

THE ECONOMIC IMPLICATIONS OF COMMERCIALIZATION OF GOVERNMENT BUSINESSES; A FOCUS ON CHAMPION BREWERIES

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Abstracts

This study is focuses on the implications of privatization and commercialization of government owned businesses in Nigeria with particular reference to champion Breweries plc Akwa-ibom. The objectives are to examine whether privatization and commercialization is the answer to efficiency, and to investigate whether privatization and commercialization bring development and growth to Nigeria economy. Also, to examine whether privatization of champion breweries plc bring sustainable supply. In the course of writing this research, percentage analysis and table were employed in analyzing the data while chi-square was employed in testing of the hypothesis formulated. yaro –yamen technique was used In reducing the population size from 130 to 100. Primary and Secondary data were used .Cluster sample technique data was collected by means of questionnaire from 100 Champion breweries company staff. The organization has grown bigger since its privatization. It is recommended that there should be zero tolerance for corrupt practices within the organization to improve its effectiveness.

Introduction

Historically, the concepts of privatization and commercialization were first put to practice during the golden age of the Han dynasty China. In this era, the mining dynasty China, handover manufacturing industries, to private individuals in the society to manage. Subsequently, Winston Churchill's government privatized the British steel industry in the 1950's. This was followed by Western Germany, which sold its minority state in Volkswagen to small investors in a public share offering in 1961.

The success of these privatized enterprises and the perceptions that privatization would go a long way in addressing market decisions and capital shortfalls, promote economic development, and reduce mass unemployment, made leaderships of Margaret Thatcher, Ronald Reagan, World bank and international monetary fund clamored for large scale privatization in the 1980's through the introduction of structural adjustments program Egwu, S.G (1998). Accordingly, the introduction of structural adjustment program propels much government in different countries to embark on the massive transfer of public owned companies to private individuals.

Some of the problems facing government owned organization's in Nigeria were high corruption, lack of transparency, inefficiency, ineffectiveness, inconsistency and incredibility. The challenges appear to have caused drastic failure of some public enterprise like National Electric Power Authority (NEPA), Nigerian Telecommunication (Nitel) and Nigeria Railway. In addition, the low performance of these enterprises, coupled with the pressure of the international monetary fund to fully implement structural adjustment program saw massive deregulation or privatization of public owned enterprise. Against this backdrop, this project looks at whether privatization and commercialization in Nigeria were desirable through extensive theoretical review of the performance of privatized enterprises in Nigeria. The paper also looks at concept, theories, rationale and challenges in privatization and commercialization of public enterprises. It ends with suggestions that may help to further enhance and sustain the performance of privatized enterprise if they found to be desirable in Nigeria.

Research Questions

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

- ⊕ Is privatization and commercialization the only answer to efficiency?
- ⊕ Will privatization and commercialization bring development and growth to Nigeria economy?
- ⊕ Will the privatization and commercialization of the champion breweries Plc bring sustainable supply?

Research Hypotheses

The following are the research hypothesis for the purpose of this study;

H_1 : That privatization and commercialization is the answer to efficiency.

H_2 : That privatization and commercialization will bring development and growth to Nigerian economy.

H_3 : That privatization and commercialization of the champion breweries plc will bring sustainable supply. Unlike the privatized enterprises, in commercialization, the government would continue to be sole owner of the enterprises; they would also continue to have a financial stake in the enterprises to be commercialized Egwu, S.G. (1998). However, the financial committee on privatization and commercialization (TCPC), now Bureau of public privatization (BPP), would ensure that all checks and balances are in place to minimize government interference and to encourage optimum performances by the managers of those enterprises. Commercialized enterprises should adopt commercial orientation and financial self-sufficiency. They are expected to be better managed and to make profit. They are expected to be run like privatized enterprises in future except perhaps in the case of utilities. It should be self-sufficient in both its recurrent as well as capital expenditure needs.

Enterprises to be partially commercialized would be expected to operate like the fully commercialized one's in terms of better management and profit orientation but because of the public nature of the goods and services provided by those enterprise, and in order to keep the prices of their product or services as low as possible for the public; government would still provide financial grants for the capital projects of the partially commercialized enterprises. They would be expected to earn enough revenue to cover their operating costs. Governments give grants to this firm so as to help in reducing financial costs and to maintain the products of the firms. From the forgoing, it is clear therefore, that when a public enterprise is fully commercialized, the expectation is that it should operate as a purely commercial enterprise without subventions from the federal government.

Privatization and commercialization of public enterprises remove the burden accompanying budgetary obligation (especially where some of the enterprises are making losses). Removal of government restrictions on private economic activity and divestiture of the state assets particularly state owned enterprises (SOEs) into private hand, reduce government expenditure, promote innovation and reduces problems of innovation. Privatization and commercialization abolish monopolies or barriers to entry.

Concepts of Public Policy, Transparency, and Accountability

The concept of public policy, transparency, accountability and privatization like other concepts in social science literature lacks precise definition. However, there is a general consensus that public policy has to do with the course of action by the government to achieve a particular goal in a society. Starr , P. (1998) sees public policy simply as "actions taken by the government". Public policy is "official statements determining the plan of action or what the governments wants. Public policy is "government directed or proposed actions of government directed at achieving certain goals".

On the other hand, its a situation whereby information is freely accessible to those who will be affected by decisions and that enough information is provided in easily understandable forms and media, which requires that decisions are made and enforced in a manner that follows rules and regulations. They point out that "transparent governance (policies) implies an openness of the governance system through clear process, procedures and easy access to public information for citizens".

Privatization could be partial or total. It is total when the government decides to completely divest its holding form an enterprise and leave same in the hands of the private sector to manage. It becomes partial privatization when government decides to transfer majority shares of state owned enterprise to the private sector management while still retaining part ownership of the enterprise. Obadan, M. (2000). It follows therefore, that a public policy that is hinged on transparency is more likely to be accountable to the people at implementation both in terms of personnel and structure such a structure or agency that is accountable is more likely to deliver the purpose for its establishment.

Therefore, it could be concluded that there is a relationship between public policy, transparency, accountability, privatization and commercialization. The foregoing implies that government could achieve its goals enhancing the living standard of the people by the formulation of a policy on privatization and commercialization that seeks to relieve itself of an aspect of the economy and transfer same to the private sector for proper management in terms of efficiency and effectiveness in the delivery of goals and services.

Modalities for Privatization and Commercialization

Kamaludeen, Eze, Orjih Oko, K.K (1996) discusses the essential macroeconomic reforms for achieving a good environment for privatization and they include the following essential elements:

Structural Adjustment Policies. These are policies designed to correct macroeconomic trends which are preventing the economy from moving in the direction that is optimal in relation to the dynamic comparative advantage of the economy. Thus, putting in place appropriate private economic policies in such areas as exchange and interest rates management should result in improved resource allocation, employment, incomes and resource mobilization. This would also involve other economic stabilization measures such as the reduction of balance of payments deficit, debt rescheduling, and proper regulation of money supply, reduction of subsidies and control of speculative money flow as well as overall wage policy.

Trade and investment reform policies: These includes programs for export promotion, foreign direct investment, exchange rate adjustments and reduction of investment restrictions and trade barriers, as well as the result of multilateral negotiations designed to promote fair trading and anti-trust behavior.

Security-including the restructuring of the police force: This can be achieved by conducting intensive training courses for young and able police officers whose services are no longer needed. Consequently, the ratio of a policeman to 1,000 Nigerians should significantly increase. Without a secure environment, the investors will be scared to invest.

Institutional development policies: These includes programs to support the creation and strengthening of an effective system of property rights, financial rights, financial institutions, and labor markets, social and legal institutions and adjudicate or resolve conflicts effectively together with channels for marketing and distribution.

Private sector development programs: Including incentives and support for developing small and medium-sized enterprises, restructuring large companies and attracting investments in domestic industries from multinational corporations. Kamaludeen, Eze, Orjih Oko, K.K (1996) concluded that the above five fundamental elements of economic reforms and the institutional capacities that must be strengthened to support privatization. It is also of importance to pursue then to the logical conclusion in order for privatization program to succeed. In summary therefore, effective transition to a market economy which should necessarily underscore privatization must encompass the set of reforms, which embraces measures on freeing prices, trade and entry to markets from state control and intervention. This implies complete liberalization, decentralization and macroeconomic stabilization.

Implications of Privatization and Commercialization on Economic Growth and Development

Privatization and commercialization appears capable of bringing about great positive change in the economic sector of this country. There are great prospects of privatization and commercialization if the program is well implemented. The country stands to gain higher productivity through greater efficiency. The benefits of privatization and commercialization program for the economy are numerous. Omoleke, L.L. (2008) summarized them as follows:

- Privatization and commercialization will bring technical and managerial expertise to the economic sector;
- It will improve operating efficiency;
- It will result in large-scale injections of capital and greater efficiency in the use of that capital;
- It will reduce the need for subsidies from the government;
- It will increase responsiveness to consumer needs and preferences; and
- Given the level of corruption in Nigeria, private sector participating in a well regulated or competitive sector will lead to lower tariff.

Critical Success Factors of Privatization and commercialization

For privatization to be fully successful, certain steps must be taken by the government. These are referred to as success factors in this paper. The first thing that should be done is to put in place a proper regulatory framework. It is not just enough to transfer the ownership of public enterprises to the private sector that, on the long run, may lose interest in providing quality services to the consumers. An effective and efficient regulatory framework, in the form of rules, regulations or policies, including competitive policy, towards the sector and an agency or mechanism for monitoring and enforcing compliance with the rules of policies, is important in many respects. Theme , E. (1997). Since there is no economy that is static, there will be a compelling need to review the existing regulations put in place when there is economic change. This will ensure fairness when a market place is opened up for competition.

Public education and enlightenment campaign is another step which the government must embark upon consistently and constantly. There are many people who oppose privatization because of lack of proper education. The generality of the people want to understand what privatization is, what they stand to gain, what the nation's economy stands to gain, what is to be done and how it will be done to achieve the goals set with little or no difficulty. Enlightenment can be done by effectively engaging the mass media through various programs. Apart from this, government can partner with community-based organizations to organize open outdoor meetings with community people to enlighten them about the benefits of privatization. Public education and enlightenment will not only allay the inherent fears of privatization in the people, it will also convince them that privatization holds many benefits which are achievable. Both the electronic and print media should be deployed for public enlightenment. Jingles and promos could also be used. Besides, public enlightenment on the benefits of privatization could be taken to churches, mosques and various institutions. Experts in media should be engaged to educate the general public. The Telecommunication sector became the success it is today partly and majorly because of adequate public education and enlightenment. The private operators of the telecoms were able to inspire the confidence of the public through enlightenment both in the print and electronic media. This approach should be employed for the privatization of the power sector.

Training and re-training of specialists who will manage or who are managing the technical aspects of privatization program are very important. People who are involved in privatization program must be versed in the varied techniques of doing privatization. This will secure the support of the policy audiences and the general public. It will also make them to perceive privatization ventures as successful. Closely on the heels of this is to ensure that the private owner companies that will take over particular enterprises have the required technical knowledge, management skills and expertise. This is a *sine-qua-non* in the power sector especially. Those taking over the Power Holding Company of Nigeria must possess the required expertise to generate electrical power, distribute and sustain uninterrupted power supply. This will guarantee success and transform the lives of Nigerians.

Privatization exercise should take a gradual process. Firms that can be privatized with relative ease should be concentrated upon. The principle should be that of privatizing companies with minimal financial problems. Thereafter, firms with terrible financial difficulties may be privatized. Those involved in privatizing must have garnered a lot of experience which they can use when privatizing firms with serious financial difficulties.

Firms to be privatized must be made attractive in a market. This can be done by establishing the prospects of that firm for profits. Buyers will be inspired to venture to buy if they find the attraction there. If the enterprise is one with serious financial difficulties, government may have to invest in it to upgrade the enterprise and consequently make it attractive to the private market.

Appropriate monitoring and evaluation of the whole privatization process must be pursued vigorously. This is to guide against sharp practices and consequently enforce compliance with the rules and regulations of privatization. The power sector is, again, a case in point here. The private owners of the electricity companies appear to be solely interested and concerned about the quick huge profit they would make.

Challenges of Privatization and Commercialization Implementing Agency in Nigeria

The first legal framework that established the implementing agency of the privatization policy of the Federal Government of Nigeria was based on the promulgation of Decree No. 25 of 1988 by the General Ibrahim Babangida's military government (1985-1993). The decree established a structure known as Technical Committee on Privatization and Commercialization of Public Enterprises (TCP) with the sole responsibility to handle privatization of Public enterprises in the country. The TCP was renamed as Bureau of Public Enterprises (BPE) in 1999 by the democratically elected government of Chief Olusegun Obasanjo

Bureau of public enterprise is the structure or agency saddled with the responsibilities of working out the modalities and supervision of the sale wholly/partly or commercializing hitherto government-owned enterprises. The body was charged with the task of seeing to the full privatization of enterprises already slated for privatization as well as recommending other corporations for privatization. For effective implementation of the privatization policy, the National Council on Privatization (NCP) was established to oversee the activities of the BPE under the leadership of the Vice-President of the Federal Republic of Nigeria. Akinifesi, E.1996).

Since the establishment of BPE, the goals of the privatization of PEs have faced challenges. According to Obadan, M. (2000), "privatization of state-owned enterprises in Nigeria has been controversial. It has generated questions as to why, how, when and what to privatize." BPE has been accused of inefficient, ineffective and interference into its affairs by the government, lack of transparency and accountability in the discharge of its responsibilities. Nasir EL Rufai, former Director-General of BPE (1999-2003), while accepting the fact that BPE is yet to realize its objectives that "the interference in the activities of BPE from high places in government created serious harm in the sale PEs in Nigeria and the outcome is the total liquidation of a company that ought to have been privatized." He argues that "Chief Obasanjo blocked the privatization of Nigerian Airways and what is the story today? The company is dead" Obadan, M. (2000). Furthermore, El Rufai attributed the inability of government to stick to the rules of the appointment of the head of the agency as another problem that has contributed to BPE's poor performance. According to him, "the government discarded rules, doing things capriciously, promoting people three levels ahead and the institution has suffered from this since then" (Jerome, A. (1996).

In a bid to transfer the burden of subvention and poor performance of PEs off the shoulder of government to private sector management, the Obasanjo's government, just before leaving office on 29th May, 2007, sold 51 percent of government shares in Port-Harcourt refineries (two of the four government refineries) managed by the Nigerian National Petroleum Corporation (NNPC) (the government-owned oil company), to Bluestar Oil Consortium Limited owned by some Nigerian businessmen. The sale was however truncated by the late

President Umar Musa Yar'Adua's government in June 2007 following a week long agitation in a general strike called by the labour movement and the Nigerian Civil Society groups. The reason for the agitation was that the sale of the refineries did not follow proper procedure. It was discovered that the process of privatization of the 51 percent of government shares in the refineries by BPE was doubtful, lacked transparency and the amount paid by Bluestar Consortium Limited was below the market value Mc Grew, A. (2000).

As a result, the government then refunded the sum of USD721 million paid by Blue star Oil Consortium Limited. And to make the refineries function properly, the government released the sum of USD80 million for the repair of the four refineries in the country. Despite the huge amount invested by the government for the maintenance, the refineries are still functioning at less than 30 percent of installed capacity, necessitating the importation of petroleum products and provision of heavy subsidy by the government to the tune of NGN1.7 trillion or USD10.9 billion in 2011(Mercy, O.A, (2011).

Also, the committee discovered that Global Infrastructure, the Indian company that bought Delta Steel Company at Aladja, Delta State never bided for it and so was not the preferred bidder, yet it bought the steel company for USD30 million. The Nigerian Senate as a body in an apparent dismay ordered the revocation of the sale of the company by the BPE (Utomwen, 2011). Other companies privatized by BPE that had same challenge of doubtful transactions and had their sales terminated by the Nigerian Senate are: Ajaokuta Steel Company at Ajaokuta, Kogi State, Transcorp Hilton Hotel – Abuja, NICON Luxury Hotel Abuja, International Hotels Limited Abuja, Sunti Sugar Company - Niger State, Bacita Sugar Company -Kwara State. While inaugurating the newly constituted board of National Council on Privatization on 24th November 2011, the Vice-President of the Federal Republic of Nigeria, Namadi Sambo corroborated the Senate Adhoc Probe Committee's findings on BPE when he said that "only one of 122 public enterprises privatized so far was operating at optimum capacity" (The Punch Newspaper Editorial 2011).

The foregoing shows clearly that the privatization policy of government of PEs, though seems justified by all indications, but the body set up to implement the policy needs reform to enable it function properly. This is particularly so going by the colossal amount of funds spent as subvention on PEs and maintenance of its board members. However, mere implementation of the privatization policy may not be enough, but should be done according to procedure, and the process made transparent. In this regard, Babafemi Ojudu, a Senator of the Federal Republic of Nigeria cautioned that "in privatizing PEs in Nigeria, laid down regulations should be followed to promote transparency and accountability" Mercy, O.A (2011).

Method of Privatization

In the area of privatization, the TCPC has so far evolved five methods as follows;

- ❖ Public offer for sale of shares of affected enterprises: This has to do with putting up the enterprise for sale in the Nigerian stock exchange .Through the Nigerian stock exchange to date, we have floated the shares of over 30 public enterprises.
- ❖ Private placement of shares of affected enterprises: We resorted to this method of privatization in cases where government holding is so small it cannot force public offer of shares even where the enterprises fulfill the listing requirements of the stock exchange. Till date, only one enterprise has been so treated.
- ❖ The third method is the sale of assets where the affected enterprises cannot be sold either by public offer of shares or by private placement of shares. Such enterprises have a poor track record and a future outlook which is hopeless.
- ❖ Management Buy out (MBO): Under this method, the entire or substantial part, of the enterprise is sold to the workers. It is entirely up to them to organize and manage it. To date, we have privatized only one enterprise this way.

- ❖ Different Public Offer: This is the fifth method of privatization developed. It occurs when enterprises which are viable, but if sold by shares the value to be realized will be out of tune with the value of the underlying assets of the enterprises.

Problems of the Privatization Policy

In the course of the study, some problems which mitigate against productivity in privatization process were identified. They are as follows;

- ❖ Corruption: Omoleke, L.L.(2008) noted that the senate probe of the activities of the Bureau of public enterprise (BPE) in August 2011 was nothing but a “reality show of monumental frauds and daylight robbery perpetrated in the name of privatization exercise”. The senate probe provided Nigerians the platform to hear from the horse’s mouth, what has become an open secret- that privatization is not only a brazen pillage of the country’s patrimony, but also an unlimited fiasco.
- ❖ Poor Funding of the Bureau of Public Enterprise: Omoleke, L.L.(2008) revealed that the National Assemble appropriated only ₦ 406,056,00million to the BPE in the 2000 budget as against the 1.6 billion proposed. A breakdown of the BPE proposal showed that out of the ₦ 1.6billion proposed as the personal budget; only ₦ 166 million was appropriated. In the recurrent expenditure, ₦ 240 million was appropriated out of the ₦329million proposed. In the 2001 budget, BPE made budget proposal of ₦ 1.4billion, the sum of ₦ 520 billion was approved of it. This 61 percent cut grossly affected the work of the committee and the conclusion of some of it sector reform activities.
- ❖ Lack of Access to Credit: Many prospective investors did not have enough funds to process their application forms, contrary to the expectations of government. Perceiving problem of financial limitations, government directed all licensed commercial banks to extent all interested persons. In spite of his directive, the banking system did not respond favorably to the call. This handicap thus dampened the enthusiasm, especially paid workers, whose salaries are not enough to cope with the financial requirement of the policy.
- ❖ Preference of Institutional Investors: On many occasions there were reports of over-subscription in the shears for offer for sales. This in most cases, arose from the intervention of institutional investors to broaden their investment portfolio.
- ❖ Lack of Transparency: The government agency charged with the responsibility of selling off these public companies. Bureau of Public Enterprise (BPE) has so far ranked ₦ 510 billion after selling some 145 public report of the post privatization evaluation exercise. It conducted in the year 2010. BPE stated that “Report is for the public consumption”, Omoleke, L.L.(2008) .

In Nigeria, the main drive of privatization is that it is an instrument of efficient resource avocation and management is based on the argument that under public ownership, enterprises are often used to pursue non-commercial objectives of government, including employment maximization and uneconomic investment choices. These activities are very often inconsistent with efficient and financially viable performance and lead to poor managerial supervision and economic uses in Nigeria.

However, the fundamental responsibilities of the government which is to promote and ensure social equity by providing for the less privilege in the society may be in jeopardy. This is because privatization is focused on efficiency and profit maximizing by dealing with a dead weight loss of subsidizing state-owned enterprises and the redundancy of labor as evident in the recent power section deregulation. Therefore, while efficiency is the benefit of economic liberal ideas sold to the Nigerian government by the IMF and World Bank, it is imperative to note that the efficiency advantage of privatization in Nigeria is contingent on transparent and committed leadership.

For instance, most privatization in Nigeria is where done to serve the interest of the more powerful members of the society. The fixed charge of seven hundred and fifty naira (750) on use or not to use of electricity immediately after sales of the power holding company in Nigeria is clear evidence.

In Nigeria, according to John Campbell, a former America Ambassador to Nigeria (1998-2000), those that hold power do not want it to change. They want to hold on it to impoverish the people so as to determine

and define the waves and directions of politics, since they do not have jobs, factory or industry, its only politics the job they can do best.

Data Analysis

Table .1 Distribution and Return of Questionnaires

Variables	Responses	Percentage (%)
No. of questionnaire returned	80	80%
No. of questionnaire not returned	20	20%
Total No. of questionnaire distributed	100	100%

Source: Field Survey, 2021.

From the above table, hundred (100) questionnaires were distributed which represents (100%). Out of which 80 were completed and returned which represent 80% and 20 questionnaires representing 20% not returned by all the respondents.

Table .2 Sex Distribution of Respondents

Variables	Frequency	Percentage (%)
Male	60	75%
Female	20	25%
Total	80	100%

Source: Field Survey, 2021.

Analysis on the table 2 above showed that out of 80 respondents who returned the complete questionnaire, 60 respondents representing 75% are male while 20 respondents representing 25% are female. The analysis shows that the majority of the respondents are male as the questionnaires were randomly distributed by the respondents.

Table .3 Marital Status Distribution of Respondents

Variables	Frequency	Percentage (%)
Single	20	25%
Married	50	62.5%
Divorced	10	12.5%
Total	80	100%

Source: Field Survey, 2021.

Analysis on table 3 showed that out of 80 respondents representing 100% who returned the complete questionnaire, 20 respondents representing 25% who returned the questionnaire are single while 50 respondents representing 62.5% are married and 10 respondents representing 12.5% are divorced. The analysis shows that the majority of the respondents are married.

Table .4 Age Distribution of Respondents

Age Range	Frequency	Percentage (%)
20-30	20	25%
31-40	25	31.25%
41 and above	35	43.75%
Total	80	100%

Source: Field Survey, 2021.

Analysis on table 4 above shows that the majority of the respondents are within the age range of working population. It shows that 20 respondents representing 25% are between the age of 20-30years, while 25 respondents representing 31.25% are between the age of 31-40years and 35 respondents representing 43.75% are between the age range of 41years and above.

Table .5 Years of Experience Distribution of Respondents

Variables	Frequency	Percentage (%)
1-5 years	20	25%
5-10 years	24	30%
10-15 years	21	26.25%
15 years and above	15	18.75%
Total	80	100%

Source: Field Survey, 2021.

The above table shows the years of working experience the respondents have gotten. It shows that 20 respondents representing 25% are of 1-5years, while 24 respondents representing 30% are of 5-10years, while 21 respondents representing 26.5% are for people who have 10-15years of experience, and 15 respondents representing 18.75% are for people who have 15years and above experience.

Table . 6 Educational Background Distributions of Respondents

Variables	Frequency	Percentage (%)
Bachelor degree	50	62.5%
Masters and above	30	37.5%
Total	80	100%

Source: Field Survey, 2021.

Analysis on table 6 above revealed that 50 respondents representing 62.5% posses Bachelor degree, 30 respondent representing 37.5% posses masters and above. The analysis above shows that all the respondents involved in the study have academically background that would enable them to effectively answer questions in the questionnaire.

Analysis of Research Questions

Question one:

Is privatization and commercialization the only answer to efficiency?

Table .7

Variables	Responses	Percentage (%)
Yes	50	62.5
No	30	37.5
Total	80	100

Source: Field Survey, 2021.

The table above shows that 50 respondents representing 62.5% of the respondents stated that privatization and commercialization is the only answer to efficiency while 30 respondents stated that privatization and commercialization is not the only answer to efficiency.

From the analysis above, it can be said that privatization and commercialization is the only answer to efficiency, since majority stated yes.

Question two

Will privatization and commercialization bring development and growth to the Nigerian economy?

Table .8

Variables	Responses	Percentage (%)
Yes	60	75
No	20	25
Total	80	100

Source: Field Survey, 2021.

The table above shows that 60 respondents representing 75% of the respondents stated that privatization and commercialization which bring development and growth to the Nigerian economy. While 20 respondents

representing 25% stated that privatization and commercialization will not bring development and growth to the economy of Nigeria.

From the analysis above, it can be said that privatization and commercialization will bring development and growth to the economy of Nigeria since majority yes.

Question Three

Did the privatization and commercialization of the champions Breweries Plc bring sustainable supply?

Table .9

Variables	Responses	Percentage (%)
Yes	55	68.75
No	25	31.25
Total	80	100

Source: Field Survey, 2021.

The table above shows that 70 respondents presenting 87.5% stated that the privatization and commercialization of champion's breweries plc brought sustainable supply, while 10 respondents representing 12.5% stated that the privatization and commercialization of the champion breweries plc did not bring sustainable supply.

From the analysis above, it can be said that privatization and commercialization of champions breweries plc brought sustainable supply because the majority said yes.

Test of Hypothesis

Hypothesis One

Ho: Privatization and commercialization is not the only answer to efficiency.

Formular for Chi-square

$$X^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

Observed	Expected	Oi -Ei	(Oi -Ei) ²	$\frac{(O_i - E_i)^2}{E_i}$
50	40	10	100	2.5
30	40	-10	100	2.5

Level of significance = 5%

Degree of Freedom:

n-1 = 2-1=1

Chi-square critical (table) value = 3.84

Decision Rule

If X^2 calculated is greater than X^2 critical value, reject the null hypothesis, otherwise accept.

Since the X^2 calculated is greater than X^2 critical value, reject the null hypothesis and accept the alternative hypothesis which means that privatization and commercialization is the only answer to efficiency.

Hypothesis Two

Ho: Privatization and Commercialization will not bring development and growth to the Nigerian economy.

Formular for Chi-square

$$X^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

Observed	Expected	Oi -Ei	(Oi -Ei) ²	(Oi -Ei) ² —Ei—
60	40	20	400	10
20	40	-20	400	10 —20—

Level of significance = 5%

Degree of Freedom:

n-1 = 2-1=1

Chi-square critical (table) value = 3.84

Decision Rule

If X^2 calculated is greater than X^2 critical value, reject the null hypothesis, otherwise accept.

Since the X^2 calculated is greater than X^2 critical value, reject the null hypothesis and accept the alternative hypothesis which means that privatization and commercialization will bring development and growth to the Nigerian economy.

Hypothesis Three

Ho: Privation and commercialization of the champion breweries Plc. did not bring sustainable supply.

Formula for Chi-square

$$X^2 = \sum \frac{(oi-Ei)^2}{Ei}$$

Observed	Expected	Oi -Ei	(Oi -Ei) ²	(Oi -Ei) ² —Ei—
55	40	15	225	5.63
25	40	-15	225	5.63 —11.26—

Level of significance = 5%

Degree of Freedom:

n-1 = 2-1=1

Chi-square critical (table) value = 3.84

Decision Rule

If X^2 calculated is greater than X^2 critical value, reject the null hypothesis, otherwise accept.

Since the X^2 calculated is greater than X^2 critical value, reject the null hypothesis and accept the alternative hypothesis which means that privatization and commercialization of the champion's breweries plc did bring sustainable supply.

Conclusion

In conclusion, if privatization must of necessity brings forth the desired benefits; it has to be viewed not as end itself, but as a means to get government interested in fostering a new division of labor between the public and private sectors in order to increase the efficiency and contribution to development of both sectors. Therefore, the success of privatization should be judged not in terms of the sale or contract itself or the price paid to government, or even the survival or expansion of enterprise sold, but rather, on the basis of whether there are benefits to the economy. Theme, E. (1997).

Privatization must result in better service at lower prices as desired by consumers, who oftentimes, are not much bothered about economic philosophies. If privatization does not bring tangible benefits in one form or another, the opponents of privatization who argue that the benefits are not worth the cost would feel justified. And indeed, as the FGN (1993) also correctly observed the primary argument for privatization and commercialization is of course, that the efficiency and profitability of the instruments will improve after the

exercise. At the end of the day, it is perhaps only a clear demonstration of such improvement that will convince people who hold such (opposing views). The ongoing privatization is a good policy measure which the government must pursue with vigor. The privatization equity won program of government should be reactivated and made available to the poor and civil servant.

Recommendations

To fully achieve the objectives of privatization and commercialization and reflect in the national development, the following should be adopted and implemented;

- ⊕ The Anti-corruption Crusade: The Anti-corruption crusade should be pursued without fear of favor, under the provisions of the law.
- ⊕ Labor Problems: Government should solve the problems of labor once and for all so as not to frustrate the efforts of Government in implementing privatization and other nation building policies.
- ⊕ The role of Experts/Professionals: Experts/professionals should be engaged in all matters of privatization instead of politicians/political friends.
- ⊕ Judicious use of Benefits/Resources: Benefit/resources due from the gradual divesture should be subsequently tailored to areas of need like education, agriculture, steel etc.
- ⊕ Publicize Modalities for Transparency: The modalities for the proposed exercise should be made public to encourage transparency and public opinion assessment.

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