

PRIVATIZATION: ITS RELEVANCE IN SUSTAINABLE NATIONAL DEVELOPMENT

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Abstract

This paper (beuses on privatization as a panacea for sustainable national development. It see the role of privatization as being able to influence the quality of the national life among others, on the other hand, sustained development is aimed at preserving the natural environment which is developed wisely without impoverishing it for the next generation. Taking cognizance of this, various administrations in the country came up with various decision or opinion aimed at directing the economy to achieve its desired goals of effective and efficient management of various public enterprises. Privatization has the effect of allowing private and foreign participation in the provision of goods and services to be brought in, to compete in the economy thereby regulation the economy for a fairer pricing. The paper concludes that the importance of privatization in National development can stimulate the government for dominance of unproductive investment among others.

Introduction

The overall objectives of national plans for developments are to raise the standard of living of the people. Throughout history, to fulfill this noble objective, the role of privatization cannot be over stressed hence, it has been known to have influenced the quality of human life, and also has been the determining factors in growth and survival of Nations (Borgsliam and Nkama, 3991).

The word "privatization" entered popular usage only recently and certainly, the activity with which privatization has become most closely associated is the sale of public sector assets. However, the various activities that have been described as privatization can claim a longer history. This is because policies designed to stimulate the substitution of private for public provision of various goods and services are not recent innovations on the whole. The wide range of public sector activities that are now being considered for privatization, the various methods being suggested to achieve this objective and the enthusiasm with which privatization policy is in some cases being pursued distinguishes current privatization efforts from previous ones. (Akpanpan, 2000).

A decade ago, it seemed that privatization would provide the solution for part of continental Europe's economic ills. Government of all over were following the trail blamed by Margaret Thatcher in Britain after 1979, by sniffing assets from public sector control to the hand of private ownership. This results' in the scale of public enterprise in the capital market. Avoid winding and therefore, clumsy sentence. Simple direct sentence straight to the point.

On the other hand, the world development, has been expressed by many theorists among whom are Umeh in Onwuegisune (1989), who stated that development is multidimensional in nature and involves many facets such as:

- (a) Re-organization of entire economic and social systems.
- (b) Improvements on incomes and output
- (c) Radical changes in institutional, social and administrative structure
- (d) Population attitudes and
- (e) Every customs and beliefs of the people.

A side from this, Onwuegbune (1998) viewed development as: complete modernization of a society with an industrial one... A change in a whole way of life in expectations and motivations and even the physical environment of daily life itself.

Therefore, development in it eternity is the positive transformation, and modernization of society (the environment). Privatization .is the cornerstone for a sustainable development whether economic society National or intentionally.

According to Dieriye (1998), development is the quality improvement on development of people within the context of a feasible carrying capacity of the supporting ecosystem.

He further stated that, to maintain sustainable development, the present generation should posted manage the

natural environment wisely mismanaging it for the next generation

Jyawee (1998), defined sustainable development as a broad view of development win strategy allows all assets, natural and human resources including financial and physical ones to managed that long-term wealth and well being can guaranteed.

Evolution of Privatization in Nigeria

Privatization was first experimented in Britain from 1970 to 1974 before the Thatcher administration that implemented it in a large scale after 1979.

Ogima (1999), traced the history of efforts made by successive administration in Nigeria towards implementation privatization to 1964. He noted that, as a result of "embarrassing observations that public enterprise in the federation have been performing below acceptable standards some have failed totally, and others have succeeded to put tax payers money to the drains" varied panels, committees, commission and study groups were therefore, set up by various government I make thorough study of the problem and make recommendation to Government. Few examples • official reports, which resulted in seasonal paper No. 7 of 1964 according to Ogunmna, were;

- I. The Ani report of 1966, which resulted in the 1968 white paper
2. The policy of the federal military Government on the statutory co-operation and state owned companies.
3. The Adebo Report of 1970-1971
4. The second national development plans of 1975-1980
5. The Udpji public service commission Report 1974

Oguma concluded saying, "these panels made recommendations aimed at improving the performance of the public enterprises. Their major recommendations were the management of publicenterprises purely along business principles, practices and the application of modern managed styles and strategies.

Shehu Shagari's administration, indicated willingness to implement privatization policy when it set up presidential commission on parastals under the chairmanship of Gamehel Onosode in 1981. Buhari administration established a study group on statutory corporations and state owned corporaTM with terms of reference, as to undertake an indebt study of these corporation, and to determine \$q desirability, or otherwise, of their privatization identify those which could be privatized, **ard** recommend the methodology for the achievement of the programme in the public interest (OgursJ 1999).

Consequently, privatization and commercialization Decree No. 25 of 1988 earmarked 67 of companies for full privatization, 43 for partial privatization, 11 for full commercialization and 14 **for**partial commercialization.. Ihunda (1986), in conclusion remarked "general the belief is that the programme' will usher in an over all economic and National development in the country. But that can only be achieved if those saddled with the responsibility of implementing the programe do so with honesty, sincerity and professionalism. The ideas set out by the programme are lofty and realization is no less onerous".

In addition Abubakar regime, which came into power in 1998 wholly, accepted the privatization policy of the regime it succeeded in line with its ideology of political and economic freedoms (Ogumme, 1999). The aim of Abubakar's privatization policy was to privatize all state owned commercially oriented companies and parastatals. This action was based on the following.

1. To enable Government raise huge financial resources with which to finance t development projects.
2. To relieve Government, the financial burden of annual financial subvention to state owned commercially oriented companies and parastatals
3. And to make the state owned commercially oriented companies and parastatals operate more effectively and efficiently for national development.

In order to ensure the realization of this goal, General Abubakar, established a council privatization under the chairmanship of the chief of general staff and charged the council with the

responsibility of taking policy decision on directing and supervising the execution on the privatization programme

The Concept of Privatization and Sustainable Development

World bank (1987), expected that there is a strong correlation between privatization efforts and the level of National Development. Privatization is a sine qua-non-for mobilization and empowering country citizens for effective participation in socio economic Development activities. It implies then the low level of development in Nigeria is due to the unsatisfactory state activities. Therefore, effort should be carried out to increase, emphasis to the point of making it play the role as catalyst for national development.

However, the following are role of privatization for National Development.

It helps for economic recovery and improvement on social life of the people

It helps to remove the financial burden, which enterprises constitute on the people because of monopoly, which they enjoy.

It creates the opportunity for more service providers to be brought in to compete thereby regulates the market for fairer pricing.

It enables Government release resources for its essential functions

It enhances delivering of quality service by competing organizations

It will help to integrate the Nigeria economy into the mainstreams' world economy order thereby attract foreign investors.

Other Roles are

- (1) A Panacea for Mai-Administration and Management of Enterprises
This means that privatization programme is believed to have the ability to bring into enterprises, private sector climate, orientation, attitudes, values, principles and practice which would transform ailing and mismanagement enterprising into highly productive, efficient and profit making enterprise.
- (2) Business Style of Management
Privatization will install business-oriented management with modern business' Management styles and techniques. It will make the management of enterprises to be strictly governed by result-oriented management, project management, management by objectives, programme and performance budgeting and by dictate of the economic and market forces.
- (3) Strong Capital Base
This means that the programme will provide opportunity for individuals and organization that possess the requisite fund for maximum productivity to purchase it thereby, relieve government from heavy financial burden and at the same time make the enterprise to operate with heavy financial base that satisfies all its operational needs and serve as a great boost to the National development.
- (4) Saving of Public Funds
Privatization will make federal and state government save the fund they would be paying as subventions and loans for other priority projects thus. This will enhance rapid national development.
- (5) Profitability
It will enable privatized and commercialized enterprises to make regular huge profits that guarantee business expansion, prosperity and national economic growth.
- (6) Provision of Efficient Services
It will make privatized public enterprises to operate along business lines, charge economic prices for their services, employ result oriented management styles and deliver very efficient services which would satisfy the entire public,

Recommendations

1. Government should restructure and rationalize the public sector in order to reduce dominance of unproductive investment in that sector.
2. Effort should be made to ensure positive returns on public sector- investment in commercialized enterprise.

3. Enterprises should be re-oriented for privatization and commercialization towards a new horizon of performance, improvement, self-sustainability and overall efficiency.
4. Government should create wider share of ownership and enhance participation of Nigerians in the ownership of production investment.
5. More conducive economic environment should be created for both local and foreign investor
6. Lastly, Government should initiate the process of gradual liaison to the private sector of such public enterprises, which by their nature and type of operation are best performed, by private sector.

Conclusion

The paper has examined (he definition of privatization and sustainable national development, the evolution and roles of privatization for enhancing effective development. It further concluded and made appropriate recommendations for effective national development such as restructive and rationalization of the public sector, ensure positive return on public sector investment in commercialized enterprises, re-orientate the enterprises for privatization and commercialization, create wide share ownership and enhance participation in productive investment and to initiate the process of gradual liaison to the private sector of such public enterprises which by their nature and type of operation are best performance by private sector.

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