



AN ANALYTICAL SURVEY OF THE RELEVANCE OF PUBLIC ENTERPRISES IN CONTEMPORARY NIGERIA

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ABSTRACT

The role of public enterprises in meeting the needs of clients have been brought into question starting from the point of the obvious failure of many of them in terms of meeting their mandates to the public. Though they were created mostly with the thought of their capacity since capital is government-funded, but these organizations were abused in operations and management. This has led considerations to privatize some enterprises with the aim of efficiency, accountability and economic

Introduction

Private and public enterprises operate side by side in the business community, either they are established for products or service delivery. Ideally, client or consumer satisfaction is at the front burner of any venture that involves the public. In some cases, the expectations are not met thus leading to dissatisfaction. When this happens, clients are often obliged to seek options to have their desires met where there are alternatives to fall back on. The structure of public enterprises as inherited from the colonialists leaves little or no alternative, thus giving enormous grounds for monopoly and subsequent abuse of office by public office operators.

Nigeria's Public Enterprises are generally corporate entities other than ministerial departments; they derive their existence from special statutory instruments and engage in business type of activities to provide goods and services for the cultural, social and economic growth of the citizen. These include corporation, authorities, boards, companies and enterprises that are owned and operated in government institutions (Jerome, 1999 cited in Ogohi, 2014).

The National Council on Privatization under the Bureau for Public enterprises came into being as a result of the need for rapid economic, social, political and infrastructural development. It was meant to Bridge/Close the gap of Citizens expectation of government responsibility. Public enterprises are the businesses that are owned or established, managed by the government of the day, it could be Federal, State or Local



turnaround. By their nature, private enterprises are not affordable to all classes of citizens as their major consideration is profit. This is what accounts for the choices of private schools, hospitals etc over public institutions that are generally within reach since major considerations are service provision at affordable rates. The effort has received resistance from the public and many are appalled by the idea of “selling” government organizations. This paper, drawing from reviews and documented public opinion on the subject, opines that public enterprises are relevant in order to provide fair play ground for all classes of citizens but much needs to be done to restructure the operations of the organizations, particularly in orientation and using appropriate checks to monitor efficiency.

Keywords: Public enterprise, private enterprise, public sector, government, public service

government. For developing Nations like Nigeria, it's a key factor for planning and balancing growth of a nation. Public Enterprises were meant to improve on existing infrastructural facilities, speed up the pace of rapid industrialization, expansion of the public service/sector, improve and increase the rate of economic growth, secure the country in the security and protect the citizenry. The social welfare Public sector enterprises currently contribute about 25% to GDP of the country from the initial 10% in the 1960s.

Profitability is about 21% while return on capital employed 18% in the year 2003-06. Public Enterprises were also meant to balance regional development of the country and increasing employment for the citizenry. It also ensures equitable distribution of the nation's wealth. However, public enterprises have come under severe criticism for varied reasons, which has necessitated the call for possible scrapping of public Enterprises despite some being commercialized and privatized.

Public enterprises suffer from lack of coordination of its activities, political interference, nepotism, over-staffing, improper planning of projects, the inflation of contracts, putting round pegs in square holes, administrative ineffectiveness, ineffective price policies and underutilization of capacities of established infrastructures, corruption thereby translating to reduced prices of commodities. It is important to say that public enterprises are established with good intention to serve general public but bad policy and ineffectiveness of administrator accounts for their collapse. For instance, various mass transit transport services of various state governments is a way to ameliorate suffering of the citizenry as their prices are cheaper, they are safer as well as their primary objective is not profit making but bad administration sent them packing.

Evidently, public enterprises are created in all countries of the world to provide alternate and cheaper services so as to accelerate economic and social development. Yet, increasing evidence indicates that most public enterprises either do not contribute



strongly to national development or do not perform their public service functions effectively and efficiently, leading to policy-makers engaging in continuing debates over whether or not state-owned corporations are viable to economic and social development; and why so many of them have failed to deliver the services for which they were created, and how their management can be improved upon to achieve efficient service delivery and engender national development.

Theoretical Framework

This paper hinges on the modern organisation theory which describes organizations as an open social System that interacts with the environments to survive, known as the Systems Theory Approach. The System Theory of Management approach is an external factor that measures the effectiveness based on long-term sustainability or growth.

Typically, a business or industrial organization develops a system approach which applies to individuals, formal and informal organization's status and role, process, resources and goals which are interconnected in order to attain objectives principally by synergy. The system approach is classified into closed and open systems where the open system consists of the input transformation process, output, feedback and environment. Where an organization continuously interacts with the external environment for survival, it is considered an open system. The closed system on the other hand believes in internal management. It is described like a closed loop which is self-governing and autonomous. The principal projection is that the environment will pose no problem, thus focusing on internal factors as essentially what an organization needs. However, the closed system breaks down when the environment influences the working conditions, thus it is not hard and fast. Modern Open Theory (MOT) discounts the environment effect. The open system is flexible and prepared to be exposed to whatever changes and challenges of the environment thus known for its dynamism. It is a formidable foundation for designing organizational structure, and is built with adaptability components. The modern open theory is empirical, analytical and systematic. It is an incorporating theory having the characteristics of a subsystem, dynamism, multivariate, adaptive probabilistic multi-motivation and multidisciplinary and process setting. The theory has gained prominence owing to importance attached to interdependence, synergism, wholesome boundaries, feedback and cybernetics. The open theory commonly used as a system approach accept the action of checking critically to ascertain reasons for nonconformity from normal behavior and taking necessary and corrective action to remove the error. It is management by objectives. The system is self-regulatory and self-corrective through reception, controlling and affecting the process.

The application of the theory in this paper is the fact that an organization is considered a dynamic system which evaluates, acts and interacts with the environment. It is open and incorporates all the changes and challenges of the social set up. The organization consists of interacting and interdependent subsystems. Each subsystem, as in the case of public enterprises in Nigeria, is defined with its objectives, structure, processes and promises. The interdependence of subsystems is so great that the success or failure of a subsystem



will certainly influence other systems. This paper relies on this theory to advance that the success of an organization depends on the process of each subsystem and proper evaluation of the elements of the environment, namely consumers, materials, money, timing and other factors. Men perform functions according to sentiments, beliefs and interests. They are social creatures and expect social recognition. The structural subsystem is very important for the development and proper functioning of an organization.

Concept of Public Enterprise

In a technical sense of it, sector is used interchangeably with enterprises, which are the businesses owned and controlled by the government. For Solanke (2012), an enterprise can be partially or completely managed by the central or state government and participate in many economic activities of a nation. In other words, *Public enterprises are autonomous or semi-autonomous corporations and companies established, owned and controlled by the state and engaged in industrial and commercial activities (Omoleke & Adeopo, 2015). These forms of companies are public-service oriented designed for meeting the needs of general public.*

Little wonder, these forms of business organisations have gained importance only in recent times. During twentieth century various governments started participating in industrial and commercial activities. Earlier, the role of government was limited only to the maintenance of law and order while the development of industries was left to the judgment of private entrepreneurs (Salako, 1999). During twentieth century, outbreak of two world wars, depression in many countries and social evils of Industrial Revolution of earlier times compelled state governments to participate in planning and developing industrial structure of their countries.

Simply put, Industrial Revolution helped all-round growth of industries. Private entrepreneurs started working only for profit motive. The exploitation of consumers and workers by private entrepreneurs became the order of the day. Russian Revolution gave a lead to new economic and political system in the world thereby Governments started performing their social responsibility towards people.

The outcomes of all these factors were the active participation of governments in industrial and commercial enterprises. At present, governments of almost all countries in the world are participating in economic activities in one way or the other. In fact, Orji, Nwanchuku and Eme (2014) recounted that private sector is hesitant to develop those industries where heavy investment is required and gestation period is long. Therefore, state enterprise is considered necessary to reduce economic inequality and to prevent concentration of wealth in a few hands by actively engage in manufacturing, trading as well as service activities. According to Anyadike (2013), state enterprise is an undertaking owned and controlled by the local or state or central government; either in part or most of the investment is done by the government. The basic aim of a state enterprise is to provide goods and services to the public at a reasonable rate though profit earning is not



excluded but their primary objective is social service. For different views on the concept 'Public Enterprise' (see tab 1 below).

Proponent(s)	Dates	Definitions
Hansen, A. H.	1999	Public Enterprise means state ownership and operation of industrial, agricultural, financial and commercial undertakings.
Ademolekun, L.	2002	A public enterprise is an organization that is set up as a corporate body and as part of the governmental apparatus for entrepreneurial or entrepreneur-like objectives.
Ezeani, O. E.	2006	A public enterprise is an agency of the government through which the government manages its commercial and economic activities.
United Nation Publication	2008	Public enterprise is the economic undertakings, especially industries, agricultural or commercial concerns, which are owned (wholly or in part) and controlled by the state.
Khera, S. S.	2008	State enterprises are the industrial, commercial and economic activities, carried on by the central or by a state government, and in each case either solely or in association with private enterprise, so long it is managed by self-contained management.
Mallya, N. N.	2012	Public enterprises are autonomous or semi-autonomous corporations and companies established, owned and controlled by the state and engaged in industrial and commercial activities.
Egwakhide, C.I and Terzungwe, N.	2012	Public sector enterprises consist of government-owned enterprises whether at local, state or federal levels. The public sector as an economic agent is acting on behalf of everybody, with all its economic resources commonly owned, and all its activities carried on, on behalf of everybody.
Anyadike, N.	2013	A public enterprise is an incorporated or large unincorporated enterprise in which public authorities hold a majority of the shares and/or can exercise control over management decisions.
Adeoti, J. O.	2015	Public enterprise means an agency of a predominantly industrial, commercial or financial character, entirely or partly owned and substantially controlled by the Federal, State or Local Government.



Ahmed, O. and Ilesanmi, G. A.	2015	Public enterprise is the government owned commercial or industrial organization where the government may hold either majority shares or all the shares.
Akhakpe, I. B.	2020	Describes public enterprises as statutory corporations that are established by specific statutes that contain provisions relating to finance and personnel among other things.
Walter, D.	2020	Conceived public corporation as corporate bodies established by statute to own, manage and operate utilities and industries in the public interest. As compared with private corporations, they have no stimulus to efficiency.

Source: Field Study (2022).

From the foregoing, the relevance of public sector in Nigeria society cannot be underestimated. For Alabi (2013), the rationale for public sector is not limited to but may include; the fact that the functions of the governments have expanded; the state is responsible for socio-economic welfare of the people and has emerged as an active participant in the economic and industrial fields; the underdeveloped countries have to overcome their economic stagnation and the poor rate of growth, reduce economic imbalances; as well as government felt need to intervene private enterprises.

Having said that, it is important to reiterate that the relevance of public enterprise in modern Nigeria as identified by Anyadike (2013) includes;

- i. Need for economic development and sound industrial base;
- ii. Modern economy being a planned economy;
- iii. Instability of the private sector to start huge industries;
- iv. Need for balanced regional growth;
- v. Policy commitment of the government in power;
- vi. Establishment of a socialists and welfare oriented society;
- vii. Need for optimum utilization of natural resources;
- viii. Need for fulfilling social objectives;
- ix. Socio-political factor;
- x. Defence requirements;
- xi. To curb monopolies and preventing concentration of economic;
- xii. To act as a model employer;
- xiii. Stimulates research and development;
- xiv. Raising the standard of living;
- xv. Need for capital and technical knowhow;
- xvi. Employment opportunities and national dividend; and
- xvii. Stimulates effective implementation of government policies.



To this end, the basic features of public enterprises as enunciated by Dibia (2014) are;

- (i) **Financed by Government:** Public enterprises are financed by the government. They are either owned by the government or majority shares are held by the government. In some undertakings private investments are also allowed but the dominant role is played by the government only.
- (ii) **Government Management:** Public enterprises are managed by the government. In some cases government has started enterprises under its own departments. In other cases, government nominates persons to manage the undertakings. Even autonomous bodies are directly and indirectly controlled by the government departments.
- (iii) **Financial Independence:** Though investments in government undertakings are done by the government, they become financially independent. They are not dependent on the government for their day-to-day needs. These enterprises arrange and manage their own finances. An element of profitability is also considered while pricing their products. It has helped the enterprises to finance their growth themselves.
- (iv) **Public Services:** The primary aim of state enterprises is to provide service to the society. These enterprises are started with a service motive. A private entrepreneur will start a concern only if possibilities of earning profits exist but this is not the purpose of public enterprises.
- (v) **Useful for Various Sectors:** State enterprises do not serve a particular section of the society but they are useful for everybody. They serve all sectors of the economy.
- (vi) **Direct Channels for Using Foreign Money:** Most of the government to government aid is utilized through public enterprises. Financial and technical assistance received from industrially advanced countries is used in public enterprises.
- (vii) **Helpful in Implementing Government Plans:** Economic policies and plans of the government are implemented through public enterprises.
- (viii) **Autonomous or Semi-autonomous Bodies:** These enterprises are autonomous or semi-autonomous bodies. In some cases they work under the control of government departments and in other cases they are established under statutes and under Companies Act.

At this juncture, it is obvious that public enterprise differs from private enterprise. That is, the private sectors or enterprises are the businesses that are owned by a private group or an individual. For clarity purpose, businesses under private enterprises are classified into partnership, sole proprietorship, cooperative, and company. For Obadan (2015), both



private and public enterprises makeup of the economy of a nation, however the differences can be seen under the following subheadings (see tab 2 below).

Table 2: Showing Differences between Public and Private Enterprises

Enterprises	Private	Public
Objective	Profit maximization	Social welfare
Structure	<ul style="list-style-type: none"> • It refers to the business enterprises which are owned, managed and controlled by an individual or a group of individuals. • The government cannot interfere in the functions of private enterprises as it has no control over it. • It is that type of business units which are carried on with the motive of earning profits. • It can be small in size or large in size. 	<ul style="list-style-type: none"> • The public sector consists of various organizations owned and managed by the government. • These organizations may be either partly or wholly owned by the central or state government. • The government can participate in economic activities through these enterprises of the country.
Ownership	Owned by an individual or a group of individuals	Owned by Central Government, State Government or by local authorities.
Management	Managed or run by owners, partners, the board of directors, etc.	Managed by the Central Government or State Government or both.
Capital	Arranged by owners, partners, and shareholders.	Arranged by Central Government or State Government or General Public.
Area of Operation	Operates in all areas with the exception of national security with sufficient return on investment.	Operates in basic and public utility sectors.
Types of private and public sector enterprises.	<ul style="list-style-type: none"> • Sole Proprietorship • Partnership • Cooperative Company • Multinational Corporations 	<ul style="list-style-type: none"> • Departmental undertaking • Statutory corporation • Government company

Source: Field Study (2022).



Public and Private Enterprises: Points of Convergence and Divergence

Privatization is the process of transferring of public owned enterprise to the private section, which may be partially or completely. Though there are different forms of privatization, such as divestiture, which has to do with a wide range of ownership by the government because of involvement of leasing or contracting (Nellis 1999). Advancing the argument for privatization, Megginson and Netter (2000) argue thus:

“One important motivation for privatization is to help develop factor and product markets, as well as security markets. As discussed above, welfare economics argues that efficiency is achieved through competitive markets. Thus, to the extent that privatization promotes competition, privatization can have important efficiency effects. Inevitably, the effectiveness of privatization programs and markets themselves are simultaneously determined. It has been clear in the transition economies that the success of the privatization program depends on the strength of the markets within the same country, and vice versa. Thus, the impact of privatization will differ across countries depending on the strength of the existing private sector (11)”.

In a similar vein, Ndonko (1991) emphasizes the widespread in the efficiencies of state owned enterprises arguing that privatization is more likely to produce superior result and high profit. The effect of globalization as seen today manifests in transformations that are targeted at making structures functional. In the bid to adapt national economies to global trends and be active players in global market activities, the expansion of the private sector, on the one hand, and downsizing of the public sector including dismantling or divestment of public enterprises, on the other were major features of many economies. The two main objectives are to give more room to the private sector to function as the key engine of growth and at the same time, by downscaling and separating inefficient public enterprises, save costs and generate more revenue, which are the fundamental arguments of privatization and commercialization. It is in this process that employment in the private sector receives a boost and efficiency in service provision is improved. It is not in dispute that the divestments and dismantling of Public Enterprises, have continued to play significant roles in many countries, both developed as well as developing nations. For example, in Sub-Sahara Africa, high level of consideration given to the Millennium Development Goals (MDGs), especially in the areas of employment generation due to the slow growth of the private sector, the main sources of employment in many countries such as Nigeria (Abubakar, 2011). The reform agenda of Public Enterprises include, inter alia, the issues of management, structures, performance monitoring and feedback arrangements as well as exploring options of private/public partnerships as encapsulated in privatization ratification.

The creation of State Owned Enterprises (Public Enterprises) became necessary in several countries around 1930s, particularly after World War II to meet the challenges of market deficits & capital short-falls, promote economic development, reduce mass unemployment and/or ensure national control over the overall direction of the economy (Ogohi, 2014). The private sector obviously did not have all round capacity to invest in



capital intensive business aspects thus the need for Public Enterprises to increase capital formation, produce essential goods at lower costs, create employment and generally contribute to the economic development of the country. This trend continued till the early eighties (Adesanmi, 2011).

Perhaps contrary to expectations, increased corruption, management inefficiencies, overstaffing and related reasons weakened the objective of public enterprises. In many cases, there was little regard for their economic viability; instead it was a more of a norm to flood such organizations with staff even if they are not needed. I did not take long for the failures to be exposed as increased spending on running the organizations did not equal the output of services expected.

Okoli (2004) observed that,

“In addition to management deficits, many Public Enterprises also suffered from technological shortcomings. Imported through either foreign aid or soft loans from abroad, many of the Public Enterprises were either equipped with low or second grade machineries contributing to low capital/output ratio, or were established without due regard to their economic and financial sustainability (25)”.

Examples of the miserable performance of parastatals and agencies of government are not farfetched and their service records are there to see. Some of these are the former National Electric Power Authority (NEPA) and the Nigerian Telecommunication (NITEL). The pattern of privatization of some of the current Power Holding Company of Nigeria that were privatized recently is still not divorced from what it was as NEPA as customer satisfaction is far from being met. Agitation as to basic issues of consumer satisfaction is still at the centre of regular outcry of the people using the services. Consumers who can afford to provide their own independent power have attempted all alternatives from Generating Plant to Solar Power in order to free themselves from the tyranny of high bills and poor services. This ideology has since shown itself in the preference for private water supply via boreholes, schools, private transport companies, private hospitals and so on. During President Olusegun Obasanjo’s Administration, the policy on privatization was rolled out to ensure efficient service and product provision across sectors that managed public enterprises for the government. The attitude of typical government public servants became an issue of concern where clients are left unsatisfied or not even served at all due to a poor attitude to work. Bureau for Public Enterprise has as its mission to be the key driver of Government economic reform programme and to be the resource centre for capacity building and sustenance of reforms through:

- a) Promoting a competitive private sector driven economy; and
- b) Enfranchising Nigerians Institutionalizing social accountability; and
- c) Efficient deployment of public resources;
- d) Enthronement of effective corporate governance; and
- e) Financial discipline in the public and private sectors; one of such was the power sector.

The Role of BPE in Liberalizing Nigeria's Public Services

Perhaps due to limited information, many saw privatization and commercialization simply as a massive fire sale of government assets by the National Council on Privatization (NCP)



and its implementation arm, the Bureau of Public Enterprises (BPE). The BPE however, explains that on the scale of one to ten though, privatization and commercialization combined could only be ascribed about five points out of ten, while sector reforms alone would take the remaining five points and that's a whopping 50 percent. In the public parlance and to Nigerians, the leading talk dwells on "how our collective assets are being disposed" by the BPE in particular. This perception is not unusual for the layman who does not understand the motive behind the action. Most people see only the "selling" part of the plan.

In its brief, the BPE notes that when you privatize, you sell only one enterprise, but when you reform you open up an entire sector thereby creating many more enterprises in the sector through the creation of enabling environment for private sector participation. In 1999, Nigerian began a process of accelerated reform of the key sectors of the economy to align with its changing status from a military government to an emerging democracy. Political democracy without attendant economic democratization cannot lead to growth of any society.

The National Council on Privatization (NCP) established under the provisions of the Public Enterprises (Privatization and Commercialization) Act of 1999, through its secretariat, the Bureau of Public Enterprises (BPE), was charged with driving the Federal Government's programme of privatizing public enterprises, carrying out sector reforms and liberalization of key economic sectors especially the infrastructure sector. This was in realization of the fact that infrastructure services are critical inputs in the provisions of goods and services and significantly affect the productivity, cost and competitiveness of any economy. Consequently, policy decisions regarding their provision and sector development have ramifications throughout the economy some of which are the Telecommunications and power sectors reform.

Public Enterprises - The Bane of Quality Service Provision

Public enterprises have over the last decade lost its importance in Nigeria. Perhaps this is not unconnected to poor performance enhancing ability. They are ineffective, lacking flexibility to changing market or global trends. The ordinary Nigerian citizen hardly derives benefit from the established enterprises e.g Nigerian Railway (The RUN on NARROW) gauges leading to increase length of journeys. Nigerian Airways has been liquidated, while NNPC's – accounts has not been audited by an external auditor in the last 30 years so as to be able to appraise its performance. The ordinary citizens still buy fuel at high cost vis-à-vis the GDP of the country. PHCN has been epileptic in its operations leading to ineffectiveness; they have not abolished estimated billing despite protest from consumers and regulatory agencies. The increment on tariffs continues to have negative effect on businesses while clients are often forced in perpetual darkness; they have had 3-5 system collapse since 2015.

A primary objective of any government is security of lives and properties of the citizens. Despite security challenges all over the country (North East-Boko Haram): South-South-Niger Delta Militants; North West – Banditry and kidnapping with cattle rustling; South-West-Kidnapping/Armed-Robbery, the government is still trying to keep its head out of



the water by various strategies. Holding public officers accountable for failure of their duties seem to have become extinct.

The citizenry still enjoy some level of subsidy from the petroleum sector {especially PMS-premium motor spirit- petrol (45%) and Kerosene (100%)} but have to struggle with extreme scarcity, spending days on fuel queues. It is often being reported that massive reconstruction of roads is ongoing in various parts of Nigeria such as Lagos-Ibadan Road; Aba-Port-Harcourt Road; Numan (Adamawa) – Tella (Taraba) Road etc. Many of these are not physically executed and road users still suffer, spending several hours on the road, particularly for goods transportation. The end result is often hike in cost of the goods for citizens who are already coping with bad economy bedeviled by inflation. Understanding the performance of Public Enterprises in Nigeria has varied in context as different people give different reasons for their performance rates but one thing is certain that their performance has been rated as abysmally low. This is why the Federal Government of Nigeria has since independence adopted several approaches to ensure the revitalization of the Public Enterprises but all to no avail, necessitating the current trend of privatization and commercialization. Privatization of the Nigerian Public Enterprises as a reform process has evoked controversy as to its essence and justification. The justification of the privatization exercise and the reason for the low performance of the Nigeria Public Enterprises have led to the exploration of the understanding of the performance of the Nigeria Public Enterprises within the framework of modern organization theory. The justification also explained categorically and differently the reasons for the abysmal performance of the Nigerian Public Enterprises.

Following the above exploration of the performance of the Nigeria Public Enterprises, it is essential to pay attention to the followings:

1. That the reason for the poor performance of the Nigerian Public Enterprises is embedded in the people's attitude to work as they perceive work in the Nigerian Public Enterprises as no man's work and therefore tend to display high level of lackadaisical tendencies towards work and thereby reducing the efficiency of work and the performance of the entire enterprises. Therefore, the people need to be re-oriented on the essence of job commitment and proficiency at work.
2. That politicization of the policies in Nigeria has been identified as the core of the problems of Nigeria and that same also applied to the Nigerian Public Enterprises and as such it is only depoliticized that will also ensure efficiency and better performance of the public enterprises.
3. The demands for high quality management of Public Enterprises have become too complex to be understood without prior planning and analysis. Government should discard the idea of planning for funding and management of these enterprises and allow them to run as socio-economic services and be so accountable.
4. Appropriate accounting, legal regulatory infrastructure must be provided for the new crop of managers with different functional expertise to exploit and develop. This implies that the role of the manager is not that of a chief of defence but institutional leadership.
5. Management must always be sensitive to a wide range of popular orientation and expectation and adopt organizational circumstances accordingly. However, the



government could help by ensuring conducive investment and ethical climate for socio-economic development.

6. Government needs to be elastic in its thinking and not constrained to its search for alternatives within the western scope or World Bank at the expense of the developing economy.

Conclusion

This paper holds that public enterprises are needed in a developing economy like Nigeria where the economy cannot guarantee capacity of private enterprises in majority of sectors. However, ways of improving the performance and service delivery of public enterprises must be given due attention in order to prevent collapse. The forgone approach and policies of partial commercialization/full commercialization rather than privatization is an option to weigh and consider.

Heavy criticism has trailed the privatization of public enterprises though inadequate knowledge on the justification of such actions has accounted for the resistance. Despite the criticism though, many have acknowledged that the performance of Public Enterprises in Nigeria is low and is responsible for many failings in operations of the government and by extension the negative effects on the economy and public image of the nation.

It is in response to this that the Federal Government of Nigeria has since independence adopted several approaches to ensure the revitalization of the Public Enterprises but did not record the expected outcome. The current trend of privatization and commercialization is one of the options to fix the worrisome trend in various sectors though it has not been without significant controversies. As a country willing to ensure functionality of its systems, considerations for the dynamics of systems function is critical and to be monitored within ambits of sincere desire for national transformation and economic growth.

Recommendations

The following recommendations are thus advanced for efficiency of public enterprises in Nigeria:

1. Government should think outside the box, study and compare the functional systems of successful nations and apply only the relevant aspects.
2. Policy design should be devoid of selfish interest and political leanings that serve only the government in power and has temporal characteristics. Policies should be deliberate and far sighted.
3. New orientation for public officers operations and management should be enshrined through the various relevant agencies which themselves should be rechristened. The implantation of carrot and stick (reward and punishment) for deviants should be upheld without sentiments.

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