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# Privatization Policy and Public Service Delivery in Nigeria

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## ABSTRACT

Nigeria has gone through various stages in the privatization of public enterprises that have resulted in the reduction of her public sector. Due to significant failures and occasionally the extinction of some of these organizations, the effectiveness of these privatized enterprises since the policy's inception is still in question. In light of this, this study investigates how Nigeria's public service delivery has been impacted by the concession model of privatization policy. In order to interpret the data gathered, this paper adopted an analytical approach, relied on secondary data, and used content analysis. The public choice theory was used in the paper to argue that providing citizens with certain basic services promptly and fairly is the primary goal of government as a service provider. The paper comes to the conclusion that Nigeria's public service delivery can still be significantly improved by implementing the concession model of privatization policy.



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## 1. INTRODUCTION

Nations around the world have adopted and continue to adopt a variety of approaches and strategies to guarantee improvement in the quality of life for their citizens. One of the tactics used in various countries to guarantee effective service delivery to the populace is privatization policy. Despite the fact that private management of public enterprises is increasingly common, which helps to increase their efficiency, public enterprises are still viewed as engines of development in a nation-state. In fact, it is asserted that the private sector is best positioned to bring about development and transformations focused on results thanks to its organized approach to performing service delivery functions (Gberevbie, Ibietan, Abasilim & Excellence-Oluye, 2015).

Soon after gaining independence in the 1970s and 1980s, African nations began to notice an increase in the number of public enterprises, with the primary goal of ensuring national development and growth (Okpe, 2013). This led to the building and sitting of industries and various government establishments employing a huge workforce. The oil boom of the 1970s led to the establishment of several government-owned enterprises in Nigeria to meet the various needs of the populace, even though these predate independence - where the colonial master oversaw industrialization and control of economic facilities - but these had to be abandoned in the 1980s as recession set in (Igbuzor, 2003).

Following independence, Nigeria experienced a strong government presence that led to the creation of about 600 government-owned public enterprises. These government-run businesses had an impact on a variety of economic sectors by providing the necessary infrastructure for the delivery of services to the entire nation (NSE, 2020). The Federal Government of Nigeria's attempt at economic reforms gave rise to a privatization policy that was intended to increase service delivery efficiency while easing the burden on the government (Orokpo & Ejeh, 2014; Umar, 2020). Ibietan (2013, p. 59) states that this was also a result of the Presidential Commission on Parastatals Report of 1982 (Onosode Report), which "suggested the privatization and commercialization of the non-performing public enterprises". According to Ogohi (2014), Nigeria's public enterprises have failed due to political meddling, political instability, government controls, excessive government protection, poor work ethics, and financial mismanagement. The government has gradually demonstrated its inability to effectively run public businesses and facilities, and as a result, failed to meet the needs of the populace on a fundamental level. Due to the government's privatization policy, it became absolutely necessary for the private sector to take over some of these public sector organizations (Gberevbie, 2006; Umar, 2020).

As the primary organizations for carrying out the policy of privatization and commercialization, the Bureau of Public Enterprises and National Council on Privatization were established. This resulted in the sale of many public enterprises and their transfer of ownership to private operators (Omoleke & Adesopo, 2005; Ibietan, 2013; Ibietan, 2019). Numerous national governments in Africa, specifically Nigeria, have scaled back or stopped providing direct public services to varying degrees. This is not unrelated to the ongoing economic issues in these nations and the requirement for economic adjustments. According to Okeke, Onuorah, and Okonkwo (2016), the reason for these withdrawals is that it is very expensive, burdensome, rigid, and prone to abuse to provide public utilities and services. This is so because the majority of public enterprises receive all of their funding and support directly from the government. Although some of these services can and ought to be offered by the private sector, the issue is that some of these services are unprofitable public goods. It is only

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natural that the government takes on these service delivery responsibilities when the services are not profitable, even when the private sector is capable of doing so (Wunch, 1999 and ADR, 2001 cited in Okojie, 2009).

Ibietan (2019) claims that Nigeria's public service has undergone various phases of reduction through various types of privatization of public enterprises, starting with the Olusegun Obasanjo administration and continuing to the present day. Due to significant failures and occasionally the extinction of some of these organizations, the effectiveness of these privatized enterprises since the policy's inception is still in question. Although the government has also been held responsible for the failure of the private sector to achieve optimal performance, the public companies that have been privatized have been severely plagued by blatant inefficiencies and bad administration, Consequently, they are prevented from delivering services efficiently in any way (Tsunabavyo & Orokpo, 2014). This problem has also caused some public companies to be privatized to be sold again to other private investors. Therefore, this study investigates the effects of Nigeria's privatization policy's concession model on the provision of public services.

## 2. LITERATURE REVIEWS

### 2.1. The Concept of Privatization

The history of privatization, which is currently used in many countries around the world has given rise to a variety of theories, according to various scholars. The United Kingdom government is credited with developing the idea of privatization (Mahmoud, 1992; McLean & McMillan, 2003). This differs from Stephen, Omokhudu, and Kifordu's (2016, p. 14) assertion that the concepts of privatization and commercialization were first applied "during the golden age of the Man Dynasty in China," when the management of China's Mining Dynasty's manufacturing industries was delegated to private organizations. Following this were the sales of sizeable stakes in Volkswagen of West Germany in 1961 and the 1950s privatization of the British steel industry by the Winston Churchill administration.

The conversion of public companies' ownership from public to private is known as privatization. The Asian Development Bank (2001, p. 13) expands on this definition by defining privatization as "a process for changing ownership and control". The idea of changes in both ownership and control of the public enterprise's constituent parts and operations is taken into account, further broadening the definition. In this way, it exemplifies how ownership can change without resulting in a total loss of authority over how the company is run. As a result, a change in ownership may not always mean that the new owners have complete control over how the business is run because the previous owners may still have interests in it. Higgings (2000) clarifies the five points that the Florida House of Representatives Committee on Governmental Operations used to summarize definitions of privatization: First, by involving the private sector in the delivery of services or facilities that are typically seen as the province of the public sector. Second, is there a shift from privately produced goods and services to those made publicly? Thirdly, it relates to the outsourcing of public management, operations, or assets to the private sector. By subjecting them to the pressures of the private market, public organizations can be made more effective. Lastly, the private sector can be used to manage public affairs and provide public services. These recommendations from the Committee on Governmental Operations of the Florida House of Representatives cover a range of privatization-related private sector involvements in public sector activities. From the aforementioned, it can be inferred that privatization encompasses a broad range of actions

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that result in private participation in the administration and delivery of public services, to varying degrees: -actions of public enterprises.

According to Sharma, Sadana and Kaur (2012, p. 154), privatization is "the transfer of ownership and management of a country's economic activities from public sector to private sector". This highlights that privatization involves the private sector not only taking ownership of public sector organizations, but also being actively involved in its management and operations. Additionally, they see privatization as a means of reforming the public sector. Reformation is based on the supposition that the public sector is gravely plagued by mismanagement; resource waste, recessive and unnecessary delays in project completion, poor returns on investment, and a general inability to maintain public organizations. By defining privatization as "any action that transfers some or all of the ownership and/or control of state-owned enterprises to the private sector" (Zahra, Ireland, Gutierrez, and Flitt 2000, p. 511), this is further expanded. This highlights the fact that there are several types, including privatization. That is the total transfer of ownership of public enterprises to private entities, the partial ownership of public enterprises, and the partial or complete control, by private individuals or organizations, of public enterprises.

From the vantage point of partial ownership and control, privatization, according to Starr (1988), is the separation of an endeavor's whole from its component parts. It assumes that the government retains some control over production while stepping back from other aspects of it while not completely handing over control of the public sector to the private sector. Government cannot completely disengage from privatized businesses because they continue to perform oversight responsibilities for them even after they are privatized. According to McLean and McMillan (2003), privatization is the act of the public sector selling or leasing its assets to the private sector. They claim that this is what happened in the UK in 1979 when the Thatcher government sold out the telecommunications, gas, and electricity industries.

Privatization prevents "diminishing the role of domestic government bureaucracies and foreign aid bureaucracies" in Third World countries (Fried, 1992, p. 325). Although this definition reflects the Third World countries' socioeconomic decadence, in that they still rely on foreign aid to get by, and therefore privatization would mean withdrawing from foreign aid, it is still debatable. Controversial because scholars contend that before developing nations can receive aid interventions, they must adopt the economic reform known as privatization, which was sold to them by international organizations and lending institutions. Under these dependency-related conditions, implementing privatization as advised by these "emotional organizations" while also reducing the workload of these lending agencies would seem to be far from realistic. According to Salako (2018), privatization is a current economic phenomenon that is occurring all over the world. It is accomplished by reducing government involvement in the provision and delivery of direct and indirect services while increasing private sector involvement in the provision of public goods. Additionally, it notes that this is predicated on the notions of market efficiency and governmental inefficiency.

Alford and O'Flynn (2012, p. 6) state that the following terms can be used to describe the interactions between public and private agencies when they are soliciting their participation in providing public services: "contracting, partnering, education, persuasion, incentives, subsidies, 'hard' and'soft' regulation, and enhancing service information and convenience." Since the late 1970s, governments around the world have adopted privatization reforms such as outsourcing of public services, liquidation, and outright sales of public enterprises to private individuals (Wang & Lui, 2017). The section below discusses the various privatization

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methods. According to Hague (1999), various countries and socio-economic sectors have adopted different styles and models of privatization, namely employee buy-out, divestiture, outright liquidation, management contract, sale of shares, deregulation and production contract. The following are examples of types of privatization:

2.2. Outsourcing

In order to increase efficiency, McCarthy and Anagnostou (2004, p. 63) define outsourcing as “the practice of using external suppliers to transfer a portion of internal operations to a different business”. This definition is similar to that offered by Gberevbie (2006, p. 26), who describe outsourcing as “an arrangement whereby one company asks another company to take on a portion of an ongoing job in industries like manufacturing, security, catering, sales, and marketing, among others”. This occurs when a private company is hired to carry out a specific service that is typically provided and delivered by employees of the public sector. It is crucial to make sure the specific service being outsourced is crucial and that the necessary processes are in place for monitoring it, including measuring its effectiveness. The military, police, tax officers, and other core government functions, according to Bierce and Kenerson (2018), may not be outsourced. In addition, they assert that adequate risk analysis must have been performed to ensure that outsourcing is the best course of action for boosting the effectiveness of any aspect of public service operations.

2.3. Franchising

The process of franchising, according to Sharma et al. (2012), is one in which the government maintains ownership of a public enterprise while granting private individuals the right to offer services in specific regions. This could entail setting up branches or outposts by private operators for the public enterprise, which would involve the branching out of service delivery functions to various locations. Simply put, franchising is the freedom granted to a franchisee by a franchisor to distribute goods and services within a specific time frame and within the confines of particular terms and conditions as stated by the government of its agents, who are the franchisors, according to a publication by Public Money (1983). According to Seldon, Gipson, and Parker (2008), franchising can be categorized by its distribution strategy, expansion strategy, other business goals (i.e., as a means to an end), investment opportunities, economic impact, and various forms. Franchises encourage competition between franchisees, which promotes efficiency and productivity. In order to control its quality and quantity, the government maintains ownership while delegating supply functions to private individuals in particular locations. According to Nwanegbo (2005), in this type of privatization, specific government service delivery functions are transferred to private monopolies, who then receive payment in accordance with the terms of signed agreements and agreements.

2.4. Contracting

Due to the fact that specialized services have always been obtained from the private and nonprofit sectors, contracting out is now a common practice in the public sector (Lam, 2003. p. 5). The earliest known instance of privatization, according to Farazmand (2001), took place in Babylon between 559 and 332 BC when the state appointed two financial houses to handle the collection of fixed property taxes. This form of privatization, according to Sharma *et al*. (2012), is one in which government stays as the owner of the enterprise but contracts some sections of deployment of specialized services from the private sector to core public sector

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functions, allowing the market to become involved in supply and productivity functions, such as construction, procurement, utilities, and so forth (Lam, 2003). In Nigeria, some services have been contracted, such as cleaning in Calabar and Lagos and private sector participation in the collection of internally generated revenues in states like Anambra, Lagos, and Delta (Nwanegbo, 2005).

2.5. Divestment

The Indian government used this strategy to revive India's economy during the financial crisis between 1981 and 1991 by selling government-owned shares in public sector units (PSUs) on the open market (Sharma et al., 2012). Specifically, the sale of equity to the general public in order to remove direct government involvement in managing affairs that can be largely managed by private entities. According to Nwanegbo (2005), divestment may also be referred to as denationalization if numerous state-owned businesses are being sold off. He continues by saying that it might entail selling off the company's assets, closing down the business, or selling an already-running company. There are three ways to do this: divestment by sale (outright sales to a third party, issuance of shares for public sale, sales to employees, sales to customers and users of the enterprise); divestment by free transfer to the former private owners or to employees and customers of the enterprise; and divestment by liquidation, which entails an outright closure and defragmentation into sales of components and assets. When the government is unable to find a buyer for the business and it is severely distressed or irredeemable, the latter occurs. This is usually done once, though there may be some exceptions.

2.6. Disinvestment

Divestment is the partial or complete sale of a public enterprise to private individuals (Toppr, 2019). It is investment's polar opposite. Disinvestment refers to the "dilution of the stake of government in a public enterprise," not necessarily a change in management (Koner & Sarkhel, 2014, p. 48). Additionally, disinvestment is a type of privatization that involves selling a portion of the equity in public sector companies to the general public.

2.7. Liquidation

According to Kenton (2019), liquidation is the process of closing a business and distributing its assets to various claimants. In other words, a public enterprise is shut down and its assets are either sold in their entirety or in pieces. This is typically done to public businesses that are underperforming and can't be revived. According to Sharma et al. (2012), there are formal and informal liquidations. They contend that formal business closures entail selling to private parties in a formal manner, whereas informal closures entail ceasing the bulk of an organization's operations while maintaining its legal status.

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## 2.8. Commercialization

Ibietan (2013, p. 59) defines commercialization as "the sale or reorganization of publicly-owned businesses that are wholly or partially owned by the government and ensuring that such businesses operate profitably and without subsidies". Government services ought to be predominantly welfarist in nature, providing essential services to the populace at subsidized rates or no cost at all. The introduction of the profit motive changes the orientation of the enterprise to a commercialized venture. Ibietan, Abasilim, and Olobio (2018) reaffirm this claim and assert that commercialization is the process of increasing the profitability of government-run businesses. According to Kalejaiye et al. (2013), who they cite, it may involve public organizations adopting strategies used by the private sector to raise money in this regard. According to Akpuru-Aja (1998), commercialization entails assuring consumers of the effectiveness of service delivery by integrating profit-making objectives into the management of a few carefully chosen government-owned enterprises. This is presuming that a profit motive drives efficiency in service production because the business stands to gain from it. There are two types of commercialization, according to Eminue (2009): full commercialization and partial commercialization. He goes on to say that when an enterprise is given the freedom to manage its finances and operations independently, it has reached full commercialization. On the other hand, it is partially commercialized when there is still some government oversight of the business and production is supported through subventions (grants or subsidies). The result of commercializing public enterprises could be that consumers find the services to be unaffordable or expensive, but on the plus side, it might also mean that the services are more readily available and of higher quality.

## 2.9. Concession

According to Sharma et al. (2012), concessions are leases and management agreements. They contend that it entails the government maintaining ownership of a company while renting out its management. Private businesses (lease) state-owned properties to conduct commercial operations (Nwanegbo, 2005). According to GCPSE (2015), this type of privatization occurs most frequently in monopolies and entails giving temporary managerial and financial responsibilities to the private sector. It further distinguishes leasing from concession in that the contractor is expected to provide running costs and contribute to fixed costs through investment in some cases (leasing), while in other cases (concession), the contractor is expected to provide running costs and provide revenues (this is lease) (concession). "A grant to a private firm of the right to operate a defined infrastructure service and to receive revenues derived from it" is referred to as a concession. Although ownership typically remains with the government, the concessionaire typically takes possession of the relevant public assets and uses them to deliver the relevant good or service in accordance with the contract's terms (OECD, 2007 in UNCTAD, 2009, p. 3). In accordance with Okonjo-Iweala (2012), a concession is an agreement by the government to lease a public enterprise to the private sector for a duration of between 10 and 25 years, with the private sector

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required to make an agreed-upon upfront payment and provide capital to the business throughout the duration of the concession agreement. Therefore, in this regard, private citizens' use leased or rented government facilities to carry out government service delivery functions. The concessionaire assumes ownership of the facility for the duration of the concession agreement and generates a return on investment by using the facility (Shah, 2001). While some concession agreements in contemporary practice closely resemble privatization models, others follow the structure of leasehold agreements (World Bank, 2016). By having a semblance of a full privatization model, it is such that the concessionaires do not only retain the facilities c ease basis but also partner with the government in the discharge of services that where erstwhile government responsibilities. In reference to port concession, Onwuegbuchunam (2018) states that the following agreements may be added to its framework: Build-Operate-Share-Transfer (BOST), Rehabilitate- Operate Transfer (ROT), Build-Rehabilitate-Operate-Transfer (BROT), Build Operate Transfer-Transfer (BOT), and Build-Operate-Lease (BOL).

Build, Operate, and Transfer (BOT) is the term used to describe the outsourcing and participation of the private sector in the financing, construction, and management of public projects and infrastructure for a predetermined period before it is turned over to the government to maintain and operate (Ibrahim et al., 2011). Other partnership types in similar patterns are the Build-Operate-Own (BOO), Build-Transfer (BTO), Build-Lease-Transfer (BLT), Design-Build-Finance-Operate (DBFO), and design-Construct-Manage-Finance, according to Ibrahim et al. (2007) (DCMF). By directing private funding and resources toward development, the private sector participates in the development of public utilities and infrastructure. When the agreement expires, the private sector manages these facilities for a period of time at a profit before handing them back to the government.

## 2.10. The Concept of Public Service Delivery

Service delivery is defined as "the production of outputs, which includes the provision of services to government agencies as well as to their clients" by Alford and O'Flynn (2012, p. 8). Although it is still a term frequently used in public administration, its emphasis is not on outcomes like the eradication of poverty or increased security, but rather on processes like the provision of services like infrastructure and welfare benefits. Public service delivery is fundamental and crucial to nation-building, according to Walle and Scott (2009 in Nnaeto, 2017), as this activity by the public sector makes government more real and visible to the citizens. As a result, public service delivery refers to the actions taken by the public sector to meet the needs of the populace by offering goods and services that improve standard of living but which the private sector is unable to provide. The responsibility of providing and delivering services to the people falls under the purview of the public sector of any country, which is made up of local governments, the civil service, as well as organizations established by the government for specific purposes (Olowu, 2002). According to the study's additional findings, the private sector might not be able to provide services at all, or at least not to those who cannot afford the product's market prices. These services, which improve the quality of life for the populace, include infrastructure, security, piped water, and health care facilities. Gambari (2008) asserts that the civil service is the primary institution and tool for providing

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public services. He adds that the civil service has traditionally served three purposes. These include facilitating or regulating the private sector, supporting policymaking at the federal, state, and local levels of government, and providing managerial leadership for running public sector enterprises.

Marshall and Murtala (2015) reaffirmed this, asserting that the public sector performs the functions of providing public services, such as providing all public utilities, carrying out government policies, and serving the general public. "A state's public service is essential to its survival, as no state has ever been able to progress beyond it" (Nchuchuwe, Adejuwon, Okewale & Aliu 2015, p.2). This means a nation will develop to the limits of the development of its public service. Providing direction for economic growth and nation-building, enshrining democracy and democratic values, successfully regulating and unifying the polity, ensuring continuity in policy, acting as agents of political socialization, and acting as significant agents of social change and transformation are just a few of the roles that bureaucracy can play, according to Sharma et al. (2012). The aforementioned highlights once more how crucial the public sector is to the continued existence of any nation.

A "skilled citizenry that exercises its capacity to create a highly industrial society and manipulates its environment to obtain a high quality of life for the majority of the population" is necessary for national development, according to King (1988, p. 5). The majority of the time, "development plans and programs could not be formulated without a serious backing by the bureaucrats" (Chukwuemeka, 2008, p.29). This is due to the fact that bureaucrats are a group of knowledgeable professionals whose qualifications and experiences significantly contribute to providing the necessary targeted input for efficient twice provision. According to Basu (2012, p. 368), the public administration—here defined as the institutions in the public sector—is dependent upon the government for the implementation of its policies. While the government models development-oriented policies, it is the responsibility of the public sector to advance their implementation in order to meet the developmental objectives. The success of any development plan is controlled and directed by public administration, which is also a crucial component of economic and social development. However, public administration is still susceptible to targeted social control and change (Rodman, 1968).

**2**.11. Arguments for Privatization of Public Enterprises

Public administration has been undergoing changes and transformations for many years. As a result of the activities of neo-liberals, rational theorists, and interest groups, a portion of these changes include the increasing reduction in public expenditure through the transfer of some public responsibilities to the private sector (Basu, 2012). There have been difficulties in the government's production and delivery of services to the populace. These include public enterprises' lack of accountability and use of an inappropriate performance measurement metric, which are brought on by the collision of socio-political interests and financial and economic objectives (Anyebe, 2015). The goal of the economic reforms of the 1990s, as stated by international financial institutions and economists, was to open up the market and lessen the influence of the state on the economy. Privatization of state-owned assets is a crucial component of all such reforms (Acemoglu & Robinson, 2012, p. 437). The World Bank and other international funding organizations have hinted that the Third World's public sector has largely failed and that, as a result, the emphasis should be on private entrepreneurs and local communities for the delivery of services (Fried, 1992).

According to Alford and O'Flynn (2012), externalization refers to the transfer of public service roles from public sector organizations to private sector organizations and individuals. This allows the government to focus and expand its role on other issues, such as foreign policy, defense, lawmaking, and other related areas. This is reaffirmed by Sharma et al. (2012), who contend that privatization enables the state to concentrate on important national issues while leaving business-related concerns to private sector experts.

Additionally, by doing this, operating costs for these businesses are significantly reduced. This viewpoint can be expanded upon by the justifications for privatization offered by the Thatcher government of the United Kingdom, which were summed up by McLean and McMillan (2003) as serving to generate lump sums of money to repay debts owed by the government, to destabilize the capacity of trade unions in the public sector, to bequeath commercial authorities to nationalized industries, and to alleviate the weight of decision-making processes required to run public sector organs. As in the case of Eastern Asia, steps were taken to ensure development by encouraging a powerful and dynamic private sector that worked in concert with the political and governmental actors to achieve a broad-based goal of development, strengthen institutions, pay attention to the challenges of governance, and further ensure consistency and stability of policy (Mimiko, 1998). Given the pervasive vices that private investors must contend with, such as corruption and highhandedness among public officials and bureaucrats, this may seem particularly far-reaching in the Nigerian context. These vices appear to discourage attempts at cooperative partnerships with the public sector. According to Sharma et al. (2012), private sector handlers are more rational in their decision-making than public sector officials because they carefully consider all options before making a choice. Additionally, they claim that privatization.

2.12. The Role of Government in Privatization and Public Service Delivery

As a provider of services, the government's main goal is to make sure that services are provided to the populace in a timely, just, and equitable manner. When this is done skillfully, good governance is said to exist because it entails the capacity to provide goods and services to various interests by making sure that all political institutions in charge of providing and delivering those services are doing so in order to improve the living conditions of both citizens and those at the lowest ebbs of society. Sharma et al. (2012, p. 156) contend that "the business of government is not to run a business," despite these functions of the government. In other words, the government has no place in the business world. In contrast to the professionals in the private sector, who are motivated by the need to ensure excellence and

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efficiency in management, the majority of public enterprises are run and managed by people who have no idea what it takes and lack the wall to manage such enterprises. The developed countries have sold the benefits of privatization and commercialization to developing nations, advising that the private sector be permitted to play important roles in the development and growth of these countries' economies (Akpuru-Aja, 1998).

While highlighting the reasons for privatization, Gberevbie, Oni, Oyeyemi, and Abasilim (2015) cite Eminue's (2009) arguments that the need for privatization was brought to light due to the staff and management of Nigeria's public enterprises being corrupt, haughty, wasteful, inefficient, overstaffed, and inebriated. According to the study, this also takes into account the fact that these businesses haven't performed well enough to justify continuing to operate as public businesses. According to Okeke et al. (2016), some of the difficulties public enterprises in Nigeria face include needless political interference, poor management of the enterprise, political instability, government control, public officials' laziness toward their jobs, poor financial management, corruption, and a lack of accountability. Given these challenges, the private sector terns to have the solutions to the endemic problems that plague the public sector but these private sector interventions, according to Flecker et al. (2009), also need to be emulated. This is necessary in liberalized and privatized public service markets so that they can make the necessary investments in higher service delivery quality and efficiency. Accordingly, if the necessary safeguards and controls are in place, the private sector's efficiency in privatized public organizations is not automatic and guaranteed. Consumers shouldn't be left out of these checks because they can help monitor and influence the various aspects of quality in the provision of public services, giving them a voice and supporting the procedures for delivering those services (Flecker et al., 2009; Mahmoud, 1992). Overall, GCPSE (2015) finds no convincing evidence that any particular ownership model, whether it be private, public, or a combination of the two, is more effective or productive than the other because the effectiveness and efficiency of each of these models is largely dependent on the type of service being provided or delivered and the environment, including policy, legislation, and market forces.

Reforms in public management that have emerged over the past three decades have changed the roles of government in developed countries' societies to varying degrees. This can be seen in the fact that she has scaled back or increased, depending on the situation, her involvement in the provision and delivery of public services, while also acknowledging the ability of a wide range of private sector organizations to offer the same services (Alford & O'Flynn, 2012). Public utilities like electricity, waste management, water, gas, transportation, security, and even employment are among the services provided by the government. What exactly qualifies as the kind of public services that should be transferred to private bodies and to what extent a state can be involved (or less involved) in service provision are crucial and complex questions to consider, according to Eliassen and From (2017). It goes on to say that since these variables differ from country to country, this question can be answered after taking into account the legacy of its institutions, its demography, its culture and belief system, the nature of the economy, and the structure of its society. The criteria for choosing private

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interests who would collaborate with public institutions in privatization have been ambiguous, according to UNESCAP (2019). Due to the lack of clarity among private parties regarding the requirements they must meet in order to participate in any bidding process, this has implications for both the legal and political systems.

According to Abdullahi and Usman (2013), the government can manage public-private partnerships (PPPs) and ensure privatization is carried out effectively and efficiently by taking the following steps: Goals and objectives for these partnerships must be clearly defined and set forth in legally binding statutes and operating rules; strategic plans for how the privatization will be carried out in the best interests of the parties involved must be developed and the process for privatization and partnerships must be open and transparent; t The right and appropriate structures for financing private sector participation must be put in place, as well as a system of government monitoring, supervision, and regulation that would be very effective. The management capacity of the private sector should also be taken into consideration and strengthened, and most importantly of all, a measure must be put in place to ensure there is job creation. Waigama (2008) highlights the crucial part that government plays in ensuring that procedures, expectations, and regulatory frameworks are clear to potential private investors and that favorable business environments exist for privatized enterprises. In addition, the following other crucial government roles in privatization are clarified:
serving as rivals to prevent the emergence of strong private monopolies, shareholding/active partnerships, golden share retention, landlords/lessors, covenantors, planners and/or developers, providers of support or common services, policymakers, regulators, and marketers. With the implementation of privatization policies, these roles make sure that the government does not take a backseat in service delivery.

2.13. Impact of Privatization on Public Service Delivery across the World

According to Edwards (2017), privatization has significantly impacted the global economy by accelerating economic growth and raising living standards by lowering business costs, improving the quality of services provided, and bringing about various innovations. On the other hand, Haque (1996) asserts that the privatization movement has seriously complicated public service in various countries. These include questioning the public service's moral standing, minimizing the motivation of the officials, and casting doubt on the legitimacy of the public service. According to Haque, privatization movements have instead spread the myth that the public service is utterly inefficient and that only the introduction of market forces will be able to improve it. This is contrary to suggestions that the public service can be improved and reformed in order to ensure the efficiency of the bureaucracy. The implication of this is that it demoralizes public servants, causes the public to lose faith in the legitimacy of the public service, and causes the public service as a whole to completely disintegrate as it gradually loses its relevance. According to Haque (1999), developing nations have vigorously pursued the privatization policy since the 1980s as a result of examples of comparable practices in developed capitalist countries as well as the pressure put on them by

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international financial and lending organizations. In addition, "leading industrial nations like Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan, Sweden, the UK and the USA are placing an increasing emphasis on streamlining or downsizing the public sector in terms of the number of its employees" (Gore, 1993; dray & Jenkins, 1996; OECD, 1994 cited in Haque, 1999, p. 317).

In the UK, for example, the public sector experienced a decline in employment from 9% to fewer than 2% at the time of the instance of privatization (Toms, 2013). The effects of privatization differ from country to country, so an increase in privatization-related revenues in one country might not necessarily translate into an improvement in that nation's overall GDP performance. China and India emerged as the nations that, at least up until 2015, reaped the greatest benefits from privatization, according to Estrin and Pelletier (2018). Although the United Kingdom tops the list of privatization beneficiaries in the EU, this rise also saw a decline in the proceeds of privatization in those nations.

### 2.14. Developing Countries' Experience in Privatization

In developing nations, privatization started at various times and with various methods. In Africa, for example, some Francophone West African nations, including Senegal, Republic of Benin, Niger, etc., started privatization between the 1970s and 1980s, while some other Francophone and Anglophone West African nations started privatization in the 1980s, according to Bennell (1997) cited in Estrin and Pelletier (2018). The primary goals of divesting public enterprises in developing nations in the 1980s and 1990s were to increase government revenue while reducing its interference in service delivery, improve economic efficiency by enhancing firm performance, and introduce competition into monopolized markets (Estrin & Pelletier, 2018). The lack of adequate infrastructure, a lack of market experience, and a lack of managerial competency have prevented developing nations like Zambia, Jamaica, Honduras, Panama, and the Philippines from successfully implementing the privatization requirements of the New Public Management (Puttaswamy, 2014, as cited in Rubakula, 2014). The privatization of public enterprises has been implemented in several African nations, including Angola, Botswana, Cameroon, Cote d'Ivoire, Gabon, Ghana, Guinea, Kenya, Mali, Mozambique, Rwanda, Senegal, Sierra Leone, South Africa, Tanzania, Uganda, and Zambia, according to Doogarpersad (2011). In fact, it is difficult to find an African nation that has not taken the privatization route. Estrin and Pelletier (2018) reiterate this point, opining that while many African nations have effective privatization policies in place, some, like Tanzania and Zambia, are moving at a relatively slow rate.

According to Haque (1999), privatization policies are implemented by developing nations in Africa, Asia, and Latin America with the intention of reducing the size and scope of the public service. This is a result of requirements set by international financial, lending, and donor organizations that place restrictions on financial aid to these nations in exchange for trade liberalization, structural adjustments, and various economic reforms that would allow the operation of the free market and private sector in the provision and delivery of goods and services. According to Rubakula (2014), while developing nations have adopted the reforms

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that these international financial agencies have urged upon their governments, they have not fared well in the implementation of privatization. A disconnect in the perception of ownership, a lack of political will on the part of the government, an inability to implement the reforms properly, and coercive requirements linked to the reforms have indeed placed African countries in a difficult situation (Kajimbwa, 2013). As a result, they struggle with the effects of handing over public enterprises to the private sector, which is ill-equipped to handle such large-scale operations. This can also be seen in the fight against poverty that has been endemic to Egypt's economic system as a result of the lopsided transfer of government enterprises to a narrow group of individuals (Acemoglu & Robinson, 2012). The problems that surround the idea and formulation of privatization also contribute significantly to the difficulties encountered in the implementation of privatization policies in developing countries. Estrin and Pelletier (2018) state that steps that can be taken to mitigate current challenges in privatization processes include the provision of an improved regulatory and institutional base, localized privatization strategies, and paying attention to employee and customer rights.

2.15. Tanzania

Between 1960 and 1970, Tanzania started to nationalize private businesses (Waigama, 2008; Paschal, 2015). This was done under the presumption that the private sector was unprepared to manage big businesses or offer services to the general public effectively and efficiently. Additionally, this was done to free the nation from foreign economic influence and the privileged business elites' control. In the mid-1970s to the early 1980s, Waigama (2008) claims that a steady decline in productivity and efficiency by the nationalized enterprises led to a reevaluation of the rationalization policies and the adoption of privatization.

Additionally, implicit and explicit losses, such as rising expenses and costs, made it necessary to adopt alternatives; the wealthy would see to it that private partnerships and investors were involved in an effort to reverse the economic downturn. In the 1990s, privatization became increasingly popular, and by 1996, all utilities and businesses were up for sale (Bayliss, 2008). According to Mwandenga (2000), Tanzania has experienced both positive and negative aspects of privatization, with the positive aspects outweighing the negative aspects. The number of public enterprises that have been privatized, the competitive advantage privatization has given to production, and the successes of privatized firms are some of the positives. On the other hand, the drawbacks include the quantity of jobs lost, which has raised the unemployment rate. Despite the unfavorable experience of job losses, Mwandenga (2000) further affirms that some retrenches get reabsorbed into new jobs and that the privatized firms also engage in recruitment. Privatization in Tanzania has progressed so slowly and made a negligible difference. For instance, by December 2009, the government had only been able to realize 440 billion Tanzanian Shillings (about $275 million) in returns from the privatization of over three hundred and thirty-one (331) privatized corporations. These funds were used for recurrent expenses rather than capital investments for economic development

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(Kabwe 2011). This illustrates the fact that the country's problems go beyond what privatization can address, in addition to the government's lack of ideas for what to do with the proceeds.

### 2.16. Zimbabwe

The experiences of most other African nations seeking economic development and reform were overshadowed by those of Zimbabwe. When Zimbabwe gained independence in 1980, she continued her colonial master's market-economy policy with the intention of reversing the socioeconomic imbalance that had characterized her pre-independence period (Makuyana & Odhiambo, 2014). To increase economic efficiency and effectiveness, the government began the commercialization and privatization of state-owned enterprises in 1991 (Government of Zimbabwe, 1991cited in Makuyana & Odhiambo, 2014). In her case, the Zimbabwean government implemented controls to make sure that the privatization of state-owned businesses did not only benefit the white population and that the black population, which had not previously had access to administrative opportunities, was given the opportunity to be shareholders and owners of public businesses (Agere and Chiwaro) (2002). Additionally, through an act of parliament, public enterprises that were determined to be unprofitable or incapable of being revived were liquidated. In order to ensure that the economy is driven by the private sector and to reduce budget deficits that the economy has been experiencing, Zimbabwe continues to list public enterprises for sale, according to Mukeredzi (2019). This is being done despite the privatization program's implementation having failed for over 30 years. Mukeredzi asserts that despite the numerous advantages privatization has to offer to the faltering economy, one of the challenges privatization in Zimbabwe has brought to bear is the massive loss of jobs and increases in the cost of living. According to Makuyana and Odhiambo (2014), the government's efforts to increase both public and private sector investments have run into obstacles such as a heavy national debt load, low business confidence, inadequate infrastructure, liquidity restrictions, and low industry competitiveness.

### 2.17. Uganda

In order to develop their economy and increase administrative effectiveness, the government of Uganda felt it was imperative to adopt privatization principles. After being urged to do so by the World Bank and the International Monetary Fund, Uganda adopted a privatization policy in the 1990s (EPRCUG, 2021). According to Kisubi (2002), Uganda faced significant challenges in implementing the privatization policy as a result of opposition from the public sector, which feared losing patronage, and from bureaucrats' mat, who feared losing their jobs. IPRC (2021) asserts, citing a Julius Kiiza African Report from 2015, that Uganda was not prepared for privatization at the time it took place. According to Julius Kiiza's report, this is because the nation was in its formative stages of development, primarily an agrarian society, and lacked the necessary infrastructure to support young industries in the

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same way that other developed nations would. Although Uganda has made significant progress in some privatized sectors, such as power, Africa Oil and Power (2016) claims that obstacles related to corruption and the inability to draw in investors have had an impact on the implementation of the privatization policy. The implementation of the privatization policy in Uganda is viewed as both successful and unsuccessful (Kibikyo, 2008). The central government's removal of subsidies to lower budget deficits and improve working conditions for higher level employees was a key factor in determining the success of privatization. However, because of decreased employment rates and the unprofitability of privatized businesses, it was viewed as a failure.

These are problems with privatization that arise in developing nations because of the danger of mass layoffs by the new owners, which looms in the Air Ports Concession and Port Governance in Different Climes. Over the years, port system privatization has taken on various forms. According to Davis (2007), since the 1980s there has been a rush to privatize ports, which has resulted in significant flaws in the port systems following privatization. The chaotic processes brought on by this rush are what lead to this. In many nations around the world, port concession has become a very popular port privatization model. Implementing concession agreements to port structures has been the preferred strategy for applying public-private partnerships with some degree of success in recent decades (World Bank, 2016). An "administrative measure entrusting a specific port area to a company (or a consortium) for the exclusive development of a determined commercial activity" is known as a port concession (Parola, Tei & Ferrari, 2012, p. 47). A government or its representative may authorize private terminal operators to offer certain port services for a time period under a port concession, which is the most common type of port devolution (Onwuegbuchunam, 2018). These private companies' specific tasks have been predetermined, and a section of the port has been set aside for them to carry out their designated duties. In the current dock system, there are basically two types of concession. These two primary types of port concessions are still in use today, according to the World Bank Reform Tool Kit on port reforms: lease contracts and concession contracts. Because of the vital significance of port systems to a nation, various nations have developed unique strategies to develop their port systems through various institutional frameworks, reforms, and the involvement of the private sector. This is the port governance model that LCC1 (2016) has identified. LCCI (2016) also identified four key port governance models for port systems: service ports, tools ports, landlord ports, and fully privatized ports. Here, service ports are government-owned and -operated port systems. The government, acting through its ports authority, directly discharges and regulates all structures and operations. However, the service port system allows for conflicts of interest to arise because in some cases, workers from the private sector are hired to handle cargo. Many developing nations, including Ghana, Kenya, and others, continue to use this service port model of port governance and administration, according to World Bank (2016).

The service ports system and tool ports systems are somewhat comparable. The distinction is that private operators and the government, through its port authority, share

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responsibility for port operations. The government provides and maintains the infrastructure, tools, and other resources. According to LCCI (2016), there are instances where problems arise during system operations, particularly in relation to the use of the facilities and equipment. Private companies are awarded the contracts for service delivery, while the government's ports authority manages the machinery cargo handling and oversees the operation of the facilities at the ports. Examples of this port that stand out are the container terminals at the Port of Autonomies in France and the Port of Chittagong in Bangladesh (World Bank, 2016). However, it is a good method for a transition to a more privatized method of port governance.

An emerging method of port governance that has become very popular over the past few decades is the landlord port model. Landlord models of port governance are prevalent throughout Europe. According to Parola et al. (2012), in the European nations where the landlord model has been used, land allocation to port operators has been made more effective. The important role played by the private sector in managing port operations and the port environment is brought to light by the implementation of the landlord model (concession) of port reforms. In this regard, the port area is "eased to private operators for a set period of time at an annual fixed amount". The private operators supply the superstructures, operational equipment needed for service delivery, and discharge port services, while the port authority only regulates and serves as landlord (LCCI, 2016). The landlord port model, which is currently the dominant model, is used by many large and medium sized ports, including Rotterdam, Antwerp, New York, and Singapore.

The fourth port governance model, fully privatized ports, is only practiced in a small number of nations, including New Zealand and the United Kingdom. It entails the absence of public interests and the outright sale of port processes and land to private sector businesses, which self-regulate and operate with no involvement from the public at all. According to LCCI (2016) and the World Bank (2016), this is the most extreme instance of port privatization. UNESCAP has identified additional types of port privatization in countries throughout the Asia-Pacific region, including India, Hong Kong, China, the Philippines, and a few others (2019). Although the Build-Operate-Transfer (BOT) and the establishment of formal joint ventures, which combine elements of the BOT and lease (as is the case in Shanghai) are the most common forms of port privatization in these countries, other forms are also in use. Leasing, commercialization, service contracts, management contracts, corporatization, joint ventures, leasing, and build-operate-transfer/build-own-operate are some additional forms that are incorporated into port systems and transactions. In a port concession (lease), infrastructure and equipment may be leased to concessionaires either temporarily or permanently. UNESCAP (2019) also emphasizes that since their governments opened up their ports to various private sector managements, countries like the United Kingdom, Singapore, and Malaysia have seen varying degrees of increases in the efficiency and productivity of their port systems. The successful application of these forms of privatization in different ports around the mid has led to further spread of the practices.

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## 3. METHOD

This study is a systematic literature reviews. We divide this literature reviews based on two theories: public choice theory and its application to studies found.

## 4. RESULTS AND DISCUSSION

### 4.1. Public Choice Theory

One of the theories leading the charge against state autonomy in the provision of goods and services to the general populace was the public choice theory (Basu, 2012). "The economic study of nonmarket decision making or simply the application of economics to political science" is the definition of public choice (Mueller, 1979, p. 1). The Calculus of Consent, a 1962 book by Buchanan and Tullock, is credited as the source of public choice theory (Ibietan et al., 2018). The public choice theory was created by Gordon Tullock and James Buchanan to explain how decisions are made. According to Basu (2012), who reiterates this, Buchanan and Tullock are the main proponents of this theory. He also mentions Vincent Ostrom and Niskanen as other proponents who provided alternative theoretical vantage points to support their claims. Others who have studied the public choice theory include Self (1972), Dunleavy (1991), Stover (1991), Pirie (1992), Krueger (1993), Chandler (1994), Das (1998), Adamolekun (2002), Ezeani (2004), and Olaopa (2008). (Ibietan, 2013, p. 57).

In a sense, all of public choice or the economic theory of politics can be summed up as the "discovery" or "rediscovery" that people should be viewed as rational utility maximizers of all of their behavioral capacities, according to Buchanan, as stated by Basu (2012, p. 40). This assumes that those in public office and those in positions of authority are cunning manipulators who waste money on themselves rather than the general welfare of society. This theory "expressly explains how collective decision-making is overrated and unfair because the majority gets its way and this burdens a minority that did not support such a decision" (Ibietan et al., 2018, p. 1851). It places a strong emphasis on the consumer's perspective when deciding how to deliver goods and services (Caiden, 2012). The underlying factors are the subject of consumer choice, which is made by citizens, and the compilation of individual choices as a collective choice, on which the government then takes action as a collective for the benefit of all citizens.

Watkins (2017) asserts that the public choice theory's proponents overturned earlier economic theories' presumptions that government intervention was required to address various problems that might arise through the establishment of bureaucratic agencies. They believed that unless there was some type of special reward system attached to it, bureaucrats and politicians alike would not do their jobs or carry out their legitimate responsibilities as required. Self-interest prevails over group interest in this situation. Basil (2012, p. 40) summarizes the position of the theory's proponents by stating that its two fundamental tenets are "a) individuals act rationally with adequate information and ordered preferences; and b) individuals are utility maximizes". Therefore, in public choice, people should be viewed as rational beings capable of maximizing utility in the political-economic sphere as long as the relevant information is available to them. It challenges the notion that those in political office can decide rationally on behalf of the general public because it is certain that such decisions would be motivated by individualistic sentiments. Acemoglu and Robinson (2012), who elaborated on the political dimension of land privatization for cocoa production in Guatemala during the late 1980s, support this. They claim that under the guise of privatization, about a million acres of land were distributed to political elites and their allies. In other words, the

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Liberal government's political elites who acquired communal or state-owned land were the true beneficiaries of the policy.
According to Ibietan (2013), the central contention of this theory is that market considerations determine the best procedure for making decisions and providing services. Bendor (1992) asserts that public choice theorists have advanced the notion of evaluating the decision-making process in recent years. In this regard, it is deemed necessary to look at earlier stages of the decision-making process that identify the reward systems prior to the manipulations by bureaucrats. This would put politicians in a better position to understand and anticipate when bureaucratic manipulations are most likely to occur. This alludes to the notion that bureaucrats, who seek to create advantages for themselves, control decision-making processes and are therefore at the mercy of politicians. Voters, politicians, bureaucrats, and political action committees are the actors in this theory. Government is frequently dispersed and cut off from the populace, making it unable to address the real needs of the people. Instead, low-quality services that don't reflect the preferences of the populace are offered by the government. Market failure is not a justification for increased government intervention in service delivery, and an imperfect market is unquestionably preferable to a situation in which the government fails (Pennington, 2010). Being flawed individuals who would rather act in their own best interests, politicians and bureaucrats take on the role of intervening in imperfect market conditions. Therefore, it would be preferable for the flawed market environment to correct itself. This idea disapproves of the merging of politics and economics, maintaining that these two fields continue to be parallel.
Vincent Ostrom's position was highlighted by Basu (2012) in his publication of the "Intellectual Crisis in American Public Administration" from 1974. Here, Ostrom emphasizes the value of decentralization in administration, unbundling and compressing the institutions of government, offloading duties of the bureaucratic arm, and allowing external institutions to participate in administration and service delivery. He struggled to understand the tenets of the classical school of thought, which held that the separation of politics and administration and the centralization of governmental functions were the best ways to achieve efficiency.
The public choice theory is not without its detractors despite its optimistic outlook. Citing Das (1998), Ibietan (2013) claimed that there are arguments against the theory that point out that public service ethics contains beliefs, norms, and guiding principles that influence the behavior and attitudes of those in public office, ensuring they uphold issues of public interest, rights, the rule of law, etc. In other words, even though proponents of public choice assume that both politicians and bureaucrats will only act in their own self-interest, there are some fundamental guiding principles that make sure they act within the bounds of reason and in the interests of the public good. Public choice theory, according to Basu (2012), did not clearly define what the duties of the government are or how they ought to act in terms of decision-making and service delivery. A push toward market tendencies would result in capitalism, which might not bode well for the underprivileged. It's important that the bureaucracy not be completely cut off from the process of providing public services. Butler (1982), Berg (1984), and Denhardt (1992) criticized the public choice theory's terrain aspects, but more recent approaches have emphasized the importance of representative governance, according to Butler. According to Bendor and Moe (1985, p. 757), "citizens pressure legislators through elections, legislators influence the bureau through budgets and oversight, the bureau affects citizens through the costs and benefits generated by regulatory enforcement- and the circle is closed when citizens link their electoral support to legislators' positions on agency-relevant issues." In this regard, Denhardt cites their works. This emphasizes the fact that there is an ongoing cycle of influence between the public, the legislature, and the bureaucracy in the

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decision-making processes, with each party influencing the other in their various capacities as voters, agency overseers, regulators, and service providers. According to Fesler (1992), the public choice theory, like other theories in politics and public administration, makes claims about exaggerated ideas but falls short of projections.

Public choice theory is still extremely relevant in today's policy formulation and in relation to this study in light of these criticisms. In a lecture series held at Hillsdale College in February 2003, Buchanan noted that public choice theory has matured over the years and has in fact succeeded in assisting the general public in developing critical thinking skills rather than simply accepting whatever the political establishment throws at them. People are now able to question the political leaders' motivations during the decision-making process and assert mutual benefits. In order to create appropriate policies that would meet the needs and aspirations of the populace, the state must come to the table with the led. The state can no longer smugly claim to be the provider of solutions to all societal problems. However, this study lacks the section that examines the role of government in privatization, specifically how it relates to ensuring the success of privatized enterprises through regulation and policy support. According to Basu (2012), proponents of public choice theory have failed to recognize the issues that developing nations will likely encounter if the government transfers responsibility for providing services like food, education, security, health, infrastructure, and more to the private sector. In contrast, this is already the case in some developing nations, including Nigeria, where the citizens are required to provide for their basic needs.

4.2. Application of Theory to the Study

One of the main theories that supports the privatization of public organizations is public choice theory. It establishes guidelines for the creation of systems for fiscal decision-making, as well as for the legalization, decentralization, and dissociation of service provision from service delivery (Beam, Conland and Walker 1983, Ostrom and Ostrom 1971, as cited in Caiden, 1992, p. 246). It reveals how distant democratic leaders are from their constituents, resulting in the provision of incredibly subpar services to the populace that do not satisfy their needs and aspirations. This view is also supported by Davis (2007) and Idowu et al. (2019), who contend that in the selection of and transfer of public enterprises to private organizations, the national interest is subordinated to the personal and political interests of political elites. The provision of basic necessities like water, shelter, security, health, and other necessities is left to the private sector because governments are unable to predict accurately the needs of the populace and impose their national choices on them. On the other hand, the inclusion of the governance theory is necessary due to the role and responsibility of the government in providing social benefits to its taxpaying citizens in light of the private takeover of service providing functions. If the government's job is to "govern," what exactly does that mean when more and more vital service providers are continually being privatized in an effort to improve administrative effectiveness? Despite the numerous economic reforms that have been implemented, including privatization, which has not altered the mode of production or the status of property ownership, the various administrations in Nigeria have not demonstrated sincerity or commitment to the transformation of the society (OyeAdeniyi, 2014).

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This study uses public choice theory because it is appropriate for the topic of privatization and public service delivery, particularly in a developing nation like Nigeria. The World Bank, International Monetary Fund (IMF), and other international lending agencies advised the government to privatize its public organizations as an economic reform that would form part of the criteria to receive: reign aid. The government was deeply mired in major challenges of unemployment, high inflation rates, poverty, economic degradation, and so on (Nwoye, 1997). Additionally, it claims that doing so would eliminate the system's reliance on the public sector's efficiency, create more space for foreign direct investments and technology, expand private sector opportunities, and promote the economy's long-term growth.

In Nigeria, according to Ekanade (2014), the Structural Adjustment Programme (SAP), the 1999 neoliberal economic policies, and current economic practices have all contributed to the country's transition from a welfare state to a semi-welfare state to a fully free market economy. Even though many socialist economies have privatization policies in place, Haque (1996) noted that there is growing skepticism about the paradigm as a result of rising social vices, unemployment rates, poverty, corruption, and other negative trends. If the government's decision to let the free market economy take over service provision is a sensible step toward development, it should result in more job opportunities, improved service delivery efficiency, and the promotion of the populace's overall wellbeing.

Government's primary function as a service provider is to swiftly and fairly provide certain essential services to the populace (Sharma et al., 2012, p. 78). Since Nigeria started widely liberalizing her economy and privatizing many of her public enterprises, there is still a long way to go before the anticipated transformation and development that the international lending agencies have long proclaimed will occur. Perhaps there is a problem with privatization as a policy, or perhaps it is her method of carrying out the privatization policy, or maybe it is her lack of comprehension of the Nigerian environment. This is supported by Ekanade (2014), who claims that neoliberal economic policies are blind to social needs while taking into account market forces. However, as Basu (2012) emphasizes when describing the role of governments, it is the primary responsibility of the government to ensure that all activities of privatized enterprises are properly regulated. This is the ultimate call for the Nigerian government as the nation moves full-steam ahead with the privatization of public enterprises. This will guarantee that the private organizations are carrying out their agreements in accordance with their terms. Good governance also refers to the capacity to satisfy the needs of various constituencies by directing the political system's various actors to act in the interests of all citizens, but particularly those who are marginalized in society (Sharma et al., 2012).

However, in an effort to regulate their operations, the Nigerian government has interfered excessively with the operation of the ports, which has complicated matters further. Similar to the public choice theory, it appears that while the government grants concessions to ports in order to improve service delivery efficiency, private terminal operators are not given enough

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room to achieve this objective. The government agencies' efforts to ensure these operators' success show a lack of sincerity. This is evident from the government's failure to remove parked trucks from the highway near the terminals in Lagos, the poor roads that surround the terminals, and the activities of regulatory agencies (including the Nigerian Customs Service, the Nigeria Police Force, the Marine Police, and NDLEA, among others), which are the main causes of traffic congestion in the area. The public choice theory and the governance theory are relevant for use in this study because of corruption, harassment of the private terminal operators by government agencies, and other competing issues. Nigerians today have turned to self-help and community empowerment to address their persistent problems. This is demonstrated by the fact that, among other self-help measures, the private terminal operators provide their own private security to prevent frequent armed robberies and pirate attacks on the terminals and vessels.

## 5. CONCLUSION

In developing nations, privatization is thought to hold a lot of potential for improving the effectiveness and efficiency of how public services are delivered. Nigerian seaports adopted the privatization model known as concession, which came with its own set of promises. The key performance indicators significantly increased as a result of its implementation in Nigeria. This pertains to the port's infrastructure development as well as the vessel turnaround time, berth occupancy rate, cargo throughput, and vessel dwell time. Unfortunately, external factors that are out of the private terminal operators' control continue to pose significant obstacles to the effectiveness of their service delivery. The covenanters’ (NPA and the PTOs) have not fully complied with the covenants in the concession agreements, which are impeding the effectiveness of that sector. Despite these, this study reveals that private terminal operators have heavily invested in infrastructure and equipment to make up for shortcomings they encountered at the port and to increase efficiency. Healthy competition between the various terminals and their operators in Nigeria has further increased that sector's productivity. Even with infrastructure problems and interference from multiple government agencies, efficiency gains are still possible. Therefore, in order to significantly improve the delivery of public services in Nigeria, the concession model of privatization policy must continue to be a major priority.

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