

PUBLIC ENTERPRISES AND THE NEO-LIBERAL POLICY OF PRIVATIZATION AND COMMERCIALIZATION IN NIGERIA

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Abstract

This paper critically examines the impact of public enterprises and the neo-liberal policy of privatization and commercialization in Nigeria focusing on their implications for efficiency, service delivery, employment, and economic growth. Using the Public Choice Theory as a theoretical framework, the study explores how inefficiencies in public enterprises, such as corruption, bureaucratic bottlenecks, and political interference, have necessitated economic reforms aimed at improving service delivery and productivity. The study adopts a qualitative research methodology, relying on secondary data sources such as scholarly articles, government reports, and policy documents. The findings reveal that while privatization has led to increased efficiency and financial sustainability in some sectors, it has also resulted in significant job losses, affordability challenges, and market monopolization. Similarly, commercialization has improved the financial performance of certain enterprises but continues to face challenges related to weak institutional frameworks, political interference, and lack of managerial autonomy. The study identifies critical issues such as inadequate regulatory oversight, lack of transparency, and weak corporate governance, which undermine the effectiveness of these policies. To enhance the success of privatization and commercialization, the study recommends strengthening regulatory institutions, ensuring transparency in the reform processes, mitigating the adverse social impacts of privatization through workforce reorientation programs, and adopting sound corporate governance practices to improve the management of commercialized enterprises. The study concludes that while privatization and commercialization hold potential benefits for Nigeria's economic development, their success depends on well-structured policies that balance efficiency gains with public welfare objectives.

Keywords: Public Enterprises, Privatization, Commercialization, Economic Reforms, Nigeria

Introduction

Public enterprises have historically played a significant role in the economic development of Nigeria. These enterprises, established to provide essential goods and services, were intended to foster economic growth, reduce unemployment, and ensure equitable resource distribution (Ameh & Atelhe, 2020). However, over the years, inefficiency, corruption, and mismanagement have plagued many public enterprises, leading to poor service delivery and financial losses (Igbuzor, 2017). As a result, the Nigerian government, like many other developing nations, adopted neo-liberal policies of privatization and commercialization as part of structural economic reforms to improve efficiency and productivity (Omakoji, 2019).

The shift toward privatization and commercialization gained momentum in Nigeria following the implementation of the Structural Adjustment Program (SAP) in 1986, which was introduced by the International Monetary Fund (IMF) and the World Bank to address economic challenges (Okonkwo & Emeh, 2019). Privatization involves the transfer of ownership and control of public enterprises to private individuals or organizations, while commercialization refers to the reorganization of public enterprises to operate as profit-oriented entities without government

subvention (Jerome, 2021). These reforms were aimed at reducing government expenditure, enhancing productivity, and fostering economic competitiveness (Ariyo & Omotosho, 2018). Despite the anticipated benefits, privatization and commercialization in Nigeria have been met with mixed reactions. Proponents argue that these policies have led to increased efficiency, foreign direct investment, and improved service delivery in sectors like telecommunications and banking (Adelakun, 2022). However, critics contend that the process has often been marred by corruption, favoritism, and the concentration of wealth in the hands of a few elites, thereby exacerbating inequality (Eze & Okeke, 2020). Moreover, concerns have been raised about job losses and the affordability of essential services following privatization, particularly in the power and transportation sectors (Ikechukwu & Omodero, 2021).

Given the socio-economic implications of privatization and commercialization, it is essential to critically assess their impact on Nigeria's public enterprises. This study, therefore, examines the effectiveness of these neo-liberal policies, their consequences on economic development, and the challenges associated with their implementation in Nigeria.

Conceptual Clarifications

Concept of Public Enterprises

Public enterprises refer to government-owned and government-controlled business organizations established to provide goods and services that are considered essential for economic development and social welfare. These enterprises operate in various sectors such as energy, transportation, telecommunications, and finance, playing a crucial role in national development (Okeke, 2024). Public enterprises are often established due to market failures, where the private sector is either unwilling or unable to provide certain essential services at affordable prices (Ariyo & Omotosho, 2018). The government intervenes by creating these enterprises to enhance economic growth, create employment, and ensure equitable distribution of resources (Eze & Okeke, 2020).

In Nigeria, public enterprises became prominent after independence in 1960, as the government sought to accelerate economic development through state intervention. The Nigerian government, like many other developing nations, established public enterprises to promote industrialization, reduce foreign dependence, and address infrastructural deficits (Ameh & Atelhe, 2020). These enterprises were seen as instruments for national development, particularly in sectors where private capital was insufficient or unwilling to invest due to high risks and low profit margins (Ikechukwu & Omodero, 2021). For example, the Nigerian National Petroleum Corporation (NNPC), Nigerian Railway Corporation (NRC), and the Power Holding Company of Nigeria (PHCN) were created to manage critical sectors of the economy (Jerome, 2021).

However, over the years, inefficiency, mismanagement, and corruption have plagued public enterprises in Nigeria, leading to declining productivity and financial losses. Many enterprises have been characterized by poor governance, bureaucratic bottlenecks, and political interference, which have hindered their effectiveness (Adelakun, 2022). As a result, successive Nigerian governments have attempted various reforms, including commercialization and

privatization, to improve performance and reduce the financial burden on the government (Okonkwo & Emeh, 2019). These reforms are part of broader neo-liberal economic policies aimed at reducing state control and encouraging private sector participation in economic activities (Igbuzor, 2017).

Despite these reforms, public enterprises continue to face challenges in Nigeria. While privatization and commercialization have improved efficiency in some sectors, concerns remain about job losses, social inequality, and the affordability of essential services (Obadan, 2008). Therefore, understanding the role, significance, and challenges of public enterprises is crucial for evaluating the impact of economic reforms in Nigeria.

Concept of Privatization and Commercialization

The concept of privatization and commercialization has been used interchangeably. However, the two concepts have a different meaning. According to (Abioye, 2022), privatization is the process of transferring ownership and control of a government owned business to private individuals. It is a transfer of ownership right from a public agency to the private sector. It is the sale of government-owned assets and the opening of certain markets to the private sector.

Privatization has also been defined by Privatization and Commercialization Act of 1988 and the Bureau of Public Enterprises Act of 1993 as the relinquishment of part or all of the equity and other interests held by the Federal Government or any of its agencies in enterprises whether wholly or partly owned by the Federal Government. This definition means that privatization can be full or partial. Partial privatization occurs through equity dilution, joint ventures, management contract and lease. Full or complete privatization is the complete transfer of ownership and control of a government enterprise or assets to the private sector. It is the transfer of the ownership (and all the incidence of ownership, including management) of a public enterprise to private investors.

Similarly, Rasheed (2020) defined privatization as a deliberate government policy of stimulating economic growth and efficiency by reducing state interference and broadening the scope of private sector activity through one or all of the following strategies ; transfer of state-owned asset to private ownership, through sale of share, control or management of state-owned asset, encouraging private sector involvement in public activity and shifting decision-making to agents operating in accordance with the market condition. Myslinska (2024) also defines privatization as the sale of operation, granting vouchers to serve recipient or contracting out whichever ways it is defined the main idea is the changing of business status service, industry from government or state or public to private ownership or control. Several other studies have also defined privatization as a systematic transfer of appropriate functions, activities or property from the public to the private sector, where services (production and consumption) can be regulated more efficiently by the market and price mechanism. It is a shift from the public to the private sector, not shifts within sectors. To this end, a product of privatization is a significant change in the relationship between the government and the private sector, with the role or the level of involvement of the state in the economy being reduced, as more of the functions get shifted to the private sector.

On the other hand, commercialization is the practice of making a profit from services or activities formerly offered free or at a low price to the public. It is the practice of making an activity profitable that was totally free. It can also be seen as the efficient running of a government enterprise with the major motive of making a profit. Section 14 of the 1999 privatization and commercialization act though did not distinguish Privatization and Commercialization; severities opined that commercialization is the reorganization of enterprises wholly or partly owned by the Federal Government in which such commercialized enterprises shall operate as profit-making commercial ventures and without subventions from the Federal Government. The Act provides that commercialized enterprise shall operate as a purely commercial enterprise and may, subject to the general regulatory power of the Government of the Federation(s) fix the rates, prices and charges for goods and services it provides.

Unlike the privatized enterprises, in commercialization, the government would continue to be the sole owner of the enterprises, they would also continue to have a financial stake in the enterprises to be commercialized (Adegbite, 2020). However, the Technical Committee on Privatization and Commercialization (TCPC), now Bureau of Public Privatization (BPE), would ensure that all the checks and balances are in place to minimize government interference and to encourage optimum performance by the managers of those enterprises. Commercialized enterprises should adopt commercial orientation and financial self-sufficiency. They are expected to be better managed and to make a profit. They are expected to be run like privatized enterprises in future except perhaps in the case of utilities. It should be self-sufficient in both its recurrent as well as capital expenditure needs. Enterprises to be partially commercialized would be expected to operate like the fully commercialized ones in terms of better management and profit orientation because of the 'public' nature of the goods and services provided by those enterprises and in order to keep the prices of their products or services as low as possible for the public, government would still provide financial grants for the capital projects of the partially commercialized enterprises. They would be expected to earn enough revenue to cover their operating costs. From the foregoing, it is clear, therefore, that when a public enterprise fully commercialized, the expectation is that it should operate as a purely commercial enterprise without subventions from the Federal Government.

Impact of Privatization on Nigerian Public Enterprises

Increased efficiency and productivity: Privatization introduces market-oriented principles and practices that can enhance the efficiency and productivity of public enterprises. Private ownership and management often prioritize cost control, innovation, and effective resource allocation, leading to improved operational performance and overall efficiency (Ayodele et al., 2020).

Improved service delivery and customer satisfaction: Private ownership brings a customer-centric focus, as private investors are driven by profit and customer satisfaction. This emphasis on meeting customer needs and preferences can lead to enhanced service delivery,

responsiveness, and quality of goods and services provided by public enterprises (Ibietan et al., 2019).

Job creation and economic growth: Privatization has the potential to stimulate job creation and economic growth. Private sector involvement in public enterprises brings capital, expertise, and technology, which can lead to expanded operations, increased production, and the creation of new employment opportunities. This infusion of private investment can also contribute to overall economic development and attract further domestic and foreign investments (Onwuzulike et al., 2019).

Impact of Commercialization in the Nigerian Public Enterprises

Enhanced financial performance and viability: Commercialization introduces market-driven principles and practices that can improve the financial performance and viability of public enterprises. By operating in a competitive environment, these entities are incentivized to become more efficient, reduce costs, and generate revenue through market-driven activities. This can lead to improved financial health and sustainability (Ayodele et al., 2020).

Increased accountability and performance orientation: Commercialization promotes a greater focus on accountability and performance. As public enterprises transition to a commercial orientation, they are compelled to meet the demands of customers and stakeholders. This increased accountability can result in improved service quality, responsiveness, and overall performance (Ibietan et al., 2019).

Creation of revenue streams for the government: Through commercialization, public enterprises can generate revenue that contributes to the government's coffers. Instead of relying solely on government funding, these entities can become self-sustaining and contribute to the overall revenue generation of the country. This can free up resources for other development priorities (Onwuzulike et al., 2019).

Challenges face by Privatization in Nigeria

While privatization offers potential benefits, it is important to acknowledge and address the concerns and challenges associated with this process:

Job losses and social implications: Privatization can result in job losses as private investors may implement restructuring measures to improve efficiency and profitability. This can have social implications, particularly for employees and communities dependent on these enterprises. It is essential to develop strategies to mitigate the negative impact on employees, such as retraining programs or supporting their transition to new employment opportunities (Ayodele et al., 2020).

Ensuring fair and transparent privatization processes: Transparency and fairness in the privatization process are critical to ensure public trust and prevent corruption. It is essential to establish clear rules and regulations, conduct thorough due diligence on potential investors, engage in open and competitive bidding processes. Additionally, effective oversight mechanisms and regulatory frameworks are necessary to prevent monopolistic practices and protect interests of consumers and stakeholders (Onwuzulike et al., 2019).

Balancing private sector profit motives with public interest: Privatization involves a delicate balance between private sector profit motives and the broader public interest. While private

ownership can drive efficiency and innovation, it is essential to ensure that public services remain accessible, affordable, and of high quality. Effective regulation and monitoring are necessary to prevent exploitation and ensure that privatization serves the best interests of society as a whole (Ibietan et al., 2019).

Recognize potential challenges and considerations in the commercialization process:

While commercialization holds potential benefits, it is crucial to acknowledge and address the challenges and considerations that may arise in the process:

Ensuring adequate regulatory oversight and consumer protection: Commercialization requires effective regulatory oversight to prevent market abuses, protect consumer rights, and ensure fair Competition. It is essential to establish robust regulatory frameworks and enforcement mechanisms to safeguard the interests of consumers and maintain a level playing field for all market participants.

Developing effective marketing and business strategies: Public enterprises transitioning to a commercial orientation need to develop effective marketing and business strategies to thrive in the competitive marketplace. This may involve market research, branding, product differentiation, and customer relationship management. Investing in marketing expertise and strategic planning is crucial to attracting customers and achieving sustainable growth.

Managing the transition from a public to a commercial orientation: The transition from a public to a commercial orientation can be challenging. Public enterprises may face resistance to change, internal resistance, and cultural shifts. It is essential to manage this transition effectively, providing training and support to employees, communicating the benefits of commercialization, and addressing any concerns or uncertainties.

Problems Facing the Implementation Privatization and Commercialization of Public Enterprises in Nigeria

The idea of privatization is that the state should ensure the supply of services where necessary. It should ensure that essential goods and services are provided but not aimed to be the sole producer or delivered. Whereas in the past government was seen as often squeezing out market supplies, it is now expected to support their development and promote competition. The task now is that with the fast incorporation of Nigerian State into the market-oriented system, there seem to be some hindrances to grapple with in actualizing the dreams of public enterprises reform. According to Starr (2019), the relative success in the public enterprise's reform has some crucial problems which are economic, political and ideological. These problems are summed up as follows:

- 1) Socio-political and ideological: Theoretically privatization of Public Enterprises (PEs) has some ideological underpinnings as conceptualized by the classical or neo-classical and the liberal neo- liberal schools of thought. Privatization was seen by some as a carryover of the structural adjustment program and also seen is a caricature of the international capitalist imposition especially the World Bank/IMF. The structural adjustment of the 1980's was seen as an inevitable circumstance that pervaded the

- world economy order then. The socialist ideologue also sees public enterprises reform as a path towards consolidating capitalism.
- 2) **Uncooperative Attitude of some government officials (Enterprises managers and staff):** Some officials were recalcitrant over the policy or privatization as this would undermine the status quo, particularly the supervising ministries. Unuigbokhai & Unuigbokhai (2023) argued that the former supervisory ministries misconceived the program as a way to reduce their power as the affected PEs will be insulated from all ministerial controls and interference, and somehow silently opposed to the policy arrangements. Similarly, managers and staff of these privatized PEs are against the reform as it would undermine their position. Some of these criticisms overtly or covertly may have devastating implication on the program.
 - 3) **Weak market alternatives:** As applicable to poor developing countries, Nigeria has less mature formal business sectors, with higher start-up cost, less capacity to invest, and less exposure to competition.
 - 4) **Geopolitical and income-group spread:** The enabling decree laid emphasize on equity in the spread of shareholding. But contrarily there was marked imbalances in equity shareholders distribution among income groups and the different segments of the society. Some income groups or geopolitical entity tends to have cornered the market.
 - 5) **Government capacity:** Closely related to the attitude of the public officials and managers of PEs over the delays in the implementation of PE reforms has to do with whether the government has the administrative and political ability to undertake its new roles. The government must have the capacity not only to make initial diagnoses and assessments to decide on policy implementation and also to administer the state's roles once PEs reforms have been established.
 - 6) **Poor funding of the National Committee on Privatization and Bureau of Public enterprises:** The essential economic reform mandate of the Bureau and the various NCP sector steering committees is threatened by poor funding.

Theoretical Framework

The theoretical foundation of this study is anchored on the Public Choice Theory, which explains the rationale behind the privatization and commercialization of public enterprises. The theory was developed by James Buchanan and Gordon Tullock in the 1960s as an extension of economic principles to political decision-making (Buchanan & Tullock, 1962). It posits that government officials and bureaucrats, like private individuals, are driven by self-interest, which often results in inefficiencies, corruption, and poor service delivery in public enterprises. The theory argues that state-owned enterprises tend to suffer from mismanagement due to a lack of profit motivation, leading to wastefulness, bureaucratic inefficiencies, and political interference (Mueller, 2003).

A key assumption of the Public Choice Theory is that government intervention in economic activities is inherently inefficient because public officials prioritize political gains over economic rationality (Niskanen, 1971). According to the theory, government enterprises lack

the competitive pressure necessary for efficiency, unlike the private sector, where profit motives drive innovation and cost-effectiveness (Shleifer, 1998). The theory further suggests that market-based solutions, such as privatization and commercialization, improve efficiency by subjecting enterprises to competition and market discipline, thereby reducing wastage and increasing productivity (Tanzi, 2000).

Despite its contributions, Public Choice Theory has been criticized for overemphasizing market efficiency while neglecting social welfare considerations (Stiglitz, 2008). Critics argue that privatization can lead to market failures, monopolistic practices, and the exclusion of low-income citizens from essential services (Joseph, 2016). Furthermore, the theory assumes that private sector actors are inherently more efficient, ignoring cases where privatized enterprises have failed due to corruption, poor regulation, or lack of accountability (Ariyo & Jerome, 1999). Additionally, the theory does not adequately address the social consequences of job losses resulting from privatization, which can lead to economic instability and increased inequality (Obadan, 2008).

The application of Public Choice Theory to this study is evident in the Nigerian government's adoption of privatization and commercialization policies to address inefficiencies in public enterprises. The theory explains why government-owned enterprises in Nigeria have historically suffered from corruption, mismanagement, and poor performance due to bureaucratic control and political interference. It also provides a rationale for reducing government control and introducing private sector participation to enhance efficiency and productivity (Ameh & Atelhe, 2020). However, while the theory justifies the push for privatization and commercialization, this study acknowledges its limitations by highlighting the challenges of these reforms, including job losses, affordability concerns, and regulatory weaknesses. Thus, while Public Choice Theory provides a strong economic justification for privatization and commercialization, its real-world application in Nigeria must be balanced with strong regulatory frameworks and policies that protect public interests to ensure that economic reforms achieve sustainable and inclusive development.

Methodology

This study adopts a qualitative research design to explore the impact of privatization and commercialization on public enterprises in Nigeria. The research relies on secondary data sources, including government policy documents, academic journal articles, books, and reports from institutions such as the Bureau of Public Enterprises (BPE), the National Bureau of Statistics (NBS), and the World Bank. A content analysis approach is employed to critically examine existing literature, legislative acts, and empirical studies on the subject. The study also utilizes historical and comparative methods to analyze trends in public enterprise reforms in Nigeria and their socio-economic implications. Data collection involves an extensive review of scholarly articles, policy papers, and media reports to identify key themes, patterns, and challenges associated with privatization and commercialization. Thematic analysis is used to interpret findings, focusing on efficiency, governance, employment, and economic performance. This methodological approach provides an in-depth understanding of the

successes, failures, and broader implications of neo-liberal economic policies on Nigeria's public sector.

Results and Discussion

Impact of Privatization on Public Enterprises in Nigeria

One of the key findings from the study is that privatization has led to increased efficiency and productivity in some sectors, particularly telecommunications and banking. The privatization of the Nigerian Telecommunications Limited (NITEL) and the subsequent liberalization of the telecom sector resulted in significant improvements in service delivery, competition, and affordability of mobile communication (Ayodele et al., 2020). Similarly, the banking sector reforms, which involved the privatization of some government-owned banks, enhanced financial stability and innovation in banking services (Ibietan et al., 2019). However, while these successes are evident, other sectors, such as electricity and petroleum, have experienced mixed results. The privatization of the Power Holding Company of Nigeria (PHCN) has not significantly improved electricity supply, as power outages remain frequent despite private sector involvement (Jerome, 2021).

Another major effect of privatization is the reduction in government expenditure on inefficient public enterprises. Prior to privatization, many government-owned enterprises were heavily dependent on state subsidies to remain operational, often draining public funds without yielding corresponding benefits (Obadan, 2008). The transfer of ownership to private investors reduced the financial burden on the government and allowed for more efficient allocation of resources to critical sectors like healthcare and education (Eze & Okeke, 2020). However, concerns remain about the monopolistic tendencies of some privatized enterprises, which, in the absence of strong regulatory frameworks, have led to price hikes in essential services such as electricity and fuel (Ameh & Atelhe, 2020).

Social and Economic Consequences of Privatization

The study also finds that privatization has led to significant job losses, particularly in state-owned enterprises where workforce downsizing was implemented to cut costs and increase efficiency. Many employees of privatized firms were retrenched due to restructuring and automation, leading to socio-economic hardships for affected workers and their families (Ikechukwu & Omodero, 2021). This outcome aligns with global trends, where privatization often results in reduced employment as new private owners prioritize profit maximization over job retention (Okonkwo & Emeh, 2019). However, while job losses have been a downside, privatization has also spurred job creation in certain sectors, particularly telecommunications and banking, where increased competition has driven expansion and employment opportunities (Ibietan et al., 2019).

Furthermore, privatization has not always led to improved service delivery in all sectors. While the telecom sector has benefited from increased efficiency, other critical sectors such as water supply and energy have faced challenges. Studies suggest that privatized utilities often prioritize profit over accessibility, leading to higher costs for consumers (Abioye, 2022). The sale of government-owned power assets, for instance, has resulted in private firms struggling to

maintain stable electricity supply, exacerbating energy poverty in Nigeria (Jerome, 2021). This finding suggests that privatization alone does not guarantee better service delivery unless supported by strong regulatory policies to prevent exploitation and ensure consumer protection (Adelakun, 2022).

Impact of Commercialization on Public Enterprises

Unlike privatization, commercialization allows public enterprises to remain under government ownership while adopting profit-driven management strategies. The study finds that commercialization has enhanced financial sustainability in some enterprises. For instance, commercialized agencies like the Federal Airports Authority of Nigeria (FAAN) and the Nigerian Ports Authority (NPA) have improved revenue generation through better management and competitive pricing mechanisms (Ayodele et al., 2020). The introduction of a commercial orientation has reduced dependence on government subventions and encouraged self-sufficiency in some enterprises (Onwuzulike et al., 2019).

However, commercialization has also faced significant obstacles, particularly in bureaucratic bottlenecks and political interference. Many commercialized enterprises still struggle with inefficiency due to weak corporate governance structures and lack of autonomy in decision-making (Ibietan et al., 2019). Political influences often hinder the operational independence of these enterprises, making it difficult for them to compete effectively in the market (Eze & Okeke, 2020). This is evident in commercialized transport and energy agencies, where undue political influence continues to affect management and performance outcomes (Ariyo & Omotosho, 2018).

Challenges of Privatization and Commercialization in Nigeria

Despite the intended benefits, the study identifies several challenges in the implementation of privatization and commercialization policies in Nigeria. One major challenge is corruption and lack of transparency in the privatization process. Several studies have documented cases where public enterprises were sold to political elites or their associates at undervalued prices, undermining the goal of fair market competition (Unuigbokhai & Unuigbokhai, 2023). The opaque nature of some privatization deals has led to public distrust and criticisms over the legitimacy of the process (Adelakun, 2022).

Another challenge is inadequate regulatory oversight. While privatization is expected to promote competition, the lack of effective regulation has often resulted in monopolies where privatized enterprises dominate the market without significant improvements in service delivery (Jerome, 2021). For instance, the privatization of Nigeria's power sector was intended to increase efficiency, but weak regulatory frameworks have enabled some private electricity companies to operate without meeting performance benchmarks (Ameh & Atelhe, 2020).

Additionally, the socio-economic impact of privatization remains a significant concern. The transition from state to private ownership has not always considered the welfare of workers and consumers. In several cases, privatization has resulted in higher costs for essential services, making them unaffordable for low-income groups (Okeke, 2024). This contradicts the argument that privatization would lead to greater efficiency and affordability (Igbuzor, 2017).

The results of this study indicate that while privatization and commercialization have had notable successes in Nigeria, particularly in reducing government expenditure and improving efficiency in some sectors, the overall impact has been mixed. Privatization has led to increased competition in certain industries, but it has also caused job losses, service accessibility issues, and governance challenges. Commercialization, on the other hand, has improved financial performance in some public enterprises but continues to face bureaucratic and political constraints. To maximize the benefits of privatization and commercialization, there is a need for stronger regulatory oversight, increased transparency in policy implementation, and measures to mitigate the adverse socio-economic impacts. Future policies should focus on balancing private sector efficiency with public interest to ensure sustainable development in Nigeria.

Conclusion

This study has examined the impact of privatization and commercialization on public enterprises in Nigeria, revealing both positive and negative outcomes. While privatization has improved efficiency and reduced government expenditure in some sectors, it has also led to job losses, monopolistic practices, and affordability challenges for essential services. Similarly, commercialization has enhanced financial sustainability in some public enterprises but remains hindered by bureaucratic inefficiencies and political interference. The findings suggest that privatization and commercialization alone are not sufficient to ensure effective public enterprise management without strong regulatory frameworks, transparency, and policies that prioritize public welfare. To achieve sustainable economic growth, the Nigerian government must implement reforms that promote competitive markets, protect consumer interests, and ensure that privatized and commercialized enterprises contribute meaningfully to national development.

Recommendations

Based on the findings of this study, the following recommendations are proposed:

- i. **Strengthening Regulatory Frameworks and Oversight** – The Nigerian government should establish and enforce strong regulatory frameworks to prevent monopolistic practices and ensure fair competition in privatized and commercialized enterprises. Independent regulatory agencies should be empowered to monitor compliance, protect consumer interests, and promote transparency in the privatization and commercialization processes.
- ii. **Enhancing Transparency and Accountability** – To address concerns of corruption and inefficiency, the government must implement transparent and accountable processes in the privatization and commercialization of public enterprises. This includes conducting open and competitive bidding, ensuring public participation, and enforcing strict anti-corruption measures to prevent the mismanagement of privatized assets.
- iii. **Mitigating Social and Employment Impacts** – Privatization often leads to job losses and economic disparities. The government should develop strategies such as skill acquisition programs, alternative employment opportunities, and social welfare schemes

to support workers affected by privatization. Additionally, policies should be designed to balance private sector profit motives with public interest, ensuring affordable access to essential services.

- iv. **Improving Corporate Governance and Management Practices** – Public enterprises that are commercialized should be managed with professionalism, efficiency, and a focus on profitability. The government should ensure that the management of these enterprises is free from political interference and guided by principles of good corporate governance, including merit-based appointments, financial discipline, and performance-based evaluations to enhance productivity and service delivery.

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