

Entrepreneurial University as a Sustainable Model for Higher Education in Nigeria

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ABSTRACT

The sustainability of university education systems, particularly in Nigeria and other developing economies, has become increasingly threatened by declining public funding, rising enrolment, infrastructural deficits, and growing societal expectations. This position paper advances the argument that the *Entrepreneurial University*—a system where universities function as entrepreneurial centres through the commercialization of research, innovation, and strong industry linkages—offers a viable and sustainable alternative to overdependence on government funding. Drawing on global experiences and contextual realities of Africa and Nigeria, this position paper articulates the conceptual foundations, rationale, operational dimensions, opportunities, and challenges of the entrepreneurial university model. It further proposes policy and institutional frameworks necessary for effective implementation and argues that entrepreneurial universities can simultaneously advance academic excellence, innovation, social relevance, and financial sustainability.

Keywords: Entrepreneurial University, Commercialisation of Research, Industry Linkages, University Sustainability and Higher Education.

INTRODUCTION

Universities have traditionally been built and operated under a tripod function as - centres for teaching, research, and community service. For decades, especially in Africa, the funding of universities has been largely the responsibility of governments depending on ownership, in the case of Nigeria – Federal or State. However, fiscal pressures, competing national priorities, population growth, and global economic instability have made public funding increasingly inadequate and unsustainable. In Nigeria and many African countries, universities face chronic underfunding manifested in industrial unrest, limited research output, declining global competitiveness and decaying infrastructure – hostels, lecture halls, administrative blocks and other critical requirements that aid teaching and learning.

Against this backdrop, the concept of the *Entrepreneurial University* has emerged as a strategic response to the sustainability crisis in higher education. The entrepreneurial university transcends the conventional academic model by actively engaging in income-generating activities through research commercialization, innovation, technology transfer, consultancy, spin-off companies, and structured linkages with industries. This position paper opines that repositioning universities as entrepreneurial centres is no longer optional but imperative for the survival, relevance, and sustainability of the university system.

Conceptualising the Entrepreneurial University

An Entrepreneurial University is a higher education institution that systematically integrates entrepreneurial thinking, behaviour, and practices into its core traditional functions of teaching, research, and community engagement. Such universities proactively seek opportunities to create economic and social value from knowledge production while maintaining academic integrity.

Key Characteristics

Innovation and Research Commercialization: An Entrepreneurial University does not just produce knowledge, it turns research into marketable products, services, or technologies.

Entrepreneurship Education: The Entrepreneurial University will encourage the offer of courses and programs in entrepreneurship like ENT 311/312 in Nigerian universities. The courses will be structured to be practical based to equip students with business and innovation skills. The current programmes as obtainable in Nigeria University curriculum is theoretically and rhetorically based, the emphasis for students is to pass the course in the examination. There is no clear different between skill acquisition and entrepreneurship.

Strong Industry Based Research and Linkages: The Entrepreneurial University model encourages collaboration with industries, government, and private sector to determine the research priority and relevancy for funding, internships, and practical exposure.

Startup Support Systems: The Entrepreneurial University model will encourage - Business incubators, Innovation hubs access to funding (venture capital, grants)

Income Diversification: Generates revenue beyond government funding through: Consultancy services, Research grants and Commercial ventures.

Entrepreneurial Culture: The Entrepreneurial University will encourage creativity, risk-taking and problem-solving among students and staff by outlining a reward system for creativity.

Unlike traditional universities that depend almost exclusively on public funding, entrepreneurial universities model adopt a market-aware and innovation-driven orientation, positioning knowledge as a strategic economic resource. In the developed nations like US and UK most of the universities have less than 30% of the funding coming from the government while in developing economies like Nigeria the Universities have over 80% of their funding from the government. See a classical example below:

Table 1: Showing sources of funding to Universities in three developed nations and Nigeria.

Name of university	sources of fund	percentage contribution
1. University of Oxford United Kingdom	Govt funding	12 – 15 percent
	Tuition & fees	50 – 55 percent
	Grants/contracts	20 – 25 percent
	Donations/Endowments	5 – 10 percent
	Investment	-
2. University of Toronto Canada	Investment	2 percent
	Govt funding	33 percent
	Tuition & fees	30 – 35 percent
	Grants/contracts	30 - 35 percent
	Donations/Endowments	5 – 10 percent
3. Harvard University USA	Investment	-
	Govt funding	11 percent
	Tuition & fees	15 - 25 percent

4. University of Ibadan Nigeria	Grants/contracts	10 - 15 percent
	Donations/Endowments	45 percent
	Investment	10 – 15 percent
	Govt funding	70 – 80 percent
	Tuition & fees	5 – 10 percent
5. University of Lagos Nigeria	Grants/contracts	1 – 5 percent
	Donations/Endowments	1 – 5 percent
	Investment	5 – 10 percent
	Govt funding	70 – 80 percent
	Tuition & fees	5 – 10 percent
	Grants/contracts	1 – 5 percent
	Donations/Endowments	1 – 5 percent
	Investment	5 – 10 percent

The Entrepreneurial University model advances the expansion of the three core traditional functions of the Universities to four viz:

Teaching – Transmission of knowledge and developing entrepreneurial mindset

Research – Generating new knowledge and finding solutions to challenges facing the society.

Community service – contributing to the development of the host community and the society at large

Enterprise – Applying knowledge for economic and social impact.

These four concepts will form the cardinal core functions of the Entrepreneurial University and shape the societal expectations and the yard stick for measuring performance.

Theoretical Foundations of the Entrepreneurial University

The entrepreneurial university model is underpinned by several theoretical perspectives:

Knowledge Economy Theory

The knowledge economy theory posits that economic growth is increasingly driven by the production, distribution, and application of knowledge. Universities, as knowledge hubs, are therefore critical actors in national and regional innovation systems.

Triple Helix Model

The Triple Helix framework emphasises the dynamic interaction among universities, industry, and government in fostering innovation and economic development. In this model, universities assume an entrepreneurial role alongside teaching and research.

Resource Dependence Theory

This theory suggests that organisations must diversify their resource base to reduce vulnerability. For universities, entrepreneurial activities reduce overdependence on volatile government funding.

Rationale for Entrepreneurial Universities

The shift towards entrepreneurial universities is justified by several interrelated factors:

- 1. Decline in Public Funding:** Government allocations to education have consistently fallen short of international benchmarks, making alternative funding sources imperative. The UNESCO bench mark for

education financing is that countries should allocate between 15% - 20% of public expenditure to education but in the case of Nigeria, the percentage allocation to education since 2022 – 2025 is as below: 2022 – 7.2%, 2023 – 8.2%, 2024 – 7.9%, 2025 – 7.0%. This shows a deficit of between 6 - 8% below the minimum bench mark of UNESCO which is 15%. From the forgoing, it becomes imperative that alternative sourcing of fund is not an alternative rather a prerequisite for survivals of Universities in the face of current realities.

2. **Growing Societal Expectations:** Societies increasingly expect universities to contribute directly to economic development, job creation, and problem-solving. Due to the harsh economic realities, there have been increased societal expectations from the Universities. These have put the university finances under stress, therefore, the survival of Universities is dependent on diversifying the income sources which the concept of modelling Universities as Entrepreneurial centres will serve as a proactive measure to ensure survival of universities in the face of global decline
3. **Graduate Unemployment:** Entrepreneurial universities foster innovation and enterprise skills, improving graduate employability and self-reliance.
4. **Global Competitiveness:** World-class universities increasingly rely on endowments, patents, consultancies, and partnerships to sustain the 3 core functions or roles of Universities – Teaching, Research and community service. Therefore to position Universities from developing nations such as Nigeria, to compete effectively in the global scene, there is a need to re-model our universities to centre for knowledge production and commercialisation.

Strategies For Sustenance of Entrepreneurial University Model

1. Commercialisation of Research

Research commercialisation is a central pillar of the entrepreneurial university. It involves transforming research outputs into marketable products, services, or processes. The current situation in our universities today is that most of the so called research works are long essays that have no market value or contribute to the advancement of knowledge rather an age long ritual of fulfilling the requirement for award of a degree.

Mechanisms for Commercialisation of Research

Patenting and licensing of inventions

University spin-off and start-up companies

Research-based consultancy services

Technology transfer offices (TTOs)

Benefits

Generation of internally generated revenue (IGR)

Enhanced research relevance and impact

Motivation for academics and researchers

Strengthened university reputation through University–Industry Linkages
partnerships enable universities to align research and teaching with market needs.

Strong industry

2. Industry Engagement:

Collaborative research and development

Industrial attachments and internships

Sponsored research chairs

Joint innovation hubs and incubators

Mutual Benefits

While industries gain access to expertise and innovation, universities secure funding, Industrial experience for their students, and employment pathways for their graduates.

3. Entrepreneurial Governance and Institutional Culture

For universities to function effectively as entrepreneurial centres, governance structures must support flexibility, innovation, and accountability.

Key requirements include:

Autonomy in financial and administrative decision-making

Incentive systems for innovation and commercialization

Capacity building for academic entrepreneurship

Ethical safeguards to protect academic freedom

Opportunities for Africa and Nigeria

In Africa and Nigeria, entrepreneurial universities present unique opportunities:

- i. Addressing developmental challenges through industry based and applied research
- ii. Harnessing indigenous knowledge and local innovations
- iii. Reducing dependence on unstable government funding
- iv. Strengthening town–gown relationships
- v. Universities can commercialise research in agriculture, renewable energy, health, ICT, climate adaptation, and creative industries.

Challenges and Risks

Despite its prospects, the entrepreneurial university model faces several challenges which include the following:

- i. Weak research–industry ecosystems
- ii. Inadequate intellectual property frameworks
- iii. Resistance from traditional academic cultures
- iv. Risk of over-commercialisation undermining academic values

These challenges underscore the need for balanced implementation.

Policy and Implementation Framework

To institutionalise entrepreneurial universities, the following measures are proposed:

Government Role

Provide enabling policies and legal frameworks

Fund early-stage research and innovation

Protect intellectual property rights

University Role

Establish technology transfer and innovation offices

Revise promotion criteria to reward innovation

Integrate entrepreneurship education across disciplines

Industry Role

Invest in university research

Support incubation and acceleration programmes

Participate in curriculum co-design

Ethical Considerations and Academic Integrity

Entrepreneurial activities must not compromise the core values of the university. Safeguards are needed to ensure transparency, accountability and protection of academic freedom. The ethical consideration ensures that there is a balance between commercial and public-interest research.

CONCLUSION

This paper firmly positions the Entrepreneurial University as a sustainable and strategic response to the funding and relevance crisis facing higher education systems in developing nations especially Nigeria. Universities must transit from passive recipients of government funds to proactive entrepreneurial institutions that generate value through knowledge commercialization and industry engagement. While government support remains important, it should serve as boost rather than the sole lifeline for survival.

Position Statement: Universities should be deliberately restructured and empowered to operate as entrepreneurial centres, commercialising research and forging robust industry linkages to generate sustainable funding, drive innovation and contribute meaningfully to national and regional development as this is a pathway to sustain universities in Nigeria and other developing nations.

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