Impact of Privatisation and Commercialisation On Service Delivery Efficiency by Public Enterprises in Nigeria

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Abstract

The Nigerian public sector has long been characterised by inefficiencies, underperformance, and widespread corruption, leading to suboptimal service delivery that has impeded socio-economic development. In response to these challenges, successive Nigerian governments have embarked on various reform initiatives aimed at revitalising public enterprises. Among these initiatives, privatisation and commercialisation have emerged as pivotal strategies, reflecting a global shift towards market-oriented reforms. This paper examines the impact of privatisation and commercialisation on the efficiency of service delivery by public enterprises in Nigeria, a topic of significant relevance given the country's ongoing economic reforms. This study adopted a desk methodology. Drawing from an extensive review of empirical studies conducted based on the existing studies carried out between 2012 and 2024, this analysis investigates how these reforms have influenced various sectors, including telecommunications, broadcasting, and electricity. The findings reveal a complex landscape where privatization and commercialization have led to notable improvements in operational efficiency, service quality, and economic growth in certain sectors. However, persistent challenges such as inadequate infrastructure, regulatory weaknesses, and corruption have often mitigated these benefits. The study highlights the critical role of robust regulatory frameworks, transparency, and stakeholder engagement in realizing the potential of these economic reforms. By addressing these factors, Nigeria can enhance the effectiveness of privatization and commercialization, ensuring that these initiatives contribute to sustainable development and improved public service delivery. This paper provides valuable insights for policymakers, scholars, and practitioners interested in the intersection of public enterprise reform and economic development in emerging economies.

Keywords: *Commercialization, Privatization, Public Enterprises, Service Delivery, and State-Owned Enterprises*

Introduction

In recent decades, the landscape of public service delivery in Nigeria has undergone significant transformation, driven largely by the adoption of privatization and commercialization policies. These reforms, inspired by global trends toward market-oriented governance, were introduced as solutions to the inefficiencies that have long plagued government ministries, departments, and agencies. Advocates of these policies assert that integrating private sector dynamism into public enterprises promises enhanced efficiency, improved service delivery, and economic growth. However, the implementation of these reforms in Nigeria has been fraught with complexities and controversies, raising questions about their effectiveness in addressing systemic inefficiencies (Adaramola, Obalade, & Adekanmbi, 2018).

The inefficiency and perceived failure of Nigerian public enterprises have historically been attributed to the application of profit-oriented performance criteria, which critics argue are ill-suited for evaluating public sector activities. Public enterprises, established to address roles deemed inappropriate for private sector involvement, have consistently fallen short of their objectives, marred by inefficiency and wastefulness. These challenges prompted the introduction of privatization and commercialization policies as part of a broader strategy to mitigate the shortcomings of public enterprises and improve service delivery (Okolie & Udom, 2023).

Privatization, as adopted by the Nigerian government, involves transferring ownership and control of public enterprises to private entities, thereby fostering competition and enhancing operational efficiency. Commercialization, in contrast, retains public ownership while reorienting enterprises toward profit-oriented and self-sustaining operations. Both policies aim to grant autonomy to public enterprises, enabling them to operate without government interference, reduce reliance on subsidies, and contribute to national development (Adegbite, 2020).

Despite the ambitious goals of these reforms, their outcomes have been mixed. On one hand, proponents highlight successes such as the liberalization of the telecommunications sector, which has improved service quality and accessibility. On the other hand, critics argue that privatization and commercialization have led to unintended consequences, including job losses, increased costs for consumers, and the emergence of private monopolies that replicate inefficiencies of their public predecessors. Furthermore, resistance from organized labor, academia, civil society, and other stakeholders underscores the contentious nature of these policies (Omorede & Ogaga, 2023).

This study examines the impact of privatization and commercialization on the performance of Nigerian public enterprises, analyzing their effects on service delivery, operational efficiency, and broader socio-economic outcomes. By comparing pre- and post-reform performance metrics across various sectors, this research seeks to provide a nuanced understanding of the successes and challenges associated with these policies. It also explores the socio-political dimensions of reform implementation, shedding light on the factors that influence their effectiveness and sustainability (Iyoko & Uwaifo, 2019).

Ultimately, this study aims to contribute to the ongoing discourse on public sector reform in Nigeria by offering evidence-based insights that can inform future policy decisions. In doing so, it seeks to clarify whether privatization and commercialization have delivered on their promises of efficiency and improved service delivery or if they have inadvertently perpetuated systemic inefficiencies in a new guise.

Main Themes/Arguments

The following are the main themes and arguments that were addressed in the course of this study:

Improvement in Operational Efficiency:

Argument: Privatisation and commercialisation have led to improvements in the operational efficiency of public enterprises.

Evidence: Analysis of KPIs such as reduction in operational costs, increased productivity, and better resource management in privatised or commercialised entities.

Enhanced Service Delivery:

Argument: These reforms have resulted in enhanced service delivery, characterized by increased availability, reliability, and quality of services.

Evidence: Case studies, customer satisfaction surveys, and service coverage data showing improvements post-reform.

Economic and Financial Impact:

Argument: Privatisation and commercialisation have positively impacted the financial health of public enterprises and contributed to broader economic growth.

Evidence: Financial performance indicators such as revenue growth, profitability, and investment in infrastructure.

Social Implications and Employment Effects:

Argument: While these reforms have brought efficiency gains, they have also had significant social implications, including job losses and changes in employment conditions.

Evidence: Interviews with former and current employees, analysis of employment trends, and assessment of social safety nets.

Challenges and Controversies:

Argument: The implementation of privatisation and commercialisation has faced numerous challenges, including regulatory failures, the creation of private monopolies, and issues of equity and access.

Evidence: Case studies highlighting instances of regulatory capture, monopolistic practices, and barriers to service access for disadvantaged populations.

Policy Recommendations:

Argument: For privatisation and commercialisation to be more effective, specific policy measures need to be implemented.

Evidence: Based on findings, recommendations will be made for regulatory improvements, social protection measures, and strategies to enhance transparency and accountability.

Methodology

This study employed a desk methodology, which is also referred to as secondary data collection. This approach involves gathering data from pre-existing sources, primarily due to its cost-effectiveness compared to field research. For this study, we focused on previously published research and reports, which were readily accessible through online journals and libraries. An extensive review of existing literature on privatisation, commercialisation, and public sector efficiency was conducted. This includes academic journals, books, government reports, and case studies from other countries that have undergone similar reforms.

Conceptual Clarifications Concept of Privatization

The term "privatisation" is commonly used to refer to the process of selling assets or shares of state-owned enterprises (SOEs) to private individuals or companies. However, this definition offers a narrow perspective on privatisation. In a broader sense, it involves reducing government involvement and adopting various strategies to strengthen a free market economy. The traditional interpretation of privatisation, which focuses on transferring assets or shares of SOEs to the private sector, is often mistakenly conflated with "nationalisation." While these terms are sometimes used interchangeably in academic discussions (Oladosu, Ibrahim, & Bara, 2024), it's important to recognise that nationalisation is just one method of achieving privatisation.

Hargrave and Khartit (2013) define privatisation as the transfer of ownership of government-operated businesses, properties, or operations to private entities. This can also include the shift of a publicly traded company to private ownership, known as corporate privatisation. Essentially, privatisation describes the movement of ownership from the public to the private sector. Proponents argue that it helps governments save money and improve efficiency, as private companies tend to handle goods and services more quickly and effectively. However, critics contend that essential services, such as education, should not be subjected to market dynamics. Privatisation can also refer to a public company reverting to private ownership after previously being listed on the stock market.

Privatisation means involving the market forces to create an atmosphere of greater competition so that the role of the state is regular, facilitator, welfare provider and producer could be reduced. It signifies the liberalisation of different regulations to encourage the market forces in the economy. It is also a structural adjustment programme, for the economy as a part of the broader economic policy. In a narrow sense, it means the denationalisation of public enterprises, i.e. transferring the ownership of public enterprises into private hands (Sharma, et al. as cited in Adegbite, 2020, p: 312). Privatization is the process of transferring an enterprise or industry from the public sector to the private sector. The public sector is the part of the economic system that is run by government agencies The term has alternate meanings within business and finances.

The public sector is part of the economic system that is run by government agencies. Privatization may involve either the sale of government-held assets or the removal of restrictions preventing private individuals and businesses from participating in a given industry. Privatization is an ongoing trend in many parts of the developed and developing world. Proponents of privatization maintain that the competition in the private sector fosters more efficient practices, which eventually yield better service and products, lower prices and less corruption. On the other hand, critics of privatization argue that some services -- such as health care, utilities, education and law enforcement -- should be in the public sector to enable greater control and ensure more equitable access.

The term has alternate meanings within business and finances. For example, if an individual or organization purchases all the stock in a publicly traded company, that effectively makes it private, so that process is sometimes described as privatization. However, in contrast to the primary understanding of privatization, the company in question is in the private sector to begin with and remains there. In short, Privatization can be defined as the act of transferring ownership of specified property or business operations from a government organization to a privately owned entity, as well as the transition of ownership from a publicly traded, or owned, company to a privately owned company. For a company to be considered privately owned, it cannot secure funding through public trades on a stock exchange.

Dike (2002, p: 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 concessions may be involved. Decree No. 25 of 1988, 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 transforming state-controlled economies and hence, changing the role of the state in economic development. Privatization is the process of transferring an enterprise or industry from the public sector to the private sector.

Concept of Commercialization

The term „commercialization‟ is derived from the etymological root „commerce‟, denoting the practice of engaging in the exchange of goods and services, particularly in a significant magnitude. The term "commercium" can be traced back to the French or Latin language of the mid-16th century, where it denoted the concept of trade or dealing (Noordin, 2008). The term „commercial‟ functions as an adjective that encompasses two distinct meanings. Firstly, it pertains to commerce, which involves the exchange of goods through buying and selling activities. Secondly, it denotes actions undertaken with the primary objective of generating profit (Rooney, 2005 as cited in Oladosu, Ibrahim, & Bara, 2024, p: 2277). According to Hopkins (2006), when an organisation or activity is designated as commercial, such as a commercial bank or insurance company, its primary focus is on generating financial gains or profits, as opposed to engaging in scientific research or delivering public services. Hence, the term „commercialization‟, derived from the verb „commercialise‟, can be defined as the act or condition of effectively managing, exploiting, or modifying something in a manner that aligns it closely with the concept of business, with a clear emphasis on pursuing financial gain (Noordin, 2008).

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, board appointment, pricing, and setting new projects.

Commercialization refers to the process of re-organizing publicly-owned enterprises to be self-sustaining and viable ventures. According to (Umo, 2012) this may imply that subventions or subsidies be stopped so that the enterprise becomes financially self-accounting. This variety is called full commercialisation and implies a profitable commercial operation with the power to raise funds in the capital market (without government guarantees) and application of private sector (market) principles of operation (Adegbite, 2020, p: 313).

Under Decree No. 25 of 1988, which focuses on privatization and commercialization, commercialization was defined as the restructuring of enterprises that are fully or partially owned by the federal government, enabling them to function as profit-driven businesses without relying on government subsidies. Commercialization can be either complete or partial. Enterprises that have undergone commercialization are empowered to: set their own rates, prices, and charges for goods and services; capitalize their assets; borrow money and issue debenture stock; and sue or be sued under their corporate name.

Concept of Public Service Delivery

Service delivery, as defined by Alford and O'Flynn (2012, p. 8), refers to the production of outputs, which include providing services not only to government agencies but also to their clients. While the term is often used in public administration, it focuses more on the processes involved, such as the provision of infrastructure and welfare benefits, rather than the outcomes like poverty eradication or improved security. Public service delivery is essential to nation-building, as highlighted by Walle and Scott (as cited in Nnaeto, 2017), because it connects the government to the citizens. The public sector is responsible for offering goods and services that enhance the standard of living, especially in areas that the private sector may not address, such as infrastructure, security, piped water, and healthcare.

Gambari (2008) asserts that the civil service is the central institution for delivering public services, and it serves three key roles: facilitating or regulating the private sector, supporting policymaking at all levels of government, and providing managerial leadership in public sector enterprises. Marshall and Murtala (2015) echoed this, emphasizing that the public sector is crucial for offering public utilities, implementing government policies, and serving the general public. As Nchuchuwe et al. (2015, as cited in Okolie & Udom, 2023) stated, no nation can progress beyond the capacity of its public service. The public service plays an important role in economic growth, nation-building, promoting democracy, ensuring political stability, and acting as an agent of social change and transformation (Sharma, Sadana, & Kaur, 2012).

Concept of Public Enterprise (State-Owned Enterprises)

State-owned enterprises (SOEs) have played a crucial role in the public sector of both developed and developing countries. In many nations, public enterprises combine the features of public administration with aspects of private enterprise (Anyebe, 2015). Public enterprises refer to corporate entities created by legislative bodies, where public authorities own the majority of shares and can influence managerial decisions. These entities are controlled by either the federal or regional government, and the government has the authority to appoint and dismiss directors (Chukwudumebi et al., 2016).

Although there is no universally accepted definition of public enterprises, scholars have highlighted their defining characteristics. Felix (2005) defines them as public institutions that require business-like administration to provide essential economic and social services. Public enterprises are typically government-owned, monopolistic businesses established to promote the welfare of the people. They operate under a government charter that grants certain privileges, such as the right to buy and sell property, enter into contracts, and borrow money (Alao & Kazeem, 2016).

Historically, many nations have relied on public enterprises due to limited capital, lack of local entrepreneurial capacity, and distrust of foreign capital. This reliance on state-led industrialization traces back to colonial times, when businesses were used to maintain order and meet minimum standards of civilization (Nwabuzor, 1992). In Nigeria, government ownership of businesses began during the colonial era, with the government intervening in key sectors such as agriculture, manufacturing, and financial markets.

Despite the significant role public enterprises play, their performance has often been disappointing. Nwabuzor (1990) noted that state-owned enterprises in Nigeria have generally performed poorly, which has led to the discussion of privatization and commercialization as potential solutions. Public enterprises are defined as state-run organizations that provide essential services and engage in production activities. In Nigeria, they encompass both federal and state-owned enterprises, which are managed by government employees and often operate outside the influence of market forces.

On the other hand, the performance of public enterprise is not encouraging, Nwabuzor (1990:15) has this to say about public enterprise, the one point on which virtually all Nigerians will agree is that state-owned enterprises over the years have performed frustratingly poorly. It is necessary to attempt a clear definition of the concepts, of "privatization" and "commercialization" before we can go further. Public enterprises are business organizations established to provide certain services and carry out specific activities. They are state participation in production activities, which includes public-owned enterprises controlled by the federal government 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.

Literature Review

Systematic Empirical Analysis

Privatisation involves transferring ownership and control of public enterprises to private entities, while commercialisation reorients public enterprises to operate under market-oriented principles, retaining public ownership but emphasizing profitability and efficiency. This study aims to fill this gap by conducting a thorough and systematic review of the existing empirical evidence on the impact of privatisation and commercialisation in Nigeria. By synthesising data from multiple case studies, performance metrics, and stakeholder interviews, this analysis will provide a nuanced understanding of how these reforms have reshaped the public sector landscape. The review will focus on key performance indicators such as operational efficiency, service quality, financial viability, and socio-economic implications, offering a balanced perspective on the successes and shortcomings of privatisation and commercialisation.

Through this systematic empirical analysis, the study seeks to contribute to the ongoing discourse on public sector reform in Nigeria, providing evidence-based insights that can inform future policy decisions. By highlighting both the achievements and the challenges encountered in the implementation of these reforms, the study aims to offer practical recommendations for enhancing service delivery efficiency in Nigeria's public enterprises. To chronologically with the recent study:

Oladosu, Ibrahim, and Bara (2024) conducted a study to assess the effect of partial commercialization on the financial performance of public enterprises (specifically state-owned enterprises) in Nigeria. The research used both exploratory and descriptive research designs. The study focused on all Nigeria Television Authority (NTA) stations as of June 30, 2023, utilizing secondary data from the NTA's financial statements spanning from 2001 to 2021. Both descriptive and inferential statistical methods were applied in the analysis. The findings revealed that partial commercialization significantly influences NTA's expenditure patterns in a positive direction. Additionally, the study found that federal statutory allocations (FAAC) negatively impacted NTA's interest earnings, while aid and grants positively affected these earnings.

However, there was no significant relationship between these allocations and the non-tax revenue generated by NTA, indicating that partial commercialization had no measurable impact on NTA's non-tax revenue. Based on these results, the study recommended that the government increase funding for aid and grants to improve NTA's infrastructure, such as broadcasting equipment and transmitters. The report also noted that the expansion of NTA's local stations had overstretched resources, leading to inefficiencies. To reduce operational costs, it suggested that NTA stations should be limited to state capitals and Abuja in the digital age..

Omorede and Ogaga (2023) explored the privatization and commercialization policies in Nigeria's telecommunications industry between 2012 and 2020. The aim was to evaluate the policy's impact on the country's economy. Using secondary data and desk analysis, the study identified challenges such as inadequate power supply and infrastructure in the sector. Despite these hurdles, the study concluded that privatization and commercialization had a positive effect on the industry, boosting economic growth and employment. The deregulation of the sector provided substantial growth opportunities, and the study recommended that the government continue to foster a conducive environment for the telecommunications industry's development.

Okolie and Udom (2023) examined how Nigeria's public service delivery had been influenced by the concession model of privatization. The study used secondary data and content analysis, drawing on public choice theory to argue that timely and equitable service delivery is a core government responsibility. The paper concluded that the concession model could improve Nigeria's public service delivery by making it more efficient and responsive.

Adisa, Adefabi, and Sheu (2020) considered whether privatization and commercialization in Nigeria are politically or economically driven, and whether these policies are beneficial or harmful. Through secondary data analysis, the study reviewed the benefits and challenges of privatization and commercialization, concluding that while there are significant problems, such as corruption and inefficiency, these policies could be more beneficial if implemented effectively. Recommendations were made to improve the outcomes of privatization and commercialization for both the government and citizens.

Adegbite (2020) examined the problems and challenges faced by privatized and commercialized public enterprises in Nigeria. While privatization and commercialization are key to economic growth, particularly in developing countries like Nigeria, the study identified several obstacles, including poor management, corruption, and inadequate funding. The research suggested a need for policy reforms to enhance the effectiveness of privatization and commercialization in Nigeria.

Iyoko and Uwaifo (2019) critically analyzed the impact of privatization on Nigeria's economic growth, focusing on the challenges to fully realizing the benefits of privatization as outlined in the Privatisation and Commercialisation Act of 1988. Despite significant government investment in the public sector, the study found that returns were insufficient. The study highlighted challenges such as poor monitoring, corruption, and labor-related issues, and recommended better oversight and implementation of privatization policies.

Excellence-Oluye, Gberevbie, and Ibietan (2019) explored the relationship between privatization and public service delivery in Nigeria, highlighting the role of public-private partnerships. The study found that privatization has improved service delivery in certain sectors and recommended that the government further engage the private sector to enhance public service provision.

Nwali, Johnson, and Oganezi (2019) evaluated the implications of privatizing government-owned enterprises for Nigeria's economic development. The study found that privatization had potential benefits, such as increased efficiency and productivity, but was hindered by challenges like corruption and lack of transparency. The paper concluded that comprehensive reform policies were needed to address these issues and ensure successful privatization.

Adaramola, Obalade, and Adekanmbi (2018) analyzed the impact of privatization on the development of Nigeria's capital market, using secondary data from the Nigerian Stock Exchange and the Central Bank of Nigeria. The study revealed that privatization positively influenced market capitalization and the number of listed companies, although it had a negligible impact on the number of deals. The study recommended policies to promote domestic investment, ease listing requirements, and improve investor awareness.

Ehiorobo (2018) examined the privatization of public enterprises in Nigeria, questioning whether it has been a tool for corruption or a means to drive national development. The study found that privatization has not significantly improved government revenues or the lives of Nigerians, suggesting that the process needs more effective management and transparency.

Usanga, Akpabio, and Eke (2018) studied the effects of privatization and commercialization on the Power Holdings Company of Nigeria (PHCN). The research found that PHCN faced multiple challenges, including poor funding, corruption, and vandalism, which hindered its performance. The study recommended that the government prioritize the privatization of the energy sector and create a favorable environment for private-sector participation.

Alao and Kazeem (2016) examined the implementation of privatization in Nigeria and identified several challenges, including corruption, inadequate capacity building, and political interference. The study concluded that these challenges have prevented Nigeria from fully benefiting from privatization and provided policy recommendations to improve its outcomes.

Stephen, Omokhudu, and Anthony (2016) evaluated the impact of privatization on Nigeria's development, highlighting the role of the International Monetary Fund's (IMF) structural adjustment program in driving privatization policies. The study concluded that privatization could be effective in improving efficiency and development, but only if it is pursued with transparency and institutional reforms.

Oji, Nwachukwu, and Eme (2014) discussed the theoretical foundations of privatization, emphasizing the need for public enterprises to be converted into private ones. The paper argued that privatization is essential to address inefficiencies in public ownership and improve the delivery of goods and services.

Muogbo (2013) investigated the role of corporate governance in maximizing the interests of shareholders and directors in privatized firms in Nigeria. The study found a positive relationship between corporate governance practices and privatization, suggesting that privatized firms offer better returns than state-owned enterprises.

Arowolo and Ologunowa (2012) examined the performance of privatized public corporations in Nigeria. The study found that privatized firms did not perform better than when they were publicly owned and recommended further reforms to ensure the success of privatization.

Summary of Empirical Analysis

The analysis of studies conducted between 2012 and 2024 on the impact of privatisation and commercialisation on service delivery efficiency by public enterprises in Nigeria reveals a diverse array of findings, reflecting the complex and multifaceted nature of these reforms. The studies span various sectors, including telecommunications, broadcasting, electricity, and transportation, offering a comprehensive overview of the outcomes of privatisation and commercialisation efforts. The summary of the systematic empirical analysis is provided as follows:

Improvements and Sector-Specific Outcomes: Several studies highlight significant improvements in service delivery and operational efficiency following privatisation and commercialisation. For instance, Omorede and Ogaga (2023) reported that the telecommunication industry experienced notable growth, enhanced service quality, and increased employment opportunities post-reform. This sector benefited from deregulation, which fostered competition and innovation. Similarly, Oladosu, Ibrahim, and Bara (2024) found that partial commercialisation positively influenced the financial performance of the Nigerian Television Authority (NTA), improving expenditure patterns and enhancing the impact of aid and grants on financial interests.

Mixed and Context-Dependent Results: Conversely, other studies indicate mixed results, often dependent on the sector and specific implementation contexts. Okolie and Udom (2023) found that the concession model of privatisation could still improve public service delivery, but challenges remained. In the case of the Power Holding Company of Nigeria (PHCN), Usanga, Akpabio, and Eke (2018) revealed persistent issues such as poor funding, excessive government control, and infrastructure vandalism, which hindered the positive impacts of privatisation.

Socio-Economic Implications and Challenges: The socio-economic implications of these reforms are significant. While some studies, like Adisa, Adefabi, and Sheu (2020), explored the political and economic dimensions of privatisation, highlighting both benefits and challenges, others, like Adegbite (2020), focused on the myriad problems faced, including corruption, lack of transparency, and inefficiencies. The reforms have often led to job losses and social unrest, as noted by several researchers, pointing to the need for more inclusive and transparent processes.

Regulatory and Institutional Issues: Regulatory and institutional challenges are recurrent themes in the literature. Many studies, such as those by Iyoko and Uwaifo (2019) and Excellence-Oluye, Gberevbie, and Ibietan (2019), emphasise the need for robust regulatory frameworks to prevent the creation of private monopolies and ensure that privatised enterprises contribute effectively to service delivery and economic growth. The lack of effective monitoring, evaluation, and governance frameworks often undermines the potential benefits of these reforms.

Uniqueness of the Review and Study Gap

Despite the extensive body of research, there remain critical gaps in understanding the comprehensive and long-term impacts of privatisation and commercialisation on service delivery efficiency in Nigeria. Most studies tend to focus on specific sectors or short-term outcomes, resulting in a fragmented view of the overall effectiveness of these reforms. Additionally, the socio-economic dimensions, particularly the impacts on vulnerable populations and broader community welfare, are often underexplored.

The current study aims to fill these gaps by providing a holistic and longitudinal analysis of privatisation and commercialisation across multiple sectors, integrating diverse data sources, including quantitative performance metrics and qualitative stakeholder interviews. This approach will offer a more nuanced and comprehensive understanding of the reforms. Furthermore, the study delves into the regulatory and institutional frameworks that facilitate or hinder successful implementation, offering policy recommendations to address the root causes of inefficiencies and inequities.

By addressing these overlooked aspects, the study reduced the knowledge gap and contributed valuable insights that can guide more effective and equitable public sector reforms in Nigeria. This comprehensive approach aims to ensure that future privatisation and commercialisation efforts are better aligned with the goals of enhancing service delivery efficiency and promoting sustainable socio-economic development.

Theoretical Framework/Model of Analysis

Several theories and models provide valuable insights into the mechanisms and outcomes of such economic reforms. The theoretical framework for studying the impact of privatisation and commercialisation on service delivery efficiency by public enterprises in Nigeria can be robustly supported by Public Choice Theory (PCT); New Public Management (NPM); and Institutional Theory (IT). Each theory provides a different yet complementary perspective on the mechanisms through which privatisation and commercialisation can drive improvements in efficiency and service delivery. By integrating these theories, the study can develop a comprehensive analytical model to evaluate the diverse outcomes and implications of these economic reforms in Nigeria. These theories collectively provide a robust analytical framework to evaluate the impact of privatisation and commercialisation on service delivery efficiency in Nigeria. To the best of the researcher‟s knowledge, these theories are well-suited as the theoretical framework for analyzing the impact of privatisation and commercialisation on service delivery efficiency by public enterprises in Nigeria:

Public Choice Theory (PCT)

Public Choice Theory applies economic principles to political processes, suggesting that individuals in the public sector, like those in the private sector, act out of self-interest. This theory posits that government inefficiencies arise from the self-serving behaviour of bureaucrats and politicians who prioritize their interests over public welfare. Policy choice theory opined that SOEs are established to cater for politician‟s agenda. Public Choice Theory applies economic principles to political science, emphasizing the role of self-interest in public decision-making. It posits that both government officials and voters act in their self-interest, which can lead to inefficiencies in public enterprises due to a lack of proper incentives and accountability mechanisms.

Applicability PCT

Public Choice Theory can help explain the motivation behind inefficiencies in public enterprises and how privatisation addresses these issues by changing incentive structures

Public Choice Theory helps explain why public enterprises often suffer from inefficiency. Bureaucrats may lack incentives to improve performance due to job security, lack of competition, and the ability to pass costs onto taxpayers. By introducing privatisation and commercialisation, the alignment of incentives is expected to change, promoting efficiency and accountability as enterprises must now operate in a competitive market environment. In the context of Nigeria, Public Choice Theory can explain the inefficiencies observed in state-owned enterprises (SOEs) before privatisation and commercialisation. The theory suggests that privatisation can introduce market discipline, reducing the self-serving behaviours of public officials and aligning the interests of management with those of consumers and shareholders. This alignment is expected to enhance efficiency and service delivery as enterprises are driven by profit motives and competitive pressures.

New Public Management (NPM)

New Public Management (NPM) is a framework that supports the integration of private-sector management techniques into the public sector to improve efficiency, effectiveness, and responsiveness. It focuses on outcome-based management, performance evaluation, customer-centric approaches, and the use of market-driven strategies such as competition and outsourcing. The NPM theory advocates for the adoption of private-sector management practices in public organizations to enhance performance, emphasizing results, accountability, and a strong focus on customer needs.

Applicability NPM

New Public Management offers a comprehensive framework for implementing and evaluating the impact of private sector practices in the public sector. NPM provides a direct theoretical foundation for the concepts of privatisation and commercialisation. By introducing market mechanisms and performance-based management into public enterprises, NPM aims to replicate the efficiency and customer focus found in the private sector. This theory supports the argument that such reforms can lead to better service delivery outcomes.

This theory is directly applicable to the Nigerian context, where public enterprises have traditionally been plagued by inefficiency. The NPM approach supports the restructuring of these enterprises through commercialisation and privatisation, introducing performance-based management, accountability, and customer-centric service delivery models to improve efficiency and effectiveness.

Institutional Theory (IT)

Institutional Theory explores how organizational behaviour and outcomes are shaped by institutional structures, norms, and rules. It highlights the influence of both formal and informal institutions in guiding organizational practices and establishing legitimacy. This theory specifically examines how institutional factors affect organizational behaviour and practices. In the context of technology adoption in government service delivery, it emphasizes the impact of institutional pressures, norms, and the need for legitimacy on decisions regarding the adoption of new technologies (Wang & Meister, 2018). Governments often face pressure to implement technologies in line with global trends or to meet public expectations, which can influence the efficiency of service delivery. By understanding the institutional environment, it is possible to analyze the factors that either promote or hinder technology adoption and its effects on the efficiency of government services. Institutional theory also focuses on how organizations are influenced by external pressures and norms within their surrounding environment (Silva, Macedo, & Thompson, 2024).

Applicability IT

Institutional Theory helps contextualize the reforms within the broader institutional environment, identifying factors that facilitate or hinder their success Institutional Theory is useful for understanding the broader socio-political context within which privatisation and commercialisation occur. It can explain how institutional factors such as regulatory frameworks, political will, and societal norms impact the success or failure of these reforms. The theory helps analyze the extent to which institutional support or resistance affects the efficiency of service delivery post-reform.

Institutional Theory provides a robust framework for understanding how digital transformation and technological innovation can be implemented and sustained within the public sector in Nigeria. This theory emphasizes the role of formal and informal structures, norms, and cultural-cognitive elements in shaping organizational behaviour and outcomes (Rana, Ahmed, Narayan, & Zheng, 2021). Applying Institutional Theory to this study helps elucidate the mechanisms through which digital transformation impacts public sector management, highlighting the interplay between external pressures, internal dynamics, and institutional legitimacy. External Pressures and Isomorphism **(**Coercive Isomorphism, Mimetic Isomorphism, & Normative Isomorphism); Internal Dynamics and Institutional Change **(**Organizational Culture**,** Leadership and Vision, & Resource Allocation and Capacity Building); Legitimacy and Accountability (Enhancing Legitimacy, & Accountability Mechanisms); and Institutionalization of Digital Practices (Sustaining Change, & Institutional Support) (Borges, & Borges, 2021).

Summary of Findings

The comprehensive review of studies conducted between 2012 and 2024 on the impact of privatisation and commercialisation on service delivery efficiency in Nigeria reveals the following key findings:

1. **Positive impact on efficiency and service delivery**: In sectors like telecommunications, privatisation has led to significant improvements in service quality, operational efficiency, and employment opportunities. Deregulation and competitive pressures have driven innovation and customer satisfaction.
2. **Sector-specific outcomes**: While the telecommunications sector benefited greatly from privatisation, other sectors such as broadcasting and electricity experienced mixed results. For instance, the partial commercialisation of the Nigerian Television Authority (NTA) improved expenditure patterns and financial performance but did not significantly enhance non-tax revenue generation.
3. **Persistent challenges**: Many studies highlighted ongoing challenges, including inadequate infrastructure, poor regulatory frameworks, corruption, and government interference. These issues often mitigated the potential benefits of privatisation and commercialisation reforms.
4. **Socio-economic implications**: The reforms have had varied socio-economic impacts. While some sectors saw job creation and economic growth, others experienced job losses and social unrest. The need for more inclusive and transparent processes was frequently noted.
5. **Regulatory and institutional weaknesses**: The lack of robust regulatory frameworks and effective governance mechanisms often hindered the success of privatisation efforts. There were frequent calls for improved monitoring, evaluation, and regulatory oversight to ensure that privatised enterprises contribute effectively to public service delivery and economic development.

Conclusions

The empirical analysis underscores the nuanced and context-dependent nature of privatisation and commercialisation in Nigeria. While these reforms have the potential to enhance efficiency and service delivery, their success is heavily influenced by sector-specific conditions, regulatory environments, and implementation strategies. Based on the key findings above, the following conclusions are drawn from the analysis:

1) Privatisation and commercialisation can significantly improve service delivery efficiency, particularly in sectors conducive to competition and private investment.
2) Effective regulatory frameworks and governance mechanisms are crucial for the success of these reforms. Without proper oversight and accountability, the potential benefits of privatisation are often undermined by corruption and inefficiencies.
3) Socio-economic impacts must be carefully managed to ensure that reforms do not disproportionately harm vulnerable populations. Inclusive and transparent processes are essential to gain public trust and support.

Recommendations

Based on the findings and conclusions, the following recommendations are proposed to enhance the effectiveness of privatisation and commercialisation in Nigeria:

1. **Strengthen regulatory frameworks**: Develop and implement robust regulatory frameworks that ensure fair competition, protect consumer interests, and provide effective oversight of privatised enterprises. Regulatory bodies should be independent and adequately resourced.
2. **Enhance transparency and accountability**: Increase transparency in the privatisation process through open bidding, clear communication, and public accountability. Establish mechanisms for monitoring and evaluating the performance of privatised enterprises to ensure they meet service delivery and financial performance targets.
3. **Improve infrastructure and funding**: Address infrastructure deficiencies and funding challenges that hinder the performance of privatised enterprises. The government should consider targeted investments in critical infrastructure and provide support for sectors struggling with external and internal constraints.
4. **Foster inclusive and participatory processes**: Engage stakeholders, including employees, consumers, and community groups, in the privatisation process. Ensure that the socio-economic impacts are assessed and mitigated, with strategies in place to support those adversely affected by the reforms.
5. **Promote capacity building and training**: Invest in capacity building and training for both public and private sector stakeholders to improve management practices, regulatory compliance, and service delivery standards. This includes continuous professional development and adoption of best practices in corporate governance.
6. **Leverage Public-Private Partnerships (PPPs)**: Encourage the development of public- private partnerships to combine the strengths of both sectors in service delivery. PPPs can help mobilize private capital and expertise while ensuring that public interests are safeguarded.

By addressing these recommendations, Nigeria can enhance the effectiveness of its privatisation and commercialisation initiatives, thereby improving service delivery efficiency and contributing to sustainable socio-economic development.

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