

TITLE PAGE

The Impact of privatization and commercialization in public Enterprises in Nigeria. (A study of Kaduna Electricity Distribution Company).

By

JONATHAN KUJILLI GASANA

(ADMISSION NO. 12220904007)

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CERTIFICATION

This research project was written and compiled by Jonathan Kujilli Gasana (Adm. No 12220904007) in fulfillment and approval for the award of Master Degree in Public Administration under the supervision of Dr. Ahmad Sanusi, and Head of Department of Public Administration in the Faculty of Management Sciences.

SUPERVISOR
DR. AHMAD SANUSI

DATE

HEAD OF DEPARTMENT
DR. AHMAD SANUSI

DATE

EXTERNAL EXAMINER

DATE

DEDICATION

This research project is dedicated to my beloved late father and mother Mr. Gasana Kujilli and Mrs. Changye chimarah as well as my wife. May the almighty God reward you according to this rich in glory, amen.

ACKNOWLEDGEMENT

To God be the glory, Almighty the Omniscient, omnipresent who gave me the opportunity, courage determination and resilience to pursue this programme successfully.

I equally, used this opportunity to express my profound gratitude to my late father and loving mothers as well as the entire family who endeavor to contribute immensely in prayers and patience in many ways.

My special thanks go to my supervisor Dr. Ahmad Sanusi whose scholarly guidance inspired the will to write on this topic.

My appreciation also goes to others: like the dignified lecturers of the of Public Administration, and friends who in one way or another who help toward the successful completion of this research work.

And I pray that the almighty God will shower infinite mercy and blessing rewards to you more abundantly, now and forever.

ABSTRACT

The main purpose of his study was to determine the impact of privatization and commercialization of the public enterprise. The researcher has critically examined the privatization policy of the federal government with a view to assessing its congruence with the principles of distributive and social justice. The researcher has analyzed the problem from the support of social-economic mission of public enterprises.

The governing frame work of privatization and the level of explanation of the problems that threaten their real foundation is the basis of findings.

Consequently argued that the debilitating forces over organizational political environmental and structural which privatization is set to exacerbate such, worsen socio-economic inequalities in the country. And in view of the problems identified obstacle that deepened the failures of public enterprises in Nigeria which draws up roles towards the improvement and development of these infrastructure of power sector.

TABLE OF CONTENTS

Title Page-	-	-	-	-	-	-	-	-	-	-	i
Certification -	-	-	-	-	-	-	-	-	-	-	ii
Dedication-	-	-	-	-	-	-	-	-	-	-	iii
Acknowledgement-	-	-	-	-	-	-	-	-	-	-	iv
Abstract	-	-	-	-	-	-	-	-	-	-	v
Table of contents -	-	-	-	-	-	-	-	-	-	-	vi
CHAPTER ONE:											
1.1 Introduction-	-	-	-	-	-	-	-	-	-	-	1-8
1.2 Problems statement-	-	-	-	-	-	-	-	-	-	-	8
1.3 Research Questions-	-	-	-	-	-	-	-	-	-	-	8-9
1.4 Research objectives -	-	-	-	-	-	-	-	-	-	-	9
1.5 Scope of the study-	-	-	-	-	-	-	-	-	-	-	9
1.6 Significant of the study-	-	-	-	-	-	-	-	-	-	-	10
1.7 Development of Hypothesis-	-	-	-	-	-	-	-	-	-	-	10-
											11
1.8 Definition of terms-	-	-	-	-	-	-	-	-	-	-	11-
											12
1.8.1 List of abbreviations -	-	-	-	-	-	-	-	-	-	-	12
1.9 Chapterisation -	-	-	-	-	-	-	-	-	-	-	12-
											13
CHAPTER TWO:											
2.1 Background of the study	-	-	-	-	-	-	-	-	-	-	14-
											18

2.1.2 Some impediments of handover-	-	-	-	-	-	-	-	18-
19								
2.2 Organizational chart-	-	-	-	-	-	-	-	19-
20								
2.3 Activities of the organization-	-	-	-	-	-	-	-	20-
22								
2.4 progress and achievements-	-	-	-	-	-	-	-	22-
23								
2.5 Challenges facing the organization-	-	-	-	-	-	-	-	23-
24								

CHAPTER THREE:

Literature Review	-	-	-	-	-	-	-	25
3.1 Introduction-	-	-	-	-	-	-	-	25
3.1.2 The concept of privatization and commercialization	-							26
3.1.3 Commercialization-	-	-	-	-	-	-	-	26-
27								
3.1.4 Privatization-	-	-	-	-	-	-	-	27
3.1.5 Public Enterprises-	-	-	-	-	-	-	-	28
3.2 Theoretical Framework-	-	-	-	-	-	-	-	28-
30								
3.2.1 Public Good Theory	-	-	-	-	-	-	-	30-
32								
3.2.2 Failure of public sectors economics	-	-	-	-	-	-	-	32-
33								

CHAPTER FOUR:

4.1 Research design-	-	-	-	-	-	-	-	34
4.2 method data collection	-	-	-	-	-	-	-	34
4.2.1 Quality questionnaires-	-	-	-	-	-	-	-	34-
35								
4.2.2 Interviews-	-	-	-	-	-	-	-	35
4.3 Instruments of data collection-	-	-	-	-	-	-	-	35
4.4 Population	-	-	-	-	-	-	-	35
4.5 Sampling technique	-	-	-	-	-	-	-	35-
36								

4.6	source of data-	-	-	-	-	-	-	-	36
4.7	Method of Analysis-	-	-	-	-	-	-	-	36
4.8	Instrument for data Analysis-	-	-	-	-	-	-	-	36

CHAPTER FIVE:

5.1	Data Presentation and Analysis-	-	-	-	-	-	-	-	37
5.1.1	Distribution of respondent by Age-	-	-	-	-	-	-	-	37
5.2	Distribution of Respondent by Gender Difference	-	-	-	-	-	-	-	38
5.3	Distribution of respondent based on educational attainment-	38-	39						
5.4	Distribution Based on Marital Status	-	-	-	-	-	-	-	39
5.5	Distribution of respondent by positional rank-	-	-	-	-	-	-	-	39
5.6	Distribution of respondent based on privatization process of Kaduna electric	-	-	-	-	-	-	-	40
5.7	Distribution of respondents based on the role of Kaduna Electric in Jega B/Unit-	-	-	-	-	-	-	-	-
	-	40-41							
5.8	Discussion on Findings-	-	-	-	-	-	-	-	41-
		43							

CHAPTER SIX

6.1	Summary-	-	-	-	-	-	-	-	44
6.2	Conclusion-	-	-	-	-	-	-	-	44-
		45							
6.3	Recommendation-	-	-	-	-	-	-	-	45
6.4	References-	-	-	-	-	-	-	-	46-
		47							
6.5	Appendix-	-	-	-	-	-	-	-	48-
		51							

CHAPTER ONE

1.1 INTRODUCTION

Privatization of public enterprises in Nigeria by successive governments failed to meet the yearnings and aspirations of governed. Various measures and criteria put in place to address the imbroglio ended in fiasco because it aggravated rather than alleviate the problem bedeviling such enterprises. Previous studies revealed that inefficiency, political patronage and poor productivity still became the dominant characteristics of government privatized enterprises. This paper observed that non involvement of experts and relevant stakeholders remain the cankerworm to successful privatization process. It recommended that experienced and professional bodies should be involved in future participation of public enterprises in Nigeria.

A central issue in the economies of sub-Saharan African Countries in the post independence period was the market failure argument which signaled massive government intervention in the country. In Nigeria, government role was dominant in the economy as reflected by the adoption development planning and massive proliferation of public enterprises (PEs), to stimulate economy growth and structural transformation. Before the introduction of privatization policy in Nigeria, the public sector constitutes huge drain on government scarce resources and liability to the national economy. The PEs sector for example, depended

largely on government for funding through Annual Budgetary allocations, Grants, Subventions Subsidies. For example, the government invested colossal amount of resources to the tune of US \$323 in 2001 which represents (0.68 per cent of Gross Domestic Product) to oil and telecommunications sectors. It was estimated that between 1999 to 2006 a total number of 116 PEs were privatized by the Federal Government. As such the government has been finding it very difficult to cope with the financial burden of sustaining PEs. Moreover , various criticism have been labeled against their operations; PEs proved to be wasteful in terms of resource utilization ,made significant demands on domestic and foreign credits , are economically inefficient , constitute a burden on the banking system and retarded the growth of the private sector in Nigeria . Other problems of PEs include; Mismanagement of resources , inefficiency , gross under capitalization resulting in heavy reliance on government for financial operation , misuse of monopoly power leading to corruption , bureaucratic/administrative bottlenecks in their relations with supervising ministries , ethnicity and nepotism among others .

This dismal economic performance of PEs created a crisis of confidence which aggravated Nigeria's economic crisis of the 1980s. These crises led to the dwindling domestic and foreign exchange revenue thereby creating serious fiscal crisis in the economy .These criticisms led to serious calls for reforms to reposition and restructure them for better performance through the privatization option. Privatization is a mechanism for improving the performance and efficiency of PEs. This will go a long way in ensuring efficient use of resources and lessening the dependence of PEs on government, thereby making resources available to other competing sectors of economy. It is against this background that this research is conducting the investigation on how is the impact of these

privatization and commercialization of the power sector amongst other public enterprises in Nigeria.

Privatization in Nigeria was formally introduced by the commercialization Decree of 1988 as part of structural Adjustment Program (SAP) of the Ibrahim Babangida Badamasi administration (1985 -1993). As McGrew was argued, SAP is a neo-liberal development strategy devised by international financial institutions to incorporate national economics into the global market.

The vision of a “global market civilization “has been reinforced by the policies of the major institutions of the global economic government namely up to the mid 1990s., underlying them structural adjustment programs has been a new –liberal development strategy –referred to as the washing of conscientious which prioritizes the opening up of national economics to global market forces and the requirement for limited government intervention in the management of economy.

One of the main objectives of SAP was to pursued deregulation and privatization leading to removal of subsidies, reduction of wage bills and the retrenchment of public sector ostensible to trim the state to size .The privatization and commercialization Decree of 1988 set up the Technical Committee on privatization and commercialization (TCPC) under the chairman of DR. Hamza Zayyad to privatize 111 public enterprises and commercialize 34 others. In 1993, TCPC concluded its assignment and submitted its report having privatized 88 out of the 111 enterprises listed to be in the Decree. Based on the recommendation of TCPC, the Federal Military Government promulgated the Bureau for public Enterprises Act in 1993 which repealed the 1998 Act and set up the Bureau of Public Enterprises (BPE) to implement the privatization program in

Nigeria. In 1999, the Federal Government enacted the Public Enterprise (Privatization and Commercialization) Act 1999 which created the National Council on privatization under the chairmanship of the vice president. The functions of the council include the following:

Making policies on privatization and commercialization with the modalities for privatization and advising the government accordingly. Determining the privatization and timing of enterprises and approving the prices for shares and appointment of particular advisers, and ensuring that the commercialized public enterprises are managed in accordance with sound commercial principles and prudent financial practices.

Interfacing with the public enterprises, together with the supervising ministries, in order to ensure effective monitoring and safeguard of the managerial autonomy of the public enterprises.

The Act also established the Bureau of Public Enterprises (BPE) as the secretariat of the National Council on privatization. The functions of the bureau include;

1. Implementing the council's policy on privatization and commercialization.
2. Preparing the council's policy on privatization and commercialization,
3. Advising council on capital restructuring needs of the public enterprises to be privatized.
4. Ensuring the update of accounts of all commercialized enterprises for financial discipline.
5. Making recommendations to the council in the appointment of consultants, advisers and other professional bankers required for accounts houses, stockbrokers, solicitors, trustees, accountants and other professionals

required for the purpose of either privatization exercise through effective post transactional performance monitoring and evaluation.

6. Providing secretarial support to the council.

The roadmap indicates the government's attention to divest from PHCN'S successor companies. Other than the Transmission Company of Nigeria which will continue to be responsible for the transmission of electricity, this is a natural monopoly for the state.

In furthering the progress and achievements the government went on with the following unbundling of the PHCN, and the 18 companies were incorporated. And they are as under listed below:

Privatization is the process of transferring an enterprise or industry from the public sector to the private sector. This public sector is the part of the economic system that is run by government agencies. Where as commercialization is the total withdrawal of government participation in terms of funding to the private sector. And the production and sales of these products will eventually determined by the owners of the company.

Prior to the enactment of the Economic Power Sector Regulatory Agency, (EPSRA) 2005, Federal Government of Nigeria was responsible for policy formulation regulation, operation, and investment in the Nigerian power sector. Regulation of the sector was done through the Federal Ministry of power (FMP) with operations through the National Electric Power Authority (NEPA), a wholly owned sector of economic (SOE) responsible for power generation, transmission and distribution. To address the twin issues of National Electric Power Authority's poor Operational and financial performance ,the Federal Government of Nigeria amended the then

prevailing laws (Electricity and power Acts) in 1998 to remove NEPAS monopoly and encourage private sector participation.

The amendment, however, were not far –reaching .This informed FGN of the need to undertake holistic policy, legal and regulatory reforms. The National Electric Power Authority policy 2001, specifies the reform agenda, while EPSRA provides the legal basis for the unbundling of NEPA, the formulation of successor companies and the privatization of the latter ,EPSRA also provides for the development of a competitive electricity market, the establishment of a dedicated regulatory body and the establishment of a rural electrification agency.

Consequently, FGN established the power Holding Company of Nigeria (PHCN the initial holding company) and subsequently unbundled it into eighteen (18) successor companies. Strategically, the objectives of the reform include;

- (i) The transfer of management and financing of sector operations to the organized private sector.
- (ii) The establishment of an independent and effective regulatory commission to oversee and monitor the industry.
- (iii) Focusing on the FGN policy formulation and long term development of the industry. This will lead to ;
 - (a) Increased access to electricity service.
 - (b) Improved efficiency, affordability, reality and enhance quality of services.
 - (c) Greater investment into the sector to stimulate economic growth

The Federal Government owned electricity system now companies;

- (1) Three hydro and Thermal generating stations with a total installed capacity of 6,852 with available capacity of 3,542mw (as of 31th July 2010). Each entity has been incorporated as a single –asset generating company.
- (2) A radial transmission grid (330kv and 132kv),owned and managed by the transmission company of Nigeria, with the responsibility of undertaking the system operation and market settlement functions, respectively, and
- (3) Eleven distribution companies (33kv and below) that undertake the wires sales, billing collection and customer care functions within their area of geographical monopoly.

Competitive tender will be carried out to receive bids from core investor groups (inclusive of competent generation asset owner/operators) for a minimum of 51percent of equity in the following successor thermal generating companies;

- (a) Afam Power Plc
- (b) Sapele Power Plc
- (c) Ughelli Power Plc
- (d) Geregu Power Plc

And a separate concession process for the following successor of hydro generating companies;

- (e) Shiroro Hydro Power Plc
- (f) Kainji Hydro Power Plc

Privatization is the process of transferring an enterprise or industry from the public sector to the private sector. This public sector is the part of the economic system that is run by government agencies. Where as commercialization is the

total withdrawal of government participation in terms of funding to the private sector. And the production and sales of these products will eventually determined by the owners of the company.

1.2 PROBLEMS STATEMENT

It is general knowledge that public-owned enterprises are not performing creditably in Nigeria. To ensure developmental growth in the organization, it would go as far as; determining how the Federal Government could not found the monumental and inefficiencies of these public enterprises with problems such as ill-conceived investments, political interferences in decision making ,costly and inefficient use of public resources, and lastly, growing budgetary burdens.

Similarly, the continuous system failures as the result of weakness and obsolete power transformers at all generating stations which has proven total collapsed in the entire electricity supply thereby affecting the most of the economic activities of the country.

Based on this, it will be the focus as to finding out how the research shall investigate the privatization and commercialization will bring out solutions as impact and development and growth in the national economy.

1.3 RESEARCH QUESTIONS

The following questions would serve as the research question for this study;-

1. Is privatization and commercialization the only answer to efficiency?
2. Will privatization and commercialization bring development and growth of Nigerian economy?

3. Will the privatization and commercialization of the power sector bring sustainable electricity supply?
4. To what extent will privatization of the power sector contribute and strengthened the capacity of national economy?

1.4 RESEARCH OBJECTIVES

- 1 To examine whether privatization and commercialization is answer to efficiency?
2. To investigate whether privatization and commercialization bring development and growth of Nigeria economy.
3. To examine of privatization of power sector bring sustainable electricity supply
- 4 To investigate how privatization of power sector contributes and strengthened the capacity of the national economy.

1.5 SCOPE OF THE STUDY

This research project tends to cover issues relating to privatization and commercialization and the impact of Nigeria enterprises .It also intends to examine the possible or probable problems the economy if the privatization and commercialization is fully adopted. And more specifically, studying the Jega Business Unit in Kaduna Electricity Distribution Company.

The study is by means exhaustive but a useful attempt is made to private sector into the core of an issue. However, the researcher confronts many conflicting problems.

1.6 SIGNIFICANCE OF THE STUDY

This study is no doubt of great importance to the Government of Nigeria in the sense that it will help to enhance their policy inputs to the public enterprises especially the privatization and commercialization exercises that is currently on.

The outcome also will help the government to improve the public sector and examine its performance .The study will serve as a basis for solving ownership and economic problems and to control the various government agencies to understand the implications of their unhealthy management style.

The study could be used by students in their various researchers program as well as other authors who may wish to write on this important topic.

1.7 DEVELOPMENT OF HYPOTHESES.

After examining the explicit and implicit objectives of the project aspect out in the introduction and purpose of the study of the hypothesis of the study can be put forward in the following manner;

H1. That Privatization and Commercialization is the answer to efficiency.

H2. That privatization and Commercialization bring development and growth of Nigerian economy.

H3. That privatization brings sustainable electricity supply.

H4. That privatization of power sector contributes and strengthened the capacity of National economy.

1.8 DEFINITIONS OF TERMS

This section will aim at determining some of the technical terms used in the course of this project writing.

1.8.1 SUBVENTION: this is an amount of money that is given by the government to help or assist an organization.

1.8.2 VENTURES: this is defined as a business project or activity that transfers certain percentage of the organization asset to individual in form monetary bills as certificates to the buyer.

1.8.3 PRIVATIZATION; Refers to the transferring of Government equity holding to the private individual to manage for profit oriented.

1.8.4 COMMERCIALIZATION: The re-organization of enterprises wholly or partly owned by the Federal Government such that those enterprises shall operate as profit making.

1.8.5 KAEDCO: Kaduna Electricity Distribution Company

1.8.6 PUBLIC ENTERPRISES: It means Government owned, companies meant to provides goods and services without mindful of profit making.

1.8.7 Generating power Companies: These refers to the companies that has the capacity to produce (generate) bulk Kilowatts ampere electricity energy for consumers usage both industrially and household.

1.8.8 Kainji Hydro Power Plc: These means the source of generating electricity bulk Kilowatts (Power) through water, which is situated at Kainji and Jebba in Niger State as public liability company.

1.8.9 Economic Power sector Regulatory Agency: This is a body empowered to oversee the general activity involve in the course of cost of provision of supply of electricity, pricing and some observables and disagreeable practices such as abnormal charges or otherwise from customers or and nonpayment.

1.9 CHAPTERISATION

This section further summarily, state chapter by chapter the content there in. in chapter one explained the introduction of the problem and detailed through the problem statement research question objective, scope of the study, significant of the study, development of hypothesis and definition of key terms. Similarly the next chapter two bring up the background of the study, some impediments of handover, the organizational chart, activities of the literature review, the concept of privatization and commercialization, commercialization, privatization, public enterprises, theoretical frame work, public good theory and failure of public sectors economics.

Adding to this chapter four which discuss on research design, collection, and sources of data, population, sampling technique, method of data analysis and instrument of data analysis. Furthermore data presentation and analysis, distribution of respondent by age, distribution of respondent by gender difference distribution of respondent based on educational attainment, distribution based on marital status distribution of respondent by positional rank, distribution of respondent based on privatization, respondent based on the role of Kaduna electric in Jega business unit and finally chapter six, sums it up with summary, conclusion and recommendations.

In conclusion, the discussions based on the findings reveals that the majority of people responses agreed for the Privatization and Commercialization of the (PHCN) Power Holding Company of Nigeria. This is because of inability of the sector to provide steady supply to the people via vie the yeaning of the collapse of most companies in Nigeria which has caused unemployment. The closed of these companies has grossly affected the national economy and underdevelopment.

Further more, most of the materials in used are obsolete for example, the 330KVA lines were fixed since in the sixties (60s) and have not been replaced. Similarly the power transformers remain unchanged which invariably affects the capacity to convey sufficient energy through the lines as expected. As a result of the above problems mentioned it has become very difficult for the company to work effectively and efficiently. Hence, the call for privatization and Commercialization will have an impact to the National economy for growth and development.

CHAPTER TWO

BACKGROUND OF THE STUDY

2.1 INTRODUCTION

Prior to the enactment of Enterprises of Public Sector Regulatory Agencies (EPSRA), 2005, Federal Government of Nigeria was responsible for policy formulation, regulation, operation, and investment in the Nigerian power sector. Regulation of the power sector was done through the Federal Ministry of Power (FMP) with operations through the National Electric Power Authority (NEPA), a wholly owned sector of economy (SOE) responsible for power generation, transmission and distribution.

To address the twin issues of NEPA's poor operational and financial performance, the Federal Government of Nigeria amended the then prevailing laws (Electricity and NEPA Acts) in 1998 to remove NEPA's monopoly and encourage private sector participation. The amendments, however were not far reaching. This informed the FGN of the need to undertake a holistic policy, legal and regulatory reforms.

The National Electric Power policy 2001, specifies the reform agenda, while EPSRA, and provides the legal basis for the unbundling of NEPA, the formulation of successor companies and the privatization of the later, EPSRA also provides for the development of a dedicated regulatory body and the establishment of a rural electrification agency.

Consequently, the FGN established the power Holding Company of Nigeria (PHCN-the initial holding company) and subsequently unbundled it into eighteen (18) successor companies. Strategically, the objectives of the reform includes;-

- (i) The transfer of management and financing of sectors operations to the organized private sector,
- (ii) The establishment of an independent and effective regulatory commission to oversee and monitor the industry,
- (iii) Focusing on the FGN on policy formulation and long-term development of the industry. This will lead to;-
 - (a) Increased access to electricity service
 - (b) improved efficiency, affordability, reality, and quality of service,
 - (c) Greater investment into the sector to stimulate economic growth.

The Federal Government owned electricity system now companies;

- 1) The Three hydro and seven Thermal generating stations with a total installed capacity of about 6,852mw, with available capacity of 3,542mw (as of 31st of July 2010). Each entity has been incorporated as a single asset generating companies.
- 2) A radial transmission grid (330kv and 132kv),owned and managed by the transmission company of Nigeria with the responsibility of undertaking the system operation and market settlement functions, respectively ; and
- 3) Eleven distribution companies (33kv and below) that undertake the wires, sales, billing, collection and customer care functions within their area of geographical monopoly.

Competitive tender will be carried out to receive bids from core investor groups (inclusive of competent generation asset owner (operators) for a

minimum of 51% of equity in the following successor Thermal generating companies;

- (a) Afam Power Plc,
- (b) Sapele Power Plc
- (c) Ughele Power Plc
- (d) Geregu Power Plc.

And a separate concession of the process for the following successor hydro-generating companies like:

- (e) Shiroro Hydro Power Plc
- (f) Kainji Hydro Power Plc.

And Thomassen emerged as the preferred bidders for the sales of 100% shares in Ugheli power plc and CMEC/EURAFRIC Energy JV Consortiums as the preferred bidder for Sapele Power Plc.

Ampenon power distribution company ltd was approved as the preferred bidder for the core investor sale of 51% of the shares of Geregu power plc, KANN Consortium Utility Company limited and Vigeo power plc for the sale of 60% of the shares of Abuja Electricity Distribution Company plc and Benin Electricity Distribution Company plc respectively.

Other preferred bidders and the respective Distribution companies sold to them are:-

- (1) West Power and Gas (EKO Electricity Distribution Company plc)
- (2) New Electricity Distribution Company (IKEJA Electricity Distribution Company plc)

- (3) Integrated Energy Distribution & Marketing LTD (IBADAN Electricity Distribution Company plc) and
- (4) Yolo Electricity Distribution Company plc
- (5) Inter-State Electric Limited (Enugu Electricity Distribution Company plc)
- (6) AURA Energy Limited (JOS Electricity Distribution Company plc)
- (7) SAHELIAN Power SPV Limited (KANO Electricity Distribution Company plc)
- (8) 4 Power Consortiums (Port-Harcourt Electricity Distribution Company plc).

Preferred bidders are yet to be approved for KADUNA Electricity Distribution Company plc and the BPE went ahead of it to privatize the company to the bidder that cannot be established hence it is the management of KANO Electricity Distribution Company that has the monopoly of running the affairs of the company. However, the essence is to further facilitate the efficiency and profitability of the company.

The privatization exercise is an important step towards achieving the structural reforms intended by the government. It is expected that once the successor companies have finally been handed over to the respective preferred bidders/purchasers and are fully operated by them, the ensuring competition between these investors will lead to improved and more efficient electricity generation and supply in the country.

However, at present the delay in the handover of these companies appears largely to be due to the failure of the preferred bidders/purchasers to complete payment for the purchase of these companies, and to the

disagreements between PHCN's former employees and the government. On 17th June 2013, the government agreed to pay a 384 billion (in excess of 2 billion US dollars) sovereign package to the disengaged PHCN employees. It is hoped that owing these entitlements have been paid and the preferred bidder's complete payment of their outstanding 75% purchase price, the handover of the successor companies will be relatively seamless.

2. 1.2 SOME IMPEDIMENTS OF THE HANDOVER:

Although the respective sales agreements between the preferred bidders and the Bureau of Public Enterprises were signed on February 21st 2013 and the mandatory 25% consideration was paid by the preferred bidders/purchasers This is due to the following reasons:-

- (i) The preferred bidders failure to satisfy the condition of completing payment of the outstanding 75% of the bid consideration and
- (ii) The disagreement between the government and former PHCN employees over severance payments owed to them.

Preferred bidders have raised concerns that they lack access to the distribution companies, and have alleged that the data made available to them following the approval as preferred bidders and the actual operational state or condition of the distribution companies failed to reflect reality.

In addition, certain bidders claimed that they have not been allowed to manage the distribution companies as was agreed before the signing of the transaction documents with the Bureau of Public Enterprises. In view of these challenges, it remains to be seen whether the preferred bidders will proceed with closing these transactions.

Recently, and perhaps in a bid to address some of these challenges, the government inaugurated transition committees for each of the successor companies for which the mandatory 25% consideration has been paid ,in order to enable the bidders /purchasers to commence the process of taking over management in line with the terms of the transition documents.

Each committee consists of representatives of the Bureau of Public Enterprises, the management of the requisite successor company and the preferred bidder. The committee is responsible for:-

- (a) Ensuring that the preferred bidders/purchasers have sufficient access to their respective successor companies in order to enable them to prepare for the implementations of their approval business plans.
- (b) Ensuring that the bidders/purchasers are allowed to monitor the ongoing operations in the successor companies in order to ensure that they are carried out efficiently and in compliance with the transaction documents.
- (c) Providing platform for the management team and employees of the successor companies order to allow for a smooth transaction and
- (d) Facilitating the smooth transaction of the management and operational control of the successor companies to the preferred bidders/purchasers at the appropriate time.

2.2 ORGANIZATIONAL CHART.

The organization chart of Kaduna Electricity Distribution Company of Nigeria plc came to existence as a result of the Federal Government transfer of responsibilities to a successor of their choice. As a result of these actions and in action of the Federal Government there was a review of the organizational chart

to conform to the new re-organizational settings to the new name. Therefore, the organ gram changes to these forms:

The look of these new organizational chart explain thoroughly how expected to be operated forthwith. There are additional offices that were not in existence before the privatization and commercialization of PHCN.

These privatization and commercialization is done in order to further achieve efficiency of service to the customer and equally remove tactically the monopolistic idea already instituted in PHCN. It is also require that by these privatization and commercialization of the company, there will recorded competition that would met up better realization of high productivity and profitability.

2.3 ACTIVITIES OF THE ORGANIZATION.

The sole activities of the organization are simply to provide steady supply of electricity to its esteem customers. That is to say the organization is saddled with the responsibility of providing uninterrupted power supply and at affordable price. It is therefore require that certain provision of working tools are needed to be made available in order to accomplish this very task ahead of the new management. Similarly, this shows how the new management must as a matter of priority to ensure that there ought to be made readily enough resources that are both human and material.

Considering the entire connectivity problems associated with the type of wires, poles, fittings as well as transformers of various sizes on the network as a whole, it means that there is a need to overhaul almost everything in order to achieve the desire results. The requirement of these materials that have already been deteriorated and some extent are obsolete, desire immediate change.

Equally to mentioned are the type of underground cables of various sizes, which for many decades have been on used are outdated and no longer able to carry sufficient current to longer distances, are material that are dare need to be change immediately.

Also to note are the most expected needs to review the cost of tariffs charges to the customers which are outrageous on the higher side at the detriment of the entire customers' capabilities of payment. This is because the duration of supply to the customers does not conform to the supply per hour per rate charge in a month.

Similarly, the problems of broken poles, spindles, bad transformers under size aluminum conductor wires, are causes to wrong drawing of services of line all over Jega business unit and its environs. Again the workers dishonesty deliberately caused by the failure of provisions of these needed materials becomes disturbing and consequently leads to bad practices that eventually results to constant interruption of supply to customers. With these problems listed above become the major reasons for the privatization and commercialization of PHCN.

However, another much disturbing issue are problems of insufficient operational vehicles most of the time staff of former PHCN are often seen with ladders on their shoulders and on top of motor cycles looking for faults in the towns and villages which of course built in corruption in the mind of staff. Furthermore, employment is yet another most worried phenomenon .Most of the staff employed are not to discharge their responsibilities as require of them, and nobody can punish or correct them. This is because their employment has a link to favoritisms.

With the aforementioned issues it surmount to reasons of privatization and commercialization of then PHCN to 18 no companies of Kaduna Electricity Company is enlisted amount it and Jega business unit falls under it territory.

2.4 PROGRESS AND ACHIEVEMENTS.

As a results of the declined of Nigerian electricity power generation, distribution and supply has attracted much national and international criticism. The resulting negative economic and social impact has prompted various government policies and legislations that are aimed at restructuring and reviving this strategic sector including:-

Therefore, the progress and achievement made so far can be attributed on the mentioned procedures taken by the Federal Government to ensure that progress is achieved. These measures expressly guarantee the privatization and commercialization exercise without political barriers.

- (1) The National policy on Electric power 2001
- (2) The Electric power sector reform Act of 6th 2005 and
- (3) The Roadmap for power sector Reform 2010.

This policy sets out the governments' objectives for the sector, including divestiture by the government of its interests in states owned entities within the sector and promotion of competition through the full liberalization of the electricity market.

The Act seeks to enshrine these objectives and provide a framework for their implantation and provides for:-

- (i) Privatization of the former state owned monopoly of the National Electric power Authority.
- (ii) Unbundling of the National Electric power Authority's successor Company .The Power Holding Company of Nigeria (PHCN) into districts business units.
- (iii) The subsequent transfer of PHCN assets, liabilities and staff to its successor companies.
- (iv) Liberalization of the Nigerian Electricity Industry to allow for private sector investment, and
- (v) Determination of the market variables (i.e. pricing) by market forces.

As a result of the completion of the privatization and commercialization act, the government granted certificate of transfer to the new owners of the company.

2.5 CHALLENGES FACING THE ORGANIZATION

It is evident that any new program that felt not properly planned ,organized, coordinated, directed, and evaluated effectively will definitely face a lots of challenges which may led to its under productivity.

In the case of the privatization and commercialization of Power Holding Company of Nigeria, Some of the observable challenges currently that are facing the Kaduna Electric, Jega Business Unit are enumerated as follows;

- a) Building of the personnel capacity to enable them face the old aluminum conductors that have being in used for more than five decades without changing them. And the length and span of wires involved considering also the distance to be covered in the area of jurisdiction.

- b) Need of replacement of old transformers that are overstretched and the high demand arising nearly every day.
- c) There are needs of re-conducting of the networks from all the sources of supply (I e from transmission to the linking distribution stations.
- d) Current means of cash collection for electricity bills are unconsciously facing challenges due to observed way adopted in collecting revenue judging from the type of consumers that are patronizing the company.
- e) Similarly, there is the need to completely replace the whole low tension poles within the area of coverage to avoid constant breakages during raining season.
- f) Insufficient working materials in the entire departments in case of emergencies.
- g) There are problems of operational vehicles.
- h) Absence of sufficient consumer meters for appropriate and accurate and charges of tariffs generally in the system.
- i) Customer Consultative Forum needs to be established to further enhance the total relationship that is in existence.
- j) Failure to realized that costumers are expected to be treated as kings because they the stakeholders.

It is worthy of note that there are as many as more than the mentioned challenges are currently facing the company tare requiring immediate solutions. And this haven due to the fact that there was a quick rush into the handover the power sector considering some these crucial challenges readily at hand before embarking into privatization and commercialization exercise of bidding.

CHAPTER THREE

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

3.1 INTRODUCTION

The general perfidy, poor performance and inefficiency of our public enterprises have been quite remarkable. Comments across official and unofficial quarters all indicate that the enterprises have failed so woefully bad that they remain public disgrace.

The promoted series of discussions and policy recommendation on how best to move them out of their present sorry state to that which is more compatible with our socio-economic aspirations. While the public remains various in its feelings regarding policy choice and actions, the government seems decided, poised and irrevocably committed to the privatization option. Towards this end, it has promulgated Decree NO.25 of 1998 to give practical effect to and set appropriate machineries in motion to privatize or commercialize certain enterprises.

Despite this decree, there is still a tremendous ambivalence toward the issue of privatization on the other hand; privatization has considerable appeal because of the notion of commercial discipline, financial prudence effective management and commercial viability normally held to characterize private sector enterprises. As such it is usually expected that privatization will usher the much needed philosophical and operational transformation to arrest the declining fortune of the enterprises impact on the socio-economic life of the country. The fourth national development plan (1975-1980)

3.2 THE CONCEPT ON PRIVATIZATION AND COMMERCIALIZATION

Nwabuzor (1992;39) given a death of capital and indigenous entrepreneurial capability and a distrust of foreign capital, most countries choose the path of stated industrialization ,building on the colonial heritage ,virtually every aspect of the economy was subject to varying levels of the state intervention. Government administered price controls and increasingly regulated and interrupted in labour markets, mining, agriculture, manufacturing, and financial markets.

Onuoha (1999; 101) States government ownership business represents the ultimate in regulation of private business. In Nigeria, government participation in business dates back the colonial days when those business were consider as vehicles for the maintenance of minimum civilized standards as well as facilitating the maintenance of law and order in the territories.

On the other hand the performance of the public enterprises is not encouraging ,Owabuzor (1990;15) has this to say about public enterprises ,the one point in which virtually all Nigerians will agree is that state owned enterprises over the years have performed frustratingly poor.

It is necessary to attempt a clear definition of the concept, "privatization" and "commercialization' before we can go further'.

3.3 COMMERCIALIZATION

Commercialization can be defined as a substitute policy meant to imply the adoption by public enterprises of strict commercial objectives in all aspects of their operation including investment, recruitment, and board appointment, pricing, and setting new projects.

Under Decree 25 of 1998 on privatization and commercialization, Commercialization was defined as the re-organization of enterprises wholly or partly owned by the Federal Government such that these enterprises operate as profit making (commercial) ventures and without subventions from the Federal Government.

Commercialization can be full or partial. Commercialized enterprises have powers to;-

- (a) Fix rates, prices, and charges for goods and services rendered.
- (b) Capitalize assets
- (c) Barrow monthly and issue ventures stock
- (d) Sue and be sued in their corporate names.

3.4 PRIVATIZATION

Dike (2002; 12) defined privatization as the transfer of state-owned enterprises to the private sector, He went further to say that in commercialization only privatization of Management contracts, leases and concession may be involved.

Under the Decree no. 25 of 1998; defined privatization as the relinquishment of all or parts of the equity and other interests held by the government or its agents in the enterprise.

Privatization has served the strategic role of transferring the state controlled economic and hence, changing the role of the state in economic development.

3.5 PUBLIC ENTERPRISES;

Public enterprises are business established to provide certain services and carryout specific activities. They are state participation in production activities, which includes public owned enterprises controlled by the Federal or State owned enterprises. In Nigeria, they are defined to comprise all organizations run by employees of any of the government or in the equity holdings.

Therefore, the key component of the Federal Government structural adjustment programs is the drive towards higher efficiency in the public sector. This necessitated the promulgation of Federal Government of Nigeria, in which it was reflected that government will divest its hotels, and non strategic industries. Government will also reduce its holdings in banks, insurance companies and other financial enterprises without losing controls.

3.6 THEORITICAL FRAMEWORK.

Since the days of Margaret Thatcher and Ronald Reagan in United Kingdom and United States of America respectively .Economic policies have reflected the views of neoclassical economists. The central message of neoclassical economists hinges on the need to place the private sector at the centre of economic activities with government playing a minimal role in the economic development process. The paradigm shift from the Keynesian economists to neoclassical views in the developing countries such as Nigeria informed adoption of privatization policy. Privatization is of the greatest pillar of transformation into a market economy and a key component of reform in both the developed and developing economics (Obadan 2000, Sanda and Dantani, 2011). A number of developing countries have adopted privatization programme as a mechanism of improving the performance of PEs, reducing public sector participation in the economy and promoting macroeconomic stability. In Nigeria, privatization is a market oriented reform

programme embodied in structural Adjustment programme (SAP) and National Economic Empowerment and Development strategy (NEEDS) respectively. Both SAP and NEEDS emphasize on the evolution of a private sector led economy with government playing a moderating role. For example, one of the objections of SAP is to lessen the dominance unproductive public sector investment and enhance the growth potential of the private sector. To this end privatization was adopted as a key element to reduce the influence of monopoly and of government in the economy (NPC, 2004). Public enterprises are regarded as instrument of mobilization of resources, employment generation, income redistribution and government intervention in the economy. This will go a long way in reducing the influence of market forces in economic management. There are a number of theoretical arguments advanced in favour and against privatization policy. A summary of the major privatization arguments is presented in below;

Table 3.1: Argument for or against Privatization

NO	ARGUMENT FOR	ARGUMENT AGAINST
1.	Efficient Argument	Exploitation
2.	Profitability	Unemployment
3.	Ownership/Property Rights	Foreign Dominance
4.	Distortion	Bribery /Corruption
5.	Fiscal Argument	I.M.F./ World Bank

Source; Adapted from Birdsall and Nellis (2002).

There are theories that further discussed extensively on the public choice theories, Agency theory, Property right theory, and Dependency theory.

3.7 PUBLIC GOOD THEORY.

The Federal government establishment of a subsequent growth of state – owned enterprises (SOEs) in compliance with the Keynesian theoretical paradigm was for over two decades a fundamental component of development strategy in Nigeria. The SOEs were needed to provide social services and economic development. However, they served the purpose for which they were established for about a decade, and then their performance declined. The government of Nigeria then opted for privatization policy as a result of inefficiency and ineffectiveness of the SOEs. Privatization policy is a global principle and guidelines that de invest public ownership. The aim of the research is therefore; investigate the social economic and legal implications of the Nigeria privatization policy. The methodology employed in the research is to review the existing literature of SOEs, and privatization policy in Nigeria and beef up empirical investigation of twenty (20) consumers of the product of the SOEs in energy sector. The result from the findings also revealed that the grass root (the poor) are likely to suffer as they will no longer enjoy subsidized products and servicing SOEs slated for privatization while conversely it will further enhance socio- economic condition /hegemony of the bourgeoisie . Finally, the legal review revealed that the privatized SOEs will undergo legal structural transformations.

It also explains market failure and poor return to investment which is one of the reasons why Nigeria government embarked on privatization policy. Agency theory on the other hand is the branch of financial economics that looks at

conflicts interest between people with different interest in the same assets, by implication, the theory explains the conflict between the shareholders and managers of companies and shareholders and bond holders and all frameworks of privatization policy implementation and foreign, direct investment (FDI). the theory further explains among other things , why; companies so often make acquisitions that are bad for share holders, convertible bonds are used and bond are sometime sold with warrants and also why capital structure matters?

The theory is used by financial economist to model very important aspects of how capital markets by being aware of the insights of the agency theory. The above scenario is capable to explaining the privatization components of foreign direct investments. Also , the property right theory the ranges of privileges granted individuals to invest in the privatization programme and modernization theory is relevant in explaining the transformation of social life ., which cognate to the objectives of privatization policy and foreign direct investment . The constellation of the theories of public choice, agency, modernization and dependency and property right is capable of offering multi nationals. All said, the FDI productivity is a function of economic mullein of the host countries. This condition includes;

- (1) High level technology ,
- (2) Adoptive capacity in the host country,
- (3) High level of human resources in a recipient country
- (4) Some degree of complementary between domestic investment and FDI
 ,High savings rate and
- (5) Open trade regimes.

3.8 FAILURES OF SECTORS OF ECONOMICS

The result of proliferations of SOEs covering a broad spectrum of economic activities from steel plants , petrol chemical, health boards, commissions, banks to mass transit to abattoir.

In the 1970s and 1980s performance was okay but from the 1990s to dates performance started to decline and failed to meet the aspirations of socioeconomics development targeted (Musa, 2005, Omoleke and Adesepe, 2005). Consequently, some of them collapsed in Nigeria. For instance enterprises are National Bank, Allied Bank, Castle Breweries (NNSC) Nigeria National Supply and African Continental Bank just to mention a few Omoleke (2008).

As a result of the inauguration of the National Council on privatization on Tuesday 20th July 1999 after an estimation of 800billion Naira invested on public owned enterprises, but could not collect up to 10 percent return on investment.

Table 3.2: Return on Investment

GAINS/LOSS	FREQUENCY	PERCENTAGE
Loss/Increase in tariff	38	78
Gains/Decrease in tariff	01	2
Non Response	11	22
Total	50	100-0

SOURCE; Field Survey January, 2009.

This Theory concerned with a positive analysts of public goods determination. Employing of Broadway and Wildasin (1984), when they created the political mechanism especially voting behavior as the means in which goods are rationally transmitted to policy makers. Bushanan and Tulloch (1962, 2009)

are said to be the fore runners of modern public choice theory. The major assumption of public choice theory is that voters, politicians, bureaucrats, interest groups and rent seekers are motivated primarily by self interest, Orchard Shretton (1997).

In neoclassical price action models individuals and firms are also motivated by self interest in the sense that individual maximizes utility and firms maximize profits. The model results in an efficient allocation of resources in the provision of private goods. Given their characteristics, most public goods cannot be efficiently provided by the market mechanism and property rights have public goods aspects. Finally, mechanism theory is the theory used to summarize modern transformation of modern life. The theory looks at the internal factors of the country. It is an evolutionary theory that assumes that with help, traditional countries can develop in the same ways modern countries did. Throughout certain periods of time modernization theories attempt to identify social progress and development of certain societies and seeks to explain the details of social devolution. Modernization does not only stress the process of change but also respond to change. Theory also looks at the internal dynamics referring to social and cultural structure and adoption of new technologies. In sum, public choice theory concerns with public analysis of public goods determination which ultimately relates to privatization policy which refers to de-investment of production of goods and services from public sector management to the private sector.

CHAPTER FOUR

RESEARCH METHODOLOGY

As it is clearly proven that the scientific problem can only be solved on the basis of data and major responsibility of the investigation that is set up as research design capable of providing the data necessary to the solution of the problem. This chapter is going to analyze the data collected during the course of the researcher's investigation, through the questionnaires and interview conducted.

4.1 RESEARCH DESIGN

This chapter is the framework of the research. It consist of the methods design in collecting the data, Data collection that's quantity questionnaires and quality Interviews, Instruments of Data collection, Sampling method, Sources of Data, Data Analysis as well as Instrument for Data Analysis.

4 .2 METHOD DATA COLLECTION

The method adopted in data collection was made through quality questionnaires and interviews. These questionnaires were administered with about few people who are workers as well as some public servant who have been in used of electricity services for the period of many decades. And because of their tremendous experiences are able to further address comparable analysis in view of privatization and commercialization of the company.

4.2.1 QUESTIONNAIRES

For the purpose of the research 40 questions were administered and 20 responded. The questions were however distributed equally and in accordance to the population so that each member of the population has equal chance of been

selected. The portion here was stated in order to get the population of the study that will eventually arrived at the desired result.

4 .2 .2 INTERVIEWS

Similarly the essence of the research is the interview conducted which enables the research have a close contact with the interviewee for direct and more comprehensive question and answer in a conducive atmosphere, with little or distortions from any quota.

Again, both parties are able to expressly discuss freely and with mutual and competence. At the end therefore the results gotten are satisfactory.

4.3 INSTRUMENTS OF DATA COLLECTION

The instrument used for collection of the study was questionnaire .Structured questionnaires were computed and analyzed and presented to each individual for easy interpretations. This data was used to measure the workability and viability of the study.

4.4 POPULATION

The study covers both genders (male and female) of KAEDCO staff. The population selected was because of their involvement in national development in terms of social transformation and improving the standard of life hood in the part of the country and beyond.

4.5 SAMPLING TECHNIQUE

For the purpose of this research random sampling technique is used, this is a method of drawing a portion of a population so that each member of the population has equal chance of been selected. The portion here was earlier been mentioned in the population of the study which consist of organization and general public.

4.6 SOURCES OF DATA

The sources of Data for research was through questionnaire and interview of staff of the Kaduna electric and various communities who are the beneficiaries of the service render as well as some student and the welders. These set of people are mostly representing the larger population who are often in interaction with the company's personnel in different areas of their lives of endeavor.

4.7 METHOD OF DATA ANALYSIS

The method adopted in interpreting the data into information. This is another means of narrating further ways used in analyzing procedures in the research findings on the impact of the privatization and commercialization of the power sector for the growth of national economy. Similarly, the contributions made by others, and my personal observations from the on- going on this particular issues which aims and objectives are the process leading into achieving desire results.

4.8 INSTRUMENT FOR DATA ANALYSIS

The researcher designed 20 copies of questionnaires for Kaduna electric, among the junior and middle level staff , 75 % were retrieved forty (40) copies were given to the general public while 85% was collected . The one distributed to the general public was among different sectors of the economy e. g. Banks, Doctors, Students, Economists, Lecturers, etc. In order to hear their views involving privatization and commercialization, the inability to retrieve remaining copies the questionnaires was due to time limit, this happened because of stipulated time for submission of the project.

CHAPTER FIVE

DATA PRESENTATION AND ANALYSIS

Generally, comments across official and unofficial quarters all indicate that the enterprises have failed so woefully bad that they remain a public disgrace.

This promoted series of discussions on how best to move of them out of their present situation. On the one hand, privatization has considerable appeal because of the motion of commercialization discipline financial providence, effective management and commercial viability normally held to characteristic private sector enterprise. As such it is expected that privatization will usher the most needed philosophical and operational transformation to arrest the declining fortunes of the enterprises.

Furthermore, the research came out with findings such investing in wrong project; the enterprise is run along civil service lines under archaic doctrines of bureaucracy, and unwarranted political interference, this all attributed to the public enterprise as the major problems.

Meanwhile expert believe that privatization process should be halted and lifted four main levels to be address before the issue of privatization. These are organizational, management, political, legislative and ideological structure. E.t.c.

5.1 DATA ANALYSIS

Table 5.1 Distribution of Respondents by Age

Variables (Age)	Frequency	Percentage %
17 – 26	5	25
27 – 36	6	30
37 – 46	7	35
47 and above	2	10
Total	20	100%

The Table 5.1 shows that distribution of respondents is between the ages of 37-49 has the highest frequency that is between 7 with 35%, those within the age of 27-36 has the frequency of 6 with 30%. Respondent between the ages of 17-26 have the frequency of 5 with 25% where as, the respondents between the ages 47 and above are 2 (10%).

Base on the above therefore it signifies that ages between 27-46 years has 65% of the total respondents are measured.

Table 5.2 DISTRIBUTION OF RESPONDENT BY GENDER DIFFERENCES

Variables	Frequency	Percentage %
Male	17	85
Female	3	15
Total	20	100%

The Table 5.2 shows the distribution of respondents is between male and female, the male has the highest frequency which is 17 with (85%) and that of female has the frequency has the frequency of 7 (15%). This shows that the male respondents has the highest frequency in the table which accumulated to female is low to 20 frequencies of 100%.

Table 5.3 DISTRIBUTION OF RESPONDENTS BASED ON EDUCATIONAL ATTAINMENT

Variables	Frequency	Percentage %
Adult education	6	30
'O' Level	7	35
Tertiary	3	15
No education	4	20
Total	20	100%

The Table 5.3 analysis shows the level of educational qualification of respondents; this shows that the highest frequency is between the adult education and secondary education frequency is 6 with 30% and at secondary, the frequency is at 7 with 35%. The tertiary and No education has the lowest frequency and percentage i.e. frequency at 3 and 4 with 15% and 20%.

Table 5.4 DISTRIBUTION BASED ON MARITAL STATUS

Variables	Frequency	Percentage %
Married	12	60
Single	8	40
Total	20	100%

The Table 5.4 is a distribution of marital status that shows the respondents which is among single and married; the married one has the highest frequency of 12 at 60%, while the single has lowest frequency of 8 with 40%. This specified that the married one has the highest frequency in terms of respondents.

Table 5.5 DISTRIBUTION OF RESPONDENT BY POSITIONAL RANK

Variables	Frequency	Percentage %
Top level	5	25
Middle	8	40
Low Level	7	35
Total	20	100%

The Table 5.5 shows the level of individual personality between higher level and lower level, the analysis shows that top and middle were given more considerations. The top at 25% while the middle level at 8 with 40%, this equally shows the position of top and middle was given the maximum consideration.

Table 5.6 DISTRIBUTION OF RESPONDENTS BASED ON PRIVATIZATION PROCESS OF KADUNA ELECTRIC

Variables	Frequency	Percentage %
Yes	15	75
No	5	25
Total	20	100%

It is shown in the Table 5.6 that the majority of the respondents claimed or expressed yes on privatization and commercialization at the frequency of 15 with 75%, and those respondents who responded No at the privatization and commercialization frequency of 5 with 25%.

The variable shows that the frequency of those that said yes is higher than that of those that said no.

Table 5.7 DISTRIBUTION OF RESPONDENTS BASED ON THE ROLE OF KADUNA ELECTRIC IN JEGA BUSINESS UNIT.

Variables	Frequency	Percentage %
Yes	18	90
No	2	10
TOTAL	20	100%

The Table 5.7 demonstrates that the frequency of respondents at Jega Business Unit at 18 which gives 90% while the frequency that respondents at Jega Business Unit give it 18 gives 90% while the frequency that respondents no are at 2 with 10% argued that the debilitating force are organizational, political,

environmental and structural which Privatization is set to exacerbate rather than alleviate and as such, worsen socio-economic inequalities in the country.

The privatization exercise is founded on questionnaire (Explicit and Implicit) assumptions and in a hastily constructed scheme consisting of components that did not function well in their original habitats. Before we succumb to any hurried sale of our enterprise, we need to purge ourselves of the misconceptions surrounding our perspectives on privatization. Unless this is done before the respective on privatization will achieve positive result.

5.8: DISCUSSION ON FINDING

In Table 5.1 shows the distribution respondents within the variables frequency of age at 37-46 at 7(35%) which is the highest respondent followed by variable frequency at 6(30%) as the second respondent. The variable frequency between the ages 17-26 at 5(25%) and the variable frequency is at 2 (10%).it implies that the variable frequency between the ages 27-46(65%) the most respondents in the questionnaires administered under the ages shown in the table. Whereas the variable frequency between the ages 17-26 at 5(25%) and variable frequency between 47 and above at 2(10%) shows the lowest respondent in the table.

In addition in table 5.2 which the distribution of questionnaire were made though gender difference, shows that the male respondents were more with the variable frequency of 17(85%) out of the twenty questions, whose answers were shown that responded negatively about the impact of privatization and commercialization of the sector, whereas, the female were able to respond. and this equally explain how the gender gives us the strength of the commitment in terms of challenges in the approach of national issues.

Again in the table 5.3, distribution based on educational attainment, the group that falls within the adult education on frequency 6(30%) respondent. Those with Ordinary level education falls the highest respondents with variables and frequency 7(35%). But those in tertiary institution turn to be lowest variables and frequency of 3(15%). That evens those with no education falls within the variables frequency at 4(20%). This further explains how those highly exalted in knowledge seems less serious to actually make impact positively and concern with certain national economic issues.

Another distribution by positional rank table 5.5, the top level on variables and frequency 5(25%). Those in the middle variables frequency at 8(40%) equally proves that they are dynamic than those on top and lower levels. the lower levels falls at the variables and frequency 7(35%). It further demonstrates how the middle level respondents better up than the others. Again in Table 5.6, which is distribution by privatization process of Kaduna electricity shows how those respondent on YES falls at variables (75%) whereas, those respondents that says are at the variables and frequency 5(25%). This proves that those who support privatization are more than those who did not support the programme.

However, it further elaborate clearly that the need for the privatization is signal stating the anticipated positive impact these laudable economic programme will strengthen the national growth. And in the Table 5.7, the distribution respondents based on the role of Jega business unit. It shows that the variables frequency of those who says yes falls at 18(90%) where those that says no falls at 2(10%).

Therefore in summary those who support for the privatization and commercialization out numbered those who did not support the programme based on the distribution of the process of Kaduna electric and Jega business unit.

The reason for the acceptance of the majority respondents it is base on the assumptions that it will bring positive impact on the national economic growth and development. Simply put privatization and commercialization shall eradicate the bureaucratic monopoly that is embedded which strongly is opposition to fasting success.

CHAPTER SIX

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

6.1 Summary:

Generally this project consist of six chapters, each chapter is treated based on the activities that the researcher has gone through during the project investigation. In this chapter, the introduction of the studies, problems, statement, research questions, research objective, scope of the study, Significant of the study, development of hypothesis, definition of key terms, were discussed.

In chapter two, background of the study, organizational chart, Activities of the organization, progress and achievement as well challenges facing the organization. In chapter three: Literature review and theoretical framework. In chapter four: Research mythology, data collection instruments of data collections sources of data method of Data Analysis, and Instruments for Data Analysis.

While in Chapter five: Data presentation and analysis in tabulations up to various different distributions through respondents by Gender, educational attainment; Marital status, positional rank, Kaduna Electric and Jega Business Unit respectively. Lastly in chapter six consist of the following: Summary, Conclusion, Recommendations, Appendixes and Reference.

6.2 CONCLUSION

The research has critically examined the privatization policy of the federal government with a view to assessing its congruence with the principle of distribute and social justice. It has been analyzed that the problem from the tropical angles of Socio-economic mission of public enterprises, the governing framework of privatization and the levels of casual. Explanation of the performances problems that threaten their real foundation consequently, the researcher has argued that the debilitating forces are organizational, political,

environmental and structural which privatization is set exacerbate rather than alleviate and as such, worsen socio-economic inequalities in the country.

The privation exercise is founded on questionnaire (explicit and implicit) assumption and in a hasty constructed scheme consisting of components that did not function well in their original habitat. Before the researcher succumb to any hurried sale of our enterprise, the researcher need to purge itself of the misconception surrounding our perspective on our privatization, unless this is done before the perspective on privatization.

6.3 RECOMMENDATIONS

1. Appropriate accounting, legal and regulatory Infrastructure must be provided for new species of managers with varied functional expertise to exploit and develop. In other words, the role of the managers is not that of a chief lobbyists or political protege and defense management but institutional leadership.
2. Management must always be sensitive to wide range of popular orientation and expectation and adopt organizational circumstance accordingly. The government could also help by ensuring conducive investment and ethical climate for socio-economic development.
3. Government should not be dormant in approach and not restrict from the search of alternatives within the parochial scope, western and or World Bank economics which have continued to dampen our socio-economic aspirations Eastern and Islamic economic thoughts posse consideration socio-economic structures that would bring caused to have the courage to explore and exploit.

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APPENDIX

Introduction

A research questionnaires on the impact of privatization and commercialization (A study of Kaduna Electric, Jega Business Unit, Kebbi State). This questionnaire is aimed at having an insight on privatization and commercialization on public sector therefore individual should feel free to give right information, your opinion will be treated with confidentiality.

SECTION A: PERSONAL DATA

1. Age:

a. 15-24 Years c. 30-34 Years

b. 25-29 Years d. 35-39 Years

c. 40 above Years

d. gender: Male Female

e. Occupation: I. Public Servant

II. Technician

III. Trader/Bus. Man

IV. Apprentice

f. Education Qualification

Primary Education

Secondary Education

Tertiary Education

ND.....

HND.....

BSC.....

MSC.....

PHD.....

Other Proficationals

SECTION B: CONSUMPTION

2. How many years have you been using electricity?

a. 1 – 10 Years

b. 11-20 Years

c. 31years and above

3. How many years phase meter placed in your house?

a. Single (1) Phase meter

b. Three (3) Phase meter

c. No meter on placed or estimation

4. Are sharing supply with your Neighbours.

YES NO

5. How many appliances are in your house?

a. 8No bulbs 40watts (Engineer server), 2No Alc, electric cooker?

b. 6No bulbs 60watts(Engineer server) with 4 fans only

c. 4No bulbs 60 watts (Engineer server) with I fan

d. 4No Bulbs 60 watts (Engineer server) only

6. Since PHCN is being privatized any notice of change?

YES NO

7. What are your notices as change?

a. No constant disconnection

b. Steady supply

c. No fault reports

d. No payment of bill

e. None of the above

8. Do you agree with privatization and commercialization exercise?

YES NO

9. How much is your monthly bill charge in your house consumption of light?

a. ₦10, 000.00

b. N7,000.00

c. ₦5000.00

d. ₦25, 000.00

e. 1,000.00

10. What is your experience of power Voltage of light?

a. Full voltage

b. Low voltage

c. No supply

SECTION C: IMPACT OF PRIVATIZATION OF PHCN

11. Do you like the privatization of PHCN?

YES NO

12. Are the current charges better than PHCN time?

YES NO

13. What impact has the Privatization and commercialization brought to the development of National economy?

a. positive and Excellency to the economy

b. Negative and bad effect to the economy

c. Averagely fine

d. None of the above

14. What advise would you give to improve the public section?

Your Comment _____

15. Do you agree the privatization & commercialization of the power sector has brought signifiation change for advancement in the economy?

YES NO

16. Do you accept the privatization and commercialization as solution to steady power supply?

YES NO

17. Privatization and commercialization means being self relevant without Government intervention. What impact will his bring to the private sector?

Your comment please _____

18. Are you satisfy with the current changes?

YES NO

19. Do staff attend to your fault compliant in time?

YES NO

20. Are you indebted to the company?

YES NO