
PUBLIC ENTERPRISES AND PRIVATISATION POLICY IN NIGERIA: THE PUBLIC PRIVATE SECTOR PARTICIPATION AS AN OPTION

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ABSTRACT: This paper focuses on privatization of Public Enterprises in Nigeria with the Public Private Sector Participation (PPP) as an innovation. The performance of state owned enterprises have been adjudged poor thereby necessitating appropriate strategies capable of reversing the trend. Innovating PPP is singled out as veritable strategy of enhancing the performance of these enterprises. Examination of some enterprises sold and/or concessioned under the PPP platform reveals cheering news of success while some have failed in their current operational status. This paper therefore advocates accountability and transparency among others in the PPP framework towards achieving reasonable and satisfactory Public-Private Partnership devoid of excesses. Also advocated is the need to expand the scope of private investment by promoting greater openness in domestic and external trade as well as ensuring a conducive business environment in the country.

1. INTRODUCTION

An analysis of the basic literature in the Nigerian economy recognizes public enterprises as companies, parastatals, ventures and industries whose ownership and management remain fully or in part with government and dependent on government subventions. In most developing countries, State Owned Enterprises (SOE) are commonly known as Public Enterprises or Parastatals. Thus State Owned Enterprises (Public Corporations) mean different things to different people. To some, the label has broad significance. On the other hand, a narrower view identifies state owned enterprises as government owned entities created for the sole objective of profit maximization and loss minimization and once established were substantially free to operate in much same way as private firms. This is associated with a breakeven point in which a firm is not making abnormal profit, nor is it indebted but stays in business. Pad Field (1970:105) maintains that a corporation is a legal entity, or artificial person, with distinctive name, perpetual succession and a common seal. It follows from here that the essential features of a corporation embodies the fact that it is a legal person different from the members who make up the corporation and act on its behalf. Gillis (1975) postulates that a public enterprise qualifies as state enterprise if it meets three criteria:

- (a) The principal owner and stock holder is the government who exercises control over the broad policies of the enterprise, appoints and removes enterprises management. Simply put, this does not signify that government is necessarily involved in the daily operations of the enterprise nor is ownership of majority shares essential since effective control by government is possible even with minority shares of its equity. This of course depends on the distribution of ownership of the shares and also on any agreement between the government and the private partner. The shareholder(s) are embodiment of government, private individuals, agencies and Technical Committee on Privatization and Commercialization etc. depending on the number of shares allotted and they can pay for them based on the administrative formula of the shares appropriation and/or dispersal over the numerous shareholders/stakeholders.
- (b) The enterprise engages in the production of goods or services for sale to the different public (clients) or to other organizations be they private or public.
- (c) As a policy matter, the revenues of the enterprise are supposed to bear some relation to its costs. State enterprises for which profit maximization is not the prime stated objective may still qualify if they are expected to pursue profitability, subject to constraints implicit or explicit in social functions assigned the enterprise by the state.

Thus the absence of condition (a) above means the enterprise qualifies as a private enterprise and the absence of (b) and (c) qualifies the enterprise as government entity not viewed as a state owned enterprise but rather an ordinary public agency. In Nigeria, Government is interested in investment and cannot continue to supply social services only. Therefore profit making is essential. Both the Federal and State governments are interested in public-private sector participation to some extent with individuals and/or private firms. Ndebbio (1980), Proyer (1976), Turkens (1976 and Wagner (1972) jointly recognize nationalized industries as the special category of public enterprises. These experts maintain that nationalized industries with the state exercising ownership and control structure is indeed a special form of public enterprise. The range of public enterprise is wide and any meaningful study depends on what one is interested in studying. It follows from here that they may

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differ in methods of incorporation, in their relationship to the general administrative structure, their source of capital funding and degree of management independence. Public enterprises, therefore, could be said to run the gamut between governmental departments and privately owned and controlled profit/nonprofit organizations. Their services include, but are not limited to, economic, agriculture, mining, construction, manufacturing, utilities commerce, financial and other services.

Yacob Hile - Mariam and Berhanu Mengistu (1972) opine that a public enterprise is an organization which is owned by public authorities to the extent of 50 percent or more:

- Under the top managerial control of the owning public authorities, such as public control, including, inter alia, the right to appoint top management and to formulate critical policy decisions;
- Is established for the achievement of a defined set of public purposes, which may be multidimensional in character;
- Is engaged in activities of a business character.
- Is consequently placed under a system of public accountability,
- Involves the basic idea of investment and returns and services.

Thus no one definition of public corporation/state Owned enterprises/parastatals can accommodate all the economic systems and sectors by recognizing all their goals and ideologies. This is because, in typological delineation, public enterprise has its genesis in developing countries from colonialism; and many former European colonial territories utilized corporations as an arm of their government for seizing foreign territories. This paper is divided into five sections. Section one is the introduction while section two focuses on theoretical underpinning and literature review with emphasis on government-in-business and challenges of state owned enterprises. Section three is centred on lessons in respect of enterprises sold and/or concessioned between 1999-2011. Section four is a performance assessment and evaluation of enterprises sold with particular reference to automobile sector, cement sector, steel and aluminum sector, oil and gas sector, hotel and tourism subsector, banking & insurance sector, sugar subsector, solid mineral and mining sector, paper and packaging subsector, seaports and terminals, agric subsector, aviation sector, block making companies and energy components. The paper ends with policy recommendations and conclusions in section five.

2. THEORETICAL UNDERPINNING & LITERATURE REVIEW

Organizations are established to perform certain functions be they public or private outfits. Their performance depends on the level of input that goes into the corporation for its operation and the output to its environment. It follows from here that in public sector management, the systems model propounded by David Easton has commanded acceptance in the study of public corporations. This is because of its emphasis on the input-output analysis. Essentially the theory stipulates that organizations are viewed as separate inter-related systems with parts and organs which ultimately receive input and transform them thus generating output. Organizations are viewed as open systems; they continually intermingle with the internal and external business environments, including other organizations. Public enterprises under the PPP arrangement is examined as the output of a conversion process using as inputs the demands of the society and the support by acquisition of shares, injection of fresh funds and reactivation of the company by PPP arrangement. These enterprises are represented as receiving inputs from the environment in the form of demands of shareholders in the government for efficiency, effectiveness and declaration of dividend thereby maximizing profit, wealth and minimizing loss. This undergoes conversion to form outputs in the provision of products and services. In his political system analysis, David Easton defines a political system as that system of interaction through which binding or authoritative allocations made. The political system is a very good and transforming system in organizations and societies. It is achieved through a system of input-output matrix and feedback mechanism. Within the context of this paper therefore, the activities of state owned enterprises sold and/or concessioned between 1999 - 2011 particularly in the public private partnership arrangement calls for and moves in consonance with political system in an input-output interaction in order to perform set functions.

3. THE GOVERNMENT – IN - BUSINESS

Before examining the particular issues of the government in business vis-à-vis control of State Owned Enterprises (SOEs), it is pertinent to survey the role of government in the economic process. The government's direct ownership in business has become too pervasive in the economy. Toyo (1988) maintains that the problem of Nigeria has been that of non-availability of concrete economic planning, that is, the making of long term programmes on national economic sectorial and enterprises levels. Accordingly, the structure and scope of savings and investment, the determination of aggregate supply and demand for goods and services, the setting of prices, industrial enterprises, transport and communication, Foreign trade and wholesale distribution should all be in the hands of the state. The views of this learned Professor as a socialist economist are not surprising. It is pertinent to note that the collapse of the socialist economic system in Europe does not lend credence to continued enthusiastic support for state control of the economy. Equally worthy of note is that the concept of "minimal government" means that government must govern while withdrawing from directly productive activities, infrastructure that could be effectively handled by private initiative. Nwabuzor (1990) argues that the pervasive nature of Government's direct

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ownership of business and over-extinction has been responsible for the inability of Government to provide sufficient funds for essential services. As responsibility, yearly subventions have to be given to the state owned enterprises or parastatals some of which are social welfare entities and cannot perform without these subventions.

Thus a cursory survey of the rationale behind government business reveals that government in business is no longer an unusual phenomenon. Government today does not remain as a parsimonious supplier of goods and services only but is interested in virile investment opportunities capable of transforming the economy to a sound business and wealth maximizing entity devoid of economic strangulation. In places like Britain, state participation in the crucial sectors of the economy through nationalization was buttressed on the simple fact that there was the necessity to maximize the economic inequalities by the state taking over the great monopolies. Other secondary reasons on ideological rostrum are that nationalization would facilitate the modernization of industries as well as aid the economy eschew and/or overcome the "entrepreneurs" lethargy in this regard and also that nationalized industries would provide required social services thereby bringing about economic stability. In the United States of America and most other countries, public corporations are created for strictly administrative purposes. In a move to transfer a certain service from government department to a more autonomous type of enterprise, several state telephone in most countries, salt or tobacco in some, have been transferred. from government department to state owned enterprise. In Nigeria, government-in-business was and is not a consequence of doctrinaire attitudes. With the emergence of "trillionaire" and the affluent "business executives" in recent years vis-à-vis, the pervading government active investment in private sector activities, there seems to be some nagging questions regarding the aims and limits of government economic "encroachment" on the entrepreneurial sector. Simply put, it is not the intention of government economic policy to package some people (certain individual Nigerians) into a wealthy class while the masses wallow in poverty.

4. CHALLENGES OF STATE OWNED ENTERPRISES

It is an established fact that some state owned companies in Nigeria babies and unavoidably leak the purse of the government. Their performance has been adjudged to be dismal since they are unable to achieve the objectives for which they were established. The reasons for the poor performance of state owned enterprises are not farfetched., it should be noted that Government is formed by competing political parties; the winning party is out to perpetuate its control of all projects by the Government and use them to compensate party faithful in areas of employment control. This is associated with political patronage and interference. In recognition of the above, it is noteworthy that the problems of state owned enterprises are multifarious. First in the series is location factor. The siting of state owned enterprises is normally influenced by the socio-political framework under which the nation (state) operates. This only in exceptional instances that political parties controlling governments can sacrifice political principle of vote catching for sound economic reasons for siting industries at where they should be. This is to say that it is quite unrealistic to note that the siting of government owned industries will be based on economic factors alone. Nwabuzor (1990) postulated that whether a Peugeot plant and a refinery should be sited in Kaduna or an Anamco in Enugu or a steel company Kwara and Bendel states must be seen not only on the profitability of these industries but also on the platform of political framework. This shows that the major economic factors that should be considered in the location and localization of industries are often disregarded because of political reasons. Simply put, all economists agree that the factors that influence the location of industries include nearness to power, proximity to market, source of raw materials and sense of economies of large scale production; but in Government, factors normally considered include, but not limited to Federal Character, State Character, Local Government Character, geographical spread, population of the area, land mass, political reasons and the disadvantaged areas. Secondly, the absence of modern management constitutes a bundle of problems Planning, organizing, proper staffing, coordination and reporting are not considered nor are the external environmental factors ever considered. Managerial procedure and employment of management tools are flouted. Government enterprises are being affected by civil service administrative procedures thereby preventing sound management styles for the purpose of profit and wealth maximization and loss minimization. The investment strategy does not recognize the appraisal of alternative projects to enable one determine viable ones with high Net Present Value (NPV) and profitability potential. The Administrators of public enterprise are not bordered because subvention is remitted as at when due for the administrative runs of the enterprise. Third in this series is the problem of unstable management and Boards. Even new administration of government be it civilian or military starts by dissolving the boards of all state owned enterprises and thereafter appointing new members to replace them. This is a phenomenon that leads to instability in the management of public corporations and also leads to instability in the management and Boards of these enterprises. For the civilian, this is an opportunity to reward all the party faithful by Board appointment as a mark of appreciating their patronage. Such appointments are hardly ever anchored on merit as square pegs are put in round holes on political reasons. For the military, this is an opportunity to remove and replace corrupt citizens with those that meet their test as part of their corrective programmes. Generally, the appointment of Boards of Directors is not based on experience, discipline and qualification but on party loyalty. A pertinent question to ask here is, will the members work for the interest of the party, those in power, or those in corridor of power? Solutions to this question reveal that such members invariably sacrifice profit maximization

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motive and loss minimization of such companies for the whims of the political stalwarts vis-à-vis spoils system where looting is the order of the day. Sycophancy becomes fashionable for such members in order to retain their Board appointments. Besides, another problem is associated with irregularity in appointment of staff. The executive of the corporations are expected to interview and/or engage the employee selection process in recruitment based on merit in terms of requisite experience, academic and professional qualifications, character and training to run the organizations. The consideration for appointment is different in the state owned enterprises. Here recruitment is based on zoning systems, Local government of origin, relationship with those power, political influences, ability to satisfy the needs of politicians and/or qualification. The prime objective of the corporation therefore is treated with disdain. The same instability as earlier noted above extends to top management of these parastatals and public ventures. The post of chief executive and even that of the management of those enterprises have become virtually political appointments. In some enterprises, the post of General Manager is politicized to the extent that one General Manager may not serve for more than three to four years. This makes planning and execution/implementation difficult as strategic planning is based on long term strategies. The productivity of incumbents of such positions remains low in terms of turnover thereby endangering the economies of large scale production and reduction in the Return on Investment (ROI). Put differently, planning in this circumstance becomes quite difficult as each chief executive sets his own goals and plans but is never in office long enough to implement them. Such turn-over rate and policy instability contradicts the view of Kramer (1988) to the effect that public.

Corporations/state owned enterprises are establishments whose planning ought to be strategic with an outlook of 10-15 years. Added to the above is contract awards and kickback advanced as a reason for the poor performance of state owned enterprises. The astronomical increase in the high cost of machines, buildings, motor vehicles, equipment and infrastructural facilities of government owned enterprises is always as a result of inflated percentages and over invoicing allegedly paid to political parties and functionaries who make final decisions on whom the contract should be awarded. Once the percentages are accepted, the contract is awarded without any compunction of heart nor conscience. This reduces the financial strength of the corporations as over expenditure is encouraged by the politicians contrary to budgetary provisions.

Closely related to the above is the integrity factor which equally ruins the government owned enterprises. These enterprises have exhibited dismal performance because they are being run by corrupt officials. This has become a matter of public disquiet as it worries numerous public societies and knowledgeable Nigerians. Corruption has eaten and penetrated the Nigerian society that even the children of Adam are not left out. It cuts across different sectors in that even when expatriates are employed into some sectors, they Nigerianise themselves and internalize the corruption strategies thereby looting the Nigerian wealth. It calls for realizable antidote for its eradication to enable our economic system return to a sound footing. The "419" system as popularly christened is a curse on the Nigerian system. Some officials in position of authority only exert "holier than thou attitude" but end up looting the system. It peters against the bitterness of our economy and therefore should be avoided as much as possible. It is pertinent to state that the worst enemy of the public is a corrupt public servant. With corrupt public servants, sound plans are easily thwarted; rules no matter how intricate are twisted, laws no matter how well drafted are easily circumvented and tradition no matter how good, is grounded. Equally, organizations irrespective of how viable, are run down by the well placed men of questionable integrity in power who treat others as distant and second class Nigerians who must exist only to be oppressed, victimized and humiliated. The pension and gratuity of such "distant and second class Nigerians are victimization, oppression, abuse and if providence allows kidnapped. Panels after panels, administrative and judicial commissions of enquiry have often been pointing accusing fingers at corrupt officers for the poor performance of government owned enterprises.

As soon as the companies are established, the triangle of power struggle/political interference involving the management of the enterprises set in forcefully between the ministry and the political heavy weights on who should have final say in the daily administration of the company. This becomes a problem. Relatives and "good boys" of the politicians are dumped in such companies which may be already overstaffed. The enterprise then exists in the economic wellbeing of the few as the rich become richer and the poor poorer. Frequent wranglings, power tussle among the board members, top management and other employees are the order of the day in parastatals and public owned enterprises. This is associated with the triangle of power struggle. Sometimes chairmen and board members regard their relationship With the chief executives of these companies as a "boss-subordinate" one.

This attitude encourages concern but it occurs because in some states of the federation some chairmen are given full time appointments. In such a circumstance it could be difficult to know who the chief executive is. Could it be the Managing Director who may be functioning as such before the appointment or the new full time chairman? This confuses issues further thereby creating problems for the government owned companies. The last but not the least in the series is poor capitalization which is an impediment to borrowing. It hinders the progress of state owned enterprises. They are unable to attract loan from

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the bank just like the private companies. The explanation here is that the overall performance of these state owned companies does not attract nor inspire much confidence in them in respect of capacity of repayment. The government deliberately fails to fully capitalize their investment in their companies which are left with an extremely low equity base. The companies merely rely' on subvention and when such subsidy is not forthcoming, the companies' operations may be stifled to the point of unprofitability and the company cannot breakeven.

5. PERFORMANCE ASSESSMENT AND EVALUATION OF ENTERPRISES

SOLD BETWEEN 1999 TO 2011 IN NIGERIA

A close examination of the public-private sector arrangement in respect of public enterprises in Nigeria reveals that some of the enterprises sold between 1999 to 2011 performed better while others do not. The assessment of these enterprises are on the basis of current operational status as well as who actually participated in the PPP arrangement. For the Enterprises in Automobile subsector, six (6) enterprises were sold but only one(1) has been Successful, that is National Truck Manufacturing Ltd, Kano. As revealed by table 1, five out of the six enterprises sold have failed. One of which had to be shut down as a result of dispute among shareholders and technical patronage. One other has faced problem of low patronage and high debt profile. For the cement sub sector, the assessment situation has an interesting picture as all the six enterprises sold and or involved in the PPP arrangement are performing well. Here, they are successful as revealed by Table 1 below the PPP arrangement for the cement sector is characterized by success. Steel and aluminum sector had six enterprises that were involved in the PPP arrangement. Only one out of the six has successful current operational status while five are characterized by failure. Put simply, Katsina steel rolling mills sold to Dana Holdings has been successful in the PPP arrangement while Delta Steel sold to Global Infrastructure Ltd. Aluminum Smelting Co. of Nigeria Ltd sold to Rusal Aluminum of Russia, Osogbo Steel Rolling Mills Ltd to Kura Holdings, Jos Steel Rolling Mills sold to Zuma Steel West Africa Ltd and Electric Metre co of Nigeria sold to Dantata Investment Ltd have all failed completely. The situation in the oil and gas subsector is unique in its merit and distinction. All the six companies involved in the PPP arrangement are characterized by success story contrary to the situation in other sectors of the economy as revealed by table 1 below. Section E of table 1 is a demonstration of the situation in the Hotel and Tourism Subsector. Out of 9 (nine) enterprises associated with PPP concept as an innovation seven are operationally successful while two (2) are adjudged a failure. The Banking/insurance subsector has four (4) cases of failures in the PPP arrangement while 3 out of the 7 are successfully operated. In the case of Nigeria Reinsurance there has been mass exodus of staff as a result of poor services and conditions of services vis-à-vis poor pension matters. The sugar subsector is a total failure and all the enterprises have failed completely. Similarly paper and packaging subsector records six enterprises as failure while only one of the six enterprises involved in the PPP exercise is successfully managed. Two of the failed enterprises in this sector. Negriz Holdings, Tafawa Balewa square purchased by BHS International and Lagos International Trade Fair purchased by AULIC Nig. Ltd were concessioned. Solid Mineral and Mining sector has a total of twenty one (21) enterprises seven (7) of which were outright sales and 14 concessions. The operational status of these enterprises records two failures while the rest are successful.

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S/n	Enterprises	No in sector sold	Purchaser	Current operational status	Remark
(A)	Automobile Sector	6	-		
1	National Truck Manufacturing Ltd, Kano		-	Successful	NA
2	Leyland Nigeria Ltd		-	Failure	* shutdown as a result of dispute among shareholders and technical partners
3	Volkswagen Nig. Ltd		-	Failure	NA
4	Steyr Nig. Ltd		-	Failure	NA
5	Anamco, Enugu		-	Failure	NA
6	Peugeot Automobile Nig. Ltd		-	Failure	* Focus problem on low patronage & huge debt profile
(B)	CEMENT SECTOR	6		All the six companies sold are performing	
1	Benue Cement Co. Ltd		Dangote Industries Ltd	Successful	NA
2	Cement Co. of Northern Nigeria		Scancem of Norway	Successful	NA
3	West African Portland Cement Company		Blue archie Industries Ltd	Successful	NA
4	Ashaka Cement Company		Blue archie Industries Ltd	Successful	NA
5	Omigolo Cement Benue Republic		Dangote Group	Successful	NA
6	Calabar Cement Co. Ltd		Flour Mills & Holcim of Spain	Successful	NA

(C)	STEEL AND ALUMINUM SECTOR	6			
1	Katsina Steel Rolling Mills		Dana Holdings	Successful	NA
2	Delta Steel		Global Infrastructure Ltd	Failure	NA
3	Aluminum Smelting Co. Nigeria, Ik. Abasi (ALSCON)		Rural Aluminum of Russia	Failure	NA
4	Osogbo Steel Rolling Nig Ltd		Kura Holdings Ltd	Failure	NA
5	Jos Steel Rolling Mills		Zuma Steel West Africa Ltd	Failure	NA
6	Electric Metre Co. Nig. Ltd		Dankata Investment Ltd	Failure	NA
(D)	OIL AND GAS SECTOR	6		All the six company sold are performing	NA
1	LGP Calabar Dept		Savanna Energy Ltd	Successful	NA
2	Unipetrol (now Oando)		Ocean	Successful	NA

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(F)	BANKING & INSURANCE SUBSECTOR	7			
1	International Merchant Bank liquidated		-	Failure	NA
2	Afribank		-	Failure	NA
3	NICONO Insurance Plc		-	Failure	NA
4	Nigeria Reinsurance		-	Failure	Mass staff exodus as a result of poor services & condition of service & pension matters
5	FSB International Bank Plc		-	Successful	NA
6	Assurance Bank Plc		-	Successful	NA
7	Nai Merchant Bank Plc (now Sterling Bank Plc)		-	Successful	NA
(G)	SUGAR SUBSECTOR				
1	Savannah Sugar		Dangote Group	Failure	NA
2	Nigeria Sugar Company, Bacita		Josephdam & Sons	Failure	NA
3	Lafiagi Sugar		BUA Group	Failure	NA
4	Sunti Sugar		Dewo Integrated	Failure	NA

(H)	SOLID MINERALS & MINING SECTOR	21			7 outright sales, 14 concessions
1	Suleja Quarry, EPL 17222, 17224, 17224, 17227 (Gold, Bukuyum LG) Zamfara			Successful	NA
2	Kuru Quarry ASEPL 202 and 203 (Lead Zinc, Barytes, Copper, Salt) Ogoja			Successful	NA
3	The Ogboyaga 1 and 2 (Steel and Aluminum) Concessioned		Western Metal Product	Successful	NA
4	Nigeria Feldspar/Quartz; ELP 13212 (Tale, Gold, Cassiterite)			Successful	NA
5	Igun District (ML 2050)		Living Spring Minerals Promotion	Successful	NA
6	Gold Magani, Shiroro Lg Niger 301 and 302		Western Metal Products	Failure	NA
7	Rafin Jaki, Bauchi and NTAMP 3, Barki Kaduna		Equator Mines Ltd	Failure	NA
(I)	PAPER AND PACKAGING SUB SECTOR	6			
1	Jebba Paper Mill			Successful	NA
2	Central Packaging Ltd		Millenium Autopmobile Ltd	Failure	NA
3	Daily Times		Folio Communications	Failure	NA
4	The Nigerian Newsprint Manufacturing (Oku Ibokun, Aks)		BHS International	Failure	NA

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5	Negris Holdings, Tafawa Balewa Square		BHS International	Failure	Concessioned
6	Lagos International Trade Fair		AULIC Nig. Ltd	Failure	Concessioned
(J)	SEAPORTS AND TERMINALS	21			
1	NPA Quarters in Lagos		Labana Global Ventures Ltd	Successful	Sold
2	National Clearing and Forwarding Agency		Jorontom International Agency (Nig) Lote	Failure	Sold
3	Apapa Terminal		AP Moller Finance SA	Successful	Concessioned
4	Lilypond Inland Container Terminal		AP Moller Finance SA	Successful	Concessioned
5	Apapa Terminal A & B		Flour Mills of Nigeria Ltd	Successful	Concessioned
6	Apapa Terminal C & D		ENL Consortium Ltd	Successful	Concessioned
7	Apapa Terminal E		Dangote	Successful	Concessioned

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			Industries Ltd		
8	Tin Can Terminal B to		Tin Can Island Container Terminal Ltd	Successful	Concessioned
9	Tin Can Island Terminal C		Sifax Nigeria Limited	Successful	Concessioned
10	Onne FLT B & FOT A		Intels Nigeria Ltd	Successful	Concessioned
11	Calabar New Terminal A		Intels Nigeria Ltd	Successful	Concessioned
12	Warri New Terminal		Intels Nigeria Ltd	Successful	Concessioned
13	Warri Canal Barth Terminal		Julius Berger Plc	Successful	Concessioned
14	Calabar Old Terminal		Addax Logistics Ltd	Successful	Concessioned
15	Calabar New Terminal B		Ecomarine Consortium Operators Ltd	Successful	Concessioned
16	Port Harcourt Terminal A		Ports and Terminal Operators Ltd	Failure	Concessioned
17	Port Harcourt Terminal B		BUA International Ltd	Failure	Concessioned
18	Tin Can Island Port A		Joseph Dam & Sons Ltd	Failure	Concessioned
19	Warri Old Terminal A		Intels Nigeria Ltd	Failure	Concessioned
20	Warri Old Terminal B		Associated Marine Services	Failure	Concessioned
21	Koko Port		Gulfair Bel Consortium	Failure	Concessioned

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(K)	AGRIC SUB SECTOR	5			
1	Ayip Eku Oil Palm		Wing song M-House Industries Palm Investment Ltd	Failure	Sold
2	Federal Super phosphate Fertilizer Co. Kaduna		Hekio Consortium	Successful	NA
3	Ore – Irele Oil Palm Ltd		CPL Agric Ltd	Successful	NA
4	Ohechiowa Oil Palm Ltd		Omen International Ltd	Successful	NA
5	NAFCON		O'Secul Nigeria Ltd	Successful	NA
(L)	AVIATION SECTOR	2			
1	SAHCOL		Skyway Aviation Handling Co.	Successful	Public offer
2	NAHCO		Skyway Aviation Handling Co.	Successful	Public offer
(M)	BLOCK MAKING COMPANIES	6			
7	M-1 Nigeria Ltd, Lot 1		AP Oil Field Services Ltd	Successful	NA
8	Schumberger Testing & Production Services Ltd		Amazon Energy/Sigment Consortium	Successful	NA
9	Sedco Forex Nig. Ltd		Rosetill Group Limited	Successful	NA
10	Solus Schall Nigeria Ltd		Baklang Consultants	Successful	NA
11	Stallion house, v/l Lagos		Luzon Oil and Gas Ltd	Successful	NA

Section J in the table which is the seaport and terminals had twenty one (21) enterprises, three (3) of which were sold and eighteen (18) concessioned. Further fourteen (14) enterprises have been operationally successful under the PPP arrangement while seven (7) are labelled as failure. On the whole enterprises sold outright were two (2) while nineteen (19) of them were concessioned.

Agricultural subsector records four (4) out of the five (5) enterprises sold as being successful in the PPP arrangement while one (1) has been a failure. This is contrary to the situation in the Aviation subsector where the only two enterprises sold by public offer to Skyway Aviation Handling Company have been very successfully operated. Block making companies had three (3)

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1	Ikorodu Bricks		Continental Project Suppliers Ltd	Successful	Sold
2	Ibadan Bricks		Real Stones Nig. Ltd	Successful	Sold
3	Kaduna Bricks		Rahman Brothers Ltd	Successful	Sold
4	Enugu Bricks		Suijay Concept Ltd	Failure	Sold
5	Kano Bricks		Associated Partners Nif Ltd	Failure	Sold
6	Izom Bricks		Continental Project Supplies Ltd	Failure	Sold
(N)	ENERGY COMPANIES	12			
1	Nigerdock Nigeria Ltd		Global Energy Ltd	Failure	NA
2	Nigeria Machine Tools		Bronwen Nigeria Ltd	Failure	NA
3	Baker Nigeria Ltd, Lot 1		Baye Hunghas Nig Ltd	Successful	NA
4	Baroids Drilling Chemical Products Nig. Ltd		Sapid Agencies Ltd	Successful	NA
5	Baroids Nig. Ltd, Lot 1		Halliburton Operations Nig Ltd	Successful	NA
6	Dowell Schumberger, Lot 1		Bussdor & Co. Ltd	Successful	NA

cases of failures and 3 successfully operated companies in the PPP concept. In Energy subsector, eleven (11) companies were sold and or concessioned by the PPP concept as an innovation out of which two (2) cases of failure have been recorded as against Nine (9) that have been successfully operated. From the foregoing, salient questions suggest themselves. What have been the causes of failure of these enterprises after having been Sold and concessioned under the PPP arrangement? A peep into this reveals cases where some of the enterprises were sold and or concessioned to themselves as members of the Bureau of Public Enterprises without due process. Public officials, managers and bureaucrats are against PPP arrangement because they see it as a diminution of their power and influence. The managers of the affected public enterprises feel that the security of their tenure is threatened by public private strategy as an innovation. The impact of opposition has been severe, devastating and harmful to the programme and this resulted in serious programme delays.

6. RECOMMENDATIONS AND CONCLUSION S

The privatization of public enterprises with the PPP as an innovation has encountered various constraints. Government has actually expanded the portfolio of the public enterprises especially in the automobile sector, cement subsector, oil and gas, banking/insurance sectors, solid mineral and mining, seaports and terminal subsectors amongst others. The success and failure signals of some public enterprises are danger, signals for improvement though the privatization has witnessed unfulfilled expectations. The way privatization was done does not seem to respect the concept of corporate governance vis-à-vis satisfactory accountability and adequate transparency. Government has not actually demonstrated satisfactory political commitment to pave the way for free interplay of the market forces. Thus the implementation of privatization with PPP as an innovation has been marred with stiff opposition from different interest groups.

This chapter therefore advocates that an effective regulatory framework is indispensable towards a successful privatization and public-private partnership arrangement. Corporate governance in relation to accountability and transparency is advocated for successful PPP arrangement. Also PPP must be home-grown and there must be a satisfactory political commitment. Government should focus attention on securing consensus as PPP tends to signify all things to all people. This paper equally

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advocates the need to expand the scope of private investment by promoting greater openness in domestic and external trade and creating a more secure business environment. In summary, privatization with PPP concept as an innovation is a virile business strategy of transforming such public enterprises but the strategy of implementation deserves care and caution so as to wave corruption and abuse of power and ensure clear legal mandate to guide operations.

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