Bingham Journal of Social
and Management Studies
Volume 3 No.1
ISSN 2141 - 9345

The Politics Of Privatization Programme In Nigeria 1999-2007

Didymus Tamen PhD
Department of Political Science
Bingham University
Nasarawa State

Abstract

The primary objective of the privatization programme is to make the private sector the leading engine of growth of the Nigerian economy. The philosophy behind it therefore, is to restructure and rejuvenate the public sector not only to lessen the dominance of unproductive investment in the sector but also to initiate the process of gradual transfer to the private sector of public enterprises, which are better operated by private sector. It is expected that privatization programme would provide the channel for reintegrating Nigeria back into the global economy and act as a platform to attract direct investment in an open and transparent manner. This paper critically examines this aspect of economic reforms as a catalyst for attracting direct foreign investments and to bring Nigeria back to the main stream of the world economic order. The paper evaluates the government position that privatization is a political process; at the same time has important economic and social implications affecting not only economic and enterprise performance but also social welfare and stability. Our findings are that, privatization is a calculated design of giving out Nigerian companies cheaply and criminally to government friends and cronies. The paper concludes that, privatization programme has been unsuccessful due to lack of careful analysis, planning and implementation. We recommends that, since privatization alone cannot solve the country's economic problems, other proven workable economic programmes that suit the Nigerian peculiar situation should be thought of and pursued to fully revive the economy.

Introduction

Privatization is a global concept that received attention in recent times. The new trend in economic development especially in developing economy is Privatization of service hitherto provided by state enterprises. Recent developments in the Collapse Soviet Union and Eastern Europe are clear evidence of increasing realization of the crucial role which private entrepreneurship plays in economic development. In Nigeria, the onset of debt crisis in the early 1980's and its attendant debt and debt servicing problems spawned great interest in the public enterprises restructuring and privatization. Thus, Privatization entered the national lexicon through the notorious SAP at the mid-eighties, feverishly imposed by the IMF and World Bank in the wake of the economic crisis of the 1980's. Nigerians patriotically rejected the IMF loan in 1986, but the international financial predators re-emerged through an adjustment (not developmental) programme that contains cancerous discredited macroeconomic policies such as naira devaluation, privatization and removal of subsidies. It is this singular ideological self-serving mentally that informed the whole sale impurity, disrespect for even privatization law we have witnessed in the last decades in the name of privatization (Issa Aremu: 2011).

Privatization means different thing to different people. In Nigeria, it is synonymous with the relinquishment of government equity and other interest in public enterprises to the private sector. To the British, it may mean the public flotation of state enterprises such as; British Telcom, British Gas, and the Ordinance Factories; whereas, to New Zealand, Privatization means "corporatization". That is, the creation of government owned corporations to manage and operate trading activities previously undertaking by government departments (Oke, 1990).

Scholars also differ in their views on the definitions of privatization. According to Hemns and Mausoon (1988:7), "Privatization is the provision by private sector organization of services hitherto provided by public sector". To Tokuboh (1990:6), "privatization means the disposal of state enterprises to private sector". Privatization is therefore the transfer of shares to public owned enterprises to private hands which is seen as an attempt to perpetuate and widen the income distribution gap amongst various groups of the people in the country.

Some of the agent reasons for Privatization include:

- That they had become completely inefficient and unable to deliver such needed services to Nigerians;
- Become conduct pipes for siphoning public funds as well as huge burdens on the government's revenue,
- To ease government of the burden of running moribund firms by transferring them to private hands, believed to be more efficient in steering the wheels of business and economic growth,
- The policy was to ensure that the declining government companies are revamped through the injection of technical expertise, experience and funds by the private entities,
- The private firms were to ensure growth of the companies thereby creating jobs and opportunities for the people,
- That since 1970s, public enterprises were not working, instead they were not only a drain on the economy as they were not providing services, but "were captured by the elites for their own benefits". This is known as "Robin hood"- stealing from the poor and going to the rich,

- In 1988, public enterprises were costing the country N265billion which is about N1billion per day to support the enterprises. The money came from subsidies on foreign exchange, import duty and tax exemption. Thus, government spent N265billion to support inefficient, corruption and epileptic public enterprises.

Historical background of privatization

Privatization is not a new concept in economic literature. After the Second World War, British embarked on a deliberate policy of nationalizing basic industries for the efficient planning of her economic and to guarantee an uninterrupted flow of essential goods and services to the populace. The situation is the same in the United States where over 90 percent of her economy are in private hands. Thus, according to Usman (1987), many other countries are also involved in varying degrees of privatization. Indeed, a World Bank report indicates that there are over 1000 proposals for privatization around the world, although, only 15 percent of these have actually been executed (BBC, 1988).

As the cold war ended in 1980's, a general recognition arose that a smaller state and a growing private sector were the main drivers of a dynamic economy. Thus, privatization becomes a central element of economic reform in Central and Eastern Europe. Following the "Success" of the programme, privatization was promoted in most countries in Sub-Saharan Africa in the 1990's. Privatization policies in Africa came as an integral parts of "adjustment credits" and were aimed at enhancing the efficiency of resources allocation of governments. This, according to Meyerman (2004), was to be achieved through promoting increase competition, reducing fiscal deficits, building a larger tax base, attracting more private and foreign investments and growing the private sector through an improved business environment. As such, privatization becomes the "super ordinate medium-long term objectives of adjustment programmes everywhere in Africa".

Here in Nigeria, privatization as a major public policy was started with the Onosode Commission of 1982 and a study group set up by the Buhari administration in 1984, both recommended privatization of certain parastatals. However, the subject did not evoke much public debate until President Ibrahim Babangida in his 1986 budget speech categorically, declared that a policy of privatization would be pursued. Thus, privatization programme was introduced by the privatization and commercialization decree No. 25 of 1988.

Theoretical Framework

Elite, Group and Power Theories

These theories became very popular in the United States in the years following the Second World War, each claiming to be a full-fledged political theory in its own right. Elite theory was based on the idea that every society consists of two broad categories- the selected few, who are capable and therefore, have the right to supreme leadership; and the vast masses of people who are destined to be ruled. Even though this theory was first started in Central and Western European countries as a critique of democracy and socialism, it was suitably adapted in the United States by a number of writers to explain political processes as they existed in their country or, for that matter, in any democratic country.

The despotic roots of the theory, as they lay in its European origins were explained away by saying that within those who constituted the ruling class, in addition to the ruling elite, there was a counter elite, which could be raised to power by the masses if the ruling elite lost its capacity to rule. The masses in this way, exercised a kind of remote control over the ruling elite, but they could not be expected by virtue of their apathy to the power game, to exercise much positive influence. Once it was conceded that the elite need not be a cohesive group but that it could consist of a number of social groups, the advocates of the group theory contended, one has to accept the position that every society includes within it a large number of groups, which remain engaged in a perpetual struggle for power and domination over each other. These groups were engaged in a process of balancing and limiting each other, through which harmony between the various interests in society, of which groups were the exponents, could be maintained. Politics could thus, be understood only in terms of interaction between various groups.

A group theory of politics it was pointed out, satisfactorily explains the functioning of the state and society. What motivates the political elite, or the elite groups (as they could be described), to play an active role in politics was the power theorists pointed out, the inevitable and irrepressible urge in human beings to come to power. Politics, according to these writers, was the game of power and since the individuals were largely responsible on account of their own peculiar ways of socialization and cultivation of values, to find expression of this urge to power, an attempt was made by them to shift the emphasis from the elite and group to the individual. Politics, it was pointed out, was the study of who got what amount of power, when and how.

If one goes a little deeply into these theories, one can see that behind the elite and the group theories also, power is the primary urge. Without an adequate conceptual basis for studying power, as Meehan (1967), has pointed out, elite and group theories too would lose their significance. It is the urge to power which encourages or forces the individuals to form groups and to assert themselves through these groups.

Renzo Sereno, as quoted by Varma (2007), pointed out that the theory of elite reduces the study of politics to the study of power relation; and Macridis (1964), says the same thing of group analysis, when he described it as "... a crude form of determinism". Interests, he writes, " is the primary propelling force and every action is based upon sharing of competing, struggling interest organized into groups".

Thus, according to Varma (2007), if power proves to be an inadequate principle for understanding politics, elite theory as well as group theory will collapse, along with power theory, as they have already collapsed as satisfactory explanations of the political phenomena, though they may continue to serve an useful purpose as descriptive categories.

It is from these theories that one will appreciate and understand the entire privatization programme in Nigeria looking at the interests of the elite in the whole exercise. However, the weaknesses and shortcomings of the theories do not hamper their application in this paper.

Privatization Policy in Nigeria

The primary goal of the privatization programme of the Federal Government of Nigeria is to make the private sector the leading engine of growth of the Nigeria economy. Through direct massive investment and participation, Nigeria has developed a large public enterprise sector. Inspite of these massive investments however, public enterprises have woefully failed to performed the functions and attain the objectives for which they were set up.

The gross failure of these enterprises to live to expectations is partly responsible for the move towards economic liberalizations through privatization. The philosophy behind privatization therefore is to restructure and rationalize the public sector not only to lessen the dominance of unproductive investments in the sector but also to initiate the process of gradual cession to the private sector of the public enterprises, which are better operated by private hands. It is also expected that privatization programme will provide the channel for reintegrating Nigeria back into the global economy as a platform to attract foreign direct investments in an open transparent manner.

Nigeria's privatization programme started in 1989 following the inauguration of an eleven member Technical Committee on Privatization and Commercialization (TCPC) on August 27, 1988. In the course of its operation, the TCPC adopted five methods of privatization, namely;

- Public offer for sale of shares for enterprises that met the listing requirements of the Nigerian Stock Exchange;
- Private placement where government holding was small;
- Sale of assets for some enterprises which could not be sold because of the poor performance records;
- Management Buy-Out (MBO) where the entire or substantial part of the enterprise was sold to workers; and
- Deferred public offer in the enterprises which through viable would realize result that were out of tune with assets of the enterprises if privatized by public offer.

According to the BPF Journal (2005), from 1988 to 1993, the TCPC privatized 55 firms. Out of these privatized companies, 35 were through public offer, 1 through MBO, 8 through sale of assets by public tender, 7 by private placement, and 4 through deferred public offer. In 1993, having privatized 88 out of 111 enterprises listed in the decree, the TCPC concluded its assignment and submitted a final report. Based on the recommendations of the TCPC, the Federal Military Government promulgated the Bureau for Public Enterprises (BPE) to implement the privatization programme in Nigeria.

Thus, Nigeria launched the second round of privatization programme, and the legal framework of this second round was put in place with the Public Enterprise (Privatization and Commercialization) decree no. 28 of 1999. The decree provides for a reorganized institutional framework that includes the establishment of the National Council on Privatization (NCP) and the Bureau of Public Enterprises (BPE). This second round of the programme was designed in phases and envisages the full or partial divestment of government interest in 98 public enterprises in 14 key sectors. The BPE is therefore the government agency conferred with powers to midwife the privatization of government owned enterprises in the country, which is an important element of Nigeria's economic recovery where the commanding heights of the economy are being transferred to the private sector.

Be that as it may, in 2000, about 6 enterprises were sold at the rate of N147billion. They include; Benue Cement Company (BCC), West African Portland Cement, Unipetrol Nigeria PLC, African petroleum PLC, National Oil and Chemical Marketing Company. In 2001, it later embarked on share flotation of the enterprises sold. In 2003, the Bureau sold 13 enterprises at the rate of N1.3billion. In 2004, over N500billion was generated, a breakdown of the sales are shown in the table below:

YEAR	COMPANIES	AMOUNT
2000	6	₦14.7billion
2001	NA	₦12.2billion
2002	NA	NA
2003	13	₦1.3billion
2004	7	₦50billion
2005	44	₦98.6billion
2006	36	₦134.76billion
2007	16	NA

Source: Daily Trust, Monday, June 11th, 2007 pp. 1x4

Therefore, Nigeria's privatization has had some benefits. For instance, it injected efficiency, effectiveness and productivity in the economy. Example of large non-financial firms such as National oil, African Petroleum, Unipetrol, etc., which were privatized have shown roust profits (http://www.bpeng.orga). Furthermore, investment in privatized companies have led to increased utilization, expanded capacity and introduction of new technology, product diversification and expanded markets.

Pointing out the benefits of privatization, Zayyad (1995: 4) says, "Privatization flotation of shares of privatized enterprises have greatly stimulated the rapid growth of the Nigeria capital market. Such flotation has helped to deepen and broaden the capital market. Capital market has grown from N8billion to over N113billion by September, 1995".

Perhaps, the most far reaching benefits as well as the silence feature of the privatization exercise is the creation of hundreds of thousands of new shareholders. According to BPE (2005), it sold 1.5billion shares to Nigeria public resulting in the creation of over 800, 000 new shareholders. It is noteworthy that the original investment in these privatized enterprises stood at N652billion thus creating a capital gain of nearly 600 percent.

However, the issue of privatization raises a few questions on who owns the privatized assets? How were the businesses sold valued? and other important questions. Similarly, there is genuine fear that the influences of power brokers, interest groups and other political considerations have affected the exercise by replacing public monopoly with private monopolies; this has heightened class consciousness and tension.

Politics of the Privatization Programme

Nigeria's privatization exercise is not transparent and does not meet the international standard. It is meant to favour some key friends of government. According to the former Chairman of the House of Representatives Committee on privatization, Hon. Nnaemeka Ughanze, "... all we have done in most of the cases is that we have given out our companies in a rush to people who are not genuine" (Osagie; 2005: 25). He explained that lack of transparency was the major problem with our privatization programme. Stating that, "transparency is the major problem with our privatization. We cut corners to give the bid to people we have one form of relationship or the other with and usually, these people do not have the clout for this business". A case in point was the attempt to handover the Aluminum Smelter Company (ALSCON) to a Russian Aluminum (RUSAL), a company that failed in the bid exercise, leaving out the BFIG Group which actually won the bid by every standard.

The controversy over the 2004 sale of the Aluminum Smelting Company of Nigeria, ALSCON, Ikot-Abasi, Akwa Ibom State, resonated at the senate public hearing as the original preferred bidder in the privatization process, BFI Group of America insisted that BPE fraudulently sold the company to RUSAL against its own rules. BFI Group headed by a Nigerian-American, Dr. Reuben Jaja alleged that, "the government of former President Olusegun Obasanjo had predetermined to sell ALSON to RUSAL and that it only used the American firm to create a semblance of genuine privatization process" (Ujah: 2011). According to the story, RUSAL failed to provide the required \$1million bid bone complying with government rules of participating in the ALSCON bid process, yet RUSAL was still allowed to bid, while BFI Group fully complied with the government's strict bid bond requirements as a contractual pre-condition for biding. The government in public announcements overwhelmingly favoured RUSAL despite its noncompliance with bid rules and inferior conditional bid terms, while BFI Group bid unconditionally in accordance with bid rules of the Federal Government of Nigeria. RUSAL submitted a conditional bid price of just \$5million with an addition \$200million to be paid over 20years, while BFI Group was coerced to by government to bid against itself to increase its initial bid from \$280million to \$410million.

It will be recall that, the Technical Committee of the NCP initially disqualified RUSAL at the financial bid opening in June 2004, over its conditional bid. Infact, the Russians were said to be preparing to leave the country when a directive from the government made through the then Minister of Power, Sen. Liyel Imoke, (current Governor of Cross Rivers State) whose Ministry was supervising ALSCON, to invite them for negotiations (Ujah: 2011). Meanwhile, BFI Group made spirited efforts to get the Nigerian government to respect its own rules but to no avail. Neither the National Assembly nor the Nigerian courts could help them as RUSAL which was said to be acting on behalf of a very influenced Nigerian traditional ruler was given the company, inspite of several protests.

It should be noted that, the Nigerian government invested \$3.2bilion from 1980s to 1997 in constructing the company, including a 540 megawatts capacity power plant, but the company was later valued at \$250million by BPE consultants and subsequently sold to a Russian based company, RUSAL in September 2006. Although, the BPE had valued ALSCON at \$250million, it later discounted \$120million to the Russian with the understanding that RUSAL will use the \$120million to dredge the Imo River, which it will use to ferry its raw materials and also export finished products using bigger ships. However, 6years after, RUSAL neither carried out the dredging exercise nor remitted the money to the BPE; instead, it chose to ship its goods through the Onne Ports (Daily Trust, 2011).

Furthermore, RUSAL also requested for import waivers from the Federal Government on all its raw materials and this was immediately granted. This explains why from 2006 to date, the Russian company never paid any import duty to the Nigerian government. Similarly, it was revealed by BPE that the government had also entered into an agreement with the Russians to subsidize the price of gas to them from \$1 to 30cents for a period of 20years. This also explains why the government owns Shell N800million for the supply of the gas.

It is a criminal act for a \$3.2billion company like ALSCON operating at 75percent technical capacity and 95percent structural capacity to be sold at $250million at a time when it has worked for 18 months. The pricing was anomalous, to say the least.

Also, the Secretary – General of African Iron and Steel Association (AISA), Dr. Sanusi Muhammed questioned the rationale for the sale of Ajaokuta Steel Complex at the ridiculous price of $525million when the same BPE put the cost of the construction of Ajaokuta at $5billion. He also quarried why BPE should hasten privatization of the complex less than two weeks to the end of the Obasanjo's administration after they told the public that Ajaokuta was not for sale (Daily Trust, 2007). Actions like these have eroded the trust that genuine investors have in our privatization programme.

Furthermore, privatization exercise is given out Nigeria's companies cheaply and criminally to political cronies. Take the sale of Abuja Sheraton and Sofitel International Hotels for example. Abuja Sheraton Hotel was sold for the sum of $34million to Hans Grem but the same Hotel was built with a loan facility of $300million from a German Bank in 1982. Speaking on the sale of Sofitel, now NICON Luxury Hotel, a former BPE Director – General said the Federal Government took an initial loan of about $130million in 1980 to construct the Hotel and later spent another £19.9million (about $29million) on furnishing and kitchen equipment in preparation for CHOGM in 2003. But the Hotel was later sold to NICON Consortium for $50million after the preferred bidder, Delta Gate Group failed to pay the sum of $144million to meet bidding obligation (Leadership, Wednesday, April 23rd, 2008) p.3.

Again, according to Mato (2007), government spent N2billion to repair the Kaduna Refinery, yet they went ahead and hurriedly auctioned the entire industry for less than N800million. Even with this, the money realized from the sale ends up again in corrupt officials' pockets not to provide services or repair dilapidated infrastructures. For example, the Bureau of Public Enterprises (BPE) has been accused of making illegal deductions from the proceeds of privatization before lodging the money in the designated account (Lawmaker, 2005) p.2. It is instructive to note that, the gross proceeds from direct sale of public enterprises between 1999 – 2011 is N249billion. The sum of N103billion was used to settle staff salaries and terminal benefits of the workers of the firms privatized, while other transaction expenses gulped N23billion. The net proceeds during the period under review were N121billion. When dividend revenue is added to the net proceeds, the amount remitted to the Federation Account was N1406billion (Sunday, Trust, August 14th, 2011) p.2.

In the same view, the $1.5billlion Delta Steel Company was sold to an Indian Company, Global Infrastructure, though it never bided for it. The company was sold 80percent of the company's shares at the sum $30million. Not only that, $30million was only paid instalmentally, over a period of two years long after the company was sold.

Another shady deal was the purchase of Nigerian Re-Insurance co-operation by Global Fleet owned by Jimoh Ibrahim. Though the company was worth over N505billion, it was sold for N1.5billion. Shortly, thereafter, Ibrahim used only two (2) of the company's assets to secure a N41billion loan from Union Bank PLC. Again, the company which had staff strength of over 1000 as at 1996 was reduced to 23 workers under Jimoh Ibrahim (Daily Trust, Tuesday, August 9th, 2011) p.5.

Arguably, the worst of these cases was the so called privatization of NITEL, Nigeria's Strategic telecommunication asset. First was to arrogantly imposed PENTSCOPE on the company. The controversial outfit called

PENTSCOPE did the hatchet job of draining the resources of NITEL and gradually reduced it into a near worthless outfit. It was in that decrepit state that a propaganda onslaught was launched about how useless it had become, and the need to sell it was given a satisfaction. Government purpose was served, when together with a group of cronies who had cobbled together another controversial body called TRANSSCORP, all the rules were bent by the BPE to ensure that NITEL was sold to them.

It is amazing to hear what is happening in the NITEL after the privatization. The fortunes of the company have so dwindled to a terrible situation. For example, the subscriber based has gone down from 1.2billion lines pro-privatization to less than 50, 000. Earnings have gone down from N1billion monthly in 2005 to less than N1million just in one year of privatization (Mahmood, 2007).

The bane of Nigeria's privatization process is that it was largely driven by discredited neoliberal ideology/market dogma as distinct from patriotic national development agenda. Infact, the whole idea of privatization exercise is illegal. Clearly, section 7 (2) of the Privatization Act is in conflict with section 16 of the 1999 Constitution of Nigeria as amended. Thus, all laws guaranteeing the sale of public utilities to a few individuals under any disguise are illegal laws. Similarly, the whole concept of core investors violates sections 16 (1) (b) and (c); (2) (b-d). For the avoidance of doubt, section 2 b and c states:

> That the material resources of the nation are harnessed and distributed as best as possible to serve the common good,
> That the economic system is not operated in such a manner as to permit the concentration of wealth or the means of production and exchange in the hands of few individuals or a group.

Furthermore, Aturu (2000) argues that, Privatization Act is also in conflict with the provisions of the Africa Charter. Article 13 (3) of the Charter stipulates that, "every individual shall have the right of equal access to public property and services in strict equality of all persons before the law". In a similar vein, article 21 of the African Charter provides that, all people shall freely dispose of their wealth and natural resources. This shall be exercised in the exclusives interest of the people. In no case shall a people be deprived of their wealth".

Frankly speaking, Nigeria's privatization programme has been unsuccessful due to lack of careful analysis, planning and implementation. Jerome (1991) opined that privatization programme in Nigeria was not skillfully coordinated with other policies conducive to the development of the private sector as the liberation of trade regime, relaxation of laws govern foreign and domestic investment, as well as the development of frontiers and dept of capital market for the private sector. Thus, the strategy of sale to "core-investors" leads either to foreign domination of some economic activities in Nigeria or to the consolidation of socio-economic political classes. The surer result is the development and consolidation of classes because, quite often, the "foreign" buyers turn out to be an opaque screen for the real owner, who is a national.

Furthermore, most of the companies have not just failed to improve on what they used to be under government ownership. Rather, the companies have completely folded up and gone into extinction thereby, leading to the lost of hundreds and thousands of jobs. Most of the privatized companies already show sign of decay characterized by apparent fraud in the bidding process. It is no longer secret that youths are seen in their thousands all over the country roaming the streets with no jobs or any source of seeking a living. The situation is easily linked to failure of the privatized programme which was perceived as a means of increasing employment opportunities. Revelations coming out of the senate public hearing on the privatization exercise indicated that almost all the 120 public enterprises sold to private firms since 1999 are either completely dead or are currently operating at capacities worse than before they were privatized. As the committee sits, it also comes forward with a harvest of fraud, racketeering and official corruption (Sunday, Trust, August 14th, 2011).

Again, there are massive loss of jobs and colossal loss of economic returns to the Nigerian economy. Example, the privatized companies in the steel sector that used to employ up to 20, 000 workers, and now have less than 4000 after the exercise. Again, the Electricity meter sector of Nigeria, Zaria that was privatized in December 2002, recently fired about 90percent of its workers. There have been allegations of how some of the individuals who acquired the public companies did not meet the basic requirements for the privatization process. The major requirements for taking over a public company were technical expertise, experience in running similar firms as well as the financial muscles.

Conclusion and Recommendations

Privatization is an aspect of the structural Adjustment programmers (SAP) enunciated by the Federal Government to restructure the Nigerian aiding economy. Among the most important feature of SAP is its advocacy of privatization and deregulation of the economy. These two sides of the same coin are said to be necessary to attract foreign investment which in turn is also said to be necessary for the development of poor countries like Nigeria. Though, not much benefit has been derived from the programme.

Obviously, the last twelve year of democratic experiment saw the absolute plunder and balkanization of the collective national heritage of the Nigeria people. Forcing privatization to mixed with politics affect the good side of selling national assets to individuals. Privatization has little or no advantage in an economy that is poor, a society without good infrastructure and with policy somersaults.

It is our belief that the privatization alone cannot solve the present economic crisis in Nigeria because privatization is only one technique that could be employed to promote efficiency in public enterprise. We therefore call on the government to adhere strictly to the sequence as a jump over one phase would not be in the interest of the economy. Hobven and Sztiracki, (2006) opines that privatization should be seen as part and parcel of a medium term policy and logical component of asset of well defined long term policies which includes, development of healthy private sector with well functioning goods, capital and labour markets in a system of widely respected democratic control.

To therefore frontally clear the rots that have largely be-devilled the privatization process we must de-ideologize the process and critically assess the process in the light of the nations developmental challenges that include, production of mass cheaper wage goods and services, national ownership of national resources, efficiency and competitiveness, mass employment etc.

Finally, following the huge intervention by hardcore capitalist states- the United States of America, Britain and Japan in the face of the obvious failure of the allocative function of the markets should sent signal to Nigeria that the days of big government in business were back. The USA, under the watch of one of the most conservative governments in recent history had to drop its free markets toga and set aside the sum of 700 billion dollars to save the financial system from imminent collapse. This is an indication that the invisible hand of market forces of demand and supply, which allows the market to allocate resources in an equitable way, has eventually given way to the return of command economics as government dole out huge fund to save the private sector. Thus, the global financial crisis and the huge intervention of core capitalist states to save the private sector should signal the rethink of Nigeria's entire privatization programme.

References

Abdallah; N. et al (2011), " Privatization: Another multi-billion naira drawback from Obasanjo" (Sunday Trust, August 14), pp.4-5

Adoga, B. and Oota, A. (2008), "Yar' Adua did not sanction sale of Atiku's Guest House". (*Leadership*, Wednesday, April 23.) p.3

Alao; O. and Adebayo; I. (2011), " Privatization: How Nigeria got it wrong" (*Sunday Trust*, August 14,) p.7

Aremu; I. (2011), " Privatization Blues", (Daily Trust, Monday, August 15) p.35

Aturu, B. (2000), "The Injustice and illegalities of Privatization and Commercialization"(*Labour Rights*, A publication of Human Rights Education Project, vol. 1 No.7 July –Oct.) pp.12-13

BBC Newsmagazine, 1988

BPE Journal, 2005, P. 37

Daily Trust, Tuesday, August 9, pp.4-5

Gilpin, R. (1986), *The Political Economy of International Relations*. (Princeton; Princeton

University press)

Hemms, R. and Mansoo, A. (1988), " Is privatization the Answer" (Finance and Development vol. 25, N0.3)

Hobve, R. and Sziracki, G. (2006), "Privatization and labour" (Journal of the Bureau of Public Enterprise, July/August)

Jerome, A. T. (1991),"privatization of public Enterprises in Nigeria: Expectations, · Illusion and

Reality" In Ademola, A. (ed),_*Economic Reform and Macro-Economic Management in Nigeria* (Ibadan: Ibadan University press)

Macridis; R. C. and Brown; B. E. *(1964), Comparative Politics: Notes and Readings (* Illinoies; The Dersey Press. Inc.*) p.139*

Mato, k. (2007), " Is Nigerian Still Selling" (*Leadership*, July 17.)

Meehan; E. J. (1967), *Contemporary Political Thought: A Critical Study* (Illinoies; The Dersey Press. Inc.) pp. 101-104

Meyerman, G. (2004), "Privatization and Investment flows in Africa" (paper presented at the Summit of African business privatization network held in Abuja. June 1-5.)

Myrdal, G. (1971), *Economic theory and underdeveloped Regions*. (New –York; Harper and Row)

Oke, E.F (1990), "Managing Partner, Cooper Lybrand" (A seminar organized by NNDC, Kaduna)

Osagie, C. (2005), " Reps pass no confidence vote on privatization programme" (*Thisday*, Tuesday, May 10.) p.25

Salami, H. (2005), "Industry: Grounded at Dawn" (*Tell*, Oct. 22, *Sunday Trust*, August 14, 2011. Pp.2, 4-5

Tokuboh, M.A. (1990), *Public Enterprise: The Nigerian Experience* (Lagos; Lantern Books) p.6

Ujah; E. (2011), *Vanguard*, Thursday, August 11, p.21

Varma; S. P. (2007), *Modern Political Theory*, (New- Delhi; Sterling Publishers)