

CERTIFICATION

I certify that this research work was carried out by **Femi Favour Osarumwen** of the Department of Political Science, Faculty of Social Sciences, University of Benin, Benin City. This research work is deemed adequate both in scope and quality in partial fulfillment of the requirements for the award of B.Sc Degree in Political Science of the University of Benin, Benin City.

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DEDICATION

This work is dedicated to my heavenly father you remain the best that has ever happened to me.

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My profound appreciation goes to God Almighty for the grace and wisdom he gave me in completing this research work. My sincere gratitude goes to my project supervisor, Dr. Andrew Osaigbovo Omosefe for his encouragement, motivation, concern, kindness and constructive criticism during the course of this research work. I am most grateful to you for your immense contribution towards my academic pursuit in University of Benin, Benin City and also to other lecturers, May God bless you all.

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ABSTRACT

This study comparatively explores the Federal Government Policy on Privatization and Commercialization in Nigeria: Benin Electricity. Four well-structured research questions were formulated and twelve questions were administered to the respondent to collect response from them, the population of the study include staff of the Benin Electricity Distribution Company (BEDC). To conduct the study, a total of 80 respondents were drawn. The respondents were chosen using the simple random sampling techniques. Findings shows that privatization of public enterprises will enhance efficiency and effectiveness, thereby leading to higher productivity in the public sector. Thus, it was recommended that the programme has to be properly implemented with greater and sustained political will and commitment and also privatization and commercialization programme will only be successful if it is executed with all sense of transparency, honesty, fair play, accountability and a high degree of professionalism.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The Nigerian government decision to privatize its public enterprises has been subject of intense discourse in recent years and has remain highly controversial and politically risky. Privatization in Nigeria has not been a popular reform. It has received so much criticism from labour, academia, nongovernmental organization (NGOs) and individuals. Privatization has been welcomed with numerous strikes against proposed sell-offs, by trade unions fearing loss of jobs. Multifarious arguments for and against has been adduced to justify or reject the issue on privatization (Makojit, 2013). Since independence in 1960, Nigeria like most developing countries have developed a particular large parastatal sector. The parastatal is made up of such as economic activities, banking and insurance, oil prospecting, exploration, refining mills, hotels and tourism etc. A survey undertaken by the Technical Committee on Privatization and Commercialization (TCPC) shows that there are estimated 110 public enterprises in Nigerian which account for between 30 and 40 percent of fixed capital investment. The value of Federal Government Investment in the Enterprises was as at then estimated at about N17.8billion (Obasanjo, 2011). The return on investment had never exceeded 2%

per annum, which is less than 25% of the annual subvention from government to the various public enterprises.

Abba, (2008) avers that some public enterprises whose establishment are linked on regulatory philosophy have also not live up to standard due to endemic corruption in these enterprises. Officials collect bribes and truncate their primary reasons for their establishment. But in the words of former President, Chief Olugsegun Obasanjo (2011) cited in Ogunleye (2016) posit that in his assessment of the deadline in Nigeria government owned industries asserted that these industries suffer from fundamental problems of defective capital structure, excessive bureaucratic control and interception, inappropriate technology, gross incompetence and mismanagement, blatant corruption and crippling complacency with monopoly engender

Since government could no longer support monumental waste and inefficiency of the public enterprise sector, the program of privatization and commercialization was developed to address the socio-economic and political challenges in Nigeria, being part of structural adjustment programme (SAP). The legal framework for the Nigerian programme is the privatization and commercialization Decree No. 25 of 1988 and the implementation agency is the Technical committee on privatization and commercialization (Ojobo, 2005). Adamelekun & Layeye, 1981:1 cited in jobo 2005, Peterside, 2014, posit that Nigeria

government embarked on the privatization of public enterprises as an outcome of the liberals to emphasize the virtues of private initiative and the superiority of its management principles.

The Nigerian energy sector is currently undergoing one of the most ambitious, comprehensive and bold reforms in the history of Africa. The ultimate aim is to end the country's chronic power shortage and long standing monopoly of the sector by state owned power entity. Electricity supply occupies a pre-eminent position in the development of environment. In Nigeria electricity supply is at best epileptic. But steady supply of electricity is vital in binding the industrialization gap. Between 1999 and 2015, over \$20billion (N7.2 trillion) was expended to improve electricity generation and distribution. Despite the huge sum of money spent on the power sector, electricity is still epileptic. This call for humus since electricity drives the economy. Electricity was first introduced in Nigeria in 1886 during the pre-colonial era. At that period, a generating plant was installed in the city of Lagos. It was much later extended to other towns and villages in Nigeria. However, in 1950 a central body was established which was known and called the electricity cooperation of Nigeria (ECN). In 1962, the Niger Dam Authority was established by an Act of parliament. The Niger dam Authority was responsible for the construction and maintenance of Dams and other related projects for the industry (Ayodele,

2014).

Electricity generation by water was done along the Niger Rivers. In 1972, the operations of the Electricity cooperation of Nigeria and the Dam Authority were merged together which eventually gave way for the emergence of a new organization known as the Nigeria Electricity power Authority (NEPA). The operations of the other new organization known as NEPA between 1972 and 1973 witnessed an unprecedented growth and expansion. Kanji Hydro Electric Station, Afam power station, Egbin Shiroro Hydro Electric Power Stations were built among others (Dappa, 2014).

The resultant effect of the merging of the old and new generating stations of ECN and the NDA made a favourable output, i.e the new NEPA now had a generating capacity of above 3,000 mega watts. Also, within the period, the transmission network witnessed an unprecedented growth and development with about 11,000km which is about 300K VA.

Although NEPA's responsibilities vis-a-vis the Nigerian consumer's expectations increased, the current performance profile of NEPA, now BEDC is not commensurate with the amount of energy and resources put into the production of electricity industry in Nigeria. Some of the reasons attributed to this failure includes:

1. The ailing economy and uneconomic electricity tariff system in BEDC.

2. Huge debts owned by both the private and public consumers, theft/vandalisation of BEDC equipment, high level of corruption on the part of BEDC officials and government political class to mention but a few (Alabi, 2020).

These and many other factors have made the industry unable to perform to desired expectations. Consequently, there is therefore a general desire and consensus that something has to be done urgently to improve the reliability and flexibility of electricity supply in Nigeria. There is a school of thought that advocates for a complete dismantling of BEDC, some have also suggested privatizing the industry while others are calling for either full or partial commercialization of BEDC. This study however joins those calling for privatization of BEDC in order to enhance effectiveness in service delivery and for good performance in ensuring uninterrupted power supply to the Nigeria populace.

During the 1986 budget speech, the federal military government of Nigeria under President Ibrahim Babangida lamented the poor performance of Nigeria public enterprises over the years. As a result of these developments and the poor state of the Nigerian public service, the government of Nigeria therefore revealed its desire to privatize all the government owned enterprises (Nwoye, 2021).

By the records, the federal government has over 500 companies in which it invested

over N36 billion as equity loans and subventions, from which it has been realizing less than N500million annually. It is however disheartening that these enterprises also incurred huge debts which have been repaid and serviced by the government of the day. Furthermore, above 4% of government capital investment budget went into public enterprises whose goods and services are often costly, insufficient and subject to political manipulation. Under the federal government privatization plan programme, the Government decided to partially or fully privatized and commercialize some of its investments and terminate support for others (Obadan, 2020).

Privatization and commercialization policy started in 1988 when the federal government promulgated the privatization decree it equally established the technical committee on privatization and commercialization (TCP) which was inaugurated in 27h July 1988 and vested with the responsibility of implementing the programme. Under the privatization programme, the ownership and management of all such government enterprises will be transferred to private sector through the process of public sale of shares. On the other hand, enterprises billed to be commercialized are those companies that provide goods and services, which are also expected to be better managed to make profit. In a commercialization plan programme, there will be no transfer of ownership of enterprises to private individuals in the short run. This however implies that there is need to

ensure accountability and report of performance by the enterprises management to the government (Omoleke, 2018).

The privatization policy is aimed at enhancing operational and economic viability of public utilities in Nigeria. As part of this policy, the federal government of Nigeria intends to privatize its investments in telecommunication, electricity, petroleum, refineries, petrochemicals and tourism among others.

The programme has been broken down into three phases. Phase one involves the completion of the privatization of government parastatals (banks and cement plants already quoted on the stock markets). Phase two involves the privatization of government holdings in vehicle, assembly plant, fertilizer, sugar, paper, media and insurance. The third phrase involves the privatization of telecommunication, power and downstream oil and gas sectors (Oji, 2014).

1.2 Statement of the Problem

Privatization and commercialization concepts are new to Nigerian society, as recent as early fourth republic with the privatization of the country's telecommunication sector. People feel that the programme is a plot to sell some of our nation's important public enterprises to few privileged ones in the society. The labour unions and some pressure

groups are also against the policy because they feel that the programme will affect them adversely, that it could lead to mass retrenchment of their members and that could also result to high rate of unemployment in the country. However, these reasons have certainly created fear in the mind of many people especially the working class, e.g BEDC staff, because the state of their job is uncertain. There is therefore absolute resistance by the workers through their union representatives, i.e National Union of Electricity Employee (NUEE).

1.3 Objectives of the Study

1. To determine workers' concern about the ongoing commercialization and privatization programme.
2. To find out if privatization will enhance productivity, efficiency and reliability in the Nigerian public service and of course, the power sector.
3. To find out the effect of privatization and commercialization of government owned industries.
4. To find out if privatization and commercialization of government owned industries improved the efficiency of service delivery

1.4 Research Question

1. What is the workers' concern about the ongoing commercialization and privatization programme?
2. To what extent privatization will enhance productivity, efficiency and reliability in the Nigeria public service and of course, the power sector?
3. What is the effect of privatization and commercialization of government owned industries?
4. To what extent privatization and commercialization of government owned industries improve the efficiency of service delivery?

1.5. Scope of Study

The scope of this study although very wide, if it has been carried out in the entire power sector in Nigeria. For this reason, it was necessary to have a concentrated area of study which was restricted to Benin Electricity Distribution Company (BEDC) workers.

1.6. Significance of the Study

A research is carried out to find out solution to the various problems that face mankind in

the environment or society. This study tends to create awareness to citizens of developing countries and economic planners on the implications of the privatization and commercialization of the public enterprises in developing economies. The importance of this study has both theoretical, practical and policy values and would help in the assessment of government owned industries.

Also, the study will also stimulate further enquiry in the study of policies particularly in the area of economic development.

Again, the study will be of immense academic importance as it will give direction to students of political science and public administration for further research into a new economic development. At the practical level, the study will help to keep Nigerians and other developing countries abreast with the challenges in an area of privatization and commercialization. This will help to mobilize not only their intellectuals but also the policy makers and administrators to rise to the challenges of analyzing and integrating this new development in history.

1.7 Limitations of the Study

The major constraint the researcher is encountering in the course of the study is time and uneasy access to information which are very vital in carrying out any meaningful

research.

1.8 Definition of Terms

NEPA: Nigeria Electric Power Authority

PHN: Power Holding Company of Nigeria

BEDC: Benin Electricity Distribution Company

Electricity: The energy of charged elementary particles, supplied as electric current for lighting, heating, driving machines, etc.

Power Station: Building where electricity is produced

Transmission: The action or process of transmitting something or of being transmitted

Privatization: To transfer something from state control or ownership to private ownership

Commercialization: To make money or try to make money out of something

Management: The control and making of decisions in a business or similar organization

Enterprise: Business activity developed and managed by individuals rather than the state

Technical: Involving applied and industrial science

Consumers: People who buys goods or uses service

CHAPTER TWO

LITERATURE REVIEW

2.0. Review of Related Literature

There are various kinds of opinions of many scholars. On the activities of privatization and commercialization of government owned industries. The federal government has restated its commitment to the privatization programme, saying that it would not allow obstacles to make it change its focus.

Obasi (2019) said that the perennial problem of public enterprises arise from the composition of the board and their relationship with the management. In particular, the conflict between the chairman and the chief Executive himself usually, direct appointees are appointed for reasons of political patronage rather than any contributions they are capable of making to enhance performance. Abba (2018) argued that some public enterprise, whose establishment are hinged on regulatory philosophy have also not lived up to standard. Due to endemic corruption in these enterprises, officials collect bribes and truncate their primary reasons for establishment. But in the words of Chief Olusegun Obasanjo (1999) in his assessment of the decline in Nigerian government owned industries asserts that these industries that these suffer from fundamental problems of defective capital

structure excessive bureaucratic control or interception, inappropriate technology, gross incompetence and mismanagement, blatant corruption and crippling complacency which monopoly engenders. Excessive ministerial control and political interference according to Okigbo (2021) defect the primary objective of living-off government owned industries and public corruption and therefore, are anti-theatrical to effective performance.

Obasi (2019) dealing on the political economy of surplus augured that for there to be increase in productivity or output commonly known as „'Surplus Value', there will be intensified exploitation of the workers in the public corporations. These measures can measure up; there are other ways of getting their desired objective, example by spreading up work [production] overtime and underpayment of workers.

In the words of Okigbo (2021) the poor performance of government owned industries in, Nigeria can be approached from the perspective of inadequate financial and material resources; poor management, corruption and lack of continuity of public corporation boards. Okolie (2020) was in support, when he said that giving the economic recovery objective of the government,, privatization" will relieve the financial burden of government and release fund for it to use in other areas. Aviyo (2022) supports the view of efficiency, which the private sector is to be more efficient, more productive and more profitable. In short, privatization according to him will increase government revenue and cut down or

eliminate waste and unnecessary bureaucracy. Okigbo (2021) agreed with the above assertion by saying that, in empirical terms, various assessment of privatization lead to improved performance of private companies and that privately owned firms out per terms "State Owned Firm". He posits that increasing evidence also shows that privatization yield positive result in lower income and transition countries or in developing and developed countries as well.

Otife (2019) is of the view that the move for privatization is that most government find themselves facing deep budget deficits and public finances crises; the state no longer has the financial resources either to offset the losses of state owned industries (SOIs) or to provide the capital increase necessary for their development. Thus, emphasizing that privatization is the answers to most (SOIs) are deeply involved in corrupt practices that have depreciated the values, to achieve the basic requirement expected of it. The Director General, Bureau of Public Enterprises (BPE, Dr. Christopher Anyenwu said that government would find it from meeting its privatization objectives. He listed the objectives of the privatization among others to include the restructuring and rationalization of the public sector in order to lessen the dominance of unproductive investments, besides privatization was targeted at raising funds for financial, social, economic development in areas such as health, education and infrastructure. General Ibrahim Babangida was the first

to take a concrete step towards privatization and commercialization of some government owned industries.

Having reviewed some books on administration and management problems of government owned industries and possible ways of reformative measures and the causes of those problems that have engulfed these government owned industries especially from the external and internal factors and also having reviewed some books and articles on these privatization and commercialization the policy has been detrimental to the poor in the society. Let us now attempt a review of some books and articles that sees privatization and commercialization as an exploitative tool in the hand of ruling class and the foreign allies.

Obi (2015) historically, introduced the issues of initial rationale way government involved in business activities that those reasons should not be sacrificed at the alter of bourgeoisies inclined profit maximization. He contends because government, public parastatals was only peripheral to the interest of the foreign capitalist conditions of work in it, particularly the wages were attractive in the private companies with a consequent lowering of workers moral and productivity. That the public sector should not be blamed for its inefficiency has occurred in public sectors, most of its activities were performed by private sector. Another article assessed the different dimensions of which privatization and commercialization have been viewed by various scholars. I think the program from the

onset has no clear focus. The government was not really sure what it wanted from the program and consequently the TCOC itself did not know where its true mission was, they never knew whether their mission was raising money for the government or haring the national cake. Furthermore, Bala (2014) found out that the privatization in Nigeria has been able to replace the public monopoly with private monopoly. However, the major impact of the reform has been in the area of increased competition and efficiency. These were evidenced in the power holding, petroleum and banking sectors. According to Garbaon vanguard, Thursday, September 10, 2009, today. The world has virtually become a global village in terms of per holding and doing business is gradually shifting from boardrooms to individuals homes, courtesy of power holding.

Mr. John Odey, the minister of environment (2019) said, although the power holding industry had impacted positively on the economy and lives, it should not be allowed to hamper people's health and environment. We must balance the social, economic and environmental aspects of our developmental areas. Aviyo (2022) contributed that as the end of 2004, over 10 industries had been commercialized. For example, as Power Holding Company of Nigeria (PHN), Nigerialtelecommunication limited (NITEL) now Nigerian telecommunication Plc etc.

According to federal government of Nigeria (1993), the long term goal of a power holding

company is not only to be self-financing but also to generate reasonable return on investment and provision of electricity / Power supply. Amaechi argues that with the Nigerian belief which holds that government owned industries are nobody's property, every one inside and outside then strives to loot them and no one preserves them. He argues that privatization is a step of fighting this ugly trend.

However, Obi (2015) in an article entitled "the political economy of the privatization of Public Enterprises in Nigeria" a study of Nigerian Gas Company Limited; Enugu states that the deteriorating economic conditions of these enterprises are intricately tied to the socio-economic conditions of these enterprises and political problems of Nigeria. Dr. Okigbo (2021) opined that caution is required to critically re-evaluate what exactly the pres-achieve, what is relevant in our own situation and to determine how much and how far it should be adopted here and with that modifications about who acquires the state financial interest is important. More also, Suleiman O. Umar in an article, "privatization and commercialization, a review" criticized the pricing technique being used in the programme which he regarded as fanciful methods off valuation and goes onto say that, he is of the opinion that a lot of improvement of the economy values of the companies being valued. Abba (2018) opined that, it would appear that state capitiation arise primary out of the desire of the national petit-bourgeoisies which inherited political power from the colonizers

to create and economic base of its political power.

Otife (2019) emphasized that public enterprises are non-ministerial governmental established, set up to provide services, carry out industries or commercial business or regulate activities or practice in some sector which are considered fundamental to the nation economy. He classified public corporations as "government - owned organizations established to provide reasonable prices to people.

2.1 The Concept of Privatization and Commercialization.

According to (Obadan 2020), privatization and commercialization have been in existence in the Western countries but it was introduced in Nigeria in 1986, during the administration of the Major General Ibrahim Babangida. The first official statement on privatization and commercialization was made by President Ibrahim Babangida when he said "government parastatals have for long been subject of studying and policy review. They have generally come to constitute an unnecessary burden on government resource". Privatization and commercialization were introduced so as to increase the efficiency of those parastatals that heavily depended on the subventions from the government to run their business. Besides, it was introduced because, it was one of the conditions needed by the international monetary fund (IMF), when Nigeria applied for a loan of 2.3 billion.

2.2 Meaning and Distinction between Privatization and Commercialization.

Ekwealor (2017) said, that although privatization and commercialization exercise came out together, they are not the same thing. Privatization is defined narrowly as the transfer of government owned shareholding in the designed enterprises to private shareholders, comprising individuals and corporate bodies. Broadly defined privatization as an umbrella form to describe variety of policies which encourage competitors and emphasizes the role of market forces in place of stationary restriction monopoly powers.

Privatization according to law of the federation (1990) is the relinquishment of all or part of the equity and other interest held by the federal government and other interest held by the federal government or its agencies in enterprises whether wholly or partly by it. Michael (2022) defined it as a service previously non- governmental organization. WHILE Commercialization according to Mbanefo (2021) means the re-organization of the enterprise wholly or partly owned by the government in which such commercialized enterprise shall operate as profit making commercialized venture without subvention from the government.

Privatization exercise is aimed at transferring all or part of the equity shareholding to the government in enterprises can complete favorably within counterpart market forces.

The policy was being pursued mainly because of managers of the objectives of the government.

Commercialization according to Ekwealor (2017) on itself was pursued to make public enterprise operate as profit making organization. The essence of the program was as a result of the fact that a lot of public companies could not attain break even on their own, therefore depended heavily on the subvention from the government to enable them survive economically. Otiye (2019) said that the economic difficulties that faced many developing countries from the mid 80"s till now made it necessary that the government will have to reduce the expenditure on parastatals. It is questioned whether at a time of national economic depression like this; we can afford the huge waste of public funds in sustaining public corporations. Every year, the government losses huge amount of money while their private counterpart's make enormous profits. Amaechi said many people see the resources as nobodies resources and their believes are to embezzle or mismanage public resource and have their own national cake.

2.2.1 Types of Privatization

1. Full privatization (by Ekwealor, 2017): This means divestment by the federal government of all of its ordinary shareholding in the designated enterprises.

2. Partial privatization: This means divestment by the federal government of part of its ordinary shareholding in the designated enterprises.

2.3. Types of Commercialization

- ✓ **Full commercialization:** This is the type of commercialization in which the government sells off all its equity shareholding in a given enterprise. Commercialization under this is expected to operate profitably on a commercial basis and be able to raise funds from the capital market without government assistance, the enterprise also uses private sector products in running its business.
- ✓ **Partial Commercialization:** Under this approach, the government sells off part of the equity shareholding to the public retaining some. An enterprise commercialized under this is expected to generate enough revenue to cover their operating expenditures. The government may however consider the enterprise for capital grant to finance its capital intensive projects. The government used this type of commercialization to retain some control of the enterprise under this type, is the enterprise that provides basic services to the masses as one commercialized by using this approach.

2.4 Methods of Privatization

Aviyo (2022) privatization exercise was being carried out using about five methods which were adopted by the committee on privatization and commercialization (TCPC). The methods are as follows.

1. Public offer for whole sell shares: Some enterprises are being privatized through the public offer for sales of their shares through the capital market (i.e stock exchange) provided that the enterprise to qualify for the listing on the stock exchange, the enterprise must have a track record of three years running. A total of 35 public companies have privatized through the method and over 1.5 million shares were sold to citizens and associations in Nigeria and other countries.

2. Private placement: Private placement of shares of affected enterprise occurs in the case where the government holding is too small that technical committee pursued the majority share, even to make public offer of shares even where the enterprises fulfills the listing requirements of the stock exchange. This method has been used in case where the futile potentials of the affected companies have been privatized through placement.

3. Sales of assets: this is taken to be one alternative method. It is applied where one enterprise cannot be total either by public offer of shares or by private placement. This is

always because such companies have poor past records and its future not looking very bright. Such enterprise is normally liquidable and the assets sold using piece meal methods. The sale it through public tender. A total of 26 companies were privatized by using this method.

4. Management buyout: This method involves the entire or substantial part of the equity share capital of the enterprise being sold to the workers will then organize them and manage the enterprise. Only one enterprise has been privatized by management buyout.

5. Deferred public offers: This method of privatization is developed and used for enterprise through considered viable. If sold by shares they would realize revenue which would be less than the real value of the underlying assets of the enterprise. The price of the revalued asset is negotiated by the buyer and the seller. A total of four hotels enterprises have been privatized by this method.

2.4.1 Method of Commercialization

According (Abba, 2018), there are several ways of commercialization of the enterprise, which include:

1. Corporate Plan: Each enterprise develops a corporate plan to take a long term view of operations especially in the area of growth in profitability or generation of surpluses. The

target and objectives for evaluating the performance and monitoring of the enterprise.

2. Monitoring of Public Enterprises: The Bureau of public enterprises performs the oversight function of monitoring the performance of commercialized public enterprises in accordance with the enabling act. The monitoring is to ensure that the management of public enterprises and federal government of Nigeria and other developing countries keep to the terms and conditions of the contract agreement or performance.

2.4.2 The Gains and Utilization of Privatization Proceed

According to Ekwealor (2017) privatization as an exercise is carried out in order of proceeds from which can be used either to reduce external indebtedness or to supplement the annual budge revenue. Privatization should be pursued by countries that are debt ridden and the large public enterprises in which substantial investment has been sunk should be commercialized to reduce some money. In Nigeria, the case is somehow different thus because Nigeria sought privatization because of Prague rather than dialogical or debt consideration.

The proceeds come in form of saving the money with the subvention; this is because it is a common knowledge that our statutory corporations are waste pipe on the scare capital resources of the government. Some of the public enterprises have not been able to make

marginal profit or at least break - down. The proceeds from privatization will also result from increased output and efficiency of public enterprise because most public corporation have been unable to provide effective, efficient and reliable services to the nation. Privatization will also reduce bureaucracy which is eminent in public corporation and will reduce the influx of politicians and government comprehensive influence and control. Therefore, privatization will lead to increase in profitability.

2.5 Objectives of Privatization

The objectives of privatization has been summarized as follows (Okolie, 2020)

1. To lessen the dominance of unproductive investment in the public sector: Reduction to complex administration control simultaneously and the encouragement of realization of public sector enterprises.
2. Privatization was also aimed at achieving a wider share ownership in the economy: The ownership of some share ownership is the economy. The ownership of some corporations are very narrow, and this does not look very good to the socio - economic situation of capital market. This is achievable by making public corporations independent of states ownership and control.
3. General circulation of new investment, including foreign investment.

4. Reduction in government interference in the economy and promoting market forces in the economy equitably.
5. Reducing the administrative burden of government
6. Providing opportunity to introduce competition
7. Improving economic efficiencies against the background of government own industries.
8. Privatization is also aimed at promoting investment and saving in Nigeria and other developing country. This is possible to be achieved in the proceeds of privatization, if the companies in question are completely or partly independent of the government.

2.6 Effects of Privatization and Commercialization of Government Owned Industries on a Developing Economy.

Privatization and commercialization is in line to have business purchase, if the corporations involved are well designed to be profitably foreseen. (STEVE HANSS) this policy had lot of effect and will still have effect on the business environment of the following. Effect are taken to be encouraging as a result of the privatization and commercialization policy.

1. An outstanding effect which is positively coming out of the policy of privatization and commercialization is the decrease in government spending. This is an advantage because

such saved would be used in providing infrastructure.

2. There is clear evidence that if any of government owned industries are transferable into the hands of the private investors, they are likely to perform well economically. This is because government will withdraw the subvention forcing the owners who are also shareholders to be serious, efficient and effective.

3. An indispensable good effect to the policy is another way of transferring most of the corporations into the hands, control and management of a corporation.

4. Privatization and commercialization of government economy will reduce government bureaucracy, reduce state monopolies and to ensure level playing fields.

5. It will help to increase the quality of goods and services, reduce corruption and increase staff quality and supervision.

6. Privatizing and commercializing government industries will improve market analysis, free up government funds and create employment.

7. Privatizing and commercializing government owned industries will re-invigorate the local economy, expand local businesses, attract direct offering investments and expand markets.

8. It will also redistribute wealth, improve technological transfer, enhance trade control regulations etc.

9. Privatization and commercialization of government owned industries also improved the potential, efficiency and service delivery e.g. in Nigeria by making PHCN easily accessible and affordable.

2.7 Problems of Privatization

Aviyo (2022) privatization has been engulfed with complex problems with each country having its own peculiar solutions. These problems are:

1. Private firms concentrate on profit making to the detriment of essential public service.
2. Private firms render more expensive services and fail to invest on infrastructure.
3. Reductions of public workforce and experience private companies are interested in short term benefits.
4. Privatization replaces state monopolies with private monopolies.
5. Private firms encounter problems of new government regulations.

2.7.1 Necessary Conditions for the Success of Privatization

According to Eyo (2021), certain conditions must exist for the privatization program to be successful.

They include:

- 1. Political Commitment:** Experience of some countries show that lack of political commitment has ruined the privatization programmes. To be successful, the leadership must show a high level of commitment to it.
- 2. Capturing the Confidence of Labour:** Government should endeavor to win over labour acceptance of privatization by giving them ownership of shares in the enterprises. Workers should be allocated a percentage of the shareholding at a special discounted price.
- 3. Transparency of the Privatization Process:** Privatization requires a huge degree of transparency to succeed. The public needs to understand the process and see clearly that there is no corruption or favoritism.
- 4. Inclusion of Labour:** Interactions with the unions as stakeholders is often a food strategy. One of the major mistakes that is common in privatization in Africa is taking the workers for granted. When the unions are not involved in the organized process, it may be

difficult to gain their cooperation.

5. Restructuring the Economy: Anyanwu (2019) argues that privatization will help restructure the Nigerian economy, relocate public funds to efficient uses, create a self-sustaining culture, attract foreign investors, while goods and services will reflect real values.

2.7.2 Limitation of Privatization and Commercialization

Abba (2018) said privatization and commercialization appear to be dependable solution to cutting government owned industries but has its limitations. The limitation are central round it encouragement of capitalism. Capitalism is and economic system which advocated the private ownership of property. Capitalism as an economic system puts the production means into private hands. If privatization and commercialization is practiced to its extreme, it will lead to full capitalism

2.7.3 Historical Analysis of the Organization Under Review (PHCN)

The Power Holding Company of Nigeria (abbreviated as PHN) formally the National Electric Power Authority (abbreviated as NEPA) is an organization governing the use of electricity in Nigeria. The history of electricity development in Nigeria can be traced back to the end of the 19th century when the first generating power plant was installed in the city

of Lagos in 1898. From then until 1950, the pattern of electricity development was in the form of individual electricity power undertaking scattered all over the towns. Some of the few undertakings were: federal government bodies, under the public work, department, some by native authorities and others by the municipal authorities.

Electricity Corporation of Nigeria (ECN).

By 1950, in order to integrate electricity power development and make it effective, the then colonial government passed the ECN ordinance no 155 of 1950. With this ordinance in place, the electricity department and all those undertaking which were controlled came under one body. The ECN and the Niger Dam Authority (NDA) were merged to become the National Electric Power Authority (NEPA). With effect from 1st April 1972. The actual merger did not take place until the 6th of January 1973 when the first general manager was appointed. Despite the problems faced by NEPA, the authority has played an effective role in the nation's socio-economic development, thereby steering Nigeria into a greater industrial society. The success story is a result of careful planning and hard work. The statutory function of the authority is to develop and maintain an efficient co-ordinate and economical system of electricity supply throughout the federation.

The decree further states that the monopoly of all commercial electric supply shall

enjoy the NEPA to the exclusion of all other organization. This however, does not produce privy individuals who wish to buy and run terminal plants for domestic use. From doing so. NEPA, from 1989 has since gained another status, that of quasi- commercialization. By this, NEPA has been granted partial autonomy and by implication, it is to feed itself. The total generating capacity of the six major power stations are 3,450 megawatt. In spite of any considerable achievements of recent times with regards to its generating capacity, additional power plants would need to be committed to cover expected future loads. At present, efforts would be made to complete the on-going power plant projects. Plans are already nearing completion for the extension and reinforcement of the existing transmission system to ensure adequate and reliable power supply to all parts of the country. By 1970, the military government appointed a Canadian consultant from "Showmen Limited" to look into the technical details of the merger. The report was submitted to the government in November 1981.

By decree No 24, the ECN were merged to become the NEPA with effect from April 1972. The actual merger did not take place until 6th of January 1973, when the first general manager was appointed. The day-to-day running of the authority is the responsibility of the managing director.

In the early 1960's the Niger dam authorities (NDA) and electricity corporation

amalgamated to form the electricity corporation of Nigeria (ECN). Then, immediately after the Nigerian civil war, the management of ECN changed the nomenclature of NEPA which is currently referred to as the Power Holding Company of Nigeria (PHCN), formally known as National Electric Power Authority (NEPA). The federal government of Nigeria has increased the tariff to attract foreign investors since the 1st of July, 2010 in order to the growing concern for foreign investors into the electricity sector.

The dismal performance of NEPA at the end of 1984 led general Babangida administration to withdraw the subsidies to the industry along with other government cooperation's and begin the implementation process of privatizing them. However, NEPA was then partially commercialized, but most Nigerians called for the outright privatization not only to break the monopoly enjoyed by NEPA, but also to make it more efficient to the development of other sectors depending on the availability of the volume of electricity generated in the country (Isedi, 2015).

2.7.4 The Reason's For Privatization of PHCN

The poor performance of NEPA led to the Babangida administration of the close of 1987 to review the subsidies to the industry along with other government corporation and parastatals. Despite the huge investments by government there were low returns on

investment and the implementation of privatization reached its apex in Nigeria in 1986. When general Babangida administration introduced structural adjustment programme (SAP). At that time, NEPA was partially commercialized until people started demanding for its outright privatization not only to break the monopoly enjoyed by NEPA, but also to ensure that they are more efficient and result oriented to accelerate the development performance which depended largely on the availability of the volume of electricity in the country.

Also, PHCN being privatized is expected to put to rest, government interference in running of the corporations while the attendant problems such as bureaucratic procedure, delay in decision making and recruitment of personnel based on patronages rather than merit will be removed when private sectors take over the ownership of PHCN. It is worth to state that rapid economic growth and development has remained a major objective of different administrations in Nigeria. But in spite of the various policy measures including indigenization adopted by the government of Nigeria, no meaningful economic growth and development has occurred in Nigeria over the years. There is also supervision of parastatals by the supervision ministries, which stifles management initiative and increases unnecessary bureaucratization of operation all resulting in poor performance.

Moreover, the appointment of chief executive and principal functionaries of parastatals

were not done based on provable records of economic and industrial management, but simply on the ground of nepotism, disguised as federal character. Over the years, successive administrations have been compelled to look for ways of cutting down expenditure. And raising revenue as the continues support of inefficient public company fake NEPA is considered economically indefensible. This led to the need for restructuring of the corporation through privatization of PHCN for greater efficiency, effectiveness and result oriented.

2.7.5 Problems Militating Against PHCN

There are many problems militating against PHNs performance, since it was commercialized, these problems range from natural and human disaster and have continued to wreck havoc on PHCN equipment and installation. Millions of Nair are being lost to nature's sabotage causing black outs, fluctuations and wage destruction to infrastructure and facilities. Such situations whereby PHCN has no control over natural calamity, places the 3authority at the obvious mercy of the unknown. Another major problem of PHCN is the obsolete equipment and outdated materials. The authority is always in a constant dilemma working materials, the high cost of importation against the background of depressing economy and depreciating currency system to replace those obsolete equipment.

There is also another problem of non - settlement or prompt payment of electricity bills by the consumers. Safe guarding of PHCN equipment and avoidance of illegal tempering of materials. The fact remains that prompt payment of PHCN bills and all categories of consumers will tremendously improve the authority's cash position and stimulate efficiency. It is also pertinent to note that while it costs huge money to maintain the generation and transmission facilities annually. Government only releases meager amount to PHCN authority to that effect.

The above mentioned problems coupled with the fact that most PHCN transmission and generation machines were installed in the 1960's combined to worsen PHCN'S light.

2.7.6 The Mission Statement of Power Holding Company of Nigeria (PHCN)

Tobi, A. (2020) publication states the mission of PHCN as follows:

To generate, transmit and distribute power supply to the masses on their coverage map.

To maintain and service the power grids, power stations, power lines, transformers and replacement of facility pole sand all power installations.

To carryout routine checks on Dam operations, water management or power generation, flood control, navigation channel, demarcation and resettlement of displaced villages in her

station sites.

Security and post - contingency analysis for her power installation, scheduling routine maintenance of non - operational lines.

To maintain and improve the quality of life and standard of living of the people in the rural area by:

- ✓ Raising the quality of rural electricity supply in the rural environment.
- ✓ Making it possible to have a progressively wide range of small and medium scale enterprises (SMEs), which produce goods and services to be produced and consumed by the rural dwellers.
- ✓ To ensure a deeply rooted and self - sustaining development process based on effectively mobilized participation of stake holders.

Felt Impact by Consumers

Over the years, government enterprises have become as inefficient as optimized by the epileptic services they render to the public. This is in spite of the fact that the government had and still continues to pump in a lot of money into them. Instead of improving, most of them seem to be retrogressing and acting as drain pipes on the economy without making

any meaningful contributions to our economic development via service delivery (Obikeze & Obi2023)

The Manufacturing Association of Nigeria (MAN) president Mr. Bashir Borodo (2020) said that the increase in electricity tariff by the minister of state for power, Mr. Nuhu Wuya was premature and counterproductive. He argued that the higher electricity tariff they pay was not helping the manufacturers in any way since the service provided was too epileptic and incessant, even though the federal government has decided a huge resources to the power Sector in the past (11) years without commensurate results.

He further maintains that, Nigerian consumers are not getting value for their money. And that, manufacturers do not depend on public power supply any more but on generators. He noted that though generators may cost them more, it is better on the long run because it would not disrupt their production activities. Borodo argued that the focus of the federal government should be on governing sufficient power, which he said remained a major factor needed to propel the growth of the real sector. They cannot generate enough for supply and in such situation, it is like putting the "cart before the horse" he continues, "government should pay the cost tariff for the electricity they consumed, as this would ensure improved supply, many manufacturing companies have relocated to our

neighbouring countries. The director general Nigerian textiles manufacturers associations, Mr. Jaiyeola Darewaju argued that the federal government should urgently address the problems of electricity supply and put measures in place to protect the textile industry. He said, without constant and adequate electricity supply, funding alone would not give the desired result of reviving the textile sector of the economy to realize its dreams for the people.

The Nigerian National Petroleum Corporation (NNPC) has declared the Afam integrated power project and its neighbouring Okoloma Gas plant as critical project to drive governments plan to generate (6,000) megawatts of electricity. Speaking at the end of presidential assessment visit to the two facilities in Rivers state, group managing director Mr. Mohammed Barkinde said, the monitoring enabled them to assess the progress of ongoing works and challenges.

Barkindo said, currently they can boast of generating only (450) megawatts because of the challenges of transmission company of Nigeria (TCN). They can only supply about (300) megawatts to the national grid due to these challenges

2.8 Types of Companies Under Full Privatization

According to Otiye (2019) the following companies are under full privatization:

- Hotels and tourism
- Textile companies
- Food and beverage companies
- Agriculture and livestock production
- Salt companies
- Wood and furniture companies
- Insurance companies film production and distribution
- Flour milling
- Cattle ranches
- Construction and engineering companies

Those Under Partial Privatization

- ✓ Commercial and merchant banks development banks
- ✓ Development banks
- ✓ Oil marketing companies
- ✓ Steel rolling mills
- ✓ Air and sea travels

- ✓ Fertilizer companies
- ✓ Motor vehicle assembly plants

Types of Companies Under Full Commercialization

- Nigerian telecommunications limited (NITEL)
- Associated Ores mining company Ltd
- Nigerian mining corporation
- Nigerian coal corporation
- National insurance corporation of Nigeria (NICON)
- Nigerian re-insurance Corporation.
- Tafawa Balewa square management committee
- Nigerian ports authority
- African re-insurance Corporation.

Those Under Partial Commercialization

- ✓ River basin development authority
- ✓ Nigerian railway corporation
- ✓ Nigerian airport authority
- ✓ Power holding company of Nigeria (PHCN)
- ✓ Nigerian security printing and minting company Ltd
- ✓ National providence fund
- ✓ Delta steel company Ltd

- ✓ Federal housing authority
- ✓ Federal radio corporation
- ✓ Nigerian television authority (Dr. Olewe, B.N)

2.9 Theoretical Framework

In understanding the concept of theory as a set of interrelated phenomena or variable, Obadan (2000) sees it as a concept that is used to explain, describe, interpret and predict this phenomena's or variables. Here structural functional theory is used as settable frame work of analysis for the policy of privatization and commercialization of public enterprises in Nigeria. Structural federalism as a theoretical framework is indented to explain the basis for maintaining order and stability in the society and relevant arrangement with the society. This theory originated in the biological and medical science. It was adopted as a mode of analysis in economics and sociology as evidenced in the work of Emile Durkihim and Talcott parson. It was developed for political analysis by Gaberial Almondi S.P Verma who stressed that structural federalism is made up of two main concepts such as structural and functions. Structure refers to the arrangement within the system which perform the functions.

Also structure is the way in which the part is connected together in order to be

arranged or organised. Functions have been defined by Menton Robert as those observed consequences which make for the adoption or adjustment of a given system. According to Ovan Young, function is defined as objective consequences of a pattern of action for the system in which it occurs. The basic assumption of the structural functional framework is that all system has structures which can be identified and this structure performs functions within the system necessary for its persistence. It refers to the structures that are found in any system and functions performed by structures. Thus political system is defined as the various structure and institution in the society that perform political functions or that bear on the political decision making policy. Ogunleye (2016) clearly defined political system as "the peculiar structures in any particular system performing political functions".

In analysis there are three branches or structures of government such as the legislative, executives and the judiciary. The structure can be analysed from three main levels as person, institution and subsystems. The whole of the structure is analyzed in parts each dealing with a particular sphere of activities for instance, political economic and social subsystem. There for structure of the government leads to substructure. It is government and their bureaucracy makes rules, administrating, adjudicating and formulating and formulated those economic policies through legislatures and implemented those policies by the executive for the economic growth of the country. A substructure is the basis of analysis

of this research work. It studies the economic laws or policies governing the production and distribution of material benefits on human society at the various stages of its development. It is by the means of productive activities that he is able to obtain the economic means that he needs to sustain life. Functions have their parallel in three branches of government performing important functions. If the economic structure such as industries, Nigeria Telecommunication limited, power holding company etc. which are established by the government are well organized and harmonized also their various function are performed smoothly there must be well stable economic development in the public enterprises.

This theory can achieve purpose of privatization and commercialization if the government makes use of it and apply it to the various structures of the government or substructure to perform effective functions for smooth running of government activities to enhance economic growth of Nigeria. Take for instance, the Telecommunication which was privatized brought about positive changes in telecommunication sector and contributed to the economic growth of the country. In application all political systems are therefore proffer two basic functions such as input and output function privatization and commercialization of Tele communication of public enterprises (input) are demand from government. The legislature and other organs of the government help to process some of the demand that have reached the system in which certain functions should be performed

and giving out or allocate values by the means of the " output" law or policy. Structural - functionalism according to Marxist concept of substructure, superstructure is wholly determined by the substructure. The argument perhaps appears to be that the economic sphere is omnipotent and that the individual consciousness is prisoners of material forces. Also functions must be related to structure of the society. All other activities in the economic revolve around economics; both social and political activities are based on economic activities.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter deals essentially with techniques and procedures which were employed in the study. The researcher examined the research design, the population of the study, sampling procedure, research instrument, administration of the instrument, its validity and reliability.

3.2 Study Design

The study will utilize a descriptive cross-sectional design. With this design, the study is based on the present, what the opinions of the BEDC workers in Edo State are concerning the effect of commercialization and privatization as it relates to their job. This design was chosen to gain insight into the problems and obtain data.

3.3 Population of the Study

The term population generally refers to a collection of people, objects or events with a common identity. Aryetal (2018) defined research population as the theoretical specified aggregation of survey elements. The specific nature of the population depends on the research problem. If one is studying voting behaviour in a presidential election, the

population is all those registered to vote. From the above definitions, a population does not refer to a collection of people only, but a group of elements, events and issues that is of interest to a researcher.

Therefore, the populations of this study consist of 245 out of which a total number of 120 questionnaires were administered in BEDC, Benin. A total number of 80 questionnaires were returned, while 40 were not returned.

3.4 Sampling Technique

This technique involves the use of questionnaires where 120 was given out. Eighty (80) was validly returned while forty (40) was not returned. In a nutshell, sampling is taking from any portion of the population universe under study. The purpose of any sampling is to select small segment of the whole population so that we can make inference about the said population. The procedure adopted for collecting data in this study include direct contact with the sampled population under investigation.

3.5 Data for the Study

Primary Data: Survey recipients will be selected from current staff of the Benin Electricity Distribution Company (BEDC).

Secondary Data: Sources were drawn from internet, journals, Federal Republic of Nigeria Official gazette, etc.

3.6 Data Collection

Data was collected using quantitative data collection methods. The study involved the administration of semi-structured questionnaires to participating BEDC workers after obtaining on informed consent from the respondents. The variables sought covered the objectives of the study using the following instruments: a structured self-administered questionnaire was used for data collection. The questionnaire included open and closed ended questions related to the objectives of the study. The questionnaire was divided into two sections/parts, i.e. A and B. section A comprised of demographic information of the respondents, like age, sex, marital status, etc. section B addressed the workers knowledge and attitude of the organization.

3.7 Administration of the Instruments

Preliminary activities commenced with the training of 2 research assistants/field workers for 2 days focusing on an overview of the study to be carried out by the researcher. Questionnaires were administered on respondents in their offices for easy retrieval, waited for their completion and retrieved.

3.8 Method of data Analysis

The data gathered from BEDC, Benin, through the administration of questionnaires will be classified in a manner that would help the tables. Hence, the data analysis will be in tabular form on percentage basis thereafter, it will be used to validate or invalidate the hypothesis postulated.

3.9 Reliability and Validity of the Research Instruments

The essence of testing for reliability and validity is to seek to identify certain unforeseeable problems that may arise in the course of carrying out a research work of this nature, and making appropriate arrangement to find remedy to the identified anomaly.

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CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND FINDINGS

4.1 Introduction

Data analysis forms the bedrock of any scientific inquiry or research. Therefore, in order to make data analysis meaningful, it must focus on testing the hypothesis or population of the research. This will then enable the researcher determines whether to accept or reject the hypothesis and thereafter proceed to elaborate on issues based on his personal reasoning. In other words, data analysis helps the researcher in the interpretation of information collected in chapter three and thereafter to ascertain the validity of the research hypothesis formulated in chapter one of the research study.

However, the data below are the results obtained from respondents.

Table 4.1: Sex Distribution of Respondents

Variables	No Of Respondents	Percentage
Male	68	85
Female	12	15
Total	80	100

Source: Field Survey, 2024

From the table above, number of male respondents were 68 which represents 85% while female respondents were 12 representing 15%.

Table 4.2: Age Distribution of Respondents

Variables	No Of Respondents	Percentage (%)
20-29	17	21.3
30-39	63	78.7
Total	80	100

Source: Field Survey, 2024

From the analysis on table 4.2 above, the number of respondents within the age bracket of 20-29 were 17 which represents 21.3% of the total respondents while those between ages 30-39 were 63, representing 78.7% of total respondents. The report shows however that the respondents were people of matured mind.

Table 4.3: Marital Status of Respondents

Option	Male	Female	Total	Percentage
Single	10		10	10
Married	60		70	90
Total	70	10	80	100

Source: Field Survey, 2024

The analysis on table 4.3 above shows that majority of the respondents are married people which comprises 60s male and only 10 females making up a total of seventy which represented 90% of respondents. On the other hand, only 10 male turned out to be single which represents 10% of total respondents.

Table 4.4: Educational Qualification of Respondents

Qualification	Male	Female	Total	Percentage
Primary 6	10	-	10	10
WASC/GCE	10	-	10	10
OND/NCE	20	5	25	35
HND/DEGREE	30	5	35	45
Total	70	10	80	100

Source: Field Survey, 2024

Again, table 4.4 above clearly shows the various educational qualifications of respondents. The breakdown of these shows that a total of ten males which is 10% of respondents, have primary six. Furthermore, ten number which is 10% of the total respondents also have WASC/GCE (O/L) a total of 25 representing 35% of respondents have OND/NCE while 35 represents 45% have HND/University degree respectively. From the analysis, the report shows that majority of the respondents are highly educated.

Table 4.5: Responses on whether enough funds were allocated to PHCN

Variables	No Of Respondents	Percentage (%)
No	61	76.25
Yes	19	23.75
Total	80	100

Source: Field Survey, 2024

In explaining the responses of people as contained in the table, we can see that about 61 people representing 76.25% of total respondents said no. On the other hand, only 19 people which is 23.75% of respondents said yes. This portrays the fact that BEDC is not adequately funded

Table 4.6: Responses on whether inadequate equipment is mainly the cause of BEDC problem.

Variables	No Of Respondents	Percentage (%)
No	23	28.75
Yes	57	71.25
Total	80	100

Source: Field Survey, 2024

Again the table shows that 75% of the respondents are of the opinion that BEDC is not adequately equipped. On the other hand, 20 people which represents 25% of the respondents are of the view that BEDC is well equipped.

Table 4.7: Responses on whether serving officers' behaviour affect BEDC's performance

Variables	No Of Respondents	Percentage (%)
No	23	28.75
Yes	57	71.25
Total	80	100

Source: Field Survey, 2024

From the above table, we can see that 57 people representing 71.25% of respondents are of the view that serving officer's behaviour actually affect the overall performance of PHCN whereas 23 people representing 28.75% of the respondents disagreed.

Table 4.8: Responses on whether BEDC should be privatized?

Variables	No Of Respondents	Percentage (%)
No	60	80
Yes	20	20
Total	80	100

Source: Field Survey, 2024

The above table shows that 60 people representing 80% of the respondents agreed that the industry should be privatized. Again, 20 people representing 20% of the respondents held contrary view.

Table 4.9: Response on whether private participation will enhance better performance?

Variables	No Of Respondents	Percentage (%)
Strongly agree	20	30
Agree	40	40
Strongly disagree	-	
Disagree	20	30

Total	80	100
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Source: Field Survey, 2024

The above table shows that 20 respondents representing 30% strongly agree that private participation will lead to better performance while 40 people agreed to the fact. On the other hand, 20 respondents, i.e 30% disagreed. In other words, 60 people believe that private participation will bring better improvement to BEDC performance.

Table 4.10: Responses as to whether privatization will be more profitable?

Variables	No Of Respondents	Percentage (%)
Strongly agree	46	57.5
Agree	25	31.25
Strongly disagree	-	
Disagree	9	11.25
Total	80	100

Source: Field Survey, 2024

This table again shows that 46 people i.e 57.5% strongly agreed that privatization will be more profitable while 25 people i.e 31.25% agree to the fact. On the contrary, 9 people i.e 11.25% did not share the above view. It then means that about 71 people were of the

opinion that privatization will be more profitable.

Table 4.11: Privatization will enhance effective and efficient performance of all the companies privatized

Variables	No Of Respondents	Percentage (%)
Strongly agree	40	60
Agree	20	20
Strongly disagree	-	
Disagree	20	20
Total	80	100

Source: Field Survey, 2024

The above table shows that 60 people agreed that privatization will enhance efficiency in the performance of privatized companies. On the other hand, 20 people, i.e. 30% of the respondents held contrary views.

Findings

It has been made clear that the entire study was anchored on the assumption that privatization of public enterprises will enhance efficiency and effectiveness, thereby leading to higher productivity in the public sector. In this country, experience has shown

that the performance of public enterprises leave much to be desired. In fact, if their performances are truly a measure of capability, the Nigerian public needs to be rescued from this gross incompetence. There is hardly anybody in this country that is well satisfied with the services of public enterprises.

There are flood of complaints for their inability to provide minimum services to customers. For example, in BEDC which is our subject or any other parastatals in this country, the most common and usable trend is their shoddy services to the Nigerian public. In the course of his research study, we were able to find out that privatizing BEDC and of course other public enterprises will help to minimize wastes, corruption and other reckless pattern of behaviour.

Our conclusion therefore, is that a privatized public enterprise, i.e. BEDC will have well defined machinery for checks and balances. It will then be removing them from the whims and caprices of amorphous bureaucratic undertaking.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Privatization and commercialization as we have seen in this research study is a highly commendable government policy. The reason for this is that it is capable of removing the Nigerian economy from its present mess. Therefore, if government is able to religiously follow the rules of the game and also ensure implementation, then it will be able to achieve the overall goal of the programme. On the other hand, if government fails in its policy implementation, it will lead to transferring the management of the entire economy strictly to the wealthy members of the society. It may further interest us to know that the dismal and undependable power supply no doubt is the main cause of Nigerian economic backwardness.

To this end, the power sector has posed considerable challenge to the government and people of Nigeria. Therefore, various efforts of reforms have been made in order to create a sustainable power sector capable of meeting industrial and domestic demands. Commercialization and privatization are both means to an end, for those who want better government and for the populace who seek a better society. Privatization therefore is a

means towards these ends for those who are ideologically seeking commercial opportunities in government work; privatization is an end in itself. In other words, privatization and commercialization relieves government off the burden of performing many functions she is not very good at doing well.

5.2 Conclusion

Conclusively, I wish to submit that with adequate checks and balances which the Federal Government has put in place, the issue of privatization and commercialization of government enterprises will be successful to the benefit of the entire populace. The National Electricity Regulating Commission should be properly strengthened to enhance better performance. Proper implementation of the privatization policy would mean putting the nation's eggs into various baskets but it means that we must closely watch over them. All the privatized companies must be monitored by all of us, i.e. both the government and the people. Another issue is that of the assets and liabilities of the privatized industries, If not properly managed, will likely pose a great danger. This is why trade unions kicked against the idea of privatizing PHCN. They have the fear that if PHCN is privatized, their workers will suffer hence they are agitating against the entire programme. To this end, the National Union of Electricity Employees (NUEE), an umbrella union of BEDC has on several occasions confronted the Bureau of public Enterprises (BPE) over this issue.

However, privatizing the industry is still the best option because people of this country see government property as nobody's property. But if the monopoly is now broken, there will be proper management. With proper management, comes efficiency and effectiveness in government business to the benefit of the entire nation.

5.3 Recommendation

For the programme of privatization and commercialization of public enterprises to be successful and result oriented in Nigeria, I hereby recommend what I called "Guided Commercialization and Privatization". The term guided commercialization in this sense means that government has to closely monitor all the privatized and commercialized enterprises in line with government policies and aspirations. To this end, adequate regulating bodies has to be set up to oversee and control where necessary all the privatized enterprises going contrary to government economic goals.

Furthermore, I hereby recommend that the programme has to be properly implemented with greater and sustained political will and commitment. The implementation strategy has to be clearly defined and the entire process must be transparent enough. The issue of transparency is very vital as to ensure fair deals in the implementation process.

There is also the need to put in place efficient judicial / legal system. To this end, the

shares to be offered to the public should be sold on the basis of equality of all the federal constituencies, local government of all the states of the country. Again, to achieve success in the implementation process, there is the need for balance and equal participation of all Nigerians. Also there should be in place a well-coordinated and integrated communication programme that ensures that the concept of privatization and the affected enterprises are well marketed. The reason is to enable shareholders to be well informed for effective participation in the programme. The allocation of shares in the privatized enterprises should be guided by government policies to ensure a wide geographical spread of ownership. To this end extra effort should be made to mobilize and sensitize the grassroots in all the six geo-political zones of the country.

Finally, I am of the opinion that the privatization and commercialization programme will only be successful if it is executed with all sense of transparency, honesty, fair play, accountability and a high degree of professionalism.

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QUESTIONNAIRE

Department of Political Science,
Faculty of Social Sciences,
University of Benin,
Benin City.

Dear Sir/Madam,

My name is Femi Favour Osarumwen, I am a final year student of the Department of Political Science, University of Benin, Benin City.

I am carrying out a research study on the FEDERAL GOVERNMENT POLICY ON PRIVATIZATION AND COMMERCIALIZATION IN NIGERIA: BENIN ELECTRICITY DISTRIBUTION COMPANY (BEDC)

Kindly complete and answer the following questions indicating and ticking any of the spaces provided for each question. They are purely and absolutely meant for academic purposes.'

Thank you.

SECTION A

PERSONAL BIO-DATA

(Please tick as appropriate)

(1) Sex: Male () Female ()

(2) Marital Status: Single () Married ()

(3) Age: 20 - 29 () 30-39 () 40-49 () 50 years and above ()

(4) Educational qualification: Primary six () WAEC/CE () NCE/OND ()

HND/University () Degree ()

SECTION B

(1) Is the present BEDC Management Credible enough?

Yes () No ()

(2) Is the problem of BEDC mainly that of lack of equipment?

Yes No ()

(3) Is the allocation to BEDC enough to maintain the system?

Yes () No ()

(4) Is it the PHCN officers that are actually the cause of EDC problem?

Yes () No ()

(5) is the problem of BEDC caused by unauthorized/illegal connections of light or caused by the vandalization of equipment by the public?

Yes () No ()

(6) DO you want BEDC privatized? Yes () NO ()

(7) DO you consider privatization as a remedy to BEDC problem? Strongly agree ()

Agree () Disagree () Strongly disagree ()

(8) Do you believe that privatization would be more profitable?

Strongly agreed () Agree () Disagree () Strongly disagree ()

(9) Do you want the power system to be monopolized? Strongly agree() Agree()

Disagree () Strongly disagree()

(10) Do you believe that privatization will lead to unemployment?

Strongly agree () Agree () Disagree () Strongly disagree ()

(11) Do you believe that privatization of public enterprises will enhance effectiveness and efficiency of performance of all those companies already privatized? Strongly agreed ()
Agree () Disagree() Strongly disagree ()

(12) Do you believe that privatization will lead to unemployment'?

Strongly agreed() Agree () Disagree()Strongly disagree()