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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

A public enterprise is an establishment wholly owned, financed and controlled by the government for the purpose of providing a specific service to the people. However, in this era of global economic depression, most government owned industries are being re-organized for profit-making purpose. The re-organization exercise could take the form of Privatization, Commercialization or joint-venture participation. The aim of policy among other things is to allow for private participation in financing and the management of such enterprises through equity share and debenture holding including other forms of corporate borrowing.

Before the emergence and inception of crude oil into the Nigeria economy, emphasis was on the private sector, for instance, the policy package of the first National development plan was to stimulate the development of a vibrant private sector with marginal public participation in the productive activities.

But in an effort to speed up development and to compensate for the lack of an active private sector, the government came to play a very active role in economic development; hence, the government did not only develop and finance necessary physical and human infrastructure but also investing directly in productive activities through state owned public enterprises.

To be able to transform into an industrialized economy, an underdeveloped economy has to be privately and commercially developed. The importance of establishing public enterprises or corporation began during

the 19th century with the British telecom in 1884 under the telecommunication act and gained a worldwide support in Britain thereafter. Several nations, particularly those in Africa, have come to embrace the principle as a way of eliminating low performance and inefficiency in the public enterprise sector. Following the trend the Nigerian economy has come to embrace privatization as a cardinal principle of the state's economic policy.

Over the years, the Nigerian government has encourage the development of the public sector, since independence in 1960 and particularly 1970s but has been commonly non successive because of government attitude towards public enterprises business management. In Nigeria, most government owned industries and establishments remain citadel of corruption, gross inefficiency and consequently a heavy drain on the economy. As a means of combating this menace, the (IMF) and World Bank have advocated the nation policies of privatization and commercialization. Incidentally, Nigeria has fully adopted this policy and is embarking on it with vigorously. The ultimate goal of any credible and legitimate government is to ensure sustained movement in the standard of living of the citizenry.

Toward this end, the government usually evolves development plans that will facilitate effective mobilization, optimal allocation and efficient management of national resources. In such efforts, priority is usually given to the provision of development facilitators, such as transportation and communication as well as social overhead, such as education and health. Drawing on the successful experience of most developed economies, all developing countries have also adopted a similar development process.

In addition to several reasons, such as the small size of the private sector or for the so called “security reasons” the development process had been largely dominated by the public sector. Available evidence suggests that this public sector dominated process has not achieved the desired impact overtime, prominent among which is the lack of an inclusive framework on the consequent alienation of the people from the public policy process. This coupled with recent development in the globalizing world, have precipitated the clamor for comprehensive national economic reforms that will facilitate more efficient macroeconomic management and thereby steer the economy back on the path of sustainable growth and development.

The major components of these reforms are the deregulation that augurs well for the promotion of a private sector – led economy. This was informed by the assumption that the private sector is more efficient in the allocation of resources, and that this level of efficient will enhance in a competitive environment emanating from the deregulation of the economy. This implies that the reliance on the market rather than the state is the accepted antidote against the problem of underdevelopment in affected economies.

The Privatization and Commercialization of state-owned enterprises (SOE) is the major strategy for obliterating the culture of public sector domination of the economy. Nigeria is committed to following the footsteps of several countries that have embarked upon the privatization of the national economy. The scope of the nation’s privatization programme covers several sectors, including banking and finance, oil and gas, telecommunication, manufacturing, hospitality and tourism, among others. The privatization train has now arrived into the utility sector and it is operating at varying degrees within the sub-sectors therein given the criticisms that

have trailed the implementation of the privatization programmes in other sectors. It appears timely to review the impact this reform has created on the nation's economy.

This with a view to ensuring compatibility of the policy orientation with the overall goal of poverty alleviation through wealth creation and sustainable development, rather than focusing on growth as an end of itself. Against this background, the topic, "impact of privatization and commercialization of public enterprises on Nigeria economy is aimed at addressing the issues that have jeopardized the workability of the policy. Since the colonial era, public enterprises have assumed increasingly diverse and strategic development roles in the Nigeria economy. This was accentuated during the oil boom era of the 1970s and 1980, when the military regimes decided to take control of the commanding heights of the economy. The sectors covered include manufacturing, agriculture, banking and finance, services and public utilities such as telecommunications, power and water.

A survey report indicates that as at 1987, there were about 1500 public enterprises (PEs) in Nigeria, made up of 600 at the federal level and about 900 smaller PEs at the state and local levels. These enterprises accounted for about 30-40 percent of formal sector employment. It is estimated that successive Nigeria governments invested about 800 billion naira (approximately US \$90 billion equivalent) in the PE sector over two decades. These were made up of equity loans, subventions from the Treasury and loan guarantees. These investments yielded only \$1.5 billion in dividends and loan repayments from 1980 – 1987. Given the persistent failure, these enterprises require continuous massive subsidies but deliver only intermittent and sub-standard services. About 40 percent of non- salary recurrent expenditure and 30 percent of capital expenditure was expended annually on these

enterprises. Net outflows from the government to the public enterprise sector haven been estimated at \$2 billion annually. The presence of non- performing PEs has effectively impeded entry by potentially more efficient private operators. In the wake of economic recession that began in 1981 following the collapse of oil prices, the activities of the public enterprises attracted more attention and underwent closer scrutiny, much of it centering on their poor performance and the burden they impose on government finance.

The above precipitated the disposition of the government towards a national privatization programme, the implementation of which commenced in 1988. The federal government subsequently promulgated decree No.25 on privatization and commercialization in July 1988 to give legal backing to and formally initiated Nigeria's privatization and commercialization programme.

According to the decree, the nation's privatization programme is expected to address the following areas among other things; (A) Restructure and rationalize the public sector in order to lessen the preponderance of unproductive investments; (B) Re-orientates the enterprises towards a new horizon of performance improvement, viability and overall efficiency; (C) Ensure positive returns on investments in commercialized public enterprises, (D) Check absolute dependence of commercially – oriented parastatals on the treasury and encourage their patronage of the capital market. It is also, necessary to mention that although public enterprises such as telecommunication had impacted positively on the economy and lives, it should however, not be allowed to hamper people's health and environment Odey, J. (2009) argued that we must balance the social, economic and environmental aspects of our developmental areas.

The decision for economic reform of the Federal Government which resulted to the introduction of privatization and commercialization policy has brought a relief to the public cry about some vices prevalent in some public enterprises. In the word of Abba, U.E. (2008), he argued that some public enterprises whose establishments are hinged on regulatory philosophy have also not lived up to standard due to endemic corruption in these enterprises as officials collect bribes and truncate their primary reasons for establishment. Ordinary, the major argument for privatization is in terms of efficiency in the switch from public to private ownership resulting in the adoption of more precise and measureable objectives on the part of the owners of which creates the environment and incentives to monitor and control management effectively, Ikechukwu, (2013).

1.2 STATEMENT OF THE PROBLEM

There is no doubt that in a developing country like Nigeria, one of the vital tools considered by many, as a panacea for the growth and development of the economy is privatization and commercialization of public enterprises. However, some of the problems which hinder the impact of privatization and commercialization on the nation's economy include;

- a) Absence of accountability
- b) High level of corruption
- c) Lack of transparency
- d) Under utilization of human and capital resources
- e) Low education of the public on the benefit of privatization and commercialization.
- f) Concentration of privatized and commercialized public enterprise on the few privileged individual
- g) Problem of inconsistency in the system

Government of the federation has major function that informed the establishment of these public enterprises which of course has to do with control of the resources, raising of funds that will enable it to provide certain infrastructural facilities, particularly in services requiring heavy financial investment, creation of jobs, facilitates economic growth and development. Nevertheless, the negative impact of this programme and the need to proffer solution which will enhance economic growth and development brings about this research work.

1.3 OBJECTIVE OF THE STUDY

This research is being carried out primarily to determine the effect of commercialization of public enterprises on the Nigeria economy with regards to strengthening the role of the private sector in the economy, which will guarantee employment and higher capacity utilization.

The specific objectives of this study are as stated below:

1. To determine the extent to which privatization and commercialization has contributed to the country's yearly Gross Domestic Product (GDP).
2. To ascertain if privatization and commercialization will engender better resource allocation for government amenities
3. To determine the profitability ratio of selected privatized public enterprises before and after the privatization and commercialization.
4. To ascertain the relationship between the relationship between the growth level of privatized enterprises and non- privatized public enterprises from 2016 -2020.

1.4 RESEARCH QUESTIONS

In order to give credence to the viability of this study, the researcher tends to formulate the following testable research questions:

1. Do you think that privatization and commercialization has positively contributed to the nation's yearly Gross Domestic Product (GDP)
2. Do you agree that privatization and commercialization will provide better resource allocation for government amenities?
3. To what extent do you think is the profitability ratio of selected privatized public enterprises before and after the privatization and commercialization?
4. Do you think that there is a significant relationship in growth level between privatized and non privatized public enterprises in the given period of 2016 – 2020?

1.5 RESEARCH HYPOTHESES

The hypotheses for this work are as follows:

- H0: Commercialization has not contributed positively to the nation's yearly Gross Domestic Product (GDP)
- H1: Commercialization has a positive contribution to the country's yearly Gross Domestic Product (GDP)

1.6 SIGNIFICANCE OF THE STUDY

The importance of this study cannot be overemphasized in the fact that privatization and commercialization of public enterprises is being restored as a solution for public enterprises, importability, inefficiency and unproductively. This study is very essential and timely especially since privatization and commercialization of public enterprises is being pursued in Nigeria with many

potential investors still ignorant of the benefit derivable from such investment.

Considering the fact that there is limited literature on the impact of the activities, this research therefore searches to enlighten the general public about the impact of privatization and commercialization of our inefficient public enterprises. It is also hoped that research work will definitely create or stand as important reference for further research work.

The government administrators will find this work valuable as it will help them in future planning about privatization and commercialization of public enterprises. The work on privatization and commercialization will go a long way to address the issues that have impeded on the progress of the policy. This research work is beneficial in the fact that the outcome will encourage various investors to invest on public enterprises being privatized.

1.7 SCOPE OF THE STUDY

The scope of this research work focused strictly on the effect of commercialization of public enterprises on the Nigeria economy and the work will cover the period 2016-2020 because information within this period are found more recent and relevant for the researcher's purpose.

There is no doubt that the privatization and commercialization of the public enterprises have many impact on the economy of the nation, on infrastructural development of the nation, on the standard of living of the nation in the development of manpower of the nation but this study is only concern on the impact this privatization and commercialization of public enterprises such as Kwara State Transport Corporation.

1.8 LIMITATIONS OF THE STUDY

In the course of this work, the researcher had to be confronted with the understated problems:

- A. **Time Constraint:** The stipulated time frame for this study was not enough, that is, the time is considered too short for a topic as wide and interesting as this to be adequately and effectively handled.
- B. **Financial Constraint:** This is another problem encountered during the process of this research work. None availability of adequate finance was a huge hindrance towards effective execution of the researcher's efforts.

1.9 DEFINITION OF TERMS

A) Privatization and Commercialization: Privatization can be defined as the transfer of ownership and control of enterprises from the state to the private sector. Privatization and Commercialization nef of 1988 and Bureau of public enterprises define privatization as the relinquishment of part or all of the equity and other interest had by the federal government or any of its agencies whether wholly owned by the federal government.

B) Public Corporation: Public corporation or enterprises are organizations that engage as a result of government activity in the capacity of an entrepreneur. These can be seen as those enterprises or corporation built, owned and managed by the government. They are being financed by public funds especially through taxation and also operate on monopoly.

CHAPTER TWO

LITERATURE REVIEW

The related literature, of this work is reviewed under the following:

2.1 CONCEPTUAL FRAMEWORK

Public Enterprises

According to NWOYE (2011) a public enterprises is viewed as an artificial person, who is authorized by law to carry on a particular activity and functions. It essentially has the features of several individuals who act as one. It is described as a corporate body created by the legislature with defined powers and functions and independently having a clear-cut jurisdiction over a specified area of a particular type of commercial activity. Also in Ayodele (2011), he stated that in practice, there is a spectrum of types of enterprise ranging from the purely corporation in which the government has no equity stake. In between are mixed enterprise of different varieties.

In this endeavor, the definition adopted by one of the ICPE expert groups provides some guidance. It covers “Any commercial, financial, industrial, agricultural or promotional undertaking owned by public authority either wholly or through majority share holding which is engaged in the sale of goods and services and whose affairs are capable of being recorded in statement of financial position statement of comprehensive income. Such undertaking may have diverse legal and corporate forms, such as departmental undertakings, public corporations, and statutory agencies, established by Acts of Parliament of Joint Stock Companies registered

under the Company Law (Dimgba, 2011).

2.2 Concept of Public Enterprises

Public enterprises as a form of business organization has attained a great deal of significance in recent times. During 20th century, various governments have taken active part in the industrial and commercial activities. The term public enterprises denote a form of business organization owned and managed by the state government and or any other public authority. So it is an undertaking owned and controlled by the local or state or central government. The whole or most of the investment is made by the government.

In other words, a public enterprise denotes state ownership and operation of industrial, Agricultural, Financial and Commercial undertaking. It can also be referred as autonomous or semi- autonomous corporation and companies established and controlled by the state and engaged in industrial and commercial undertakings. As a matter of fact, the concept of public enterprises entails that it is the part of the economy concerned with providing various government services. However, the composition of public sector varies by country, but in most countries, the public sector includes such services as the military, police, public transport and car of public roads, public education, other services that can benefit all the citizenry and the nation as a whole. These also include; power, telecommunication, water etc. the chief characteristics of public enterprises are:

1. Autonomous or semi- autonomous organization. This implies that some enterprises work under the direct control of the government and some organization are established under status and company acts.

2. State control: The public enterprises are financed, owned and managed by the government either central or state government.
3. Rendering services: the primary objective of the establishment of public enterprises is to serve the public at large by supplying the essential goods at a reasonable price and creating employment opportunities.
4. Monopoly enterprises: in some specific cases, private sectors are not allowed and as such the public enterprises enjoy monopoly in operation. The state enterprises enjoy monopoly in railways, post and telegraph and energy production.
5. Useful to various sectors: the state enterprises serve all sectors of the people of the country. They do not serve a particular sector of the people in the community.

A BRIEF HISTORICAL PERSPECTIVE OF PUBLIC ENTERPRISES IN NIGERIA

The private sector was the traditional structure of the world's economies.

The Nigeria economy is largely private – sector based. The public sector emerged in Nigeria as a result of the need to harness rationally the scarce resources to produce goods and services for economic improvement as well as for promotion of the welfare of the citizens. The involvement of the public sector in Nigeria became significant during the period after independence.

The railways were probably the first major examples of public sector enterprises in Nigeria. At first, conceived mainly in terms of colonial strategic and administrative needs, they quickly acquired the dimension of a welcomed economic

utility for transporting the goods of international commerce, like cocoa, groundnut and palm cannels. Given the structural nature of the colonial private ownership and control of the rail ways in the metropolitan countries, it would hardly be expected that the Nigerian rail ways corporation could have been started as any other project than as a public sector enterprise for such mass transportation (Abubakar, 2011).

The colonial administration was the nucleus of necessary economic and social infrastructural facilities that private enterprises could not provide. Facilities included rail ways, road, bridges, electricity, ports and harbors, water works and telecommunication. Social services like education and health were still substantially left in the related hands of the Christian missions. But at this initial stage, government itself moved positively into some of the direct productive sectors of the economy, the stone quarry at Aro, the colliery at Udi and the saw mill and furniture factory at Ijora. Those were the early stage (Dimgba, 2011).

The emergence of crude oil industry into the Nigeria economy after the civil war in the 1970s with the associated boom intensified government involvement in production and control of the Nigeria economy. One major aim of government at that time was to convert as much as possible of the growing oil revenue into social, physical and economic infrastructural investments. The Nigeria Enterprises Promotion Decree of 1972 which took effect on first April 1974, with its subsequent amendment in 1976 provided a concrete basis for government's extensive participation in the ownership and management of enterprises.

The concept of privatization in recent times evolves sharp political reactions from many angles. The word privatization and commercialization can be defined in

many ways. It can mean returning public-owned assets to the private sector usually where control of an activity is passed from the public sector to the private sector by means of an issue of shares (Anyebe, 2001). This implies that the concept is all about the transferring of ownership and control of enterprise from the state to the private sector for profitability.

Various groups have also defined it differently. The privatization and commercialization act of 1988 and the Bureau of public enterprise Act of 1993 defined privatization as the relinquishment of part or all of the equity and other interests held by the federal government. But however, privatization is defined; it transfers ownership of production and control of enterprises from the public sector to the private sector. It is an ideological concept. This definition is narrow. A more comprehensive definition is to see privatization as a reduction in production, provision, subsidies or regulation or indeed any combination the four instruments. (Anyebe, 2001)

The United Nation Development Programme (UNDP) guidelines on privatization defines it as the marketization of the public sector activity, that is the subjection of macro-economic decision making to market forces since this is a feature of profit-oriented sector activity. Section 14, Decree no 25 of 1988 defines privatization and commercialization as the transfer of government owned shareholding in designated enterprises to private share holders, comparing individual and corporate bodies.

Ezeani, (2004) on his own part defines it as a deliberate government policy of stimulating economic growth and efficiency by reducing state interference and

broadening the scope of private sector activity through one or all of the following strategies; transfer of state owned assets to private ownership through the sale of shares, private control or management of state owned assets, encouraging private sector involvement in former public activity and shifting decision making to agents operating in accordance with market indicators.

Ojobo, (2005) on his own part, defined privatization as the selling of a part or the entire equity of a publicly owned organization to private individuals or organizations such that the control of the public institution is transferred from government or any of its agencies to private hands. It is interesting to note that all the definitions above point to the fact that privatization is all about government withdrawal from economic activities in order to confine itself to its traditional functions of maintenance of law and order, thus creating enabling environment for business to flourish.

Solanke, (2012) defines it as involving the sale of operation, granting vouchers to serve recipient or contracting out whichever ways it is defined. The main idea is the changing of business status, service industry from government or state or public to private ownership or control.

2.3 THEORETICAL FRAME WORK

Privatization and Commercialization of Public Enterprise

There are many theories that have been put forward to explain privatization and commercialization and which have been driving the privatization exercise in Nigeria.

Theories discussed in this work are:

Economic Theory:

The privatization and commercialization policy in Nigeria is anchored on efficiency. Government claimed that privatization is an instrument of efficiency allocation and management. It will reduce poverty by improving the economic indices of the country and over time lead to less corruption and red tape, strengthen role of private sector in the economy, thus, guaranteeing employment, improve quality of life and leads to higher utilization of capacities.

According to Ikechukwu, (2013) the major argument for privatization is in terms of efficiency in the switch from public to private ownership resulting in the adoption of more precise and measurable objectives on the part of the owners of which creates the environment and incentives to monitor and control management effectively.

Additionally, under private ownership firms will only remain in existence as long as they are viable, should they cease to be viable, their resources will be reallocated by the market to other uses.

In Nigeria, the main drive of privatization is that it is an instrument of efficient resource allocation and management is based on the argument, that under public ownership enterprises are often used to pursue non- commercial objectives of government, including employment maximization and uneconomic investment choices. These activities are very often inconsistent with efficient and financially viable performance and lead to poor managerial supervision and economic woes in Nigeria. Another economic theory driving privatization in Nigeria is the theory of lazier faire individualism and free market economics that promises greater efficiency, a smaller government and more individual choices if only we expand the domain of property rights and market forces. In this theory, privatization allows individuals to

reap the advantages of the market system and competition through efficient services delivery.

Etieyibo, (2011). “The core embedded in the *lazier faire* and purely individualistic model is simple and is this; property is better tended when it is privately owned. This is to say, the more rights or ownership an individual has over a particular property and the more he or she stands to gain or loss from tendering to that property, the better it will be tended; and conversely the free right he or she has over a particular property, the less motivated that individual will be to care for it.” The third economic theory driving privatization in Nigeria is the liberation theory. This also has political or ideological undertone. Economic liberation according to Wikipedia is a very broad term that usually refers to fewer government regulation and restriction in the economy in exchange for greater participation of the private entities.

The argument for economic liberation includes greater efficiency and effectiveness that would translate to bigger pie for everybody. This liberation in short refers to the removal of control to encourage economic development. According to Nwoye, (2011), it is against this background that the Structural Adjustment Program (SAP) proposed a kind of reform that would affect the goals, administration and management of most of the public enterprise for purpose of efficiency.

Political Theory:

Most scholars argue that privatization is a mostly economic issue. However, no matter how sophisticated economic analysis may be, they have been unable to explain why for most of the 1970s and 1980s privatization, while making perfect economic sense in many countries failed to occur. This is because the problem is from another source. Financial institutions, practitioners and economists agree that probably the one of the most important issues is the political one.

In Hughes, (2002), the architect of the Peruvian State divestiture programme said that privatization was essentially a political issue, which requires political plan and a strong presidential leadership. The political theory that explains privatization and commercialization in Nigeria is the policy choice theory. According to this theory, state owned enterprise is seen as a paradise of corruption, primitive accumulation and political patronage by both bureaucrats and political office holders.

Odukoya, (2007) “argues that politicians use state own enterprise (SOEs) to pursue their own political objectives for instance by giving redundant jobs at SOEs to their supporters. They gave two conditions for privatization under this circumstance. One, when a politician who benefit from subsidizing supporters. Two, conservative governments favored by tax payers, replace the leftist government favored by employees. The fear of collusion between politicians and civil servants to appropriate public goods through SOEs is also very popular.

Administrative Theory:

Administrative theory explained privatization of public enterprises in Nigeria as the emergence of the use of the new managerial approach. It is a philosophy or doctrine on how public services should be provided or managed. It is referred to as the new public management theory. This new public management is a revolutionary paradigm shift from the traditional public administration. The new public management lays emphasis on result rather than process for which traditional public administration is known for.

According to Solanke, (2012), the new public management emerged in the 1980s as a response to inadequacies of the traditional model of public

administration.” Jones, (2007) in Solanke, (2012) “ linked the recent emphasis upon new public management to a number of factors including the perceived poor performance, inefficiency and ineffectiveness of traditional government bureaucracy due to lack of market discipline and proper political and organizational accountability manifesting in over meaning waste, inefficiency and poor service provision, the rigidity, excessive rule domination and hierarchical constraints which results in goal displacement and lack of innovation and initiative, corruption in bureaucracy etc in Nigeria.

Leadership Theory:

The leadership theories explaining privatization in Nigeria is the transactional and transformational leadership. According to Ya-ling, (2009) “ a transactional will try within the present system, (while opposing and attempting to make changes) to satisfy subordinate’s current needs, focus on exchange of condition emphasize exchange and contingent reward behavior, pay more attention to subordinates’ irregularities, deviation and errors and correct these demeanors” . The traditional leader on the other hand tries to arouse the motive needs of the subordinates and then create dramatic transformations in the relations between the subordinates, the group and organization. The union of the transactional/ transformational leader can provide a stable and differentiated leadership style. This means that he does not maintain the status quo. He tries to be revolutionary though not through violent means.

According to Timothy, (2011), the transactional/ transformational leadership is referred to as “full range leadership model.” Bass, (1990) in Timothy, (2011) “proposed four behavior or components of a transformational leader to include :

charisma, inspirational, motivation, intellectual stimulation and individual considerations while transactional leader displays corrective and constructive behavior which entails contingent and reward, and corrective dimension, imbibes management by exception. Active management by exception means the leader setting standard for compliance as well as what constitute effective performances.

Ya-ling (ibid) noted that the transformational leader brings about organizational change which is an approach of change and development to improve structure and process (like interpersonal relations, roles, personnel (like styles and skills) and technique (like challenges). Organizational development brought about by such leaders systematically modifies outdated organic structures and work relations in pursuit of survival and positive development in order to accommodate the process or activity of new affairs. This is what privatization policy is trying to achieve including the seven point agenda of the present administration.

According to Henryik, (2009) “given our structural constraint, a transactional leadership would struggle to make a meaningful impact on Nigeria’s development. According to him, a transactional leader is one in which the leader has a give and take relationship with the people. In other words, their people wait for the leader to do something for them. In contrast, transformational leadership brings about positive change in the people by motivating the citizenry to take great responsibility for its fate. Though his vision, he brings positive change in the people, eventually turning them to leaders. The privatization and commercialization policy vigorously pursued by the Nigerian government illustrate the determination of the present administration to inculcate discipline, result oriented mentality, innovative, economy, efficiency and effectiveness in the administration of the public enterprises through privatization.

This will help to inculcate in the SOEs the best techniques of the private sector in order to bring about sanity, customer driven profit oriented and business like innovatively strategy. This making the public enterprises in Nigeria dynamic instead of static.

Sociology Theory:

Two sociology theories are discussed here – structural functionalism and network/ class analysis.

Structural Functionalism:

This theory states that where there is structure erected or instituted, there is a function assignment to it to perform in the society. This theory is intended to explain the basis of maintaining order in the society. This theory originated in biological and medical science and was adopted as a mode of analysis in sociology. Structure refers to the arrangement within the system which performs the functions. It is also the way in which the parts are connected. The basic assumption of structural frame work is that all systems have structures which can be identified and these structures perform function within the necessary for its persistence.

In using this theory to explain privatization in Nigeria, it talks about privatizing the public enterprises because of its inability to fulfill the functions it was set to fulfill. The Nigeria government found it increasingly difficult to continue their support for an extensive welfare state and a large public sector and were thus driven to privatization and other market oriented reforms, a means for reducing government outlays and is thus the best policy option in time of scarcity and cost efficient means to provide essential services.

Network/Class Analysis:

It would reveal the characteristics of and relationship between constituents of the network showing their degree of autonomy or interdependency, highlights the asymmetry in the relationships of power between capital and labor showing how privatization shifted the balances to favor employees, the effect of class system on the network itself on the alliances formed to place pressure on government and the operation of the network itself on how it functions to channel public funds to the private sector. So the privatization of public enterprises and other pro market policy comes not as a policy fashion but as a structural process within which actors agitate for removal of all government restriction, for the creation of new opportunities and for further privatization. Thus, the process of privatization itself assists with the building of a new powerful alliance demanding greater reform and this drives further privatization. This theory is used to explain the pressure given to Nigeria by IMF and World Bank.

Ideational Theory of Change:

This theory was of the view that privatization comes as a result of intellectual disillusionment from the Keynesian approach. The rise of the doctrines of economic rationalism and new classical economic that is the privatization policy came as a result of change in ideas, values and beliefs.

According to Adeoti “the Keynesian development paradigm recommends that government even though through deficit financing should stimulate demand and the use of idle resources to reduce unemployment. It emphasized the need for public sector to play a leading role in preventing market failures and accepting the

responsibility to producing wide range of goods and services. And so in Nigeria prior to the 1970s, the business of governance was restricted to good governance and provision of social amenities. The scope of government was widened with the availability of oil money and government disposition to the Keynesian frame work. Hence, the establishment of public enterprises but by the late 1970s and early 1980s, the enormity of Nigeria's social economic crisis of stagnation, low capacity utilization, food crisis, balance of payment deficit and the inefficiency that characterizes the performance of the Nigerian enterprises has made privatization option to appear on the state public agenda.

Evon, (2002) buttressed his point by saying that the privatization policy has been influenced partly by the dismal failure of the various economic system adopted in the country – from impact substitution to mixed economy following independence.

Neoliberal Ideology/ Philosophy:

This school of thought claimed that government has no business regulating the economy not to talk of owing business itself. That this function should be left into market forces more so that government itself is most effective when it is lean. And when they have dispensed sound social spending, and eliminated budgetary deficit, third world countries should liberalize and open their economies to foreign trade and investment and allow limitless repatriation of profits, so that they can encourage foreign direct investment.

Coyller, (2003) noted that this ideology of liberalism or neoliberal thought come as a result of change or new discourse in ideologies concerning the fundamental role of the state and the relative merits of the private and public sectary. The simple assumption is that as state cannot be as efficient as a private entity in the production of the same output.

According to Bagu, (2003), liberalism came in the mid 20th century as a result of campaign against the state chartered monopoly by the dominant business groups in America. In response to this new form of monopoly in the mid 20th century, a moment arose to fight over what it considered big business strangulation of free competition championed by new generation capitalist whose source of wealth financial manipulation rather than manufacture. Key to this ideology of liberalism particularly its new form is the heavy reliance on market forces, which its advocate claims to be the most efficient mechanism for allocation of scarce resources.

This ideology of liberalism was transported to the 3rd worlds through the United Nations Agencies especially the IMF and World Bank. Hence, from 1960s onward the third worlds were subjected to social shocks to force them to engage in what is called defensive adaptation. It was for this reasons that the IFLS (Indonesian Family Life Survey as a set of detailed household and community surveys on Indonesia conducted by RAND Corporation) led the 3rd world through so called industrial take off in the 1960s, import substitution of 1970s and structural adjustment programs in 1980s. Washington consensus imposed the so called IMF conditional ties for debt forgiveness among which are fiscal austerity, privatization and market liberalization.

Those countries that refuse to accept these conditioning were placed under extreme stress and in most cases overthrown. Those that accepted it were forced to swallow the bitter pills of liberalization, privatization withdrawal from social services. Whether the particular form of privatization program is ill- suited to the economic problems of a particular country was not taken into account. The above was one of the major drives for privatization and commercialization of public enterprises in Nigeria.

According to Nwoye, (2011) Nigeria and other African countries were strongly adjusted by the world lending agencies particularly IMF and World Bank to divest their public enterprises as one of the conditions for economic assistance with intensified and push for economic liberalization. Nigerian and other African leaders were told that privatization as an economic reform would help cut public sector inefficiency and waste, provide greater scope to private sector, attract more investment, bring new technologies and have relief to the economy. Thus many countries including Nigeria embarked on privatization and commercialization of her public enterprises. It is against this background that IBB administration (1985 – 1993) proposed the Structural Adjustment Program (SAP) as a kind of reform which would affect the goals, administration and management of the public sectors enterprises for purpose of efficiency. One of the main objectives of SAP was to pursue deregulation and privatization leading to removal of subsidies, reduction in wages and expenses in the public sector ostensibly to trim the state down to size.

Odunka, (2007) and Solanke, (2007) were of the view that the reason for privatization was agitation for reform of public finance involving the overhaul of public enterprises to satisfy international obligations and aspirations and that realization that private sector investment and opening up of the political space were preconditions for market economic growth and development.

2.4 EMPIRICAL REVIEW

The use of empirical frame work in this study becomes paramount since it is aimed at revealing the related literature on the impact of privatization and commercialization of public enterprises on the nation's economy. It is necessary to

note that there have been serious attacks on public enterprises in many developing countries, as in Nigeria. For being economically inefficient and wasteful of resources as they are known for making significant demands on government resources, as well as domestic and foreign credit. Unfortunately, these demands have associated with low profitability and inefficiency.

Omoleke, Salawu and Hassan, (2011) their aim was to investigate the social economic and legal implications of the Nigeria privatization policy. The methodology employed in the study is to review the existing literature on SOEs and privatization policy in Nigeria and beef it up with empirical investigation of 50 consumers of the product of the SOEs in energy sector. The result from the review of literature and empirical study revealed that privatization policy will enhance foreign directive investment in Nigeria subject to positive economic and technological millennium in the country. The findings also revealed that the grass root (the poor) is likely to suffer as they will no longer enjoy subsidized products and services of the state owned enterprises (SOEs) stated for privatization while conversely, it will further enhance social-economic condition of the bourgeoisie. Finally, the legal review revealed that the privatized SOEs will undergo legal and structural transformations.

Abdullahi, Abdullahi and Muhammed, (2012) investigate the financial and operational efficiency of the privatized firms in Nigeria. Data for this study comes from secondary sources specifically; fact book from the Nigeria Stock Exchange, offer prospectuses, as well as published annual reports and financial statements of the privatized firms. Our sample firms are drawn from manufacturing, oil marketing, banking and insurance sub-sectors of the Nigeria economy.

The period of analysis covers 5 years before and 5 years after privatization. Study followed the techniques of Meaginson et al., (1994) in order to determine post privatization performance changes. The study calculated the mean value of each variable for each firm over the pre and post privatization periods, then use the T-test and the Nilcoxon sign rank test as principal methods of testing for significant changes in the variables. Results obtained from this study are mixed. Whereas some companies in our sample show improvements in some indicators, other companies have shown decline in some indicators after privatization.

However, in spite the mixed results, the overall picture shows improvement in profitability for at least half of the firms in our sample. Over all of the study concluded that our results provided little evidence that privatization has caused significant improvement by all indicators.

Boubakri et al., (2009) researched on privatization dynamics and economic growth using a large panel data of fifty-six (56) developed and developing countries spanning the period, 1980 to 2004. They used the Generalized Method of Moments estimation techniques to examine whether privatization had an impact on economic growth, they also characterized privatization along two dimensions; the program and the method of privatization that proxy for government commitment. In order to take into account the dynamics of privatization and tackle potential endogeneity issues, they used a dynamic panel approach and found that privatization has a robust systematic positive effect on economic growth, after controlling for classic growth determinants as well as institutional variables. They also found that the method of privatization, through share issues on the stock market is positively related to economic growth, suggesting that one potential channel of benefit is indeed to use the stock market to divest state-owned enterprises (SOEs).

Bennett et al., (2007) examined how different methods of privatization might

have affected growth in transition economies. In their findings, they remarked; using several econometric specifications, including fixed effects and GMM, we estimated a cross-country panel growth model from 1999 to 2003 and found that only voucher privatization have been significantly associated with faster growth. Moreover, neither private sector development per se nor capital market development exercised a significant influence. We speculate that voucher privatization may have been effective because of the speed with which links between firms and the state were severed.

Javadshahraki, (2006) in Ifionu, E.P and Ogbuagu, A.R (2013) studied the relationship between privatization and economic growth in Iran, using Auto Regressive Distributed lag method to characterize relationship between GDP and independent variables. The result showed that there is a positive relationship between privatization and economic growth in Iran, but competitive or openness situation of the economy have not helped in the growth of the economy and no significant relationship between privatization and economic growth was found.

Al – Otaibi, (2006), in Ifionu, E.P and Ogbuagu, A.R (2013) in his study investigated the effect of privatization on economic growth in fifteen (15) countries with developing economies, by-section model (Ordinary Least Square estimation) and a cross section-time series model using panel data analysis including four panel types, namely; none, common, fixed effect and random effect. The result of the Ordinary Least Square regression revealed that, in case of Saudi Arabia, Kuwait, and Bahrain, Jordan, Iran, Morocco, Pakistan, India, Indonesia, Malaysia, Venezuela, Mexico, and Argentina, privatization had a significant impact on the GDP level which reflected on the economic growth at 5% significant level. In case of Egypt and Turkey, the result revealed that there is a negative relationship between privatization indicators and economic growth at 5% significant level. The result of the four panel tests revealed

that privatization has a positive and a significant impact at 5% significant level. This is consistent with study hypothesis that privatization has an impact on the productivity of all factors in the economy and it leads to improving the investment climate in the developing country. Hence, foreign direct investment (FDI) will increase and economic growth will improve. These results are consistent with the effect of the privatization policy on the economic growth of each country individually (by OLS regression), except Egypt and Turkey.

Filipovic, (2005) wrote on impact of privatization on economic growth using Extreme Bound Analysis, he concluded that privatization is a potential successful policy of growth which has to be implemented in context with other economic reforms.

Boubakri et al., (2004) analyzed the impact of privatization on economic growth for sample of fifty-six (56) developed and developing countries over the period, 1980 to 2004. He found that population growth; government consumption and inflation negatively influence economic growth while saving ratio, stock market development and foreign direct investment are positively related to growth. Furthermore, high levels of development of institutions of governance positively influence the effects of privatization (through share issues) on economic growth.

Cook and Uchida, (2003) applied a cross-country growth regression analysis using the frame work of the extreme bounds analysis. They used data for sixty-three (63) developing countries between 1988 and 1997 and found that privatization has contributed negatively to economic growth. They conjectured that this result which stood against the theoretically expected positive impact of privatization was due to the lack of competition in the private sector that hindered economic growth and impeded privatization from delivering its anticipated positive impact.

Katsoulakos and Likoyanni, (2002) in Ifionu, E.P and Ogbuagu, A.R (2013) investigated the relationship between privatization and macroeconomic variables

using country-level panel data of twenty-three (23) OCDE countries for the period 1990 to 2000. The authors examined the link between privatization receipts, budget deficit, public debt, output growth and unemployment rate. The estimation results indicate that there is no statistically significant relationship between GDP growth rates and the privatization proceeds of the previous period this conclusion is drawn from a model where the dependent variable is the GDP growth rate and the only explanatory variable is the privatization receipts (as a percentage of GDP of the previous period). One concern with this specification is that it suffers from omitted variables bias.

Barnett, (2000) used country-level panel data of eighteen (18) countries which included ten (10) developing countries, the rest being transition economies. This study explored the impact of privatization on fiscal variables, growth, unemployment and investment. The empirical evidence indicated that privatization is positively correlated with real GDP growth rates. The estimate, suggested that privatization of 1% of GDP would be associated with an increase on the real GDP growth rate of 0.5% in the year of privatization and 0.4% in the following year. For the non-transition sample, the effect would be at 1.1% increase in real GDP growth rate in the year of privatization and 0.8% in the following year. However, as acknowledged by the author himself, the results of this study are based on a selected sample of countries and for a limited period for which data was available. For each country, the sample corresponds to the period of active privatization for which data was available, but the author did not specify the precise span of years for the study.

Furthermore, Barnett, (2000), warns that privatization variable is likely to serve as a proxy in their regressions for one or more omitted variables measuring other policy reforms. In 1998, Warren Michael conducted a study on countries that

have embarked on large privatization, namely; Chile in 1985 and Jamaica in 1980. His analysis was based on countries that underwent large and well planned privatization though varied in approaches. In Mexico, the chow test confirmed that a positive statistic relationship existed between privatization and output and that privatization is associated with economic growth. A significant positive relationship was also found to exist between privatization and output in Jamaica. Warren concluded that privatization was only associated with an increase in labor productivity in Jamaica and a decrease in capital productivity in Bolivia. He tested changes in productivity associated with privatization using two analytical approaches; firstly, using all stable test and secondly, using regression analysis. He found that productivity changes associated with privatization yielded mixed result.

In the case study of Chile, he found that factor productivity of Chile were unaffected by privatization at macro-economic level. Privatization was found to have no statistical relationship with total output; as such it should not be associated with economic growth. In the case of Bolivia, there was no statistical relationship between privatization and total output; therefore, such privatization cannot also be statistically associated with economic growth. No country exhibited increase in both labor and capital productivity.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter describes the approach used in carrying out the study. It describes the research design, Area of the study, the population for the study, the sample and sampling technique, the instrument for data collection, validation of the instrument, methods of data collection and method of data analysis.

3.1 DESIGN OF THE STUDY

The researcher adopted a survey design in carrying out the study. Rundell (2007) stated that a set of questions that you ask a large number of people to find out their opinion. Arubanye (2003) supports the above view when he observed that it is most preferable to use survey design when the subject of a described investigation centers on individual opinion or views. Edwin (1983) cited in Igbojionu (2008) opined that surveys are to gather data with intention of describing the nature of existing conditions and practices that may be used for improving them. Consequently, a survey researcher design was considered most appropriate for the study.

3.2 AREA OF STUDY

The study was carried out in Kwara State Transport Corporation (KSTC) in Ilorin, Kwara State.

3.3 POPULATION OF THE STUDY

The population for the study comprises of all the management staff of Kwara State Transport Corporation (KSTC). The population cumulated to 283 two hundred and eight-three (283) management staff in the four departments of the one Enterprises under study as shown in the table below;

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S/NO	Department	KSTC	TOTAL
1	Administration	88	88
2	Transporter	75	75
3	Finance/Accounts	71	71
4	Audit	49	49
	Total	283	283

3.4 SAMPLE AND SAMPLING TECHNIQUE

A sample of two hundred and eight-three respondents were randomly drawn or selected from the four departments. They include; Administrative department, Transporter department, Finance/Accounts department and Audit Department. Following this, the researcher employed the Yaro Yamane Formula to determine the sample from the population. Thus:

$$n = \frac{N}{1 + (Ne^2)}$$

Where n = sample size

N = population

e = error Limit

1 = Constant

Therefore 283 is the sample size that will be studied which represents the population.

3.5 INSTRUMENT FOR DATA COLLECTION

The researcher designed a questionnaire with a four point rating scale type for the purpose of data collection. The questionnaire elicited responses to address the research questions and null hypothesis formulated for the study. The questionnaire

items have a common response options as shown below :

Strongly Agreed	4
Agreed	3
Strongly Disagree	2
Disagree	1

3.6 METHOD OF DATA COLLECTION

The distribution of the instrument was done by hand. The researcher employed two research assistance (trained for this purpose) to assist in the distribution and collection of the questionnaires items. One covered the senior staff and the other covered the junior staff of the enterprise. The respondents were revised after one week for the purpose of data collection.

The researcher distributed the instrument and collected data with the help of research assistants. They were guided by the researcher on the purpose of the study. The respondents were given one week to enable them have enough time to go through and fill the questionnaires. Out of the 283 questionnaires administered, 244 was filled and returned. 39 were not returned as the respondents complained of have misplaced it and others lost theirs.

3.7 METHOD OF DATA ANALYSIS

SPSS was used to analyze the collected data and the mean scores, standard deviation and t-test obtained. The mean and standard deviation were used to answer the research questions, while Pearson Product-moment co-efficient of correlation was used to test the hypotheses, because it is the most sensitive measure of correlation for this nature. The Pearson Correlation Score is shown in the Table below:

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

In this chapter, we would do an analysis of the data obtained from the study, and present them in tables; after which we would apply the descriptive statistics of frequency count, simple percentage as well as the chi-square technique/ formula to test the study hypotheses.

4.2 ANALYSIS OF RESEARCH QUESTIONS

In this section, the researcher presents the analysis of research questions formulated to guide this study.

4.2.1 Objective One

To determine the extent to which commercialization has contributed to the country's Gross Domestic Product (GDP):

TABLE 4.1: Commercialization has help to demystify/strengthen the operations of the capital market by offer in shares for subscription to the public

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	10	7	10	17	44	18.0
D	20	25	18	28	91	37.3
A	8	12	17	23	60	24.6
SA	10	18	12	9	49	20.1
Total	48	62	57	77	244	100

Source: Field Survey, 2022

Table 4.1 shows the various responses from the various respondents; 44 respondents representing 18.0 % strongly disagreed, 91 respondents representing 37.3% disagreed, 60 respondents representing 24.6% agreed and 49 respondents representing 20.1% strongly agreed that privatization and commercialization has helped to strengthen the operations of the capital market by offer in shares for subscription to the public. This implied that privatization and commercialization has not helped to strengthen the operations of the capital market by offer in shares for subscription to the public.

TABLE 4.2: Commercialization has contributed towards enhancing foreign direct investment in Nigeria

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	25	20	5	5	55	22.5
D	30	32	10	30	102	41.8
A	12	10	15	18	55	22.5
SA	6	8	12	6	32	13.1
Total	73	70	42	59	244	100

Source: Field Survey, 2022

Table 4.2 shows the various responses from the various respondents; 55 respondents representing 22.5 % strongly disagreed, 102 respondents representing 41.8% disagreed, 55 respondents representing 22.5% agreed and 32 respondents representing 13.1% strongly agreed that privatization and commercialization has contributed towards enhancing foreign direct investment in Nigeria. This implied that privatization and commercialization has not contributed towards enhancing foreign direct investment in Nigeria.

TABLE 4.3: Commercialization offered Nigerian shareholders from all works of life the ownership of companies.

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	3	7	3	5	18	7.4
D	7	4	80	12	103	42.2
A	4	6	63	10	83	34
SA	7	4	18	11	40	16.4
Total	21	21	164	38	244	100

Source: Field Survey, 2022

Table 4.3 shows the various responses from the various respondents; 18 respondents representing 7.4 % strongly disagreed, 103 respondents representing 42.2% disagreed, 83 respondents representing 34% agreed and 40 respondents representing 16.4% strongly agreed that privatization and commercialization offered Nigerian shareholders from all works of life the ownership of companies. This implied that privatization and commercialization has not offered Nigerians shareholders from all works of life the ownership of companies.

TABLE 4.4: Commercialization reduced the federal government of the huge and growing burden of financing the investment needs and operating deficit of privatized enterprise

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	5	5	5	6	21	8.6
D	18	18	17	21	74	30.3
A	14	18	20	25	77	31.6
SA	20	28	14	10	72	29.5
Total	57	69	56	62	244	100

Source: Field Survey, 2022

Table 4.4. shows the various responses from the various respondents; 21 respondents representing 8.6 % strongly disagreed, 74 respondents representing 30.3% disagreed, 77 respondents representing 31.6% agreed and 72 respondents representing 29.5% strongly agreed that privatization and commercialization reduced the federal government of the huge and growing burden of financing the investment needs and operating deficit of privatized enterprise. This implied that privatization and commercialization has reduced the federal government of the huge and growing burden of financing the investment needs and operating deficit of privatized enterprise.

TABLE 4.5: Commercialization has contributed to the nations GDP as a result of increased economic activities

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	10	10	4	6	30	12.3
D	20	23	19	15	77	31.6
A	15	18	25	20	78	32
SA	14	12	15	18	59	24.1
Total	59	63	63	59	244	100

Source: Field Survey, 2022

Table 4.5 shows the various responses from the various respondents; 30 respondents representing 12.3 % strongly disagreed, 77 respondents representing 31.6% disagreed, 78 respondents representing 32% agreed and 59 respondents representing 24.1% strongly agreed that privatization and commercialization has contributed to the nations GDP as a result of increased economic activities. This implied that privatization and commercialization has contributed to the nations GDP as a result of increased economic activities.

TABLE 4.6: Privatization and commercialization have encouraged Professionalism and expertise because of their major objective of maximizing profit and minimizing cost.

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	8	6	7	5	26	10.7
D	12	20	40	30	102	41.8
A	25	30	10	10	75	30.7
SA	16	14	5	6	41	16.8
Total	61	70	62	51	244	100

Source: Field Survey, 2022

Table 4.6 shows the various responses from the various respondents; 26 respondents representing 10.7 % strongly disagreed, 102 respondents representing 41.8% disagreed, 75 respondents representing 30.7% agreed and 41 respondents representing 16.8% strongly agreed that privatization and commercialization has have encouraged Professionalism and expertise because of their major objective of maximizing profit and minimizing cost. This implied that privatization and commercialization have not encouraged Professionalism and expertise because of their major objective of maximizing profit and minimizing cost.

TABLE 4.7: Privatization and commercialization has reduced the problem of favoritism and nepotism and political interference falling the public enterprise

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	7	7	10	9	33	13.5
D	19	17	15	21	72	29.5
A	20	14	25	23	82	33.6
SA	13	14	13	17	57	23.4
Total	59	52	63	70	244	100

Source: Field Survey, 2022

Table 4.7 shows the various responses from the various respondents; 33 respondents representing 13.5 % strongly disagreed, 72 respondents representing 29.5% disagreed, 82 respondents representing 33.6% agreed and 57 respondents representing 23.4% strongly agreed that privatization and commercialization has reduced the problem of favoritism and nepotism and political interference falling the public enterprise. This implied that privatization and commercialization reduced the problem of favoritism and nepotism and political interference fall the public enterprise.

TABLE 4.8: Privatization and commercialization has help to reduce dependency on public treasury and government funding

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	10	15	5	5	35	14.3
D	20	25	20	20	85	34.8
A	12	17	25	26	80	32.8
SA	10	10	12	12	44	18
Total	52	67	62	63	244	100

Source: Field Survey, 2022

Table 4.8: shows the various responses from the various respondents; 35 respondents representing 14.3 % strongly disagreed, 85 respondents representing 34.8% disagreed, 80 respondents representing 32.8% agreed and 44 respondents representing 18% strongly agreed that privatization and commercialization has help to reduce dependency on public treasury and government funding. This implied that privatization and commercialization has not helped to reduce dependency on public treasury and government funding.

TABLE 4.9: Privatization and commercialization has encouraged new investment in enterprise concerned.

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	6	8	5	5	24	9.8
D	20	20	23	24	87	35.7
A	25	15	20	16	76	31.1
SA	18	12	12	15	57	23.4
Total	69	55	60	60	244	100

Source: Field Survey, 2022

Table 4.9: shows the various responses from the various respondents; 24 respondents representing 9.8 % strongly disagreed, 87 respondents representing 35.7% disagreed, 76respondents representing 31.1% agreed and 57 respondents representing 23.4% strongly agreed that privatization and commercialization has encourage new investment in enterprise concerned. This implied that privatization and commercialization has not encouraged new investment in enterprise concerned.

TABLE 4.10: Privatization and commercialization have eliminating bureaucracy and protocol in decision making by the board of directors.

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	5	5	5	6	21	8.6
D	17	11	29	20	77	31.6
A	30	20	23	22	95	38.9
SA	12	10	14	15	51	20.9
Total	64	46	71	63	244	100

Source: Field Survey, 2022

Table 4.10: shows the various responses from the various respondents; 21 respondents representing 8.6 % strongly disagreed, 77 respondents representing 31.6% disagreed, 95 respondents representing 38.9% agreed and 51 respondents representing 20.9% strongly agreed that privatization and commercialization have eliminated bureaucracy and protocol in decision making by the board of directors. This implied that privatization and commercialization has eliminated bureaucracy and protocol in decision making by the board of directors.

TABLE 4.11: Privatization and commercialization has impoverished the poor while further enrich the rich.

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	6	6	10	5	27	11.1
D	20	14	35	22	91	37.3
A	25	30	9	10	74	30.3
SA	17	10	13	12	52	21.3
Total	68	60	67	49	244	100

Source: Field Survey, 2022

Table 4.11: shows the various responses from the various respondents; 27 respondents representing 11.1 % strongly disagreed, 91 respondents representing 37.3% disagreed, 74 respondents representing 30.3% agreed and 52 respondents representing 21.3% strongly agreed that privatization and commercialization has impoverished the poor while further enrich the rich . This implied that privatization and commercialization has not impoverished the poor while further enrich the rich.

TABLE 4.12: Privatization and commercialization have geared the economy towards capitalism as the major activity lies in the hands of the few individuals.

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	10	8	8	8	34	14
D	17	18	17	20	72	30
A	22	25	24	23	94	38
SA	8	10	14	12	44	18
Total	57	61	63	63	244	100

Source: Field Survey, 2022

Table 4.12: shows the various responses from the various respondents; 34 respondents representing 14 % strongly disagreed, 72 respondents representing 30% disagreed, 94 respondents representing 38% agreed and 44 respondents representing 18% strongly agreed that privatization and commercialization have geared the economy towards capitalism as the major activity lies in the hands of the few individuals.

This implied that privatization and commercialization has geared the economy towards capitalism as the major activity lies in the hands of the few individuals.

To ascertain if privatization and commercialization will engender better resource allocation for government amenities:

TABLE 4.13 Privatization and commercialization enabled the government to manage resources more efficiently (minimum cost) and more efficiently.

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	9	8	11	8	36	14.8
D	20	22	8	15	65	26.6
A	10	19	29	20	78	32.0
SA	15	8	22	20	65	26.6
Total	54	57	70	63	244	100

Source: Field Survey, 2022

Table 4.13 shows the various responses from the various respondents; 36 respondents representing 14.8 % strongly disagreed, 65 respondents representing 26.6% disagreed, 78 respondents representing 32.0% agreed and 65 respondents representing 26.6% strongly agreed that privatization and commercialization enabled the government to manage resources more efficiently (minimum cost) and more efficiently. This implied that privatization and commercialization enabled the government to manage resources more efficiently (minimum cost) and more efficiently.

TABLE 4.14: Privatization and commercialization enable the government to realize over 500 % capital.

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	5	3	12	10	30	12.3
D	20	20	28	25	93	38.1
A	20	20	22	21	83	34.0
SA	13	13	8	4	38	15.6
Total	58	56	70	60	244	100

Source: Field Survey, 2022

Table 4.14 shows the various responses from the various respondents; 30 respondents representing 12.3 % strongly disagreed, 93 respondents representing 38.1% disagreed, 83 respondents representing 34.0% agreed and 38 respondents representing 15.6% strongly agreed that privatization and commercialization enable the government to realize over 500% capital. This implied that privatization and commercialization has not enabled the government to realize over 500% capital.

TABLE 4.15: Privatization and commercialization improved the volume of cooperated tax accruing to the nation's treasury

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	13	9	8	4	34	13.9
D	12	10	14	23	59	24.2
A	22	21	23	22	88	36.1
SA	12	9	20	22	63	25.8
Total	59	49	65	71	244	100

Source: Field Survey, 2022

Table 4.15 shows the various responses from the various respondents; 34 respondents representing 13.9 % strongly disagreed, 59 respondents representing 24.2% disagreed, 88 respondents representing 36.1% agreed and 63 respondents representing 25.8% strongly agreed that privatization and commercialization improved the volume of cooperated tax accruing to the nation's treasury. . This implied that privatization and commercialization has improved the volume of cooperated tax accruing to the nation's treasury.

TABLE 4.16: Privatization and commercialization reduced the burden of government financing the investment needs and operating deficits of privatized public enterprises.

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	7	4	7	8	26	10.7
D	28	20	23	20	91	37.3
A	18	20	19	19	76	31.1
SA	9	18	10	14	51	20.9
Total	62	62	59	61	244	100

Source: Field Survey, 2022

Table 4.16 shows the various responses from the various respondents; 26 respondents representing 10.7 % strongly disagreed, 91 respondents representing 37.3% disagreed, 76 respondents representing 31.1% agreed and 51 respondents representing 20.9% strongly agreed that privatization and commercialization reduced the burden of government financing the investment needs and operating deficits of privatized public enterprises. This implied that privatization and commercialization has not reduced the burden of government financing the investment needs and operating deficits of privatized public enterprises.

TABLE 4.17: Privatization and commercialization hinder equitable distribution of amenities by the government.

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	6	4	6	7	23	9.4
D	21	22	22	21	86	35.2
A	8	16	25	40	89	36.5
SA	8	7	16	15	46	18.9
Total	43	49	69	83	244	100

Source: Field Survey, 2022

Table 4.17 shows the various responses from the various respondents; 23 respondents representing 9.4 % strongly disagreed, 86 respondents representing 35.2% disagreed, 89 respondents representing 36.5% agreed and 46 respondents representing 18.9% strongly agreed that privatization and commercialization hinder equitable distribution of amenities by the government. This implied that privatization and commercialization hinder equitable distribution of amenities by the government. Based on the response of most of the respondents, precisely 89 of them representing 36.5% of the total respondents agreed that privatization and commercialization hinder equitable distribution of amenities by the government.

To determine the profitability ratio of selected privatized public enterprises before and after the privatization and commercialization

TABLE 4.18: Profitability ratio of public enterprise before and after privatization and Commercialization decreased by a reasonable percentage due

to lack of commitment on the side of the personnel

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	10	4	10	6	30	12.3
D	17	25	15	30	87	35.7
A	18	14	22	27	81	33.2
SA	14	10	13	9	46	18.9
Total	59	53	60	72	244	100

Source: Field Survey, 2022

Table 4.18 shows the various responses from the various respondents; 30 respondents representing 12.3 % strongly disagreed, 87 respondents representing 35.7% disagreed, 81 respondents representing 33.2% agreed and 46 respondents representing 18.9% strongly agreed that Profitability ratio of public enterprise before and after privatization and Commercialization decreased by a reasonable percentage due to lack of commitment on the side of the personnel. This implied that privatization and commercialization has not decreased by a reasonable percentage due to lack of commitment on the side of the personnel.

TABLE 4.19: Profitability ratio of public enterprise before and after privatization and Commercialization lack professionalism of the government treasury, subventions and funding

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	11	9	7	12	39	16
D	17	20	25	20	82	33.6
A	18	10	22	20	70	28.7
SA	14	12	12	15	53	21.7
Total	60	51	66	67	244	100

Source: Field Survey, 2022

Table 4.19 shows the various responses from the various respondents; 39 respondents representing 16 % strongly disagreed, 82 respondents representing 33.6% disagreed, 70 respondents representing 28.7% agreed and 53 respondents representing 21.7% strongly agreed that Profitability ratio of public enterprise before and after privatization and Commercialization lack professionalism of the government treasury, subventions and funding. This implied that privatization and commercialization has not lack professionalism of the government treasury, subventions and funding.

TABLE 4.20: Profitability ratio of public enterprise before and after privatization and commercialization is overdependence on the government treasury, subventions and funding

Responses	Administration	Marketing	Finance and Accounting	Audit	Total	%
SD	5	4	3	5	17	7.0
D	22	20	25	22	89	36.5
A	20	24	20	25	89	36.5
SA	9	13	15	12	49	20.0
Total	56	61	63	64	244	100

Source: Field Survey, 2022

Table 4.20 shows the various responses from the various respondents; 17 respondents representing 7.0 % strongly disagreed, 89 respondents representing 36.5% disagreed, 89 respondents representing 36.5% agreed and 49 respondents representing 20% strongly agreed that Profitability ratio of public enterprise before and after privatization and Commercialization is overdependence on the government treasury, subventions and funding. This implied that profitability ratio of public enterprise before and after privatization and commercialization is neither overdependence nor under dependence on the government treasury, subventions and funding.

4.3 TESTING OF HYPOTHESES

H0: Privatization and commercialization has not contributed positively to the nation's yearly Gross Domestic Product (GDP).

H1: Privatization and commercialization has a positive contribution to the country's yearly Gross Domestic Product (GDP).

Issues from table 4.28 above deal with hypotheses 1 - thereby leading to the construction of table 4.2.6

Responses	Observed value (oi)	Expected value (ei)
SD	30	61
D	77	61
A	78	61
SA	59	61
TOTAL	244	

Thus

Category	Oi	ei	(oi-ei)	(oi-ei) ²	$\left(\frac{oi-ei^2}{ei} \right)$
SD	30	61	-31	961	15.8
D	77	61	16	256	4.2
A	78	61	17	289	4.7
SA	59	61	-2	4	0.1
TOTAL	244	244			24.8

Therefore ----- = 24.8

Degree of freedom = (RT-1) (CT-1) (4-1) x (2-1)

Because RT means Row total and CT means column total. At 5% level of significant, the (RT-1) x (CT-1) = 3X1 =3. Therefore, $\chi^2_c = 24.8 = 7.82$. (going by chi-square table).

Since the calculated is greater than the tabulated, whereby 24.8 is greater than 7.82, then we will reject H₀ which states : privatization and commercialization has not contributed positively to the nation's yearly Gross Domestic Product (GDP), and consequently accept H₁ which states: privatization and commercialization has positively contributed to the country's yearly Gross Domestic Product (GDP).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter discusses the findings of the study, draws conclusions and made recommendations. Also contained in this chapter is the suggestion for further research.

5.1 SUMMARY

The findings of this study indicated the need for the review of the policies on commercialization of public enterprises on the Nigerian economy. Despite the dwindling impact of the privatization and commercialization in the nation's economy, there is still a reasonable impact agreed to have been made, which call for the need to strengthen the system as to achieve optimum result.

5.2 CONCLUSIONS

The following conclusions were drawn from the findings of this study;

1. Privatization and commercialization have not really performed up to its expectation, hence the need for review and strengthening of the system.
2. Kwara State Transport Corporation (KSTC) needs a holistic commercialization approach so as to serve their teeming customers satisfactorily and thereby effect a reasonable contribution to the nations' GDP.
3. Effective and efficient commercialization policies should be put in place by the government to enable the enterprises survive market competition.

Therefore, one can conclude that commercialization of public enterprise have not really met with the expected result. Notwithstanding, a reasonable impact has been made, hence the need for the strengthening of the system for more effective result.

5.3 RECOMMENDATIONS

The findings of this study have formed the basis for the following recommendations;

1. Commercialized public enterprises should be guided or protected with effective and efficient policies.
2. There should be a periodic review of the performances of commercialized public enterprises to ascertain if they are really contributing to the nation's GDP.
3. Managements of privatized public enterprises should be taught on the need for commitment towards their duties, so as to bring impressive output.

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