THE MALADY OF PUBLIC ENTERPRISES IN NIGERIA

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Abstract

This article examines the malady of Public Enterprises in Nigeria. The paper notes that it is the focused problems that are responsible for their inertia which has also culminated into privatization and commercialization as policy reaction in Nigeria. The paper however discovered that public enterprises' problems are daunting. Thus, what is responsible for this is not unconnected with the dilemma of operational autonomy and government control. Having noted all the attendant problems, the paper is of the view that rather than 'blind' privatization or commercialization as panacea to public enterprises' problem in Nigeria, that, they should be properly classified to know which ones may be privatised, commercialised or reorganised. The paper infers that public enterprise in Nigeria requires radical reorganization and re-orientation coupled with strong political-will for public enterprises to be able to meet their developmental and efficiency goals.

Introduction

In virtually all regions and climes of the world, active involvement of the government in the planning and execution of economic policies is indeed inevitable. In addition to security, both democracies and dictatorships seek other common objectives. As rightly posited by Wit (1953:8), "all forms of modern government attempt to promote the economic health of their particular state". Such must be an objective of any government is clear when one considers the extent to which national security is related to the vigour of the national economy. The very survival of the State is linked to the ability of its economy to meet the material demands of both the people and government. A regime, which intentionally or otherwise, promotes an economy incapable of supplying its people with at least the minimum of subsistence, courts disaster. Thus, government involvement in the direction of the economy in developing countries of Africa, Asia and Latin America becomes even more important, given the absence of viable indigenous entrepreneurial class and the threat posed to their entire economic and political structures, particularly in Africa, by neo-colonialism (Aboyade, 1976:6).

It is in view of the foregoing, that shortly after independence, it became clear to most African countries that neither the public services they inherited nor the few scattered private enterprises controlled or

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supported by alien investors could produce goods and services; that would satisfy the aspiration of the newly independent but impatient people (Davies, 1989:61). Besides, the desire of most African governments to control strategic areas of their economy has made them adopt policies that play down the orthodox *laissez-faire* economic doctrine which essentially restricts governments to their traditional role of maintaining law and order (Davies, 1989).

Hence, the principal task facing the developing countries is to build an independent economy, overcome their economic underdevelopment and accelerate the development of productive forces. But several reasons alien to the aforementioned – such as the weakness of the local bourgeoisie, insufficient funds and the difficulties of building a modern economy in the context of the scientific and technological revolution – this has to be done by the State. Here the State is the only force, which can mobilize resources on a national scale, organize their employment and define the principal current of development. Although, there are many forms of government intervention in the economy, the most effective way in which the State can secure positions in the economy and thus have the greatest opportunity to influence the direction and pace of economic development is through its own economic activity. This economic activity is above all concentrated in the public sector (Sosna, 1983:5-6). This posture of the State having 'the commanding heights in the economy' is never novel to post colonial State in Nigeria, in the sense that the colonial administration, which ended in 1960 had done so and had even left a legacy of economic leadership which was compatible with the imperial policy of encouraging the private sector by giving incentives to alien investors in the country. The colonial government also embarked upon "heavy" government spending aimed specifically at providing some infrastructures, which nurtured capitalism. At independence, there were two sectors of the economy competing with each other. First, there was the public sector, which was dominated by the government, and its agencies including the ownership of social services oriented corporations. Second, there was the private sector, particularly privately-owned diverse business enterprises.

On the metamorphosis of public enterprises generally, there are several methods by which the emergence and subsequent expansion of the public sector takes place. The first, which all countries that have castoff the colonial yoke used, is that, the sovereign State appropriates the property of the former colonial administration. This property is not usually of any great economic significance being primarily the enterprises and institutions belonging to the infrastructure, e.g. the utilities, roads, means of communication and the mass media, some urban housing, port facilities, airports, certain enterprises of military significance, etc. (see, Sosna, 1983; Akinsanya, 1980:76-92, Price, 1994:230). In some countries, it need be emphasized that the process of establishing the public sector goes no farther than that.

Other methods have far greater national economic significance. One is extensive nationalization (expropriation, confiscation of enterprises owned by foreign and local private capital). Nationalization is the most radical method by which the State appropriates the means of production. In most cases, compensation is paid to the former owners. Nevertheless, large-scale nationalization is not all common to every country. The State also may buy up a certain share of the capital of private companies and establish mixed public-private enterprises. More recently, the public sector has been expanded more and more through the building of new enterprises funded by the state.

Be that as it is, it is not unusual to emphasize that the public enterprise is an object of study of diverse sciences such as political economy and its specific economic disciplines (the science of planning, organization of production, the science of finance, industry-by-industry economic disciplines, etc.) and sociology. In jurisprudence, the public enterprise also is a legitimate, specific subject of study too where the enterprise is treated not only as an economic but a legal category as well (Sosna, 1983:26).

The main thrust of this paper is to attempt an in-depth and dispassionate analysis of Nigeria's public enterprises' malady in all its ramifications. To achieve this aim, the paper is organized into a number of sections. With the overview of public enterprises, which forms the introductory aspect of this paper, it is followed by conceptual clarification to avoid any misunderstanding. We devote a whole section to the typologies of public enterprises too, to clearly bring out their meanings. The paper continues with the malady of public enterprises or State owned enterprises (SOEs) as popularly called in Nigeria, which however necessitates privatization and commercialization as a policy

There are a number of reasons why in the developed capitalist countries there is no single standard definition of public enterprises. Public enterprises were established at different periods, and each epoch naturally brought forth the types of enterprises most closely matching its own conditions. When the bourgeois state took no active part in economic life and the principle of free competition held sway, public enterprises occupied a very modest place in the capitalist economy. They were primarily so-called government monopolies (salt, tobacco, alcohol, gunpowder and other monopolies), which came under the jurisdiction of the common State administration and were not involved in the commercial, market turnover.

In the era of monopoly capitalism, especially its state-monopoly stage, where extensive government intervention is a feature, new types of public enterprises emerged. Some specialize in a wide range of supervisory, regulating and coordinating functions of private capitalist production and the market, while others are engaged directly in business, barely differing in legal status and management principles from private capitalist enterprises. At the same time, different and often transient factors and circumstances such as the economic situation at the time the enterprise was established, the ruling parties tactical consideration etc. had an impact on the evolution of the concept of the public enterprise in its organizational and legal aspect in the developed capitalist countries. One study which pointed out the role of those factors in the emergence of the organizational and legal forms of public enterprises in developed capitalist countries noted that in most instances the legislator was guided in the formation of an enterprise by purely utilitarian requirements, a narrow pragmatic view of the situation rather than by any clear position or special principles of organization (see, XIIIth International Congress of Administrative Sciences, 1966:8).

Be that as it may, the emergence of a new, socialist society before its eventual collapse in 1992, led to the birth of a fundamentally new social-economic phenomenon – the socialist public enterprise. The special features of this kind of enterprise were stipulated in the laws of the socialist countries. In the statute of the socialist Public Enterprises in the defunct USSR, an enterprise was defined as the basic unit of the national economy of the Soviet Union. Its operation rests on centralized leadership and its own economic independence and initiative. A socialist public enterprise: (1) conducts its economic and production activities through the efforts of its work collective on a self-supporting basis, i.e. so that its expenditure will be commensurate with the results; (2) conducts its operations on the basis of the state plan and under the guidance of a superior body; (3) possesses active stock in its charge or use, which makes the enterprise economically independent and is part of the integral fund of state socialist property; (4) acts in legal relations as an independent person of law and has the rights of a legal person (see, *The Statute of Socialist Public Enterprises*, 1965).

The statute of Socialist Public Enterprises in the defunct USSR contains the fundamentally important thesis on the social, economic and political role of an enterprise under socialism. An enterprise is a group of workers brought together by common work and common participation in running the affairs of the State and society, and using the people's socialist property to produce material and immaterial values, supply services, and perform other socially useful functions for the benefit of the people as a whole. In Soviet economic law; only simple economic entities are considered enterprises. They are production units, which have the rights of a legal person. Unless a production unit possesses this characteristic, it cannot enjoy the status of an enterprise.

b) Typologies of Public Enterprises

From the foregoing, there are different types of Public Enterprises. What may perhaps assist in getting a clearer picture of public enterprises is to consider their typology. According to Ayoade, (1982:1-12), they can be classified into two different ways i.e. (i) by functions and (ii) by ownership. This is not to say that there is agreement in the nomenclature adopted within these different categories. In fact, it is possible to argue that classification among function lines is subsumable under classification by ownership. There are however six different types of corporations by ownership. These are: (1) Transnational Corporations; (2) National Corporations; (3) National-State Joint Corporations; (4) Inter-State Corporation; (5) State Corporations; and (6) Local Corporations. However, out of these six, we usually do not consider (1) and (6) as Public Enterprise/Corporation. Perhaps, we do not often pay too much attention to Trans-national corporations because they are few and far between or because they fall within the area of international relations and are, therefore, subject to slightly different rules of operation. But they are important because decisions in the international environment also impinge on the performance of government at the domestic level. Similarly, little or no attention has been paid to 'Local corporations' because they are few and fast receding into oblivion. Whereas, in the past most local governments had their own Water Boards and Transport Companies all these have been taken over by state Governments in Nigeria, because they (Local Governments) have been unable to operate them successfully for both financial and managerial ineptitude.

Furthermore, traditionally, the attention of scholars have focused on National Corporations, National/State Joint Corporations and State Corporations. So far, very little attention has been paid to Inter-State corporations, which are a reality in the Nigerian political scene with the creation of more and more states. Examples of such corporations are the Northern Nigerian Development Corporation, the African Continental Bank, and the Oodua Investment Company. Such Inter-State Corporations deserve a special attention because they have their own peculiar problems and their administration surely calls for a strategy appropriate to their composite ownership (see also Ayoade, 1982:1-12).

As we argued earlier, public corporations can be classified according to the function they perform and that each of the corporation classified by ownership obviously can be further classified by functions. It is important to note that there is no agreement on the nomenclature of the functional classes of these corporations. For example, the Nigeria House of Representatives Committee on Public Matters identifies three such enterprises. They are: (1) Regulatory, Welfare and Service Agencies; (2) Statutory Corporations or State-Owned monopolies / companies established under the companies act to carry out commercial or industrial activities. Similarly, Rweyamamu, (quoted in Ayoade, 1982), has triadic classification which is however, fairly different in detail. He identifies (a) Business-type organization; (b) Infrastructure organizations that provide the basic services needed by the nation to develop; and (c) Service organization. But whatever the difference in terminology, it is clear that broadly speaking public corporations can be distinguished as to whether they are service oriented or commercial. When pressed to its logical conclusion this could be a blunt distinction because all corporations make profit, tangible or intangible and all corporations give service whether there is a charge on it or not. But however blurred the distinction might appear it is still necessary to make it because it serves to elucidate the political constraints of these enterprises.

In another similar study, Iwayemi and Inanga (1982:12-16) identified four organisational types of parastatals viz:

i) Parastatals operated as government departmental enterprises,
ii) Parastatals which are public corporations,
iii) Parastatals which are state-owned companies, and
iv) Operating contracts.

Types (i) Parastatals are wholly owned by government which also provides their finances through annual appropriations from the treasury. Revenue earned by them is paid directly in to the treasury. Because they operate as government departments, their career staff are civil servants whole conduct are governed by the provisions of the General Order (G.O). The budget, accounting and audit controls which are applicable to other government departments are also applicable to these enterprises. Parastatals in this group are usually established for the administration of national services or monopolies.

Type (ii) parastatals are owned wholly by government and normally came into existence through Acts of parliaments which also define their powers. Their powers usually authorise them to conduct specific enterprises or groups of enterprises. Their other features include:

a) Complete or nearly complete freedom from government control in day- to-day operations and employment of staff.
b) Independent financing with borrowing powers.
c) Exemption from regulatory statutes applicable to expenditure of public funds.
d) Independence from the budget accounting and audit laws and procedures applicable to non corporate agencies.

Examples of parastatals under this class include the Nigeria Airways, the Nigerian Ports Authority, National Electric Power Authority (NEPA), and the Nigerian Railway Corporation.

Type (iii) are enterprises established under the ordinary company law and, in this country, this means the Companies Act 1968. Such parastatals are wholly or partly-owned by government which also has a controlling interest through the ownership of some of its shares. As they are created under the Companies Act, it is normally presumed that they will operate under commercial conditions.

Type (iv) is, strictly speaking, not a class of parastatals but an administrative arrangement for the management and operations of an existing parastatal. Recent examples in this country include the Nigerian Railway Corporation managed sometimes ago under a contract by an Indian firm and the Airways managed by the Royal Dutch Airlines – KLM. The contract managers are paid an agreed contract fee for services and reimbursed for costs incurred in managing the enterprises concerned. As shall be glaringly demonstrated in the next section of this paper, the basic problem of all parastatals in Nigeria is the maintenance of a balance between operational autonomy and governmental control. Type (i) parastatals maximise flexibility. Types (ii) and (iii) do the opposite while type (iv) attempts to achieve a balance between the two rather conflicting goals (Iwayemi and Inanga, 1982:16).

The Malady of Public Enterprises in Nigeria

The performance of public enterprises in Nigeria like in most African countries is unsettling. In contrast to India, which since proclamation of her sovereign independence in 1947, it has been successful to a great extent in sweeping away the legacy of almost 200 years of colonial rule, eliminating its social and economic backwardness and creating the foundations of a modern economy. The public sector was assigned the major role in carrying out these changes. The rate of growth in India's public sector is indicated by the fact that the number of commercial companies of the central and state governments rose from 183 in 1965 to 651 in 1976. Although this is only 1.5 per cent of the total number of registered companies, they hold about 70 per cent of the total paid-up capital (Sosna, 1983:19). Presently, India has 236 public sector undertakings (PSUs), with as many as 123 profit-making. The top 20 profit making PSUs accounted for 80% of the profits, implying that less than 10% of the PSUs were responsible for 80% of the profits (Shastri, 2001).

Conversely, despite the fact that Nigeria's public enterprises sector in Nigeria too, experienced major expansion in the 1970s and 1980s, being financed with revenue from the oil industry; by the late 1980s, the public enterprise sector was estimated to have accounted for 30-40 per cent of GDP and 20 per cent of employment in the modern economic sector. But mounting economic problems during the 1980s, especially public sector indebtedness and the related budgetary deficits, compelled the Nigerian government to seek solutions to problems of the public enterprise sector. The report of a Study Group on Public Enterprise recalled that enterprises in Nigeria were infested with problems such as:

- misuse of monopoly powers;
- defective capital structure, resulting in heavy dependence on government treasury;
- bureaucratic red tape in their relations with supervisory ministries;
- mismanagement, corruption and nepotism (Bala, 1997:63).

In a scantling criticism of the performance of public enterprises in Nigeria, Chief Olusegun Obasanjo - Nigeria's incumbent civilian president stated inter alia:

> State enterprises suffer from fundamental problems of defective capital structure, excessive bureaucratic control or intervention, inappropriate technology, gross incompetence and mismanagement; blatant corruption and crippling complacency which monopoly engenders... (Obasanjo, 1999:4)

According to the President, it is estimated that successive Nigerian governments have invested up to 800 billion naira in state-owned enterprises. Annual returns on this huge investment have been well below 10 per cent. These inefficiencies and in many cases huge losses, are charged against the public treasury. With declining revenue and escalating demand for effective and affordable social services, the general public has stepped up its yearning for state-owned enterprises to become more efficient (Obasanjo, 1999).

In the extant literature on public enterprises, there are several other maladies of the public sector. As rightly noted by Sosna (1983), the most important reason for the inefficiency of many public enterprises is the extremely low level of social and economic development as a consequence of long years of colonial rule, which entailed the low level of the socialization of production, the insufficient division of labour, narrow domestic markets, limited opportunities for specialization and co-operation on a national scale, difficulties with material and technical provision, and finally the lack of qualified skilled personnel. Besides, public enterprises are established, as mentioned earlier, primarily in capital-intensive, difficult-to-master industries, which private capital does not like because they do not yield a great deal of profit, and not quick enough.

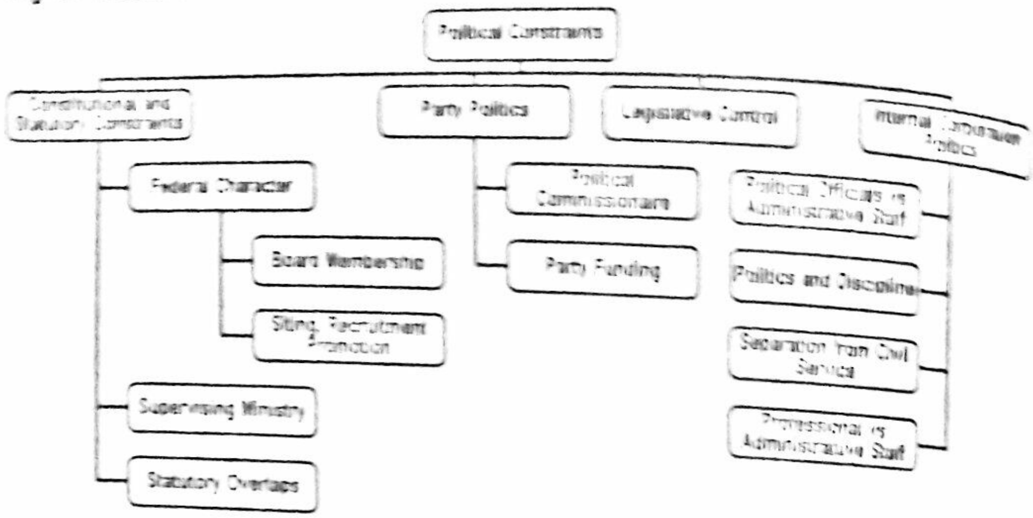
The efficiency of public enterprises is also undermined by undemocratic, bureaucratic methods of management and the theft of public property rather common in developing countries due largely to excruciating and pervasive culture of poverty. For instance, Transparency International (TI), regularly publishes an index, developed by the University of Goettingen, under which a number of countries are ranked according to perceptions registered in a range of relevant surveys. In both 1996 and 1997, Nigeria was perceived as the most corrupt of the 52 countries examined, with Denmark being the least corrupt (see, TI in http:11www.Transparency de.). The persistence of the crisis of governance in Nigeria and its implications for economic development can be inferred from the admission by one time military head of state – Gen. Sani Abacha, that the political, economic equation lies at the heart of the Nigerian dilemma. He conceded that:

> ...we cannot achieve a stable democratic polity in the midst of dishonesty and corruption. These vices have crippled our various institutions which otherwise could be viable assets to our economic recovery (*West Africa*, 16-22 October, 1995:1584).

It is amazing that the magnitude of corruption in Nigeria totals 10 per cent of the country's Gross Domestic Product (GDP) (*The Economist*, 21 August, 1996). In this present democratic experiment, corruption is still endemic (see, Ojo, 2000). This kind of a polity can at best only nurture an epileptic and inefficient public sector. There are also other causes of inefficiency, which we shall examine subsequently.

In a piece, Ayoade (1982), identified five other major problems of public enterprises in Nigeria, which do not toe the line of profitability/efficiency syndrome. We now discuss them under the following categories: Party politics, Constitutional and Statutory problems, Legislative control and Enterprises autonomy and internal corporation politics (see fig 1 below).

Fig-1: Political Constraints



Source: Ayoade, J.A.A. (1982). 'Political Constraints and Parastatal Management'. The Nigerian Accountant, Vol. XV, No. 3.

The first one is the constitutional and statutory constraints. The constitution of the Federal Republic of Nigeria – 1999 and the preceding ones from 1979 – stipulates that appointments to Federal Civil Service and parastatals shall reflect the 'federal character' of the country (see, *The Constitution of FRN*, 1999). The greatest problem that this poses for the parastatals is that the operationalization of this requirement has been slipshod. The disintegrative potentials of federal character principle in Nigeria vis-a-vis all facets of the society is being discussed daily by Nigerians (see, Ayoade, 1998; Adebisi, 1998; Aboyade, 1992; Suberu, 2001 and Ojo, 2001). For example, some people would want to see the federal character (or local government character), reflected in each and every parastatal rather than in the sum total of all the parastatals. The effect of this is that Board membership becomes very unwieldy. And quite apart from the unwieldy nature of such Boards, they do not conform with normal criteria for the appointment of Boards. Basically, there are two types of Boards. These are policy-type boards and functional-type boards. The former comprises mainly or entirely of members each of whom is charged with specific responsibilities for certain departments or responsibilities of the corporation. Members of such boards are specialists in their respective fields, which they bring to bear on policy and implementation in the corporation. On the other hand, the latter consist mainly or entirely of members without executive responsibilities but are responsible for policy decisions and supervision. Although the requirement of federal character does not of its own affect the quality of Boards and methods of appointment, particularly, under the civilian government it has tended to have this effect because those who are competent are not necessarily good party men. Thus 'federal character' only has a distributive connotation without any emphasis on competence or expertise. Consequently, board members have come to operate as spoils. It is possible to imagine that such non-expert boards will be easy to control by the expert management staff. However, experience has shown opposite to be the case because such non-experts rely so heavily on the political power behind them that they do impede the administration of the corporations. But 'federal character' principle application does not end with the appointment of board membership. It unfortunately also extends to the award of contracts. Thus, contracts are awarded sometimes with little or no regard for the ability of the corporations to fulfil the objectives for which they were set up under such inhibitors. Similarly, the siting of corporation projects, recruitment and promotion of staff must reflect federal character. The effect of this is that projects maybe located to hostile environments where they cannot perform at an optimum level. The story of the moribund Ajaokuta Steel, a plant in perpetual construction very well illustrates this point.

The problems enumerated above are helped by the constitutional agreement for the ministerial supervision of the corporations. Public corporations are directly under the office of the Vice President of the Republic or the Deputy Governor of the states. Bearing in mind that public corporations are often used to provide job for good party men the Vice President and the Deputy Governors are therefore given very important political powers to compensate their acolytes and party men, without necessarily taking adequate cognizance of the competence of such appointees vis-à-vis the corporations. This may not be a problem where both the executive heads and their deputies are in good terms, but where they are at loggerheads, it could be a source of serious friction. The protracted antagonistic relationships between the Deputy- Governors of Lagos and Osun States suffices to buttress this point.

Lastly, statutory overlaps also constitute a constraint on the performance of public corporations. It is not unusual that the same functions are inadvertently allocated to several public corporations while this results in higher expenses for the government, it can also create friction between corporations and ministries. And as long as such friction lasts valuable time and money is wasted.

During civilian rule and multi-party system as we have it presently, both board members and even management teams of the enterprises are made to toe party lines. Whenever the loyalty of an officer or appointee is in doubt such person is either transferred or his appointment terminated summarily. The effect of this practice is that suspicion radiates the whole life of the corporation and performance is at times impeded. Not only that, public enterprises are made to enrich the political party in power through contract sum inflation. In the ultimate analysis it is the corporation that is thus denied of the needed funds for executing its programmes. At least, in some cases, this is why corporations become financially 'anaemic'.

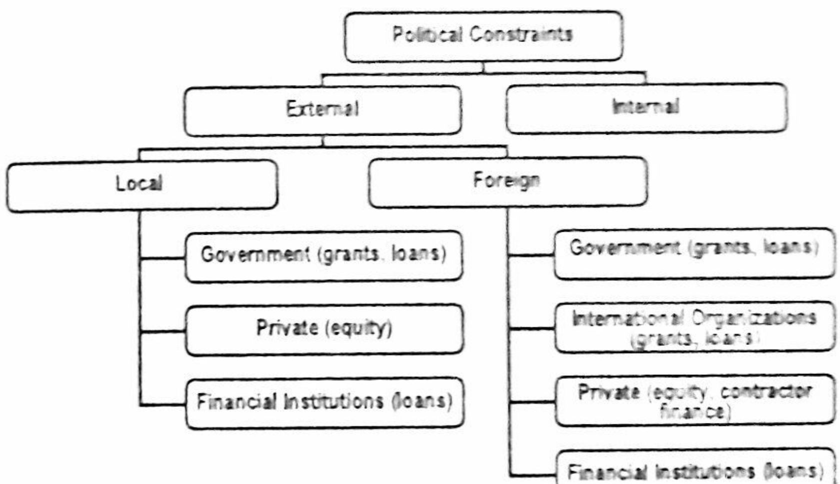
On legislative control of an enterprise, this is not bad in itself. However, it is not unusual for members of the legislature to abuse their position by demanding privileges from such enterprise. Members of the legislature some times infiltrate into the enterprise by requesting the appointments of relatives and supporters or securing the distributorship of the products of such corporations. Whenever this happens, the legislature can no longer play the proper role of representing the will of the people. Once the legislature has succumbed to corruption it may be treated by the corporation with levity and even contempt.

Finally, there is often some competition and tension between administrators and technical experts. This is well known in the public service but it is definitely more acute in some parastatals where the technical experts constitute the core of the organization. And more often than not a poor solution to these issues will affect the performance of such corporations.

Nonetheless, it must be pointed out that in developing countries the efficiency of an enterprise cannot be – nor should it always be – judged by profitability alone. A young state may consider it advisable at some point to establish new industries, which, if unprofitable, are still vital to the economy, and will manufacture domestic products, which while costing more than the same commodity imported save a lot of hard currency. In essence, an efficient public enterprise is, in fact mirrored through several lenses (Davies, 1989). In fact, the current approach to efficiency is based on the understanding that a public enterprise has an objective role which does not boils down - nor can it – to what it yields in financial terms. This approach, which takes into consideration both efficiency on a national scale and the profitability of each enterprise, is typical of the socialist oriented countries. This is perhaps the paradox of the malady of public enterprises in Nigeria. Where the current debate is in terms of 'Naira' and 'Kobo' if their future will be changed.

All the constraints and general malady of public enterprises in Nigeria discussed above are more or less political. It needs be emphasised that very many of them are under-funded which has immeasurably cumbered their efficiency. See figure 2 below on how best to fund them.

Fig-2: Scheme of Financing Parastatals (Financial Surpluses of Parastatals)



Source: Iwayemi, A. and Inanga, E.L. (1982), 'The Financing Problems of Parastatals'. The Nigerian Accountants. Vol. XV, No. 3.

Finally, the extent to which public corporations in Nigeria has been benefiting from the aforementioned sources of finance in the extant literature on public corporation finance generally cannot easily be determined but the essence of this literature search is indeed to provoke further debate on better management technique. To just infer that better management technique can not be evolved may be too lackadaisical which is currently the perception of public policy formulators in Nigeria that has informed a kind of 'blind' privatization, commercialization outright sale of these public enterprises.

Concluding Remarks

Instead of the current government disposition that the appalling condition of public enterprises is irredeemable, there are so many things government can do to bring them back on course most especially those ones with track record of efficiency and signs of profitability. On the part of the government, an autonomous board of competent people may do the 'magic'. People of proven ability and integrity that will bring their professional background and experience to bear in managing these moribund public enterprises, with the zeal and doggedness of any other private enterprise. Such boards should equally endeavour to eliminate as much as possible unplanned capital cost, ensure that private and public sector subscribers and customers pay for their goods and services promptly with all avenues of leakages drastically curtailed.

Similarly, members of parliament should not be appointed to boards of parastatals, as they may be subjected to party and constituency pressures which may lead them to advocate party and constituency policies that may not be in the best interest of the organization. Also, the objectives of each parastatal should be clearly defined in clear and unambiguous terms to enable criteria to be established for assessing management performance. Duties and responsibilities should be clearly defined at all levels of management, and staff at each level made aware of the importance of public accountability. Finally, training programmes should be established for staff at all levels including management hierarchy. (Iwayemi and Inanga, 1982:14).

Indeed, the gargantuan problem of public enterprises is not even unconnected with governmental inefficiency. To compound the problem, Nigeria is a 'soft' state where laws are made but not well executed.

This paper has attempted a comprehensive and indepth analysis of the malady of public corporations in Nigeria and this has been done with a comparative method of the forms and characters of public corporations in Nigeria. However, the greatest problem facing State-Owned Enterprises (SOEs), is not unconnected with bad governance. The poor management of these parastatals stems primarily from incongruent orientation to efficiency and proper management that pervades Nigerians' perception to government job. In African context, government job is like "no man's work." Until a re-orientation like a surgical operation is carried out, public corporations may still be in the woods. No wonder, the only way of reviving them known to the government - privatisation and commercialization - may still not achieve its target goals without these reforms.

Nonetheless, it is very interesting to note that the philosophy of public administration which ought to be efficiency to enhance higher productivity and attain the ultimate which is supposed to be all round development is equally lacking in Nigeria. Managers of state owned enterprises are yet to be aware that if an establishment is not profit-making but service-oriented does not mean that rendering of such services should be "epileptic", this is because the bedrock of development of any country do not lie on the private sector alone, for both should be efficient *pari passu* if national development would not be a mirage. This paper, however, infers that public enterprises in Nigeria require radical reorganization and re-orientation to achieve the goals for which they were set up.

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