

COMPARATIVE ANALYSIS OF PRIVATIZATION AND
COMMERCIALIZATION ON GOVERNMENT ENTERPRISES
IN JIGAWA STATE, AS A CASE STUDY OF /KUDU
MALIK COMPANY AND GUMEL FLOWER COMPANY
OF JIGAWA STATE

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AD[PAD]19/027A

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FLOWER COMPANY OF JIGAWA STATE

BY

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AD/PAD/19/027A

BEEN A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF
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APRVOVAL PAGE

This project has been approved by the Department of Public Administration, College of Business and Management Studies, Dutse, Jigawa state polytechnic, for the award of Advance Diploma in Public Administration.

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DECLARATION

I have declare that besides the references and citation made in this research work, the ideas contained are solely the product of my research efforts under the supervision of Mal. Junaidu Mohammed. All sources are duly acknowledged and to the best of my knowledge, all information here is original.

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CERTIFICATION

I ABBAS YUSUF AD/PAD/19/027A hereby Attest/certify that besides the references made in this research work, the ideas contained in this project are solely mine and that the work is not copied.

DEDICATION

The project is dedicated to the Almighty Allah, who accorded me the wisdom, knowledge and privilege to embark on this academic journey successfully. I also dedicate this project works to my entire family members, my lecturers and my colleagues.

ACKNOWLEDGEMENTS.

I am very grateful to Almighty Allah for his unceasing guidance and protections and also for his enabling grace and inspirations to make this work a successful one. The prophet of Islam Muhammad may the peace and benediction of Allah be with him.

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CHAPTER ONE

1.0 INTRODUCTION

- The justification for the proliferation of public enterprises in Nigeria over the years can be found in the second national Development plan 1970-1974 which stated among other things that "Government interaction in economic matters was designed to stimulate and accelerate national economic development under conditions of capital scarcity and structural defects in private business and promote public interest by occupying the commanding heights of the economy for a purposely national development.

1.1 BACKGROUND OF THE STUDY

Nigeria's precarious position which resulted from the economic crisis of the 1980s coupled with the poor quality of services inefficient and inappropriate financial reforms of the public enterprises, the focus of government concern began to be directed at them. Added to this is the phenomenal growth in numbers as well as economic significance of these enterprises. As of 1986, there were about 70 noncommercial and 110 commercial public enterprises at the federal level alongside many others at the state and local government levels engaged in mining, energy, transports, agriculture, manufacturing, commerce, social services and utilities. Between 1979 and 1985, the total capital investment by the federal government in these enterprises had reached about N23 billion with about N8 billion in quantity and N5 billion in loans. But the return on this investment in the form of income realized was less than 10% (Falae 1986).

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to N800 billion in public-owned enterprises. Annual return on this huge losses are charged against the public treasury with declining revenue and escalating demand for effective and affordable social services, the general public has stepped it yearning for state-owned enterprises to become more efficient. The critical issue is the ability to carry out a privatization programme that is well designed. Properly coordinated and sequenced, credible and widely acceptable. This is where the national council on privatization has a private role to play. As the apex body of privatization and commercialization the council is charged among things with the following

1. Approve guidelines and criteria for valuation of public enterprises for privatization and choice strategic investors.
2. Approve the appointment of privatization advisers and consultants
3. Approve policies on privatization and commercialization
4. Approve public enterprises to be privatized or commercialized.
5. Approve the prices of shares or assets of the public enterprises to be offered for sale.

The Bureau of public Enterprises (BPE) is the secretariat of the National Council on Privatization (NCP) and is charged with the overall responsibility of implementing the policies and decisions of the council. The functions of the Bureau as provided in the act include:

1. Implementing the council's policy on privatization and commercialization
2. Preparing public enterprises approved by the council for privatization or commercialization.

3. Advising council on further enterprises that may be privatized or commercialized.
4. Advising council on capital restricting needs of the public enterprises to be privatized
5. Ensuring the update of accounts of all commercialized enterprises for financial discipline.
6. Providing secretarial support of the council
7. Ensuring the successes of the privatization and commercialization exercise through effective post transactional performance monitoring and evolution.
8. Making recommendations to the council on the appointment of consultants, advisers, investment bankers, issuing houses, stock solicitors, trustees, accountants and other professionals required for the purpose of either privatization or commercialization.
9. Lastly, carrying out such other duties and responsibilities as may be assigned to it from time to time by the council and its respective committees.

1.2 STATEMENT OF THE PROBLEMS.

Many developing countries like Nigeria suffer from the problems of defective capital structure, excessive bureaucratic control, inappropriate technology, blatant corruption and crippling complacency which monopoly engenders all these problems are associated with state owned enterprises are performing below expectation in terms of their returns on investment and quality of services. Hence the reasons above calls for privatization and commercialization of state owned enterprises. Even though it is a fact that the resources available to the private sector

are not adequate for the provision of certain goods and services, privatization is an economic reform which will help cut public sector inefficiency and waste; provide greater scope to the private sector, attract more investment, bring in new technologies, and hence revive economic growth. The privatization exercise in Nigeria commenced on a large scale since 1988. So far, more than 100 numbers of public companies have being privatized. Therefore, it is necessary to study present conditions of such companies in order to assess whether or not the privatization exercise has helped in improving the economic viability and efficiency of the company.

Specifically, the study will base on Jigawa investment Limited

1.3 AIMS AND OBJECTIVES

The main aims and objectives of this research are:

- (i) To restructure and rationalize the public sector in order to lessen the dominance of unproductive investments in that sector;
- (ii) To encourage share ownership by Nigerians in productive investment hitherto owned wholly or partially by the Government, and in the process to broaden the Nigeria Capital Market;
- (iii) To re-orientate the enterprises for privatization and commercialization towards a new horizon of performance improvement, viability and overall efficiency;
- (iv) To ensure positive returns on public sector investments in commercialized enterprises;

- (v) To check the present absolute dependence of commercially oriented parastatals on the Treasury for funding and to encourage their approach to the Nigerian Capital Market;
- (vi) To initiate the process of gradual cession to the private sector of such public enterprises that by the nature of their operations and other socio-economic factors are best performed by the private sector;
- (vii) To create a favorable investment climate for both local and foreign investors; (viii) To provide institutional arrangements and Operational guidelines that will ensure that the gains of privatization and commercialization are sustained in the future Distinction between Privatization and Commercialization

1.4 HYPOTHESIS

A critical component of the commercialization programme, the performance contract is designed to govern the relationship between the government and the commercialized enterprise.

Under it, the Board and management of the enterprises will guarantee the attainment of certain levels of financial and operational performance in return for enhanced operational autonomy.

The system is intended to help in giving a positive orientation and ensure that affected enterprises can efficiently fulfill their role in the national economy; identify a number of performance and efficiency indices which the affected

enterprises should, as a minimum, achieve annually; provide an independent monitoring process through the TCPC (or its successor) whereby the actual performance by both parties of their obligations under the agreement can be effectively monitored and evaluated.

1.5 SIGNIFICANCE OF THE STUDY

(i) To examine the economic implication of privatization on Jigawa owned parastatals, today, we are witness to sweeping changes that are taking place in the economies of both developed and developing countries. These changes relate to efforts to move away from government ownership, control or participation in the economy towards free enterprise and increased operation of market forces. On the whole, the changes are making for a reduction in the role of government in the economy, with a corresponding expansion in private sector ownership, control and participation. We are thus observers of the evolution of a New World Economic Order which is characterized by the liberalization or deregulation of economic activities, with the aim of achieving efficiency and effectiveness in resource allocation and utilization

(ii) To analyze both the militating and or facilitating factors for the smooth functioning of privatization exercise. The legal framework for the Nigerian programme is the Privatization and Commercialization Decree No. 25 of 1988, and the implementation agency is the Technical Committee on Privatization and Commercialization an eleven-member body drawn from both the public and private sectors

Findings from the study will expose problems in the practice and aid-policy formulation in respect of privatization and economic crisis in Nigerian state-owned enterprises.

Finally, the study will be a stepping stone to full the research and in depth analysis on the effects of privatization in the Nigerian economy in general.

1.6 SCOPE AND LIMITATION

The main scope of the studies in this research work is to know the effect of privatization and commercialization programme in Jigawa State Company, i.e. B/kudu Milk Company and Gumel Flower Company been to provide enhanced Operational autonomy at enterprise level which evolve a more results-oriented and accountable management, based on performance contracts; strengthen financial/accounting controls at the enterprise level upgrade the management information system of the affected enterprises; ensure financial solvency of the public enterprises through effective cost recovery, cost control and prudent financial management remove bureaucratic bottlenecks and political interference through clear role definitions between the supervising ministry, the board of directors and the management of public enterprises.

The research is limited on privatization and Commercialization of government owned public enterprises. Due to financial constraint, lack of sufficient time-materials for research, mobility to places in search of information to mention but a few was limited to B/kudu Milk Company and Gumel Flower Company. The need for creating public awareness of the privatization programme was recognized very early in the day. Such awareness is necessary not only to dispel certain misconceptions and fears about the programme but also to explain, in as simple way as possible, the technicalities of investment via the stock exchange, to a populace, the largest majority of whom are unfamiliar with such technicalities; and maintain the immense public interest generated by this intensely political as well as economic programme, by explaining the details to people in all corners of the

country. We identify the radio as the most effective medium of reaching the masses, although use was made of newspapers, television, seminars, conferences, workshops, etc.

1.7 BRIEF HISTORY OF THE AREA OF STUDY

B/kudu Milk Company and Gumel flower Company was established in 1995 by The Military Administrator of Col Ibrahim Aliyu, B/Kudu Milk Company is sited at B/kudu being area of available cattle and also Flower Company was sited at Gumel, the purpose is to overcome the problems of unemployment among youth and for the state to owned company for the benefit of indigenes, and improve the economy of Jigawa State.

1.8 DEFINITION OF TERMS

For the purpose of the impact of privatization and commercialization on the government enterprises, the following definitions would be applied:

i. **Privatization:** this means the relinquishment of part and all of the equity and other interest held by government or its agency enterprises weather wholly or partly owned to be privatized.

Privatization: This is a process of transferring ownership and control of government-owned enterprise to privates. It may be full or partial.

ii. **Commercialization:** This is the way by which some of the government parastatals and companies change some amount of money to cover

iii. expenses. Commercialization can be defined as the re-organization of enterprises wholly or partially owned by the government whereby such enterprises shall operate as profit making commercial ventures.

iv. **Governments** are typically designed to protect, preserve and improve the quality of life of communities. This is very different from the profit

motive that drives the private sector. Nevertheless, it is common to commercialize certain government operations with techniques such as outsourcing.

- v. **Enterprises:** This refers to any corporation or company established by or under any enactment which the federal government agencies has ownership or equity interest and shall include any form of business arrangement.

1.9 PLAN OF THE STUDY

This project is carried out to investigate on the 'comparative analysis of privatization and commercialization on government enterprises in Jigawa State'.

The project contain five chapters, chapter one deals with general introduction, background of the study, statement of the research problem, aims and objectives of the study, research hypothesis, significance of the study, scope and limitation of the study, definition of key terms and plan of the study.

Chapter two consists of literature review/ theoretical frame work of the project, conceptual framework, and other things.

Chapter three contains research methodology, introduction of the chapter, research design, Population of the study, sample size, instrument of data collection, sampling techniques and procedure, method of data analysis and collection.

Chapter four consists of data presentation and analysis, introduction of the chapter, data presentation, Demographic Data of the Respondent.

Finally, chapter five of this project comprises the Summary, conclusion, and recommendations, Bibliography and Questionnaire design.

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CHAPTER TWO

2.0 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 INTRODUCTION

This Chapter concern on the literature of private enterprises there are to be found various definitions of the subject viewed, the Longman dictionary of contemporary English defines Enterprises as the courage that is needed to do something during or difficult

2.2 CONCEPTUAL FRAMEWORK

Over the years privatization has gained standing globally. There is virtually no country in the world whether industrial or developing is not pursuing one form of economic reform, one of the major reforms being pursued by many countries is privatization.

Privatization includes the sale or transfer of government assets and operations private entities. It has been driven by increasing an essential element of the globalization process, privatization aims to widen market access for vested business interest in economics of underdeveloped countries where the states plays a significant role in the industry.

In the literature of private enterprises there are to be found various definitions of the subject viewed, the Longman Dictionary of contemporary English defines "Enterprises as the courage that is needed to do something during or difficult". The setting up of all enterprises public or private require during into adventure that is difficult since it involves risk and energy.

Privatization can be defined as the relinquishment off part or all the equality and other interest held by the government or its agency in enterprises, whether wholly or partly owned by the government. Privatizing the Government parastatals implies that the government diverts itself of ownership, management and control through sells or parastatals to private entrepreneurs. Thus, where there is privatization government may decide to be a minority shareholder.

2.3 PRIVATIZATION AND COMMERCIALIZATION PROGRAMME IN NIGERIA

- Privatization and commercialization have identical economic goals of efficiency and profit maximization. However, the two strategies differ on technical grounds in their conceptualization. Kayode (2007) defined privatization as “A move by the Public sector towards the pursuit of the efficiency and effectiveness in attainment of objectives with dominance of financial considerations through the adoption of management style that reward good and penalize poor performance”.

It is clearly here that this type of orientation is a reflection of the typical private enterprises. Commercialization on the other hand, equally aims at efficiency and effectiveness but through: “the move by the public sector towards the adoption of the private enterprises style of management, this is financial dominance” Kayode (2007)

It implies therefore, that while privatization of public enterprises in Nigeria refers to the transference of government equity shares in their enterprises to private owners, commercialization on the other hand, entails retaining these shares but realigning the gravitation of such enterprises towards financial dominance like private enterprises. Given their implied operations, while privatization implies

commercialization, the reverse is not necessary true in View of ownership and structural differentials.

In the last two decades of the twentieth century, privatization has become a more or less accepted tool in economic policy and a concept economic development. Its ascendancy was a result of the globalization of the world economy and the liberalization of the economies of most countries. Globalization was made possible by the information technology revolution, which has enable world trade, finance and investment to transcended national political boundaries and thrive as well as prosper in competitively conductive environments. Therefore, to survive the fierce competition unleashed internationally by the factor of globalization certain countries have decided to liberalize deregulates and open their economies to the forces of market internationalism.

One aspect if the response to, and consequence of liberalization has been the privatization of public enterprises engaged in their production of goods, commercial activities or delivery of services.

2.4 OBJECTIVES OF PRIVATIZATION PROGRAMME IN NIGERIA

The primary goal of the privatization and commercialization programme is to make the private sector the leading engine of growth of the Nigerian economy.

The government intends to use privatization programme to reintegrate Nigeria back into the global economy, as a platform to attract foreign direct investment in an open fair and transparent manner.

The objectives of the privatization and commercialization programme manner.

- i. To change the orientation of all public enterprises engaged in economic activities towards new horizon of performance improvement, viability and overall efficiency
- ii. To initiate the process of gradual cession to the private section of public enterprises which are better operated by the private sector.
- iii. To send a clear message to the local and international community that a new transparent Nigeria is now open for business.
- iv. To create jobs, acquire new knowledge skills and technology and expose Nigeria to international competition.
- v. To restructure and rationalize the public sector in order to substantially reduce the dominance of unproductive government investment in the sector.

2.5 PRIVATIZATION AND ECONOMIC DEVELOPMENT OF NIGERIA

By the time actual implementation of the privatization programme began, some modifications have been made which reduced the number of enterprises from 111 to 95. In this direction, five enterprises including three banks and two fertilizer companies were moved from the partial privatization list to full commercialization category. In addition, for a variety of reasons, 11 enterprises were withdraw from the privatization list.

Available information shows that by early 1995, out of the enterprises slated by government for full or partial privatization, the technical committee on privatization and commercialization (TCPC) had privatized 88. These accounted for less than 30 percent of the original equity in the targeted 111 enterprises. The privatization process raised 3.5 billion for government from the sale of investment.

Nevertheless, the burden on the government budget from the remaining enterprises in terms of foregone revenues and direct injection of funds remain considerable. The privatization programme or exercise also increased the number of companies listed the Nigerian capital market as well as the stock market capitalization. (NCEMA Vol, No. 1 1995).

Many achievements are recorded in the first privatization programme in the country, the major achievements are:

- i. The enhancement of the efficiency of the private enterprises means considerable improvement in corporate tax to the government. Thus, the subsidy soaking deficits being replaced by tax yielding profits.
- ii. There is wide participation of small investors in the shares of the enterprises being privatized
- iii. Reductions in the size of State-owned enterprises that no longer get subsidies are great relief to the public treasury. For instance, in 1998 US\$3 billion was saved as reduction on burden of the public treasury on transfer to state owned enterprises. The privatization programme has created about 1.5 billion shares for Nigerians from all works of life.
- iv. The realization of over N3.7 billion as proceeds from privatization of 73 enterprises by TCPC whose original investment according to the records was N652 Million. This means that the government has realized nearly 500% as capital gains.
- v. Creation of 800,000 new shareholders, almost twice as many as there were in 1988 when the privatization programme started.

Privatization has assisted in reducing the level of internal and external debt via the use of debt conversion programme of the privatization of certain enterprise.

Privatization has created favorable investment climate for both local and foreign investors (A World Bank Policy Report 1995). Successful privatization can bring many benefits, including reduced state sector defeats, increased investment in the privatized enterprises and for consumers' better quality goods and services.

In addition, governments sometimes reap substantial one time revenue from privatization proceeds.

2.6 PUBLIC ENTERPRISES VS PRIVATE ENTERPRISES

In all economics it is accepted that some goods and services will be provided by the state and these are accordingly referred to as "Public goods and Services" the features of these items that have to be provided by the state are:

- i. Indivisible benefits, and
- ii. The principle of exclusion

Public enterprises can be referred to an organization established when the government ventures outside traditional areas into another dominated by the private sector in free market economy. Public enterprises are therefore, manifestations of the 'enterprise' of governments. Among the notable definitions of public enterprises is the statistical one given by Fernandez and Sichei (2009) which is based on the percentage shareholding of the government in enterprise. They further contend that a public enterprise is composed of two dimensions namely:

The element of public dimension includes public ownership public control, public management and accountability.

Public enterprises can therefore be defined as "Government owned organizations or institutions outside the formal civil service machinery" Bgeja (2012). In the words of Umar (2001). Public enterprises are public institutions of services financed wholly or in part from the state treasury and by the fixed price charged or the good or service.

The main features of public enterprises include the following:

- i) They are free from the civil service regulations and from the danger of bureaucracy; they also have responsibility for this own internal organization and administration.
- ii) Public enterprises are usually under the top managerial control of the owning public authorities which among other things have the right to appoint top management and formulate critical policy decisions.
- iii) The output of public enterprises is usually marketed in the shape of goods and services.
- iv) The establishment of public enterprises is meant for the achievement of a defined set of public purposes which may be multidimensional in character. As a result, they are placed under a system of public accountability.
- v) As separate legal entities, public enterprises can sue and be sued and can enter into contracts and acquire property in their own names. They are expected to be financially autonomous and self-supporting

vi) A good number of public enterprises are engaged in activities of a business character, these involve the basic idea of investment and returns.

While private enterprises on the other hand as more of economic theory pictures it as a sole objective to minimize net profits by satisfying consumers demand in competition with other private firms.

The head of state, commander in chief of the Armed Forces of the Federal Republic of Nigeria, his Excellency General Abdulsalam Abubakar announced in his national broadcast on July 20, 1998 that government will privatize its investment in telecommunication, electricity, petroleum refineries, petrochemicals, coal and bitumen privatization, under the programme, government would retain 40% of the equities of the affected enterprises while 40% will be alienated to strategic investors with the right technical, financial and management capabilities. The remaining 20% will be sold to the Nigerian public through the stock exchange. Obasanjo (1999) in his presidential order to the vice president of the Federal Republic of Nigeria dated 6th July, 1999, directed that as the first step in the phased implementation of the administration's privatization programme, action was to be initiated to enable the sale of shares listed on the Lagos stock-exchange and owned by the federal government and its agencies in.

- Commercial and merchant Banks
- Cement plants
- Petroleum marketing companies

The sales are to be completed by December 1999 and core sales investors are to be encouraged to buy into any of the privatized enterprises which will be paid in foreign currencies.

The second phase will consist of hotels and vehicles assembly plants, among others the third phase will involve work on the companies being privatized which include NEPA, NITEL, NAFCON, NIGERIA AIRWAYS, and also REFINERIES which is currently being prepared for privatization (Privatization hand book 2001).

Nigeria now is on the third phase of privatization programme of NEPA, NITEL etc. The process of production today is characterized by division of labour inside the firms, separating the capitalist entrepreneur in turn has been divided among owners and managers.

Thus, in a modern economy we have three groups of private enterprise; small business, big business and public utilities, corresponding to poly politics and oligopolistic competition as well as monopoly.

Small business, that is classical private enterprise whether pursuing profit maximization or target rates of return by and large is effectively checked by competitors, carters and collusions are relatively difficult to organize they are met with antitrust and ant cartel policy of government.

- Private firms are those for which there was no change in ownership, they produce goods and services intended for intermediate and final consumption as well as for export and investment.

The increasing number of success stories of privatized firms has continued to justify the exercise which began in Nigeria in 2005. The Aluminum Smelter Company of Nigeria (ALSCON) in Akwa Ibom state was dead or almost dead. ALSCON produced its first metal in 1997, but was never fully completed before it suspended production in 1999. In February 2007, a company, RUSAL closed a deal to acquire a majority stake in the ALSCON, breathing life into it again. According to the

terms of the deal, RUSAL purchased a 77.5 percent block of shares in ALSCON, a 193,000 tones Smelter (reduction, anode-producing and cast house areas), a port on the Ian River and a Power-generating station.

The resuscitation exercise appears to have worked. Some two works ago, ALSCON commenced large scale production of aluminum products.

Other success stories of privatization include Eleme Petrochemicals Company Limited (EPCL), established in 1988, Eleme was a 100 percent subsidiary of the Nigerian National Petroleum Corporation (NNPC). The Indorama Group was declared cute investor after its privatization in 2005. With that it was resuscitated and it is now working well.

EPCL is strategically positioned to feed the growing demand of plastics in Africa. The total production is over 550 KTA of world class olefins and ploy olefin's. Eleme petrochemicals are to be one of the leading suppliers of polyolefin on the African Continent.

These examples are self-evident advantages of privatization. However, in reiterating the case of privatization, we are not unmindful of sour points like the privatization of the Ajaokuta Steel Company and Nigerian Telecommunication Company (NITEL).

But rather than condemn privatization over these examples, we believe they raise the issues of transparency, due diligence and the enforcement of post-acquisition plans, which are part of the privatization agreement.

As part of the Babangida administrations Structural Adjustment Programme (SAP), Privatization and Commercialization became necessary on account of governments wasteful operation of its enterprises. Privatization enhances efficiency from profit

consciousness, the absence of government interference through political rather than economic decisions, and pressure from shareholders.

2.7 REASONS FOR PRIVATIZATION IN NIGERIA

Various reasons have been put forward to explain changes in attitudes towards privatization in recent years. It has been suggested that ideology, and changes therefore has played an important role particularly in France and the United Kingdom. Also, budgetary considerations have often been cited as reasons for privatization. In developing countries which Nigeria is included also privatization by and large cuts across the political spectrum including for example Egypt and Tanzania.

As to budgetary considerations in 1974-1977 period, for which data are available, public enterprises in developing countries had an overall deficit of averaging 5.4 percent of their Gross Domestic Product (GDP). This result reflects the fact that the small current account surpluses of these enterprises, averaging 0.6 percent of GDP before depreciation and government transfers, financed only a fraction of their investments that accounted for the deficit on the capital account of public enterprises equal to 6.0 percent of the developing countries GDP on the average. In fact, the current account surplus of public enterprises in the developing countries did not even cover depreciation averaging 1.1 percent of their GDP. It has also been reported that public enterprises contracted one-third of developing country borrowing on capital market in 1976-1978.

Furthermore, public enterprise account for a large proportion of domestic bank credit. It has been noted that the average share of public enterprise credit in total domestic credit rise by 40 percent points between the early 2000 and the end of the 2002 to a level of almost 45 percent. During the 2005 public enterprises in

developing countries simultaneously increased their foreign and domestic borrowing. These results reflect the rising financial requirements of these enterprises, associated with their growing deficits with the drying up of foreign loans following the debt crisis of 2014, these deficits have come to be financed increasingly from domestic sources, thereby raising the specter of crowding out for the private sector.

A variety of factors accounts for the apparent poor performance of public enterprises in the manufacturing sector of the developing countries and the Nigerian economy in particular, some of which have been referred to already in regard to particular cases. A comparative study lists:

- i) State intervention in the day to day operation of the firm.
- ii) Lack of skilled managers and administrators
- iii) Inadequate planning and poor feasibility studies resulting in ill-conceived investments.
- iv) Unclear multiple objectives
- v) Centralized decision making
- vi) Political patronage

One may add over manning slowness in decision making and the lack of the threat of bankruptcy. All these factors are related to two basic conditions: the absence of clear-cut objectives for managers and state intervention in firm decision making.

The lack of managerial independence further leads to slowness in decision making and to conflicts in sequential decisions. The dependence of managers on the

government in power will induce them to pursue short-term objectives at the expense of long-term targets. In most African countries, Nigeria in particular there was the added problem of capital scarcity which became compounded by the structural defeats in private business organization prior to independence (1960). This situation expedited the pace of the establishment of Public Enterprises (PEs) as a major policy instrument for stimulating public investment for rapid economic development. Besides, the wind fall gains from the commodity price explosion in the 1970s crude oil in Nigeria, Bauxite in Guinea, Copper in Zaire and Zambia, Coffee in Ethiopia etc, constituted additional reinforcement to the pace and scope of the establishment of public enterprises in these countries.

Spurred by the availability of resources from the commodity boom of the 1970s, these countries particularly Nigeria, challenged the slow pace of development of the private sector with the massive intervention in economic activities via the enlargement of existing PBS and the establishment of new ones with monopolistic powers to managed the investments in social, physical and economic infrastructure. By the 1999 PBS in African countries had reached about 3000, expanding beyond the orthodox domain of social services and utilities to agriculture, manufacturing, commerce, banking etc.

Following the oil boom in Nigeria the public enterprises sector expended rapidly in the 2001 and early 2003. As at 1993 the estimated number of PBS was 1,500 out of which 600 was under the Federal government PEs include National Electric Power Authority (NEPA) now (PHCN/KEDCO), Nigerian Telecommunication Plc (NITEL) Nigerian Postal Services (NIPOS), water corporations (WC), Nigerian Railway Corporation (NRC) Nigerian National Petroleum Corporation (NNPC) and Nigerian Airways (NA), now Federal Airports Authority of Nigeria (FAAN).

The other PEs are active in a wide range of sectors including agro processing, textiles, steel, cement, services (Financial and Non-Financial) communications, mining and petroleum (World Bank 1996).

Public enterprises in Nigeria sustained and maintained in the 1975 with revenues from the oil boom and proceeds to increased external and domestic borrowing, contrary for Public expectations and the performances in terms of financial losses, poor customer services and inability to physically meet demand requirements created a "crisis of confidence" which worsened with Nigeria's economic crisis of the 1985. This crisis resulted in dwindling domestic and foreign exchange revenues which put government in a precarious fiscal position in which it could no longer accommodate the lapses of the PBS. The macroeconomic policy environments, become less and less accommodating in the inefficiencies of PBS. Of course, government's macroeconomics policies also compounded the problems of the PEs such that unstable inflation, interest rates, and exchange rates have made it hard to make plans for future investments.

Against the background of the impacts of the unfavorable global economic conditions of the 1983, the predominance of conservative economic policy thinking and the need to redress the lapses in the economy, the inefficiencies in PBS provided strong arguments for the ascendancy of an economic orthodoxy based on market forces as they relate to privatization and commercialization. However, the financial and economic performance of most PEs has been dismal, due to a number of factors among which are poor initial investment choices, mismanagement, low operating and maintenance budgets, and lack of managerial autonomy for example, ministries regularly inter-ceded in decision related to procurement, pricing and the pricing of goods and services. The interference in

procurement was biased towards new investments at the expense of regular maintenance. The ramifications were very serious, petrol shortages occurred due to refinery breakdowns, power generation and distributions by PHCN/KEDCO were very much below capacity while the non-cellular telephone system are barely functioning (World Bank 1996). The major loss makers include the Federal Airports Authority of Nigeria (FAAN), Nigerian Railways Corporation WRC and the steel companies.

Most of the PEs incurred net losses which made them a heavy budgetary burden on government treasury in a number of ways especially through:

- i) Their diversion of borrowed foreign capital away from investment to cover operating losses.
- ii) Non-payment of taxes, a problem that was compounded by PEs requirements of subsidies to meet capital and recurrent costs.
- iii) Straining the credit system and their requirement of special access and lower than market interest rates on loans that were never serviced.

Furthermore, the inefficiencies of the PEs culminated in substantial price distributions, significant operational, technical mismanagement and various socioeconomic imbalances in the economy.

The applicable propositions for solving PEs problems may be those derived largely from theories that explain the inefficiencies mainly associated with the consequences of the exercise of public ownership and property rights (the principal agent relation paradigm). And so, the critical issue is how to make the interest of the owner (government), the public enterprises managers and workers to be sufficiency congruent in order to eliminate the X-inefficiency problem (Liebenstein

1998). Incidentally, the structural adjustment programme (SAP) provided the answer through the privatization and commercialization of Public Enterprises in Nigeria.

The current condition of the power sector, for example PHCN/KEDCO has less than 4 million customers and supplies electricity to less than 50 percent of the population. The unreliable and erratic power supply costs the country over \$1 billion per annum. The industry is under-funded, under-maintained and mismanaged leading to a serious supply and demand imbalance. Rehabilitation was carried out based on the generation board by the president. As a result of this a lot of transformers, Switch gears and distribution assets were upgraded. Despite this, power supply continues to be erratic people, especially industries, largely generate their own Power or go with. There is just over 3,000mw available now, rehabilitation are great cost. Transmission capacity is still inadequate even if we could generate 4,000mw or more. The distribution systems have received little or no investment in the last 25 years, it is estimated that a minimum of \$400 million to \$500 million per annum will be needed in the first 13 years post unbundling to enable the distribution systems to be fully effective. There are also substantial transmission and distribution losses prevalent in PHCN/KEDCO. Furthermore, PHCN/KEDCO owes it bankers N2.65 billion despite federal governments (FG) N80 billion grant to improve performance.

Looking at the above situation, it is clear that government with all its responsibility cannot fund PHCN/KEDCO development. The purpose of the reform made by the Nigerian government is to provide a stable and sustainable frame work for medium to longer term expansion and improved efficiency and affordability of power supply through competitive private provision, thereby greatly improving the

efficiency and quality of supply as well as greatly reducing the requirement for public investment in the sector. This need for reform brought about the drafting of the National Electric Power Policy (NEPP), which was approved in the year 2001. This provided an avenue for government to ensure policy consistency, regulation and facilitation of private provision of power supply in Nigeria.

2.8 THEORETICAL FRAMEWORK

The theory of market failure deals with the fundamental factors which account for the inability of decentralized private markets to attain economic efficiency. Its primary usefulness lies in the attempt to reduce a variety of conditions to their basic common elements and then so determine if such exposure reveals a simplified pattern of remedies.

Two distinct approaches characterize examination of the sources of market failure. One attempt to reduce all causes of market imperfections to a single essential concept, for example, for Arrow (2010) this concept is 'Transaction Cost'. This is in the sense that since a public owned enterprise doesn't have the means to finance or to transact their business in order to attain economic efficiency is what led to market imperfection. The inability of public sector enterprises to live up to what is expected of them is on the increase, thus leads to market failure. This is what leads to privatization of public enterprises, as privatization policy arises as a result to the failure of public or state-owned enterprises to bring back the return to capital as expected *visa-Vis* its inefficient management. And according to Head (2006-2009) it is "Non-appropriability". Since privatization represents governments faith in market efficiency motivated by the collapse of key industries from bad management and cash shortages. Government alone cannot meet the financing needs and still be in a position to undertake its, other equally pressing and

important assignments like healthcare, provision of education and infrastructure facilities, hence non appropriability by government leads to privatization exercise. (Burkhead and Miner 2003).

Bator (2000) distinguishes ownership, technical and public good externalities which Scitorvsky (2004) separates externalities into Pecuniary and technical, and Meade (2011) contrasts "Unpaid Factors" and Atmosphere" as separate categories of market failure. This observation is done in their effort to explain the different sources of market failure.

The concept of public goods plays a crucial role in the theory of market failure, regardless of whether public goods are a distinct category in a taxonomy of sources of market failure, or an especially clear-cut illustration of single basic attribute in a unified concept, no approach to the evaluation of the functioning of a decentralized economy falls to recognize the difficulties that result from the presence of goods with a substantial degree of "Publicans" or "Collectiveness".

When the focus shift from 'Pure' to 'Impure goods Where complete joint supply and the impossibility of exclusion are not fully in force, the conclusion that collective supply is the only operational solution to the provision of public goods no longer holds. Instead, potential responses to market failure, which stem from problems of particular joint supply and exclusion may also encompass private agreements, the formation of clubs and other private organizations and government tax and subsidization policies. Further it is conceivable that factors relevant to nonmarket solutions such as costs of information and agreement in question. The task of normative yet realistic, economic theory of the public sector is to disentangle issues relevant to determination of the priority of such forms of public

intervention as public enterprises, collective supply, subsidization and taxation in relation to alternative sources of market failure.

Most developing countries, particularly in Africa made fairly extensive use of public enterprises in their efforts to put economic development clearly underway especially in the areas of resource allocation and mobilization. This approach to economic development is in line with the Keynesian orthodoxy and also the thesis of the liberal school (Galbraith 2008, Samuel Son 2009). The efficient allocation of resources is what brought to the issue of this privatization policy towards public enterprises.

However, when examined more deeply from the empirical rather than the theoretical perspective.

It seems that the reliance on public enterprises was predicted more on two related grounds namely that:

- i) The need to eliminate or moderate the consequences of market failure in the economy
- ii) Market failures prevent efficient allocation of resources.

The above two factors gave rise on the issue of privatization and commercialization of public enterprises in order to have efficient allocation of resources and also to eliminate the consequences of market failure.

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CHAPTER THREE:

3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION

The main of this research is to examine the effect of privatization on government enterprises in Jigawa State and to know whether privatization and commercialization have improved the performance of these enterprises. To accomplish the above research the following will be discuss in this chapter, research design, type and sources of data, instrument of data collection and method of data analysis.

3.2 RESEARCH DESIGN

This research design is combination of both qualitative and quantitative, since it involves collecting data from the companies of the case studies through interview and observations while on the other hand data will be collected trough textbooks, magazines, internet and records of the companies.

3.3 POPULATION OF THE STUDY

Population of the study is practically lying at the Jigawa state, B/kudu milk company and Gumel Local Government Flower Company as the case study. However, information require shall emphatically consisting the organization, department in the municipal as a "population" this will operate by systematically sampling a proportion size of each department respective. The population of study is taken from the new and old employees of the organization and qualified applicants within and around the organizational environment.

3.2 TYPE AND SOURCES OF DATA

Two types of data sources will be used in this research these are primary and secondary source of data and the types of data which will be use are data collected from annual reports of the companies, data collected through interview with the management of the companies, information obtained through internet, textbooks, magazines and observations.

3.3 INSTRUMENT OF DATA COLLECTION

The instruments which will be employed during the research work include personal interview and records of the companies questionnaire is not employed in this research work.

3.3 SAMPLE SIZE

The sample size were purposely drawn from the new employees of less than two years working experience, administrative staff (personnel department) of more than ten years working experience, and qualified applicants within and around the organizational environment, Which constitute 1,456 sample size within b/kudu milk company.

3.4. SAMPLE AND SAMPLING TECHNIQUE

Sample technique is a systematic process use to select a required portion of a target population. This portions what we termed as a sample. The sample of the research technique was the town; the sample of the research was selected at random. Random sample is a sample that each members of population has equal right to be selected to represent whole population. In this way the sample characteristics population must of course been representative for population and best way to obtain a draw each member of population as randomly.

3.5 METHOD OF DATA COLLECTION

This study is a descriptive research that examined carefully the pattern of Privatization and Commercialization in Jigawa Company in order to acquire information on the evolution of a New World Economic Order which is characterized by the liberalization or deregulation of economic activities; with the aim of achieving efficiency and effectiveness in resource allocation and utilization

3.6 RESEARCH INSTRUMENT

The data collection instrument of this research should be mainly questionnaires and some other techniques to supplement it. These is believed that no any method can serve the perforce. In other form questionnaire is preferred to be served to respondents them for feeling. In the process of feeling the researcher through observation will come in, to assist the correspondents where confusing sets in.

3.7 METHOD OF DATA ANALYSIS

Analysis of data will be based on descriptive statically calculation and the used of tables. It will depend mainly on cross tabulation valuables because it is easy to understand and explain. Analysis of data will be done by marking used of statistical relative measures of percentage (%) this is obtain by dividing the frequency of category of variables by the sum of all frequency and multiplied by a hundred (100).

CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

This chapter will explain the data which is collected from the companies of the case studies which are Jigawa State Investment will be presented. The important findings, observations, implications will be discuss in this chapter.

4.2 PRESENTATION AND ANALYSIS

Table:4.2.1 Sex Distribution.

SEX	RESPONDENNTS	PERCENTAGE%
MALE	30	60%
FEMALE	20	40%
TOTAL	50	100%

Source: Filed survey 2021

The above table shows that 30 respondents which constitute 60% are male while those with 20 respondents comprise 40% are female.

Table 4.2.2 Age Distribution of the respondents

Age	Respondents	Percentage %
18-25 years	15	30%
26-35 years	15	30%
36-45	10	20%
46 above	10	20%
Total	50	100%

Source: Filed survey 2021

The above table the age from 18-25 years and 26-35 years constitute the same 30% the same 15 respondents, while 36-45 and 46 and above also constitute the same number of respondents which is 10 and the same 20%

Table 4.2.3: Marital Status

Status	Respondents	Percentage %
Married	22	44%
Single	28	56%
Total	50	100%

Source: Filed survey 2021

The above tabulation shows that 22 respondents which constitute 44% were marriage while 28 respondents which constitute 56% are single.

Table 4.2.4 Education Attainments

Qualification	Respondents	Percentage %
Adult literacy	10	20%
Western education	20	40%
Qur'anic education	20	40%
Others	-	-
Total	50	100%

Source: research survey 2019

Eastern education and bathos that attended Qur'anic education has the same 20 respondents with 40%, while those with 20 respondents are adult literacy with 20%

Table 4.2.5 Occupation Status

Occupation	Respondents	Percentage %
Farmers	10	20%
Traders	10	20%
Civil servants	25	50%
Others	5	10%
Total	50	100%

Source: Filed survey 2021

The above table shows that civil servants which carries the highest respondents of 25 with 50%, while the farmers and traders constitute the same 10 respondents and the same 20%

4.3 RESPONSES OF THE RESPONDENTS

SECTION B

The research was able to be conducted based on the procedures and guidelines of a good research.

The following are illustration on how data analysis and interpretation are carried out as.

4.4 CAPACITY UTILIZATION OF JIGAWA COMPANY B/KUDU MILK COMPANY AND GUMEL FLOWER COMPANY

The capacity utilization of Gumel Flour Mills Company would be discussed due to lack of available documents of the company, base on the interview with the management of the company, the installed capacity utilization of the company, since it was establish 300,000, tone of flower per annum.

After privatizing the company, it achieved 25 to 30 percent of the installed capacity against lower than 25 percent achieved before privatizing the company.

At the year 2005 the product capacity of the company started decreasing as a result of economic factors such as power failure and high taxes.

4.5 CAPACITY UTILIZATION OF B/KUDU MILK PRODUCTION

The installed capacity-utilization of B/kudu Milk Production company be discuss due to lack of available documents of the company prior to leasing, base on the interview with the management of B/kudu Milk Production Company the installed

production capacity of the company prior to leasing was 7,000 cartoons per month the company was achieving 8,700 cartoons per month of it installed capacity before it was lease out to them. The installed capacity utilization of B/kudu Milk production before upgrading the machines was 7,000 cartoons per month in year 1999-2000 while after upgrading the machines in the year 2001 the installed capacity increases to 89,000 cartoons per month.

The table below shows the production capacity of B/kudu Milk production Company after leasing.

Table 1

Years	Quantity of milk cartoon produced	Percentage production
1999	50,400	70.00%
2000	50,400	70.00%
2001	75,600	70.00%
2002	32,400	30.00%
2003	32,400	30.00%
2004	10,800	10.00%

Source B/Kudu Milk Production Company

From the above table it is clear that the total output of the company in 2000 to 2001 recorded 70.00% of production capacity under the installed capacity of 7,000 cartoons per month before the machines were upgraded. In 2001 the production capacity was still 70.00% under the installed capacity of 108,000 cartoons per

annum as a result of upgrading the machines which led to the rise of the quantity produce to 75,600 cartoons against 50,400 cartoons recorded in 1999- 2000. From 2002 to 2003 the company capacity utilization drops 30.000 which is equivalent to 32.400 cartoons under the installed capacity of 108,000 cartoons.

In the year 2004 the company production capacity further drops to 10.00% which is equivalent to 10,800 cartoons under the installed capacity of 108,000 cartoons, the production capacity further drops due to fear in maximizing the company's investment base on economic and political factors which includes power failure, selling of company premises and taxes.

4.6 PRICE OF COMMODITY OF JIGAWA STATE COMPANY, B/KUDU MILK COMPANY AND GUMEL FLOWER COMPANY

Similarly the price of B/Kudu Milk Company and Gumel Flower Company would be discussed due to lack of available documents of the company, base on the interview with the management of the company the price of Flower before privatizing the company was low which resulted to decrease in profit of the company, and it was explain that after privatizing the company the price of Flower increases which resulted to maximization of profit to the company.

4.7 PRICE OF COMMODITY OF B/KUDU MILK COMPANY

Base on the interview with the management of B/kudu Milk Company it was explain that the price of Milk before company was lease out to them was low.

The table below shows the price of Milk per cartoons for the years after

Years	price of milk per cartoon
1999	N900
2000	N1,100
2001	N1,100
2002	N900
2003	N1,150
2004	N1,400

Source B/Kudu Milk Production Company

From the table above in 1999 the price of Milk per cartoon is N900 from 2000-2001 the price of the cartoons increases to N110 in the year 2002 the price drops down to N900 due to dropt of raw materials. The price was only affected in 2002. In 2003 the price raise to N1,150 after the cost of raw materials is high.

In the year of 2004 the company close down, before the company was closed the company sold the Milk within the State at N1,400 this was because of reduction in production at that year which was as a result of fear in maximizing the company's investment base on economic and political constraints.

4.8 MANAGEMENT AND STAFFING STRENGTH OF B/KUDU MILK COMPANY

The management and staffing strength of B/kudu Milk Company would be discussed this is due to lack of available documents of the company, base on the interview with the management of the company it was explained that before privatization the total number of the staff employed in the company was about 500.

After privatization the total number of staff employed in the company decrease to 140 this was as a result of technological changes in the company such as the use of computers and other machineries, increase in staff salaries and allowances.

4.9 MANAGEMENT AND STAFFING STRENGTH OF B/KUDU MILK PRODUCTION COMPANY

Base on the interview with the management of B/kudu Milk Production Company the staffing strength of B/kudu Milk Production Company before it was lease out to them was about 350

Table 3 The table shows the staffing strength of B/kudu Milk Production Company for the year after leasing.

Category of employees	1999	2000	2001	2002	2003	2004
Top management staffs	7	7	7	7	6	6
Senior and Intermediate staff s	21	21	21	15	9	9
Junior/ casual staffs	300	300	300	200	150	70
Total	328	328	328	222	165	85

Source; B/kudu Milk Company

From the above table it can be seen that from the time the company was lease out in 1999 the staffing strength of the company as been decreasing up to 2004 the time the company close down.

Base on the information obtained from the management of B/kudu Milk Company through interview it was explained that the decrease in the total number of staff was as a result of technological changes, increase in staff salaries and allowances.

4.10 FINDINGS, IMPLICATIONS AND DISCUSSIONS

Base on the data analysis under the capacity utilization it was find out that the production capacity of B/kudu Milk Company was low before privatization thereafter privatization the company began to record high capacity utilization

By the year 2003 the production capacity of the company started decreasing as a result of power failure and high taxes, these problems forced the company to close down in 2004. This implies that privatization increases the production capacity of the company.

Base on the data analysis under the capacity utilization of the company it was find out that the production capacity of B/kudu Milk Production was low before the company was lease out.

It was also find out that the production capacity of the company started rising after the company was lease out.

From table 1 it can seen that at equal percentage of production in 1999-2001 the quality produce were not the same this was as a result of upgrading the machines in the year 2001. The quantity increased in the year 2001 hence the quality produce increase in that year.

The company closes down in 2004 after the capacity utilization of the year has been recorded, in that year the company production capacity further drops as a result of fear in maximizing the company's investment due to economic and political factors. The closing down of the company was as a result of economic and political factors. The economic factors include power failure, taxes and transportation. The political factor came into play because the company was lease out during the military regime there after the civilian government came into power and began to sell the company premises. It was as a result of this that the management of B/kudu Milk Production Company was reluctant to continue investment in the company which thereby brings the life of the company to an end.

This implies that privatization increases production capacity of the company but due to the factors mentioned above it has not been well achieved.

Base on the price of Commodity of B/kudu Milk Production Company it was find out that the price of Milk increases after privatization which leads to profit maximization to the company, this is due to increase in the cost of raw materials, increase in staff salaries and allowances. It was also find out that the price of Milk before privatization was low which resulted to minimization of profit to the company.

Similarly it was find out that the prices of milk has been fluctuating this was as a result of some problems which was faced by the company.

CHAPTER FIVE

5.0 SUMMARIES, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

Base on the data analysis under the capacity utilization it was find out that the production capacity of B/kudu Milk Company was low before privatization thereafter privatization the company began to record high capacity utilization

By the year 2003 the production capacity of the company started decreasing as a result of power failure and high taxes, these problems forced the company to close down in 2004. This implies that privatization increases the production capacity of the company.

Base on the data analysis under the capacity utilization of the company it was find out that the production capacity of B/kudu Milk Production was low before the company was lease out.

It was also find out that the production capacity of the company started rising after the company was lease out.

From table 1 it can seen that at equal percentage of production in 1999-2001 the quality produce were not the same this was as a result of upgrading the machines in the year 2001. The quantity increased in the year 2000 hence the quality produce increase in that year.

5.2 CONCLUSION

Based on the findings of this research the following conclusion is reached.

In general privatization increase the performance and efficiency of company in such a way that privatization increases the production capacity this was as a result

of rise in the price of the company product, also privatization leads to the reduction of human labour in a company which was as a result of improvement in technological changes. Similarly privatization of public companies was practice in so many countries including Nigeria and other countries abroad and all this improvement was achieved successfully. Going by the above, it can be understood that privatization as positive effect on government owned parastatals.

With regards to Birnin Kudu Milk and Gumel Flower Company as seen in our findings and analysis of the companies, capacity utilization, prices of commodities and staffing strength, privatization has positive effect on the companies.

Due to the constraints that the companies encounter such as economic and political factors contributed immensely to the closing down of both the two companies. It can be understood that closing down of both the two companies B/Kudu Milk and Gumel Flower Company was not associated with privatization but rather other problems as stated above.

Also in our analysis it was find out that the companies before privatization has not been performing efficiently.

5.3 RECOMMENDATION

From the above findings the following suggestion are put toward

- i) Government should not be enforcing heavy taxes on privatized public enterprises because the introduction of value Added Tax (VAT) by the federal government is one of the causes of an increase in the prices of the products of the companies.
- ii) The companies should try to minimize the cost of production by sourcing material locally instead of importing from abroad.

- iii) On the problem of high cost of locally sourced raw material such as electricity and fuel, effort should be made toward ensuring the supply of this inputs are made available at a lower rate. PHCN/KEDCO should reduce its charges on industrial consumers.
- iv) The companies should keep adequate records of all its operations to ensure that discrepancies do not exist in their various books of account.
- v) To accommodate the less privileged members of the society, the payment for acquired shares can be spread over a period of 5 to 10 years, requiring a down payment of not more than 20%.
- vi) In order to preserve the gains of indigenization of the 1975, Non-Nigerians should not be allowed to buy shares.
- vii) The regulatory role of state in privatizing enterprises must be flexible enough to encourage efficiency, competition and financial discipline.
- viii) The investment companies both in State and Federal level like B/kudu Milk Company and Gumel Flower Company should be privatized to meet their profitable ability.
- ix) The success of a judicious mixture of selective privatization and commercialization which we recommend here requires a very efficient and honest administration to run their activities.

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APPENDIX

JIGAWA STATE POLYTECHNIC DUTSE COLLEGE OF BUSINESS AND MANAGEENT STUDIES DEPARTMENT OF PUBLIC ADMINISTRATION

Dear Respondents

I am a student of the above institution, undergoing Advance Diploma in Public Administration. I am therefore, conducting a research topic on comparative analysis of privatization and commercialization on government enterprises in Jigawa state as a case study of B/kudu Malik company and Gumel flower company of Jigawa state in view of the questionnaire designed in order to gather relevant information in the topic, therefore your kind response is highly needed, the response will guide my study as such all information given will be treated with confidentiality.

SECTION (A) Personal Data of the Respondent

1. Gender

- a) Male ()
- b) Female ()

2. Age distribution of the respondents

- a) 20-30 ()
- b) 31-40 ()
- c) 41-above ()

3. Educational Status of the respondent

a) PRAMARY SCHOOL ()

b) WAEC/GCE ()

c) GRADUATE ()

d) POST GRADUATE ()

4. Marital status of the respondents

a) Single ()

b) Married ()

c) Others ()

5. Tribe of the Respondent

a) Hausa ()

b) Yoruba ()

c) Igbo ()

d) Others ()

6. Religion of the respondent

a) Islamic

b) Christianity

c) Others

SECTION (B) Responses of Respondents

1. Do you want to share ownership of your Business with others?

a) Strongly agree ()

b) Agree ()

c) Disagree ()

d) Strongly disagree ()

2. Is your organization a company a large scale enterprises

a) Yes () 60%

b) No () 40%

3. What is the state of your business satisfactory?

a) Yes ()

b) No ()

4. Do you want to expand your financial base?

a) Yes ()

b) No ()

5. Do you want to have an interest capital?

a) Yes ()

b) No ()

6. Does the relationship between management, staff and other are effected

a) high ()

b) low ()

7. The medium and small scale enterprise have benefitted from the Nigeria stock exchange

a) Yes ()

b) No ()

8. Are the any activities that creating for awareness of staff from the industry?

a) Yes ()

b) No ()

9. Ownership of the Business share holding

a). Yes () b). No ()

10. Describe a project you successfully managed end-to- end. What challenges did you face and what did you do to overcome them?

11. What is your biggest management weakness?

12. How do you handle conflict between team member

13. What do you think are the problems of privatization and deregulation on the Nigerian economy?

a) Insufficient fund ()

b) Training of staff ()

14. Human and material resources are available in productivity and performance?

a) Yes () b) No () c) partially ()

15. How do you manage stress among your team members