

Impact of Privatization Policy on Economic Growth of Nigeria.

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Abstract

This study examined the impact of Privatization Policy on the Economic Growth of Nigeria. This came after the post-military and the post-authoritarian regimes in Nigeria. The privatization decision resulted from demands associated with the international institutions such as the World Bank, International Monetary Fund (IMF) as well as the influence of globalization in general. The study adopted a survey research method with a stratified sampling technique while structured questionnaire was used as the instrument for data collection for analysis. It discovered that there is no significant relationship between privatization and economic growth in Nigeria. It equally uncovered that the economic reform that led to privatization in Nigeria was to engender economic development. Giving the above and consequent upon the data generated from the research, the study therefore recommends that in order to realize the aims set out for privatization of government establishments, government should ensure that, only qualified organizations are given the opportunity to acquire enterprises and organizations enlisted for privatization. Also, they should put in place the mechanism for periodic Monitoring and Evaluation both at the state and federal levels to ensure that the privatization exercise is done according to set-goals as this will lead to the needed socio-economic growth and job creation in Nigeria. It concluded that an effective implementation of these recommendations will aid the attainment of the set goals of privatization in the first instance.

Keywords: Economic, Growth, Policy, and Privatization.

Introduction

Privatization has become a growing phenomenon in the contemporary world. The situation was encouraged by a great concern to reduce the control of the state over public enterprises and as well promote private ownership and participation in the economy (Nwoye 2011; Nellis 1995 cited in Adams 2007; Adeyemo & Salami 2008; & Igbuzor 2003). Prior to 1980s, countries around the world

were known with different political and economic systems. Some states adopted socialist political and economic system while some aligned with capitalist political and economic system. A large number of countries practiced what was known as mixed economy; a mixture of private and public ownership type of the economy (Ogwezzy & Bello, 2013). However, at the tail end of the 20th century, which happens to be the end of Cold War between the East and West, there is a dominance of capitalism and neo-liberalism (Ogwezzy & Bello, 2013). And the situation culminated to the principle and idea of private ownership, which revolves around the transfer of the government owned enterprises from the government to the private individuals. Hence, privatization became the only economy system in the world (Ogwezzy & Bello, 2013). The above position was reinforced by Igbuzor (2003) when he remarked that the present economic situation in the world has necessitated the government to embrace market driven economy for the benefit of unprecedented growth and sustainable development.

Nigerian public enterprises have long been criticized for their inefficiency, politicization, corruption and absence of productivity. This is because, past and current political leaders have used these enterprises to favour their supporters through excessive employment, regionally targeted investments and deliberate underpricing of products or overpricing of inputs from politically connected suppliers. In the quest to proffer a solution to this economic problem, the Nigerian government, with the influence of international agencies such as the World Bank and International Monetary Fund (IMF) decided to engage in the privatization of its public enterprises with the hope of eliminating government interference in business enterprises and ensure increased efficiency of the utilities. However, in spite of the privatization of most public utilities in the country, the cases of inefficiency and political interference still persist (Suleiman, 2014).

In a similar vein, Osunde (2015), Ogwezzy and Bello (2013), Adeyemo and Salami (2008) agreed that many countries in the world that practiced mixed economy before have realized that the solution to economic development is to move from public sector economy to the privately driven economy. They maintained further that, those countries like the United Kingdom, France, Canada, and others have embraced private sector economy. It has recorded a different economic direction such as lessen high level of joblessness, reduced the level of economic instability, discouraged local liability, and poor performance of the economy. It is against this background that led to the privatization and other reforms in the public sector between 1988 and 1999 by both General Babangida and Obasanjo administrations. It is against this backdrop that this study examines the impact of Privatization Policy on the Economic Growth of Nigeria.

When Nigeria gained independence in the year 1960, it was assumed that, it was a step towards development. Here, government had total control over the economy. This is because, state was perceived to be the catalyst of economic development, expected to provide the essential services for the citizenry (Chidozie et al., 2015, Adeyemo & Salami 2008). Therefore, the government established State Owned Enterprises (SOEs) in different sectors of the economy. However, these enterprises that were to be the catalysts of development as well as to make life meaningful to the citizens became a cog in the wheel of Nigeria's development, as these firms were characterized with poor performance as a result of gross mismanagement, ineptitude, massive debts, bad attitude to

regulatory change, endemic corruption among others (Chidozie et al., 2015). World Bank (1993) confirmed the failure of these enterprises, when an assessment was carried out in one of these public enterprises with other government firms in twenty developing countries; the result showed that Nigerian public enterprises ranked the least among these countries, in terms of quality-of-service delivery and returns on investment.

The global economy has been undergoing series of economic restructuring especially with the crumbling of the socialist economies of the eastern bloc, like Russia, etc. (Weekly Trust 2000), privatization is now blowing like wind of change, dismantling old economic structures and ideas thereby creating new foundations in the political economic agenda of all economies in the world including Nigeria.

In Nigeria, the problems associated with public enterprise were improper management, waste of resources and the feeling that what belongs to the government belongs to nobody. It becomes obvious there after that government could no longer continue to support the monumental waste and inefficiencies of the public enterprises. It is clear therefore, that the reason behind the inefficiencies of the public enterprises shows in a notion that “when the government owns, nobody owns and when nobody owns, nobody cares.” All these inefficiencies did not allow the public enterprises to grow and as such, they have been operating at a loss which is always charged against the public treasury. Sequel to the above scenarios, the researcher wishes to investigate the impact of privatization policy on the economic growth of Nigeria.

The main objective of the study is to examine the impact of privatization policy on the economic growth of Nigeria. The specific objectives are:

- 1 To evaluate the impact of privatization exercise in enhancing socio-economic development of Nigeria.
- 2 To determine whether the implementation of the privatization programs would create employment opportunities in Nigeria.

The Concept of Privatization

According to Zayyad (1988), the public sector almost crowded out the private sector during the heady days of the “oil boom”, when money was no problem but how to spend it. The policies pursued particularly during the 1970s and the early 1980s led to structural changes, which made the economy vulnerable to external shocks. Rural- Urban migration which intensified in the wake of the “oil boom” as well as inappropriate pricing and exchange rate policies had taken their toll on the Agricultural sector with the result that the sector’s contribution to Gross Domestic Product (GDP) had shrank from about 40% in early 1970s to not more than 20% in 1984. Consequently, the economy became progressively dependent on crude oil accounting for over 22% of the GDP, 81% of government revenue and about 96% of export earnings at the beginning of the 1980s. Increased establishments of public enterprises led to the multiplicity of parastatals most of which depended on government subventions from the treasury and thus a burden on government finances which for the

most part of the 1980s constituted part of the federal budget deficit which was as high as 11.6% of the GDP.

Yusuf (2001) in tracing the evolution of public enterprises in Nigeria noted emphatically that the economic potentials of the nation at any point in time determines to a very great extent, the degree of government involvement in her economic activities. He further argued that the establishments of public enterprises were highlighted by the buoyancy of the Nigerian economy and in the present context therefore, the decline in the fortunes of the nation's economy calls for privatization. Bode (2002) argued that the proponents of privatization based their arguments on the inefficiency of the public enterprises, capacity under- utilization, inadequate billing system, poor cost and credit control, low productivity, over staffing, etc. A related argument is the failure of all attempts to bring about a higher level of efficiency in the public enterprises. He then concluded that if private enterprises are more efficient than public enterprises, even if public enterprises' efficiency can be raised, greater efficiency is still possible through privatization. By the same logic, when public companies compete with private companies and make losses while the private ventures make profit, the public corporations should be privatized.

Privatization Policy: A Conceptual Discourse

According to Vernon (1993), depending on which part of the world one finds himself, privatization takes different forms. In the Western World and industrialized nations, it is mainly a divestiture of government economic activities. In the socialist or centrally controlled economies, it has taken the forms of industrialization of economic activities allowing individuals to own and control economic activities.

Jackson (1994) said that privatization is synonymous with the relinquishment of government equity and other interests in public enterprises. He further stated that as an economic policy, it is generally accepted as an inevitable instrument of reform that is necessary for the emerging world economy. All over the world, the focus is on reducing the role of government in areas of economic activities that are best handled by the private sector.

Privatization is an economic policy that seeks to affect the systematic transfer of appropriate functions, activities or property from the public to private sector, where the privatized organizations can be regulated more efficiently by the market price mechanism (El-Rufai, 2000).

Privatization implies the permanent transfer of ownership, control and operation of certain key economic enterprises from public to private hands. It is aimed at attracting private investment that could serve as a catalyst for economic growth and development of a country (BPE, 2002). The monetarist school of thought led by Milton Friedman, advanced the idea that macro-economic policy should be more concerned with stabilizing the growth of money supply through restrictive fiscal and monetary policies. An element of restrictive orientation is to allow the economy to be controlled by market forces and to reduce the role of government in running economic activities. It is expected that a reduction in the role of government in economic activities will elicit a corresponding increase in

private investment. (Veron, 1993). On the whole, this generally reflects the belief that private enterprises are more conscious of market signals in terms of efficiency and productivity.

Nevertheless, there are several other motives for privatization, prominent among them being the widespread dissatisfaction with the performance of these enterprises. The numerous normative arguments that hitherto supported the establishment of the public enterprises have become less convincing to policy makers; meanwhile the unsatisfactory operational and financial performance of the public enterprises did not help matters. The claim became obvious that privatization will improve both allocative and productive efficiency thereby reducing the budgetary burden of the public enterprises. In this regard, privatization has been advocated as a means of improving the performance of the public sector (Zubairu 2003).

Another argument in favour of privatization derives from the property right theory which postulated that a change in ownership by altering the structure of property right will improve the incentives for productive efficiency. This argument, however, presupposes that the private firm needs to perform effectively and efficiently to remain in business. If privatization merely converts public monopoly into a private monopoly, the enterprise will obviously not be compelled by competitive pressure to improve its productive efficiency. A change in ownership therefore, will impose the discipline of private capital on the enterprise (Olashore, 1996).

In Nigeria, where government's investment in public corporations was initially perceived as the only means of achieving rapid economic development, it has become obvious that far from promoting development, public enterprises have become impediments to progress. Privatization therefore, becomes imperative.

The Challenges of Privatization

According to Bode (2002), for any privatization program to be successful, the following challenges are evident and must be carefully addressed. Since the beginning of democratic administration in May 1999, the Bureau of Public Enterprises has been dynamic with the sale of public firms to local and foreign private interests. In the process, it has been discovered that the program is confronted with a number of challenges some of which are:

i. Corruption

Corruption has remained the omnipresent obstacle that has eroded the very essence of the privatization exercise in Nigeria. The fundamental component of corruption is that the very basics of privatization laws and rules are often partially relegated or entirely discarded for expediency or self interest in the conduct of the exercise (Brook Chambers; 2008). Often times, the bidding process is devoid of any level of transparency as attempts are made to sell such public enterprises to cronies and friends of public officers responsible for the process.

ii Human Capacity Building

Brook Chamber (2008) observes that human capacity development is one of the cardinal roots of all economic policies. Policies are better implemented by experienced and trained personnel. From practical experience, a considerable number of BPE staff do not understand the concept of privatization and as such cannot deliver on their mandate.

iii Opposition from Labor Unions

There is always the thinking by labor union leaders that any act of privatization is a ploy to sack or lay off workers as they are not always sure of the reaction of the buyers of such enterprises towards staffing. Thus, labor unions are sometimes being seen as opposed to the sale of any public agency and they are not to blame since there are proven cases of where staff are left stranded after the sale of such firms as it has been the case with staff of the defunct Nigerian Telecommunications Company (NITEL) whose employees are yet to be fully settled to date. Similarly, unions in the aviation sector have constantly been opposed to the privatization of the nation's airport as often muted by government just for the same reason. As observed by Omoleke and Adeopo (2005), employment in public enterprises is seen as employment in the mainstream of the civil service and as there is always a problem when labor unions cannot reach meaningful agreement with the new buyers of such public enterprises.

vi. Disappointing Subscription Rate

The first two phases of the second round of privatization in Nigeria have been fraught with some problems. The major one is the disappointing subscription rate in most of the enterprises sold through public offer. According to Ayodele (2010), the subscription rate ranged between 49.7 percent (NAL Merchant Bank) and 96.2 percent (Unipetrol Plc).

v. Inability of the Programme to Attract Foreign Investors

The privatization program in Nigeria has not been able to attract credible foreign investors. The serious hiccup of the process is inability to attract technically and financially sound core investors. This has led to a situation where one foreign core investor attempts to buy two or more companies; e.g., the Blue Circle Plc serving as the core investor for Ashaka Cement Company and the West African Portland Cement Company (WAPCO) (Ayodele; 2004).

vi. Undervaluation of some Assets:

Other implementation problems of privatization programme in Nigeria include undervaluation of some assets, absence of market competition, lack of a reliable regulatory body, problems of unanticipated delays, unco-operating attitude of management and unions, bureaucratic bottlenecks in preparing the companies for privatization, non-compliance with sales terms, lack of clear understanding between the implementing organization and the legislature, among other factors.

vii. Undue Interference of Political Class

A very central part of the crimes committed against Nigeria, under the guise of privatization, which undermined the success of the program was the way General Olusegun Obasanjo literally dashed

away companies, without respect for the processes put in place. Nasir El-Rufai, who was one of the most controversial privatization Czars, told the senate that then President Obasanjo and his Vice, Atiku Abubakar meddled and tried to bend the rules by insisting that sales be made to their cronies and friends at ridiculous prices and to the detriment of the interest of the country.

Benefits of Privatization Program to the Economic Growth of Nigeria

Despite the challenges and all those criticisms leveled against the on-going privatization program by Nigerians, the country has generated some benefits which cannot be overemphasized (Zubairu, 2003). Globally, privatization is an avenue to pull out of economic imbalances. In this context, privatization turns public tenants into private homeowners, private employees and investors. Specifically, privatization offers some prospects for development.

It leads to improved performance as the private sector seems more efficient and more productive. This implies that more jobs are created to expand the scope of the economy and poverty is reduced. On this note, Adnan (2005) submits that given the level of property rights, individuals are more motivated and tend to increase their investments because of the attached direct rewards. It equally encourages healthy competition as private investor take advantage of the free-market economy to maximize their operations.

It increases government revenue, reduces budget deficits, eliminates waste and unnecessary bureaucracy as well as public finance crises. This aligns with the view of Easterly, (2001) who opines that by privatizing, the role of government in economic activities are reduced, bad government policies that breed corruption and impact on the negative growth of the economy are totally eliminated. It equally creates needed revenue not meant to finance new government expenditures, pay off future debts, but rather an opportunity to settle existing debts in order to reduce interest rates and increase the level of investment (Adnan, 2005).

It raises funds for financing socio-economic development in areas such as health, education and infrastructure. Privatization is a step towards re-focusing operations of government enterprises. It fights the ugly trend that government enterprises are nobody's property and as a result, should be looted. World Bank (2002) submits that privatization ushers in foreign investors with better managerial skills, spill-over of improved technology and access to global production net-work.

The Effects of Privatization Program in Economy of Nigeria

Zayyad (1999) argues that the widespread adoption of privatization measure necessitates a system of impact evaluation which can be widely applied and which will provide a systematic and practical analytical framework to access the results of the program. Performance can be defined in terms of success in achieving stated objectives. The basic question is whether the economy is better or worse off as a result of privatization. A comprehensive answer to this question would require knowing what changes occurred as a result of privatization, and how such changes can be prioritized and valued among other issues. However, the problem of an ambiguous broad statement of goals of privatization and the existence of conflicting objectives makes such assessment difficult.

Privatization program is part of the economic measures adopted by Buhari/Idiagbon regime to address the structural problems confronting the country's economy. Decision to privatize some PEs particularly in the agricultural sector was taken. Towards this end, 18 PEs were privatized between 1984 and 1986. Privatization program that started in 1988 had undergone four noticeable stages as briefly discussed below: Phase I (1988-1993): According to Omoankhanlen et al (2010) and Ayodele (2004) under the Phase I privatization program, one thousand and eleven (111) public enterprises were to be either fully or partially privatized. These were enterprises in which the Nigerian Government invested jointly with foreign or private Nigerian investors. With the exception of the cement and the oil marketing companies, the capitalization of most of them was small. Enterprises with huge capital intensive, which hold vital positions in the economy could not be privatized for various reasons ranging from financial insolvency to negative net-worth. By October, 1989, a sum of ₦89 million had been realized from the privatized firms. By March, 1991, the government had realized a total of ₦275 million from the sale of about 147.2 million ordinary shares in 22 companies. As at the end of 1993, only 55 PEs were privatized by TCPC, using various techniques of privatization with ₦3.3 billion realized from the sales. Besides the 5 PEs stepped down for full commercialization, 11 PEs were also categorized as not requiring any further action due to non-readiness and duplication in the provision of the decree. The remaining 22 PEs were put under active preparation for future privatization (Ayodele; 2004).

Phase I and II privatization exercises however, had unqualified success. The implementation of the policy was criticized for several reasons: imbalance regional distribution of share, hijacking of the process by high profit investors, undervaluation of some assets, inability to attract foreign participation, absence of market competition, lack of a reliable regulatory body, implementation delay. All these generated high-level mistrust among the major shareholders: the labour union, government officials, enterprises management and even the public. In the phase II privatization program, the steam of privatization was completely lost between 1994 and 1997. Several reasons have been adduced for this. Firstly, the protracted political crisis that engulfed Nigeria made privatization practically impossible in some parts of the country. Secondly, the numerous implementation problems of the first phase of privatization made government lose interest in the program. Thirdly, there is this fear of meeting up with the required managerial and technical expertise (Ayodele; 2004).

Literature Review

Suleiman, (2014) investigated, the political economy of privatization in Nigeria: A case study of the Nigerian telecommunications limited (NITEL): Privatization in Nigeria was thought to have represented a reversal of the entire post-military and post authoritarian interventionist policy paradigm. In the case of NITEL particularly, the results of the study (using information and data collected on NITEL, a thorough insight of the performance after privatization exercise were taken with references to some performance indicators such as profitability, operating efficiency, capital investment, leverage and employment), showed that the company almost experienced bankruptcy before the Nigerian government revoked the sale from Transnational Corporations (TRANSCORP). Raji, Mohd, & Muhammed, (2017) examined, the privatization of telecommunications sector in Nigeria: prospects and challenges. Telecommunication as a source of information is germane to the

growth and development of any nation. Its imperative arises from the impact it has on the socioeconomic development, infrastructure and the wellbeing of the people. This simply means that in this modern world, for other sectors of the economy to thrive, telecommunication has a significant role to play.

Similarly, Afeikhena, (2002) investigated, public enterprise reform in Nigeria: Evidence from the telecommunications industry. This study examines the qualitative and quantitative evidence relating to allocative and productive efficiency in the publicly owned Nigerian Telecommunications Limited (NITEL) in the wake of its commercialization and the deregulation in 1992.

Hassan, (2011) studied, Telecommunications Reform and Effects of Competition on Availability, Quality and Cost of Services in Nigeria. The inefficiency and ineffectiveness that characterized the Nigerian telecommunications sector under the Nigerian Telecommunications Ltd (NITEL) monopoly, among other factors, informed the government reform policy in the sector. The reform, which opened up the market to local and foreign private operators, injected competition into the telecom market. The study, using trend analysis, examined the effects of the competition on availability, quality and cost of telecommunications services in Nigeria in 10 years of the reform (2001 – 2010).

Theoretical Framework

This study is anchored on the Neo-liberal Theory. This theory only reinforced the classical view by laying more emphasis on the privatization policy. David (2015) remarked that neoliberal understanding is that the private sector economy will enhance economic growth, income distribution and efficiency. Neoliberalism is contemporarily used to refer to market-oriented reform policies such as "eliminating price controls, deregulating capital markets, lowering trade barriers" and reducing, especially through privatization and austerity, state influence in the economy. Neoliberalism is a policy model that encompasses both politics and economics. It favors private enterprise and seeks to transfer the control of economic factors from the government to the private sector. Many neoliberal policies concern the efficient functioning of free market capitalism and focus on limiting government spending, government regulation, and public ownership (Manning, Westfall, & Munichiello, 2022). This theory is in line with this study because the privatization that was carried out in Nigeria also intended to typically support fiscal austerity, deregulation, free trade, privatization, and a reduction in government spending. In this light that the theory of Neo-liberalism was adopted and used for the study.

In spite of the beautiful submissions of the above theories, they are still not immune from criticisms, both from economic and political angles. Taylor and Gans-Morse (2009) noted that the critics are of the views that both theories failed to take into cognizance the exploitative penchant of the free market economy.

Brown (2015) also declared that the theory of Neo-liberalism jettisons the principle of democracy. Based on the weaknesses of the above theory public choice theory was employed to further explain this paper for better understanding. The theory was put forward by James Buchanan and Gordon

Tullock in 1962 and Buchanan in 1975 (Lucia and Thomas, 2015). The theory submits that there are two types of goods in the society, which it referred to as public and private goods. Those public goods include education, health and security and they are to be made available by government to all and sundry. While private goods that have to do with profit making should be provided by the market forces in the state.

The theoretical bases for the study is the “Neo-liberal Theory” because it remarked that neoliberal understanding is that the private sector economy will enhance economic growth, income distribution and efficiency. In spite of the beautiful submissions of the above theories, they are still not immuned from criticisms, both from economic and political angles. Taylor and Gans-Morse (2009) noted that the critics are of the views that both theories failed to take into cognizance the exploitative penchant of the free market economy. Brown (2015) also declared that the theories jettison the principle of democracy.

As observed by Moberg (2014), Holland (2014) and Dagdeviren (2006) the proponents of public choice are conscious of outright transferring of the provision of public goods and services into private individuals. That full privatization will give room to over concentration of state resources in the hands of few individuals’ especially foreign hands instead of being accessible to the down trodden masses. That this situation has often led to high level of public sector deficits that are financed through substantial borrowing. The implication of this privatization of the telecommunications sector in Nigeria is that it would give the state the breathing space in terms of spending; it would also reduce its participation in the enterprises that can be undertaken by the private sector.

Methodology

In carrying out this study, Survey method which is a quick and encouraging response from various target groups is adopted. Questionnaire was used as the instrument for data collection. The subject matter of the study is a very complex one requiring a high level of education from respondents and their knowledge of the subject vis- a-vis its advantages or otherwise. This informed the choice of the methods adopted. Population in this work refers to the total number of workers of Bureau of Public Enterprises (BPE). Since the entire population cannot or will be difficult to study a sample size of 75 respondents made up of staff of the Bureau of Public Enterprise (BPE) were selected. From the total of 75 copies of questionnaires distributed to the respondents, 64 copies representing 85.3% were completed returned and used for the study while 11 copies representing 14.7% were not returned respectively.

This research adopted the random sampling method which is a special type of probability sampling in which every unit has a chance of being selected. This paper presents the data collected from the survey exercise. The justification of this method is that it gives easy understanding of facts presented. Structured questionnaire was used as an instrument for data collection and analysis. The questionnaire was designed using 5 points likert scale consisting of 16 items structured in the following order of Strongly Agree (SA), Agree (A), Undecided (UD) Disagree (D), and Strongly Disagree (SD). Factor Analysis was used in the study to measure the validity of the instrument used. The Cronbachs Alpha Coefficient was used to test the reliability of the instruments with a Cronbachs

Coefficient Alpha of more than 0.7 taken as the cut off acceptance value of the used variables while the Cronbachs Alpha value for the construct was above 0.76 and was considered valid. Correlation analysis using SPSS package was used to ascertain the relationship existing between the independent and the dependent variables with an acceptance conventional significant level of P= 0.05. Also, simple linear regression analysis using E-view software was used to test the hypotheses in the study.

Validity and Reliability of the Instrument

The validity and reliability of the instrument for the questionnaire test according to Sekran, (2001) is 0.7 Alpha values for each instrument under study. The researcher tested the validity of these variables by conducting a pilot test at four (4) randomly selected from already privatized companies in Abuja where, 20 copies of questionnaire were administered to staff using stratified method and the result showed that, the instruments used are valid. See table 1 below.

Table: 1. Cronbach’s Alpha Computation table

Variables	Pre-test	Cronbach’s Alpha
Privatization Exercise	0.56	0.84
Privatization Programs	0.61	0.76
Socio-Economic Development	0.58	0.88
Creation of Employment opportunities	0.66	0.85

Source: Researcher’s Computation (2022)

From the test conducted, the Alpha values were seen to be reliable because, the pilot study was tested and the values gotten were not significant but pre-tested where the highest value gotten was 0.66. However, another test was conducted, it gave us alpha values that were above 0.70 from both the dependent and the independent variables.

Estimation of Study Variables

The study is primarily to evaluate the impact of privatization policy on the economic growth of Nigeria. The study covers two (2) variables namely: independent and dependent variables. The independent variable privatization policy (PRP) which is proxied by privatization exercise (PE), privatization programs (PP), while the dependent variable economic growth (EG) is equally proxied by socio-economic development (SED) and creation of employment opportunities (CEO) respectively. This is used to determine the relationship that is existing between the two variables in the study using the multiple regression statistical technique.

The model is given as follows:

$$EG = f (PRP)..... (1)$$

The explicit form of the model can be stated thus:

$$PE= \alpha + \beta_1 SED + \mu (2)$$

$$PP=\alpha + \beta_1 CEO+ \mu (3)$$

Where:

PRP= Privatization Policy

PE= Privatization Exercise

PP= Privatization Programs

EG= Economic Growth

SED= Socio-Economic Development

CEO= Creation of Employment Opportunities

The a is the constant or intercept;

P_i , is the regression coefficients which determine the contributions of affective, cognitive and evaluative as indicators of Economic Growth in Nigeria.

Data Presentation, Analysis and Discussion of Findings

Test of Hypotheses.

Test of Hypotheses One

H_{01} : There is no significant relationship between privatization exercise and socio-economic development of Nigeria.

Table: 2. t-Test: Two-Sample Assuming Unequal Variances

	<i>Variable</i> <i>1</i>	<i>Variable</i> <i>2</i>
Mean	2.55865	2.766575
Variance	0.25487	0.258933
Observations	10	10
Hypothesized	Mean	
Difference	0	
Df	10	
t Stat	-0.46384	
P(T<=t) one-tail	0.362935	
t Critical one-tail	1.752464	
P(T<=t) two-tail	0.725811	
t Critical two-tail	2.258023	

The significance level, α (alpha)= 0.05 (5%).

Source: E-view 7.00 Output, 2021

Table: 2. above is on the stated hypothesis that, there is no significant relationship between privatization exercise and socio-economic development of Nigeria. From the t-test model, the t-statistic value of -0.46384 is not significant at p-value of 0.362935. Also, the t-crit value of 1.752464

is greater than the p-values of 0.362 at the alpha values of 0.05 (5%). This implies that, there is a negative and insignificant relationship between privatization exercise and socio-economic development of Nigeria. We therefore accept the null hypothesis that, there is no significant relationship between privatization exercise and socio-economic development of Nigeria.

Table:.2.1: Pearson Correlation Analysis

		Privatization Exercise	Socio-Economic Development
Privatization Exercise	Pearson Correlation	1	.511**
	Sig (2-tailed)		0.0000
	N	64	64
Socio-Economic Development	Pearson Correlation	.511**	1
	Sig (2-tailed)	0.0000	
	N	64	64

*Correlation is Significant at the 0.05 level (SPSS, Version 23)

Table: 2.1 shows that, the calculated correlation coefficient figures of $r= 0.511$ at 0.05 significant level. Since the calculated value is greater than the tabulated r value, then the null hypothesis that stated that, there is no significant relationship between privatization exercise and socio-economic development of Nigeria was rejected and the alternative that stated that there is a significant relationship between privatization exercise and socio-economic development of Nigeria was accepted. This implies that the privatization exercise conducted had a positive relationship with socio-economic development in Nigeria.

Test of Hypotheses Two

H₀₂: There is no significant relationship between implementation of the privatization programs and creation of employment opportunities in Nigeria.

Table: 3: t-Test: Two-Sample Assuming Unequal Variances

	<i>Variable</i>	<i>Variable</i>
	<i>1</i>	<i>2</i>
Mean	2.647936	2.478359
Variance	0.248956	0.080402
Observations	8	8
Hypothesized	Mean	
Difference	0	
Df	13	
t Stat	2.579274	
P(T<=t) one-tail	0.016676	
t Critical one-tail	1.664795	
P(T<=t) two-tail	0.023461	

t Critical two-tail 2.147832

The significance level, α
(alpha)= 0.05 (5%).

The table 3 above table is on the stated hypothesis that, there is no significant relationship between implementation of the privatization programs and creation of employment opportunities in Nigeria. The t-start value of 2.579274 indicates positive relationship at a p-value of 0.016676 which is less than the alpha values of 0.05 (5%). Also, the t-crit. Value 1.664795 is greater than the p-values. This implies that, there is a significant relationship between implementation of the privatization programs and creation of employment opportunities in Nigeria, therefore, the null hypothesis is rejected and the alternative accepted. This implies that, after the privatization program was introduced by the government, it created employment opportunities for the citizens, leading to economic growth in Nigeria.

Table: 3.1. Pearson Correlation Analysis

		Privatization Programs	Creation of Employment
Privatization Programs	Pearson Correlation	1	539**
	Sig (2-tailed)		0.0000
	N	64	64
Creation of Employment	Pearson Correlation	.539**	1
	Sig (2-tailed)	0.0000	
	N	64	64

*Correlation is Significant at the 0.05 level (SPSS, Version 23)

Table: 3.1 shows that, the calculated correlation coefficient figures of $r= 0.534$ at 0.05 significant level. Since the calculated value is greater than the tabulated r value, then the null hypothesis that stated that, there is no significant relationship between implementation of the privatization programs and creation of employment opportunities in Nigeria is hereby rejected and the alternative accepted. This signifies that there is a positively significant relationship between privatization program and creation of employment opportunities leading to the creation of job opportunities in Nigeria

Discussion of Major Findings

In this study, the tested hypotheses formed the basis of discussion and the observed Regression values shows positive and negative relationship between the independent variables and the dependent variables.

The analysis in hypothesis 1. The findings drawn from the regression results, stated that, there is no significant relationship between privatization exercise and socio-economic development of Nigeria. From the t-test model, the t-statistic value of -0.46384 is not significant at p-value of 0.362935. Also,

the t-crit value of 1.752464 is greater than the p-values of 0.362 at the alpha values of 0.05 (5%). This implies that, there is a negative and insignificant relationship between privatization exercise and socio-economic development of Nigeria. We therefore accept the null hypothesis that, there is no significant relationship between privatization exercise and socio-economic development of Nigeria. The Pearson Correlation Analysis conducted, shows that, the calculated correlation coefficient figures of $r= 0.511$ at 0.05 significant level. Since the calculated value is greater than the tabulated r value, then the null hypothesis which stated that, there is no significant relationship between privatization exercise and socio-economic development of Nigeria was rejected and the alternative that stated that there is a significant relationship between privatization exercise and socio-economic development of Nigeria was accepted. This implies that the privatization exercise conducted had a positive relationship with socio-economic development in Nigeria. This study agrees with the studies conducted by Suleiman, (2014), and Raji, Mohd, and Muhammed, (2017).

The analysis in hypothesis 2. The findings drawn from the regression results, stated that, there is no significant relationship between implementation of the privatization programs and creation of employment opportunities in Nigeria. The t-stat value of 2.579274 indicates positive relationship at a p-value of 0.016676 which is less than the alpha values of 0.05 (5%). Also, the t-crit. Value 1.664795 is greater than the p-values. This implies that, there is a significant relationship between implementation of the privatization programs and creation of employment opportunities in Nigeria, therefore, the null hypothesis is rejected and the alternative accepted. This implies that, after the privatization program was introduced by the government, it created employment opportunities for the citizens, leading to economic growth in Nigeria. The Pearson Correlation Analysis conducted, shows that, the calculated correlation coefficient figures of $r= 0.534$ at 0.05 significant level shows a positive relationship. Since the calculated value is greater than the tabulated r value, then the null hypothesis which stated that, there is no significant relationship between implementation of the privatization programs and creation of employment opportunities in Nigeria is hereby rejected and the alternative accepted. This signifies that there is a positively significant relationship between privatization program and creation of employment opportunities leading to the creation of job opportunities in Nigeria. This is in agreement with the studies of Afeikhena, (2002), and Hassan, (2011).

Conclusion

This study examined the impact of privatization policy on economic growth of Nigeria. The objective of the study was formulated and geared towards forwarding possible recommendations government can adopt for the efficient service delivery in the privatization exercise. It was also discovered in the course of findings that the privatization of government establishments has contributed overwhelmingly to the socio-economic development of Nigeria as a country.

Recommendations

Based on the conclusion, the study recommends that:

- i. The Nigerian government through the regulatory agencies (the National Council on Privatization and Bureau for Public Enterprises) should ensure that all the state-owned

enterprises and federal-owned enterprises that are privatized operate within the accepted operational privatization policies formulated. There should be a Monitoring and Evaluation unit that supervises this policy implementation to prevent deviations. This will enhance the achievement of the set goals for socio-economic development by government.

- ii. The Nigerian government through the regulatory agencies (the National Council on Privatization and Bureau for Public Enterprises) should ensure that, the privatization exercise should rather be done to create employment opportunities for the teeming employable youths rather than being used as an avenue for retrenchment of workers. This can enhance economic development and growth in Nigeria.

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