



Full Length Research

Understanding the Failures of Public Enterprises and Re-Engendering the Pursuit for Development in the Contemporary Nigeria

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Abstract: Over the years, there have been a vacuum on service delivery, governance and citizens welfare in Nigeria. A lot of factors could be responsible for it. However, it seems the agencies set up by government to provide public goods and services are not in anyway performing near mediocre level. It is against this backdrop, this study focused on understanding the failures of Public enterprises and re-engendering the pursuit for development in the contemporary Nigeria. We made use of the historical design, which is a qualitative research method. Our data was collected from secondary means like journals, articles, text books, publications, internet, etc. The tenets of the economic development theory were used to explain our argument. From the study, it was discovered that, the public enterprises created by government to provide public goods and services have failed in many regards, despite some actions taken by the government to addressing the problems it looks like it is a step forward and two steps backwards, that the Nigerian economy is a developing one as there are some minor breakthroughs recorded overtime, privatization though a very strong solution to addressing the public enterprises failure should not be considered a blanket solution, the government must be deliberate in providing the enabling environment for private companies to thrive.

Keywords: Public Enterprises: Economic Development: Indices: Nigeria.

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1.0 Introduction of the Study

The terms liberalization, globalization, commercialization as well as changes of our economies on a national level in recent times, has boosted the private sector in no small way, with attendant downsizing and reduction of commercial activities in the public sector. In this regard, while the private sector is increasing becoming the mainstream of economic activities in the country, there is steady decline in the public sector. Public enterprises that are failing are being divested to other things, with attendant reduction in costs alongside increase in revenue (Amahian et al., 2022). Which happens the strongest points of commercialization cum privatization. Regardless of the divesting cum dismantling of public corporation, it has been a major player in the economy of many countries, developed and developing; as it is main supplier of public goods as well as services that are in tandem to the Millennium Development Goals (MDGs), mostly on job creation and employment, knowing that the public sector is the largest employer of labour especially in Nigeria. Regardless of these, it is becoming clear that the public enterprises in most country are not working. The Nigerian government started involving itself in the formation of public enterprises during the end of colonialism (Onakpa & Alfred, 2022). It became very obvious after colonialism in 1960 that government must actively get involved in commerce so as to do business, attain economic liberty that leads to growth and development for national good as there is a dearth of entrepreneurs cum experts with the needed financial muscles to compete very well with multinational companies.

Hence, the reason for the establishment of public enterprises (PEs) was to reduce the country's overdependence on import as well as engaging enterprises that not too known to investors; foreign or local, yet needed if economic growth and development is a must (Ake, 1982). Thus, in Nigeria, one of the factors that accelerated the growth of public enterprises was the indigenization policy of 1972 as enacted by the Nigerian Enterprises Promotion Decree. It was designed to control the commanding heights of the economy by Nigerians not foreigners as was the case previously. The policy further provided the much needed legal basis for extensive government participation in the ownership and control of significant sectors of the economy (Adeyemo, 2005). From ab initio, the elements of state power at work were used to create public enterprises to cover the gap in the country vis-a-vis economic growth and development. Down the line, the government of Nigeria has considered public enterprise from socioeconomic and political perspectives, the periods after independence. Plethora of reasons are given for government's consistent and deliberate involvement in Public enterprise which are; insufficient internal capital needed to economic growth as well as improvement in technology, to control the nation's economy, and ensuring that resources a equitably distributed (Ogbari et al., 2022). Reducing monopolistic economy and misappropriation of public goods; promoting development at the regional levels by establishing public enterprises (PEs), provision of social welfare, services, and creation of jobs.

Public enterprises from the international space are created to be the main cause of economic growth and development. The entrepreneur is the government, and it invest state owned capital for economic related cum social reasons. Nevertheless, government's abysmal performance is very obvious especially in managing public resources (Nwachukwu, 2007). Enterprises like NITEL, Nigeria Airways, Nationally Electric Powerful Authority, etc have been poorly managed, with attendant failure in achieving its purpose. Alot of public enterprises owned by state government are being closed down owing to losses, as alot of them depend on subsidy to cope. Safe to say, Public enterprise is a waste of resources if it cannot sustain itself. Government's failure vis-a-vis public enterprises has given rise to terms like liquidation or privatization, direct sales, etc.

Nigeria's Public enterprises are established to take up roles considered unfit for the private sector (Malik & Malik, 2022). Public enterprises performance since inception as being steadily failing, characterized by a high level misconduct and inadequacy. Obadan (2000) asserts that public enterprises performance in the developed as well as developing states has been far below standard. It experienced some major breakthroughs in the 70s and 80s (Musa, 2005; Omoleke & Adesepo, 2005). In most states all over the world, the suitability of public enterprises to achieving its purpose is unrealistic. No doubt, there was a time when public enterprises was working very well in Nigeria. The reality now, is that it is no longer fit.

Public Enterprises in Nigeria were established solely to expedite cum facilitate development economically (Shu'ara, 2021a). A lot of these enterprises, nevertheless, are plagued with plethora of challenges that hinder their performance. Although their creation was to cover the gap of private companies as well as launch the country into a robust economy, during post independence, the performance level of most of the public enterprises is nothing but failure, as of inefficiency cum lack of diligence (Shu'ara, 2021b). The core purpose for creating public enterprises - delivery of public goods and services, has not been met. Institutions of the Nigerian public for a very long time, have failed in this regard, as public goods like security, rule of law, economic infrastructure and provision of welfare for citizens on a basic level, are not available (Giovanni, 2007). Most of the public enterprises are used for promotional activities cum patronage to further entrench the objectives of political office holders, as they become dumping ground of public cum civil servants. The Nigerian Public enterprises are regarded as 'drain pipes' vis-a-vis the resources of the country, as a lot it has consumed more than what it delivers in terms of material cum human resources. Moreover, they keep feeding the public with their losses, as they keep the Citizens curious as to their usefulness to the society. Government keep on investing hugely in terms of subsidy on the enterprises without having any positive outcome, just to ensure they operate and meet up their responsibilities (Obasanjo, 1999). Failure of the public enterprises in Nigeria has given room to re-engendering the pursuit for development in the contemporary Nigeria.

This is in tandem to the fact that, other developed nations like the United States of America (USA) and Great Britain have subscribed to the model of privatization, as a panacea to public enterprises failure. Infact, a lot of erstwhile (public) enterprises are now privately owned especially the power and telecommunication. Still the problem of public goods cum services are still there, as complaints about the private sector not giving satisfactory or better services. Another argument even on privatization is that, it has led to retrenchment of employees, who were employed by the government. Imperatively, privatization exercise in the country is yet to gain popular acceptance, as a better substitute (Jooda et al., 2022). There have been a lot of criticism especially amongst academics, organized labour, civil society organization as well as individuals. A lot of industrial actions have taken place against government's plans to sell these enterprises, as this may lead to mass retrenchment cum layoffs, whilst the argument that privatization leads to rapid economic growth and development, improved standard of living, etc is still gaining momentum. Oji et al. (2014) asserts that arguments against privatization of public enterprises creates poverty, job layoffs, increase on price of things as well as decline access to basic services. It is in this regard that this study is carried out, to re-engendering the pursuit for development in Nigeria contemporarily.

1.1 Objectives of Study

The following are the objective(s) of the study:

1. To understand the concept, nature and style of Public enterprises
2. To carefully discuss the trajectory of public enterprises

3. To understand the efforts of the government, and its attendant impact on economic development in the country.
4. To understand the concept development from an economic perspective, as well as establishing parameters of a developing and developed economy.
5. To recommend possible options to a failed sector vis-a-vis public enterprises.

1.2 Research Questions

The following questions were addressed in the study:

1. Is there a relationship between public enterprise failure and development of an economy?
2. To what extent has the Nigerian government helped in addressing the economic stagnancy vis-a-vis public enterprises?
3. Are public enterprises created for commercial purposes, and what is their source of finance?
4. Is privatization a blanket solution to public enterprises failure in Nigeria?
5. What (other) action should the government take in order to revamp the economy of the country?

1.3 Methods of the Study

This study focused on understanding public enterprises failure and re-engendering the pursuit for development in the contemporary Nigeria. It adopted the historical design method. It got data from secondary sources viz books, journals, articles, publications, and the obtained data was empirically analyzed.

2.0 Review of Related Literature/Theoretical Framework

2.1 Public Enterprise

Public enterprise is considered an artificial entity, backed by the constitution of the land to carry out certain roles and performs some functions (Emeh, 2012, citing Onwe, 2006). It is a collective effort of persons coming together to achieve a common purpose. This entity is defined as a corporate body that is established by an act of parliament, having specific authorities as well as duties, with a defined jurisdiction of a sector or form of commercial engagements. These enterprises are embedded in the apparatus of the government. We can infer, public enterprise to be a public policy, primarily for for aligning with government's policies cum plans. In simple terms, the government controls these enterprises. Also, by the structure and duties of public enterprise, resources for the public are under its jurisdiction, hence accountability is very important. Moreso, it is not an easy task getting the needed index for performance in public enterprises, as it cut across both the financially, economically, and socio-politically structured, bringing these arms together. One interesting thing about public enterprise, is that it has a plethora of definitions, across countries and with time. The term is defined by United Nations (1968), as concerns bothering on industry, agriculture, as well as commerce that the government of any country cum system own and control. Ademolekun (2002) defined it as, an organized structure established as a corporate entity, within the arms of government, solely address entrepreneurial purposes. United Nations (1971) again, asserts that, public enterprise is 'an incorporated or an unincorporated enterprise where public

authorities controls majority of the shares and/or can exert influence over management decisions'. Emeh (2012) highlighted three classification on the subject matter. They are being discussed below:

2.1.1 Classification by Source of Control: Going by these definitions, if defined loosely, a public enterprise might be one controlled by the government (Emeh, 2012). Certain questions come to mind, if the above definition is to be accepted. e.g how sure are we, that a firm is under government's control? In this regard, we may want to defined the level of relationship vis-a-vis control between the government and industry. By 'the government', are we referring to the central, state or local government? Some local government owned enterprises are not included in the list of public enterprises in some states (Emeh, 2012 citing Onwe, 2006).

2.1.2 Classification by Property Rights: The authority over appointments and dismissals directors and the legal right to collect the gains as a result of the enterprise commercial engagements, are necessary parameters to defining the term. For example, (i) an enterprise can be structured without a private exchange right to the profits, and (ii) where appointment of directors is the prerogative of government, we can say without equivocation, it is a public enterprise. This approach is not void of challenges regarding scope, etc. A company that is limited, where the government controls 100 percent of shares, would be controlled by the government, from directors appointment to profits allocation. Even if the government controls less of 50 percent, power directors appointment would still rest on it. However, if private persons are allowed to own shares, condition (1) above, would be contravened. To this end, public enterprise can be viewed in spectrum of forms viz 'purely public' enterprise to 'purely private' corporation, where the government is denied equity stake. There is an overlap in between the two, which is referred to as 'mixed enterprises' (Emeh, 2012, citing Onwe, 2006).

2.2.3 Classification by Source of Revenue: The fact that public enterprises do not have right to profits coupled with government' power to directors appointment are prerequisite conditions for bureaucratic organizations. There is a connection between bureaucracy and public enterprises. Whilst, bureaucratic organization are produces of goods and services (that are not marketed), the greatest source of revenue for public enterprises is in the sales of products. Emeh (2012) admits that, the distinction between the two concepts is pronounced, public enterprises most atimes get subsidized products or capital from government, provided it satisfies public interest, with attendant effect of subsidized (or no) price on specific goods and services (e.g transportation for retirees, etc). Free basic education, and subsidized school/tuition fee for secondary and tertiary institutions. Public enterprise encompasses the activities that includes commerce, finance, industry, agriculture or promotional undertakings - under the authority of public officials (completely or by controlling the highest share), that is engaged in commercial activities and recorded in accounting books (Emeh, 2012 citing ICPE). These undertakings might have different forms vis-a-vis legal cum corporate entity, viz department activities, public corporation, agencies that are statutory in nature, created by the legislature or Joint Stock Organizations within Company Law.

Emeh (2012, citing Onwe, 2006) asserts that, in economies of the world, there exist four forms of activities; the first form are those whose remuneration is private- and it is derived from the markets via Directly Productive Investments (DPI); the second category, are the ones targeted at social profit, but do not get their revenue through private source- gotten from State, e.g construction of road, irrigation, through Social Overhead Capital (SOC); the third forms, are the economic activities that is financed from private source, but not enough to

carryout capital projects viz large industry, technology of high capacity that requires large capital e.g power, transportation, etc. these are activities that is sponsored cum financed by states with little or no support from market forces; and finally , are the activities that are naturally monopolies. The establishment of Public Enterprises, is to focus on the second to fourth groupings. A state with a liberal economy that has more capitalist in Nigeria, can entrust the third activities on the private individuals. However, state intervention through economic rationality as well as Public enterprises, helps countries to cover the vacuum created by years of economic retrogression, and charts a new course for growth e.g India, South Korea, Mexico, China and Brazil.

Okeke et al. (2016) also admits that, public enterprise as a term has been defined and viewed in different ways, and that scholars have not agreed as to a universal meaning for it (Laleye, 2008; Nnamdi & Nkwede, 2014; World Bank, 2000). He further opined that, a major cause for conceptual ambiguity is because of the establishment of these corporations in different times, with each having its unique features. It can be deduced that what informed this definition is a collection of factors viz ideology, values, dispositions, interests as well as circumstances characterized its establishment (Okeke, 2016; Emeh, 2012; Adeyemo & Salami, 2008; Sosna, 2001). Public enterprises in Nigeria are mostly corporate organizations, created outside ministries, enacted by an act of parliament, and focuses on commercial activities for the provision of public goods and services for improved living standard. It include boards, companies, authorities, and enterprises that are state owned. World Bank (2000) defines public enterprises as commercial companies owned by the government and generates its revenues from products sale. In this regard, a public corporation is an entity established for entrepreneurial purposes of the government and serves as its apparatus (Ademolekun, 2002). The failure of the public enterprise has given rise to concerns, leading to several conferences, confab, and recommendations as to the best options to jack back to good states. This was what led Olusegun Obasanjo's civilian administration of 1999 to initiate some reforms geared towards revamping the country's economy. In this reform, it was discovered that, public corporations on national category, have performed abysmally in the area of meeting citizens expectations, state resources are being wasted on them, with attendant of huge monetary losses, and disproportionate share on credits (Okeke, 2016; Oluade, 2007).

2.2 Public Enterprises; Why cum Reasons

Looking at the trajectory as well as scope of public enterprises in Nigeria, Okeke (2016), Ezeani (2006) and Ademolekun (2002) highlighted three fundamental reasons why public enterprises are established as:

- a) The sparseness or scarcity of private companies that are owned by Nigerians, that have the capacity to provide public goods and services viz infrastructures, especially those that require huge capital like ports and harbor, electricity, airways, etc.
- b) To pursue cum promote social equity that is almost impossible to achieve with the market, chief of which is to prevent wealth concentration or oligopolistic market as well as exchange in the control of very few persons, or group.
- c) The expediency of the government to exert influence over "strategic sector" of the country's economy like major news media, security agencies viz army, airways, shipping, and the financial institutions through the central bank, etc.

Moreso, as revealed by Ugorji (2001), the establishment of public enterprises has a political undertone. He asserts further that most of the undertakings carried out by the government are for job creations in constituencies, alibis of political parties, loyalists, and friends. The need to uphold the tenets of "Federal Character System as well as to promote integration on a national level".

2.3 Notable Challenges of Public Enterprises

The available data highlighting public service performance in the various levels of government in the country reveals that it has failed in many regards, which is the major reason for underdevelopment. A good example is the National Electric Power Authority (NEPA) and the Nigerian Telecommunication (NITEL) which has failed totally in meeting citizens expectations. A lot of public enterprises function in an environment that is business oriented, mostly different from what is tenable from its competitors in the private sector. This environment could either be a monopoly or a competitive in nature. Just after the telecommunication sector was privatized, NITEL/MTEL carried out activities together with other private owned GSM companies like GLO, MTN, and ECONET. Even banks owned by states e.g National bank, Cooperative and Commerce Bank (CCB), etc carried out economic activities together with banks that are privately owned, before the former liquidated. There are quite a number of challenges facing public enterprises chief of which are, political interference, weak or low management, political instability, lacklustre attitude to work on the part of employees due to government's control, poor funding and mismanagement of resources.

2.3.1 Political Interference: As observed by Emeh (2012), the problems that bedevil public enterprises are numerous, and it can affect service delivery. In the true sense of it, a lot of government corporations are not fit to compete with their private counterpart.

2.3.2 Political Interference: The fact that the government own public corporations, it can change their plans to suit self at the detriment of organizational good. They can use their influence, to compensate their loyalists by securing jobs, whether qualified or not, or carry-out major projects that does not affect it positively. Sometimes, these enterprises are compelled to fund the political party in power in times of election and other activities. Government' intermittent interference on public corporation's internal affairs is a reason the organization performs poorly. The constant interference by the government in power has crippled public enterprises in the country (Anyadike, 2013).

2.3.3 Political Instability: This instability is possible when there is often a change in government, and unexpectedly. Each government would want his loyalists to be in control of the corporation. The consistent interruptions in the decision making body would have an attendant on policies, as there will be inconsistency. Moreso, when changes are constant, projects can be abandoned. Even projects that huge capital has been invested on can be pushed aside, if the new boards of directors are not in support of it.

2.3.4 Poor Management: When board members, saddled with the responsibilities of policy making her appointed politically, it affects their decisions, as they may not be informed in the area of operations of the enterprises. Moreso, incompetent management staff may be employed due to government's influence. The two stated reasons can lead to management abysmal performance.

2.3.5 Government Controls: While it is expedient for some levels of control of the corporation to be on the government, it can lead to dictatorial tendencies, that can make people withdraw too. If public enterprises must be competitive and provide a better option to private companies of similar interests, they must be given the

leverage to operate similarly. For example, whilst the government can impose price limits on its corporations, without an equivalent increase on the private sector, the former cannot bring good returns in comparison to the latter.

2.3.5 Government Being Over-Protective: The government is babysitting some of the public corporations. Just like an over pampered child, some of these corporations leverage on government' for literally everything from payments, maintenance and replacement, regardless of their statutory role of providing public goods and services and being profit oriented. Unlike public enterprises, workers are given targets, they must make profits if the company must not go into extinction, with attendant loss of jobs, in the private sector. In the public sector, workers exhibit a lacklustre cum nonchalant attitude to work, their job is relatively secured. This has affected the quality of service delivery. If citizens have their way, they would not patronize some of these corporations. Government' intermittent interference and support in form of grants to public enterprises, therefore make workers treat their jobs with levity.

2.3.6 Poor Working Ethics: The notion that, "government' work is a no man's work" has eaten deep into the public sector, workers sees it as something you do not take too serious. This imply that alot of workers do not even report to work or they do so once in a while, making it almost impossible for the corporation to meet target and carry out its statutory functions. Nwachukwu (2007) argues, that it is the nature of Nigerian workers to exhibit dysfunctional working ethics. Hardly would you find an average worker at work on a fifty percent scale. Alot of workers take government jobs as white-collar, were whether one's input is there or not, salary is a surety. Attitudes of such nature would definitely impede growth and development in the organization.

2.3.7 Mismanagement of Finance: Okeke (2016, citing Ugoo in Anyadike, 2013) admits that public enterprises established on the philosophy of regulation have failed in carrying out their statutory function as a result hyper corruption, high level bribery by officials. Some government corporations are notorious for their misappropriation of funds. At times the embezzlement of money is very pronounced. Some of the officials partner with contractors, and the latter receives full payment without delivering or perhaps not carried out at all. The Nigerian public enterprises is typical of the problems as visible in poor delivery of public goods and services viz poor power as well as little or no access to water, faulty equipments, delay mail delivery, bad rail and air networks. Moreso, public enterprises lack capacity to effectively carryout task and responsibility that would be geared towards economic growth and development of the country.

2.3.8 Insufficient Funding: Lack of funds for PEs affects their performance, and make operations difficult. The determination of the tariff plan is by the PEs, and it would have been a good way to get more funds with attendant improvement in finance. At inception, alot of PEs in the country were established having low equity base for capital, making it difficult accessing loans. Insufficient capital startup impeded performance, as it affected borrowing. By and large, Agabi & Orokpo (2014), summarized the challenges that plague PEs was as a result of compromised system which leading to inefficient utilization of available resources by PEs, as well as over reliance on the federal government treasury to run and finance projects and it is plagued with financial mismanagement and misappropriation, hyper corruption, autocracy and over bureaucratized ministries lacking empathy for the wellbeing of citizens, leading to serial policy recommendations by the government chief of which is privatization.

2.4 Theoretical Framework

2.4.1 Development Theory

Development from an economic perspectives, refers to the process of transformation from an underdeveloped economies (low income, poverty, etc) to an industrialized cum developed economies (Dutto et al., 2023). Development and growth is often used to mean the same. While economic growth may affect a particular sector of the economy, development cut across every sector of the economy. Generally, it refers to the variation in the economy of a country, vis-a-vis qualitative cum quantitative advancement. Theory of development in economics, i.e how a country that is poor and primitive can metamorphose to thriving cum flourish one The theory of economic , is very crucial to underdeveloped countries. It is in this regard, we are discussing it. The theory of economic development became a matter of concern amongst nations of the world, after the second world war (1939-1945). This period marked the end of colonialism in Europe, the erstwhile colonies and other nations of the world having low per capita income, were now referred to as underdeveloped countries As the era of European colonialism ended, many former colonies and other countries with low living standards came to be termed underdeveloped countries, in comparison to developed countries like United States, Canada to contrast their economies with those of the developed countries, which were understood to be Canada, European countries like Soviet Union (then), Australia, Japan, New Zealand and South Africa. As standard of living started to increase in most of the underdeveloped countries, by and by, their name was changed to developing countries. As to the definition of, and what should be the process of development of a country, scholars are at polar ends (Dutto et al., 2023). However, one major form of classification is by per capita income, hence when a nation's per capita income increases, development has taken place.

2.4.2 Indices of Developing Economies

There are some indices we see and then know whether an economy is developing or has developed. Whilst there are quite a number of characteristics visible in developing economies, most of the important one's are discussed here (Dutto et al., 2023):

2.4.2.1 Low Level of Industry: In most developing countries, the industrial base is low. Industries are very much needed in driving the economy, and when they are few in a country, it is a pointer that such is still developing.

2.4.2.2 Human Development Index at Minimal Level (HDI): Another characteristic feature of a developing country, is that human capital development is minimal. The government is focused on embezzlement, corruption, stealing, etc. Little or no effort is made to educate, train and build citizens to fit in to global challenges. To know the development level of a country, we look at its value on constructive education.

2.4.2.3 High Marginal Productivity of Capital: In a developing economy the capital on marginal product is very high. Rather than focus public service cum goods, the government is more concerned on investing on areas that need less attention.

2.4.2.4 Low Labour Productivity: The performance level vis-a-vis production of developing nations is very low. The public service in these economies is highly nepotistic, filled with incompetent employees and recruitment is based on "man know man". More emphasis is placed on bureaucracy rather the on performance (Erude et al., 2023).

2.4.2.5 Weak Institutions: Unlike the developed countries viz United States, Canada, Russia, China, etc, where there are very strong institutions, coupled with robust economic policies, a major challenge facing developing nations is that of weak institutions. When the institutions like judiciary, public service, service commission, regulatory agencies, etc are not strong enough, things are done haphazardly.

2.4.2.6 Imperfect Markets: An imperfect market is one that is unpredictable. In such kind of markets like we have in Nigeria, investors are demotivated to invest their money. Just as the country's foreign exchange is in a constant flux, you invest today, before nightfalls, you are losing heavily. It kills investment. No one would want to invest on a seemingly unstable market.

2.4.2.7 Low Technological Innovations: Most developing society like Nigeria, are yet to witness great breakthroughs in technology. Technology level is at rookie stage. For any economy to thrive and attract huge investment, it must be open to advance in technology. The role of AI is very important. So, when a country is developing the increase in technology is low.

2.4.2.8 Exportation of Raw Materials: Another major indicator of a developing society is that, rather than export finished products it imports them. Nigeria for example, we are still a consuming economy when we ought to have gone farther to a producing economy. Since independence in 1960, we have not been able to export PMS, diesel, kerosene, machine, computer, etc. Rather our export products recycle around, crude oil, cocoa, rubber, palm produce, kolanut, and etc.

2.4.2.9 Excess Unused Lands: Nigeria as a country is endowed with alot of natural resources, yet we are unable to explore and make good use of these resources for national development. The agricultural sector in the country has not enjoyed much from the government. The lands are becoming fallow, dwellings from terrorist groups like Boko Haram, Herdsmen, Militants, and etc.

2.4.2.10 Plenty of Challenges: Nigeria as a country is plagued with too much problems, ranging from insecurity to food shortage, currency devaluation, etc. When there are too many challenges in a country, it is an indicator that it is still developing.

3.0 Empirical Review

3.1 Privatization: A Panacea to Public Enterprises Quagmire

PEs was faced with high level criticism in the 1980s owing to performance failure vis-a-vis provision of public goods cum services, coupled with inflation as well as government' inability to manage economical activities, with attendant of thinking outside the box on the part of African leaders (Okeke, 2016). These inefficiencies became pronounced as they could not meet up to the demand of globalization, premised on high level commercialization. Government' policies were largely influenced by statutes, making it somewhat difficult to focus on citizens welfare. In the wake up of these issues, different meetings, conferences, confab, etc have been called where scholars, academics, professionals, leaders, etc have pointed it that the way out of Nigeria's predicam vis-a-vis failure of public enterprises, is privatization. The concept of privatization stands on four major arguments (Okeke, 2016: Ugorji, 2001):

1. Government should not be involved in commerce, rather it is to serve as economic umpire, regulating cum controlling economic activities;

2. Government has failed in providing public goods and services;
3. Public servants and institutions are not people centric, as such care less about the welfare of the citizens; and
4. Wastage cum embezzlement of public funds, with attendant crippling of the economy.

Although there have been plethora of debates on the need to diversify the country's economy, as PEs are being used as conduit pipes for further embezzlement. The main argument in favour of privatization is performance, productivity cum efficiency. Since the inception of PEs, the government has failed in meeting the need of the people, coupled with economic retardation, providing epileptic services (Agabi & Orokpo, 2014). Worse still, the government keep pumping funds into this enterprises, without yielding any tangible results. Instead of growth, we have taken two steps backwards. Since the government decision to transfer these management of PEs to private individuals, there have been some tremendous breakthroughs, as the private sector seems to be better in terms of economic growth and development. These managers are purpose cum profit driven. They believe in results and performance is measured in terms of outcomes (profits). The discipline level of private companies is higher than that of public enterprises, everyone is giving target, must play by the rules of engagement in the financial market, etc. On the part of the government, they have justified the reason for privatization that, it saves them the problem of dominance in an unproductive ventures (National Council on Privatization).

4.0 Conclusion/Recommendation (s)

This paper discussed the nature of Public enterprises in Nigeria, and its failing status. Reasons for the failure of public enterprises were highlighted with explanations. The trajectory of Public enterprises was also stated. Furthermore, we looked at the development from an economic perspective. Whilst development and growth is often considered as same, there is a distinction between the two concepts. While the latter is specific i.e advancement on a particular sector, the latter is encompassing, cutting across sectors. There is no way Public enterprise is considered without mentioning privatization. We looked at privatization as a panacea to public enterprises, at least from the angle of performance. We therefore wish to state that, privatization is should not be taken to be a blanket solution to public enterprises failure. In this regard, we recommend the government pay more focus on addressing the environmental factors as well as economic fundamentals that is needed for development. Also, the government should not completely leave economic activities for private companies cum owners to control, the input of government, especially in regulating activities is very important for a thriving economy. Moreso, there are certain goods that the private sector may not be able to provide, like infrastructures, health, security, etc, it is the prerogative of the government. By and large, privatization as recommended should be considered a means to an end, making the government to wake up to its responsibilities, and creating the enabling environment for partnership between the public and the private sector.

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