"Counting" The Cost of Policy Inconsistency in Nigeria: The Case of Privatization Policy

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Abstract
The repeated changes in government policies in Nigeria have posed a number of threats to the country's development economically and socio politically. One policy that suffers quite a number of twists over the years is perhaps Privatization policy; it has been manipulated and tampered with to the extent that the citizenry doubt the sincerity of the policy. This paper analyses those inconsistencies of privatization policy from 1999 to 2007. A number of factors were highlighted as the possible reasons for the irregularities of the policy and at the end, the paper suggests for a value re orientation of both the leaders and the led which will have a multiplier effect on a number of challenging development issues in Nigeria.
Keywords: Policy inconsistency, Privatization, Nigeria

1. Introduction

One of the most crucial roles of public administration is policy formulation and implementation. Policy formulation either from deductive general system (from the point of view of the environment) or empirical approach (focusing on outcomes of policies) cannot in anyway be underpinned.

Similarly, formulation and implementation of public policy is one thing, sustaining and maintaining the policy is another thing entirely. The role of government as a sole shaper and strengthener of economy of a particular nation suffers a serious decline and that perhaps necessitated the idea of "roll back the state" – reducing and limiting the role of the state to providing social welfare and encourage more private sector participation, to be able to salvage the faith of the economy.

Pubic utilities in Nigeria consumes about N200 billion annually inform of grant subsidies, tax exemptions and so on, hence the move towards economic liberalization. Going by the survey of Technical Committee on Privatization and Commercialization (TCPC), Public Utilities in Nigeria account for between 30 and 40% fixed capital and virtually 50% of formal sector employment.

2. Statement of the Problem

It is theoretically assumed that lawmakers and political leaders do make decisions based on covert and overt sets of moral values that are time and again implanted in their political philosophy and their cognitive attitudes regarding the country's economy but, in reality, these attitudes and philosophies are not always what they seem. Privatization policy in Nigeria is one of those attitudes that many believe do not represent what it seems. Privatization of Public Enterprises is a vital tool for the upliftment of a country's political economy, more especially in the developing countries like Nigeria. The government embarked on privatization so as to improve productivity and efficiency in the delivery of services by the public sector. Privatization policy entails divesting non-core functions to the private sector, while government remains with the responsibility to provide an enabling environment, infrastructure and essential services like health, education and transport. Regrettably, among the problems facing privatization policy in Nigeria is Policy inconsistency. Policy inconsistency is one area that needs very serious intellectual investigation. New government come in with new policies and the old government fades with her old policies (Atuka, 2008). Though one might argue that, situations like economic hardship and cases of emergency might necessitate a change in policy, but, how true is it with the frequent change of policies in Nigeria?

3. Objectives of the Study

This research work is set out to pursue the following objectives:

I) To undertake a thorough review of policy inconsistencies in Nigeria with regards to privatization during the period (1999-2007)
II) To examine the consequences of the "On and Off Syndrome" of policies in the privatization sector
III) To critically evaluate the factors attributable to change of policies / policy inconsistencies in privatization sector
IV) Based on the findings of the study, make recommendations that are capable of addressing the problem

4. Related Literature

4.1 Policy

Policy simply means a plan or course of action in directing affairs, as chosen by a political party, government, business or company. In practical terms, it consists of a course of actions and measures deliberately taken to direct the affairs of society towards the realization of predetermined goals or objectives.

Stated most simply, policy is the sum of government activities, whether acting directly or through agents, as it has an influence on the life of citizens.

For the purpose of this paper, the researchers conceptualized policy as a definite course or method of action selected by a government, institution, or individual from among alternatives and in the light of given conditions to guide and usually determine present and future decisions.

4.2 Public policy

According to Dye (1995:2), public policy is conceived as whatever governments choose to do or not to do. To him, however, governments do many things in the state. Thus, governments regulate conflict within the society, they organize society to carry on conflict with other societies, they distribute a great variety of symbolic rewards and material services to members of the society among others.

In the opinion of Anderson (2003), public policies in a modern complex society are indeed ubiquitous. They confer advantages and disadvantages, causes, pleasure, irritation, and pain and collectively have important consequences for our well-being and happiness as well as constituting a significant portion of our environment.

Public policies are those developed by governmental bodies and officials. The special characteristics of public policies stem from their being formulated by what David Easton has called the authorities in a political system namely "elders, paramount chiefs, executives, legislators, judges, administrators, etc. According to him, the persons who engage in the daily affairs of a political system", are "recognized by most members of the system as having responsibility for these matters", and take actions that are "accepted as binding most of the time by most of the members so long as they act within the limits of their roles.

4.3 Stages of Public Policy/ Policy Circle

Policy cycle is a tool used for analyzing the development of a policy. The four (4) stages of policy cycle are:

i) **Agenda Setting** (Problem Identification): The public becomes aware of an issue as a problem and, because of demands being made by certain groups and dominant values in society, this problem is defined as a problem on which action needs to be taken (problem definition). This problem then becomes a part of the political decision-making agenda, meaning that a decision has to be made as to when and who will deal with the problem and in what form (agenda setting).

ii) **Policy Formulation**: This is the pre-decision phase that encompasses the steps in the decision-making process. These are: Identify Alternatives, gather and analyze alternatives; and apply a decision tool. Estimations and selections are done at this stage.

iii) **Policy Implementation**: refers to execution of selected options. It is the translation of policy mandates into actions and prescriptions into concrete into desirable results and goals into concrete realities (Pressman & Wildasky 1979:181). Implementation is also the process of converting inputs – financials, information, materials, technical, human, demands, support, etc., into outputs – goods and services.

iv) **Policy Evaluation**: This stage is concerned with trying to determine the impact of policy on real life conditions. It deals with the estimation, assessment or appraisal of policy including its content. Evaluation asks questions of the following sort: what officials and what programs or policies are successful or unsuccessful? How can that performance be measured or assessed? Is the policy working? If not, why is it not working?

4.4 Privatization

Privatization refers to the transfer of state owned enterprises (SOEs) including ownership and control/management to the private sector. It is a measure adopted by government to bring in private owners to the control of public enterprises accordingly to reduce government expenditure in SOEs (Igbuzor, 2003). It involves the transfer of government owned shares in designed SOEs to private shareholders. Privatization therefore includes an activity that ranges from selling of SOEs to contracting out of public services to private contractors (Cowan, 1987).

Privatization as an economic policy is a product of neo-liberal economic reforms that becomes popularized and globalized through the World Bank (WB) and the International Monetary Fund (IMF). As an innovative economic policy, privatization started in Chile under the Military Government of General August

Pinochet; and was adopted in Britain, between 1986 and 1987 as a central part of economic policy shift (Hanke, 1987).

4.5 Policy Inconsistencies in the Nigerian Privatization Policy

Privatization in Nigeria started in 1986 as an integral part of Structural Adjustment Program SAP (FGN, 1986; Ndebbio, 1991). Prior to this period, the Nigerian state has participated actively in enterprises right (Nwoye, 2003); this trend continue until 1988 when privatization program was officially launched (Anya, 2000; Igbuzor, 2003). The privatization and commercialization Decree of 1988 set up Technical Committee on Privatization and Commercialization (TCPC) under the chairman of Dr. Hamza Zayyad to privatize 111 Public Enterprises and Commercialize 34 others in 1993, the TCPC concluded its assignment and submitted a final report having privatized 88 out of the 111 enterprises listed in the decree. Based on the recommendation of the TCPC, the federal military Government promulgated the Bureau for public enterprises Act of 1993, which repealed the 1988 Act and set up the Bureau for Public Enterprises (BPE) to implement the privatization programs in Nigeria. The Bureau was to monitor the performance of the enterprises privatized in the past exercise and plan for the future phases. The military government under General Abdulsalam Abubakar promulgated the Public Enterprises (Privatization and Commercialization) Decree No. 28 in early 1999 (before the hand-over to a democratically elected government). The Decree allows BPE to alter, add, delete or amend the provisions in the document in the best interest of the country. Initially, sixty-one (61) enterprises were slated for privatization (36 partial and 25 full privatization) but because of the new powers granted BPE, it has increased the list by 37 extra enterprises (some of which were originally meant for commercialization) some of the big government companies being privatized include – National Insurance Corporation of Nigeria (NICON), Nigerian Reinsurance Corporation, Nigerdock Plc, National Aviation Handling company (NAHCO), Nigeria Railways Corporation (NRC), Nigerian postal services (NIPOS) and Savannah sugar company. This is an indication of the enhanced interest in and success that privatization has achieved in Nigeria.

Some experts have blame policy inconsistency for the lingering problems in the Nigerian power sector. Mr Adekunle Makinde, President, Nigerian Institution of Electrical Electronics Engineer (NIEEE), said that there about six different bodies controlling the sector. He also argued:

> "*As long as we have different bodies controlling a single sector, the issue of inconsistency will persist. For the power sector alone, we have the ministry of power, presidential task force on power, Bureau of Public Enterprises, and Nigerian Electricity Regulatory Commission. There is also the Senate Committee on Power sector and House of Representative Committee of Power Sector. These are too many bodies; dual responsibilities do not work well.*"

Akande (2009) opines that, in the aspect of clearing and forwarding in Nigerian Maritime Business government's introduction of destination inspection policy which is always on and off has been adversely affecting the performance of the sector.

Koko (2008) establishes that paradoxically, out of the ashes of the privatized NITEL Ltd/ SAT- 3And its sister Mobile phone unit M-Tel Ltd, the two new federally- owned companies that emerged were crafted to provide the same and similar functions services and products which were hitherto being provided by the same NITEL Ltd/ SAT-3 and M-Tel. The resultant consequences here is that, the frequent change of policy will have a great bearing on the newly emerged Transcorp Plc.

4.6 Reasons for policy failures in Nigeria

i) Disregard or oversight of recurrent cost implications of capital projects /expenditures
ii) Undue reliance on External Sector in Revenue Projections
iii) Poor Monitoring
iv) Fiscal Indiscipline and Irresponsible Public Investment
v) Insufficient and unreliable data
vi) Dearth of skilled manpower
vii) Unexpected economic disturbances
viii) Institutional weaknesses
ix) Resistance to change and innovation
x) Unhealthy inter-ministerial rivalry
xi) Political and bureaucratic corruption
xii) Lack of national interest.
xiii) Lack of commitment and political will to implement policies
xiv) Inadequate consultation

xv) Vague plans and policy objectives therefore, performance targets and benchmarks cannot be meaningfully specified
xvi) Inconsistencies and policy summersaults
xvii) Inadequate follow-ups and poor sequencing

5. Way forward

One of the most decisive action to consider that will ably check and reduce policy inconsistency to the lowest ebb is perhaps by enforcing commitment both from the leaders, the administrators and the citizenry. It has been seriously argued by a number of scholars such as Lucas and Prescott (1967) and Rogoff (1987) that strict adherence to rules and regulation governing societies is one action too many. As far as this paper is concerned however, the researchers want to argue here that value re-orientation of both the leaders and the led appears to have a finer quality outcome than adherence to rules and the absence of the former renders the latter ineffectual.

It is often believing that if leaders rightfully emerge (whether democratically or otherwise) the hopes, aspirations of the citizenry will rise high that the leaders will be just and ethical in the discharge of their responsibilities. But, it only appears strange and cynical that helpless citizenry are expecting ethical and fair treatment from those leaders who unethically emerge due to unethical behaviors of the few and the citizenry themselves. As long as leadership is defined by cultural or regional alliance or success is measured with "what" and not "how", no policy will neither be based on the aspirations of the citizenry nor will they last, corruption will be perpetual, the huge income disparity will be un interrupted and any outrage towards those unethical actions will only append frustrations and turn dreams to illusions.

6. Conclusion

In social and management science disciplines, universality of application remains the only uncommon fixation that is common; nonetheless, the popular understanding of ethical value is as Hoexter (2013) coined it, the sacred aspect of oneself. If Hoexter's (2013) interpretation of personal value is anything to go by, the moment people are presented with responsibilities, they should feel that those responsibilities need to be discharged with utmost sincerity and value, they should not disassociate their responsibilities from their personal values. Simply put, the moment people start to feel that their responsibilities and their personal values are one, their actions translate their individual selves, a flaw in their responsibility questions their personal value, then, policies will be made based on people's aspiration and the life span of those policies will be determined by same.

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