantaged populations, public schools perform remarkably well, often outscoring private and charter schools. Yingxia (2007) undertook a research study titled, “Private higher education and the labour market in China: Institutional management efforts and initial employment outcomes.” In this study, it was found out that Chinese private colleges have made major efforts to link private higher education to the labour market and that their efforts and their graduates are well received. Erinoshio, et al (2008) undertook a research study on the quality of Nigeria’s private universities using three private universities (Babcock, Bowen and Igbinedion). It was established that the mission institutions are better positioned to give quality education.

Coulson (2009), in a research study titled “Comparing Public, Private and Market Schools”, found out that the private schools graduates outperform the public schools graduates in the overwhelmingly majority of cases. Osokoya (2013) considered the benefits of higher education to the public and the poverty profile of Africans. He established that a completely free market of higher education would be both unfair to the majority of the population and uneconomical to the African society where skilled manpower has been considered as a major constraint to socio-economic development. Nevertheless, a shift towards more privatization in Africa is in good direction because it will change the present pattern of public subsidy and the huge financial resources which governments expend on higher education. It is therefore recommended that Africa should settle for a model that balances between privatization and subsidization.

3. Methodology

This study was carried out using the survey research design. The general population of the study includes lecturers and parents that are directly involved in investing into the training of human resources, and entrepreneurs that engage the services of the trained manpower. A sample size of 100 employers across all major business sectors were selected and used for the study. 36 parents and 64 lecturers (32 each from private and public universities) were selected using a stratified random sampling technique. The employers comprise managers of companies whose workforce are a combination of private and public universities graduates with a working relationship of not less than a year. The lecturers, with not less than five years of lecturing experience, were from four leading public universities (University of Lagos, Lagos State University, Olabisi Onabanjo University and Tai Solarin University of Education) and four leading private universities (Covenant University, Babcock University, Crescent University, and Crawford University). The parents are made up of those with graduated children or who are currently schooling at either private or public universities. The accessible population of employers were divided into strata while simple random sampling method was used to select representatives from each stratum. The instruments used for the collection of data are questionnaires tagged “Implications of Deregulation on Human Resources Development (IDHRD)” with
reliability coefficient of 0.85 and containing expected 21st century skills from university graduates. The questions were in Likert scale format with allotted points: undecided (U) – 0, strongly disagreed (SD) – 1, disagree (D) – 2, agree (A) – 3, strongly agreed (SA) – 4. Descriptive statistics of frequency counts and percentage was used to answer the research questions and the hypotheses were tested using chi-square at 0.05 level of significance.

4. Findings

**Question 1**: To what extent is the deregulation policy of tertiary education in Nigeria achieving its goals?

![Figure 1: Response Distribution on Whether the Deregulation Policy is Achieving its Goals.](image1)

![Figure 2: Comparison of the Satisfied and Unsatisfied Demand for Tertiary Education.](image2)

The underlying rationale for the conception of the deregulation policy is to relief the pressure on public universities by offering admission to the teeming population of unsatisfied admission seekers annually. The study, as indicated from the graphs above, reveals that the private universities are not more preferred, are not affordable, and do not relief the public universities of admission pressure. But in the area of the quality of service rendered by the private universities, they are almost measuring up with the public universities in this regard. Therefore, the deregulation policy is tending towards achieving its goals.
Question 2: How does the deregulation policy affect human resources development in Nigeria?

The figure 3 above showed that the graduates from private institutions are not as multi-tasking as those of public institutions, there is no much gap between the job performance of the products of both the private and public institutions, private university graduates are a bit limited in functions, there are no specific fields where private university graduates display more competence than the public university graduates and both graduates are almost at the same level of team players. Thus, the deregulation policy has effects on human resources development in Nigeria.

Question 3: Are the graduates of private institutions performing better than those from public institutions?

The Table 1 above indicated that private universities graduates do not acquire more skills in their fields of study, their creative and innovative dexterity are not superior, they do not work with little or no supervision and they are not more technologically-inclined. Judging by the foregoing, we can conclude that the graduates of private institutions are not performing better than their colleagues from public institutions in their fields of study.

5. Hypotheses Testing

Hypothesis One

Ho: - There is no significant influence of the deregulation policy of tertiary education on human resources development in Nigeria.

Table 2: Test of the Effects of the Deregulation Policy on Human Resources Development in Nigeria

<table>
<thead>
<tr>
<th>Variables</th>
<th>Observed Frequency</th>
<th>Expected Frequency</th>
<th>Total Freq.</th>
<th>$\chi^2_{obs}$</th>
<th>N</th>
<th>$\chi^2_{tab}$</th>
<th>Level of Significance</th>
<th>Degree of Freedom</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deregulation Policy</td>
<td>491</td>
<td>485</td>
<td>976</td>
<td>49.91</td>
<td>25</td>
<td>21.03</td>
<td>0.05</td>
<td>12</td>
<td>Ho Rejected</td>
</tr>
<tr>
<td>Changes in Human Resources Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
Form table 2, the chi-square calculated value of 49.91 is greater than the critical value of 21.03 at an acceptable level of significance of 5% and 12 degree of freedom. Judging by the estimated value of the calculated chi-square in comparison with the critical value, the null hypothesis is rejected while the alternative hypothesis is accepted. Thus, the deregulation of tertiary education influences human resources development in Nigeria.

**Hypothesis Two**

Table 3: Test of the Effects of the Deregulation Policy on the Competence of Graduates from Private and Public Institutions.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Observed Frequency</th>
<th>Expected Frequency</th>
<th>Total Freq.</th>
<th>$\chi^2_{\text{cal.}}$</th>
<th>N</th>
<th>$\chi^2_{\text{tab.}}$</th>
<th>Level of Significance</th>
<th>Degree of Freedom</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deregulation Policy</td>
<td>582</td>
<td>580</td>
<td>1162</td>
<td>10.64</td>
<td>20</td>
<td>26.30</td>
<td>0.05</td>
<td>16</td>
<td>$\text{Ho Accepted}$</td>
</tr>
</tbody>
</table>

The tabulated result in the table 3 above showed that the calculated value of the chi-square of 10.64 is less than the tabulated value of 26.30 at 0.05 levels of significance and 16 degree of freedom. This reveals that the null hypothesis is acceptable. Therefore, graduates of private institutions are not more competent than the graduates of the public institutions.

**6. Discussion**

This research study revealed that the deregulation of tertiary education influences human resources development in Nigeria. This means that the deregulation of the Nigerian University Education has the potency to produce students with elaborate intellectual skill that can guarantee a high level of manpower dexterity. This finding contradicts the words of Obayan (1999) who noted that the quality of education offered by Nigerian universities recently has deteriorated substantially, despite the deregulation policy of the government. However, the Nigerian University Education curriculum should be revisited to incorporate courses that would be specifically directed at developing adept intellectual skill in the students for entrepreneurship. This is because the success of every business venture involves effective and efficient intellectual skill input especially in a downturn economic environment like that of Nigeria today.

It was also found out that graduates of private institutions are not more competent than the graduates of the public institutions. This means that Nigerian university graduates from private universities cannot boast of elaborate value judgment and sound decision making skills compared with their counterparts from public institutions. This finding is in line with that of Osokoya (2013) who noted that Nigerian private universities produce non-qualitative human resources when they supposed to breed graduates that are properly equipped with decision making skills and proficient competence in their fields. This finding also agrees with the findings of Lubienski (2006) who established that public institutions perform remarkably better than the private schools in terms of their graduate outputs. This contradicts the findings of Coulson (2009) who asserted that the private school graduates outperform the public school graduates in the overwhelmingly majority of cases. Erinosho, et al (2008) tends to be neutral when he pointed out that the private university graduates are remarkably alright at some specific fields- humanities, social and management sciences. Riley, et al (1997), are also neutral in their findings, by expressing that how successful students are does not depend on whether they attend public or private but on some relevant factors such as the abilities, attitudes of students, the learning environments and the teachers.

Another finding from this study is that deregulation of tertiary education has, to a small extent, achieved its goals. Private schools provide an alternative for parents who are dissatisfied with public schools or have other reasons for wanting their children to attend a private school. Higher family income facilitates both public and private school choice. Because most private schools charge tuition, only parents with the personal financial resources or financial aid to afford the tuition truly have the option of selecting a private school. Although many aspects of teacher qualifications are difficult to measure, public school teachers appear to be more qualified than private school teachers in terms of their education and years of teaching experience. Public school teachers were more likely than private school teachers to have earned Doctoral degree.

However, in both years, graduates of private universities were more likely than their public universities counterparts to take advanced and
professional courses as may be related to their fields of study. This will no doubt enhance the quality of graduates from the private institutions.

While the current trend in licensing private universities in Nigeria might be premised on the pursuit of effectiveness and efficiency of the educational system, it not only reflects the intensification of inequality, it also serves the interest of the wealthy parents rather than the public. In addition, while the Nigerian government felt that deregulation of education is worthwhile and most desirable in line with the Public-Private Partnership argument and in the face of dwindling national resources and global economic crisis, the goal of enhancing access to university education through licensing of private universities has been aborted since these institutions have transformed themselves into profit-making ventures.

7. Conclusion

Major educational transformations are required in the Nigerian education system. The tasks ahead are numerous and daunting. It is quite clear that it will be impossible for these tasks to be tackled by the Government of Nigeria alone or with the help of a few international partners. The involvement of major Nigerian stakeholders, complemented by multiple partnerships with international agencies, NGOs, foundations, will be essential if the goals and potential of Nigerian educational system are to be realized. The experience already gained through the implementation of various projects by the World Bank in the sector, particularly with the involvement of local stakeholders, has demonstrated the value of ensuring community ownership of projects. Lessons learnt from past experiences should inform future plans in the reform and development of education in Nigeria.

8. Recommendations

On the basis of these research findings, the following recommendations are provided:

- Monitoring of the individually established universities should be more regular than before.
- It is however very important that governments should extend subventions to students in private universities so as to reduce the burden of finance borne by parents.
- The government should ensure that the human resource requirements of the country are identified and plans are made for satisfying those requirements. Professionals should be employed to estimate the future demand for labour and evaluate the size, nature and sources of supply which will be required to meet the demand in the country. This will boost the effectiveness and efficiency of our institutions because they will be operating base on the set objectives with time bound.

References


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