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Review

A sociological appraisal of economic self-reliance: The failure of state-owned enterprises in Nigeria

David Imhonopi* and Ugochukwu Moses Urim

Department of Sociology, Faculty of Social Sciences, Olabisi Onabanjo University, Ago-Iwoye, Ogun state.

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This paper presents a sociological appraisal of the efforts of various governments in Nigeria towards economic self-reliance using state-owned enterprises as the vehicle for this purpose. However, due to the internal contradictions inherent in most developing societies like Nigeria, achieving economic self-reliance has continued to elude these states. Nigeria's public-sector driven economic system has been replaced by government in Nigeria with different privatisation models aimed at strengthening the institutional mechanisms of the state and creating an efficient and effective economic system to drive its development agenda. This paper has identified the factors that negatively affected the functioning of state-owned enterprises and made recommendations to address these problems with the goal of engendering economic self-reliance in Nigeria.

Key words: Economic self-reliance, development, state-owned enterprise, value system, social policy, social welfare.

INTRODUCTION

Several administrations in Nigeria, whether military or civilian, have tried to create policies and programmes that promote economic self-reliance and national development (Adamu, 2006). Over the years however, these policies have failed to deliver the anticipated dividends due to systemic contradictions and the Nigerian factor. The global economic recession, which started as global financial crisis revealed clearly how underdeveloped and vulnerable the Nigerian economy is even as we inch closer to the 50th anniversary of our statehood (Vanguard, 2009).

In spite of the efforts of successive administrations' efforts to pursue the objectives of economic diversification and self-reliance, the Nigerian economy still remains a mono-product. Crude oil exports account for 95% of foreign exchange earnings and 80% of budgetary revenue. Also, more than 50% of industrial raw materials and significant amount of consumer goods are imported into the country annually (Aluko, 2008).

Consequently, the Nigerian economy continues to be vulnerable to developments in the global economy, hence the severe impact of the recent global economic recession on every facet of the economy in the last few months. Areas impacted have included government revenues, foreign reserves, banking sector, industries, capital market, insurance and the mortgage sector (Imhonopi and Urim, 2009).

The question of economic self-reliance for Nigeria remains a pipe dream. Patriotic citizens wonder at the gross inadequacies in the country's social and economic life, in spite of the abundant resources the country is blessed with. This paper seeks to examine the question of economic self-reliance in Nigeria and why this has remained a mirage albeit the fact that, the country is close to celebrating 50 years of its existence as a nation-state. This paper also seeks to look at the reason for the systemic failures of policies and programmes of government aimed at revamping the economy and repositioning Nigeria for greatness in the community of nations. Suggestions are made with respect to correcting the present challenges frustrating efforts aimed at achieving economic self-reliance.

HISTORICAL BACKGROUND

The privatisation policies of government today stems from the unwholesome experience government has had over the years in utilising state-owned enterprises (SOEs) in driving development with the aim of achieving economic self-reliance for the country. It is the gross

*Corresponding author. E-mail: turningpointbuz@yahoo.com.

inadequacies inherent in the role SOEs played, that resulted in government adopting different shades of privatisation models to overhaul the economic system which was mixed and heavily tilted towards the dominance of government-owned enterprises in the economy. In his scholastic work on this issue, Omoleke (2010), carried out a research study on six (6) public enterprises in the South-west of Nigeria, with the view to examining the role of these SOEs in the delivery of economic goods and the inherent contradictions which affected their performance leading to government's quest to privatise some of these SOEs for better efficiency and delivery.

According to him, State-Owned Enterprises (SOEs) are special organisations corporate in nature, and set up by the Government for entrepreneurial purposes. They are created by statute and have legal personality, make contract, acquire and dispose of property (Omoleke, 2010). Between 1950 and 1960, the nationalist governments in compliance with Fitzgerald Commission's recommendation established the Nigeria Colliery Department as a public corporation. Also, the Nigerian Ports Authority was created in 1954 while in 1955, the Nigerian Railways transformed to a corporation from the railways department. Since the early 50s, therefore, the growth of public corporations had been remarkable. With the adoption of a federal system in 1954, the number of SOEs increased. This number increased with the subsequent creation of States in 1967.

Notable in the development of state participation is the New Nigeria Development Company Limited (NNDC) which started in 1949 as Northern Region Production Board. Another example in this category is the Odu'a Investment Company operating in the interest of the Western Nigeria. These organisations emerged in the form of Marketing Boards taking care of such crops as cocoa, groundnuts, palm kernels etc, (Omoleke, 2010). The emergence of the SOEs was supported by the 1999 Federal Constitution. Section 16 of the Constitution states that, the State shall: "Control the national economy in such a manner as to secure the maximum welfare, freedom and happiness of every citizen on the basis of social justice, equality of status and opportunity; without prejudice to its right to generate or participate in areas of the economy, other than the major sectors of the economy, manage and operate the major sectors of the economy; the State shall direct its policy towards ensuring: the promotion of a planned and balanced economic development and that the material resources of the community are harnessed and distributed as best as possible to serve the common good."

THEORETICAL BACKDROP

For the purpose of this paper, achieving economic self-reliance in Nigeria will be placed against the backdrop of the World System theory, the State theory and the Functionalist theory. The World System theory is more or less a version of the Modernisation theory, which is self-contained within a set of boundaries held together by a variety of forces (Ritzer, 1996; Offiong, 2001). In specific terms, Wallerstein (1974) recognises two major separate world forces: the metropolis (developed countries) and the periphery (developing countries). According to him, the countries of the world belong to either of the two. The dominant countries (metropolis) are capable of dynamic development responsive to their internal needs. Whereas the dependent ones (periphery) have a reflexive type of development, that is, one constrained by its incorporation into the global economic system and which results from its mere adaptation to the requirement of the expansion of the metropolis. The core or the metropolis, according to the World System theorists, is technologically advanced, pays higher wages, has relatively powerful states and a relatively free market. The periphery, on the other hand, is characterised by relatively backward and simpler technology, very low wages, weak and fragile states and cheap labour (Wallerstein, 1974; Bosewell, 1989; Shannon, 1989). According to the World System theorists, the above situation explains the reasons for the weakness and inefficiency of institutions in developing countries like Nigeria, such as state-owned enterprises and why they malfunction; thus necessitating the deployment of different privatisation models, xeroxed from developing countries and introduced into weak and developing economies to strengthen their institutions and grow their economy.

The State theory differs strongly from the viewpoint and central postulations of the World System theory. State theory is based upon the view that the economy is intertwined with politics and therefore the take-off period in development is unique to each country. State theory emphasises the effects of class relations and the strength and autonomy of the state on historical outcomes. Thus, development involves interactions between the state and social relations because class relations and the nature of the state impact the ability of the state to function. Development is dependent upon state stability and influence externally as well as internally. State theorists believe that a developmentalist state is required for development by taking control of the development process within one state (Preston, 1988; 1996). From the standpoint of the State theorists, looking at development from the interaction between the metropolis and periphery does not arise, while the state is given a key role to play in the development of the institutions within developing countries. Besides, State theorists believe that development is not a unilineal process but is dependent on the internal make-up or composition of each state. Thus, they argue that developing economies have hope of turning around the fortunes of their institutions and the polity by pursuing internal growth through strengthening the institutions and agencies of government, putting in place a value system to which all stakeholders must subscribe to and committing to the development agenda of government. This position agrees with the arguments of Functionalists like Talcott Parsons, Robert Merton and Gabriel Almond, that society would function better based on four functional imperatives which are embedded in all systems of action such as: adaptation, goal attainment, integration and pattern maintenance (Ritzer, 2007). Adaptation here refers to the fact that a system must adjust or cope with its external environment, particularly when this environment is deemed threatening. In order for a system to function effectively, it must also first define the goals it hopes to achieve.

Parsons called this functional imperative goal attainment. Integration is also important to a system, because it needs to regulate the interrelationship of its component parts. Finally, a system needs to furnish, maintain, and renew motivation for individual participation, including the cultural patterns that create and sustain this motivation. Parsons referred to these functions as latency and pattern maintenance. Hence, to achieve economic self-reliance, political and economic managers of the Nigerian state must understand and define the goals it wants to achieve, develop the requisite value system needed for the integration of all social resources of the state and the system needs to furnish, maintain and renew motivation for the individual participation of all Nigerians to make this goal a reality.

In line with these thoughts, this paper argues that for institutions in developing economies to function efficiently and effectively and for the development of the polity, leadership in developing economies should embrace holistic adaptation of the way and manner development administration is being carried out by developed economies.

Furthermore, there is need for policy makers and political leaders in developing countries to strengthen the internal composition of their various institutions and imbibe the right values to drive these institutions towards economic self-reliance as the Functionalist theory advocates. The State theory principally believes that economic self-reliance can be internally achieved and sustained when states are committed to their development process. It also advocates for collaboration between the political and economic managers of the state in the pursuit and realisation of economic self-reliance for the polity.

Case for state-owned enterprises (SOEs) in Nigeria

In the opinion of Obadan (2000), the case for public ownership has been made on many grounds among which are:

First, the persistence of monopoly power in many sectors, that is, certain markets have the tendency to move towards monopoly power especially when technological factors imply that only one producer can fully exploit available economies of scale particularly in services requiring heavy investment in a network as in electricity grid. In this circumstance, direct government control may be required to ensure that prices are not above the cost of producing the output (Todaro, 1989). Secondly, public ownership of enterprises fulfils the desire of government to pursue objectives relating to social equity which the competitive market would ignore, notable among which are employment and easy access to essential goods and services. Third, capital formation was a condition at early stages of development when private savings were low. Investment in infrastructure at this stage was crucial to lay the groundwork for further investment and this can only be handled by the state. Fourth, another very good justification for state ownership of enterprises in Nigeria is the lack of private incentives to engage in prospective economic ventures, due to factors of uncertainty about the size of the local markets, unreliable sources of supply and inadequate or absence of technology and skilled labour. Fifth, certain goods that are of high social benefits are usually provided free or at a price below their cost and the private sector has no incentives to produce such goods hence the government must be responsible for their provision. Six, government may seek to achieve redistribution by locating enterprises in certain areas especially where private initiatives are low and lastly, ideological motivation and the desire of some governments to gain national control over strategic sectors or even multinational corporations whose interests may not coincide with those of the African countries or over key sectors for planning purposes (Todaro, 1989).

In Nigeria, statutory corporations and State-Owned Enterprises increasingly became a tool of government intervention in the development process especially from the early 1970s. In effect, the SOEs in Nigeria played crucial roles in Nigeria's quest for national economic independence and self reliance. So, most of the SOEs established operated as "quasi commercial organisations" due to the following reasons as noted by Omoleke (2010):

One, the conventional bureaucratic machinery of administration did not lend itself to the speedy decisions essential for commercial operations;

Two, the government system of account was designed to facilitate close expenditure control by the legislature and not necessarily to promote operational efficiency;

Three, commercial undertakings tended to generate an atmosphere of initiatives which bureaucratic rigidity would not allow;

Four, it was necessary to minimise political pressures and partisan influence in some sensitive social institutions (e.g. Nigerian Television Authority) in order to sustain public confidence in government policies and programmes;

Five, it is very doubtful whether private enterprises can sustain the magnitude of investment as in Ports Authority, Railways, etc, which may not satisfy the canons of private sector profitability and lastly, arising from the above, the

Table 1. Expenditure on public enterprises in Nigeria.

Subsidised foreign exchange	N156.56 bn
Import duty waivers	N12.56 bn
Tax exemption/arrears	N15.00 bn
Unmerited revenue	N29.50 bn
Loans and guarantees	N16.50 bn
Grants/subventions	N35.00 bn
Total	N265.00 bn

Source: Nigerian business magazine vol. 4 No. 12, 19th June, 2000, 19.

philosophy has been that, in the absence of high cadre traditional entrepreneurs needed to propel economic development, the public sector was to be used as the effective instrument of government intervention in the economy.

This view was also shared by Adamolekun (1983) when he remarked that, "to achieve economic objectives, it is obvious that governments in the Nigerian polity must assume the role of entrepreneurs. Post-independence governments in African States have articulated economic objectives that assign more or less critical economic roles to the states."

The failure of state-owned enterprises in the achievement of economic self-reliance in Nigeria

The performances of the SOEs in Nigeria have left much to be desired. Many of them are not responsive to changing requirements of a growing and dynamic economy and do not seem to possess the necessary tools for translating into reality the hope of successful commercial operations (Omoleke, 2010). Notwithstanding the huge investments on these enterprises, their performances are far from being satisfactory. It is the general belief of most Nigerians that SOEs are inefficient. The performance of most public utilities provides adequate testimony for this inefficiency. Perhaps this informed Laleye (1986), who asserted that reports of investigatory panels set up by government on all the parastatals testified to the fact that inefficiency, had reached scandalous proportions. The huge national investments on the SOEs justify the general outcry about inefficiency. Unfortunately, this manifests itself in Nigeria's moribund educational system, inability to supply portable water and epileptic supply of electricity, and petroleum products with its chaotic attendant long queue in Nigerian petrol filling stations. In the words of Akinkugbe (1996), the hospitals have become mere consulting clinics with no drugs and dressings. All these inadequacies made organisational goals to suffer and heaped serious problems on the society. The inefficiency of SOEs can be traced to:

1. Conflicting objectives earlier mentioned,
2. Excessive government control and interference with operational decisions of SOE managers; this suffocates managerial initiatives,
3. Politicisation of employment, poor choice of product and location of the enterprises.
4. Absence of a competitive environment to encourage better SOE performance.
5. Inadequate techno-managerial capacity to respond to changing economic environment and
6. Inadequate funding and late release of funds, as the enterprises are often tied to annual budget with its attendant bureaucratic corruption and redtapism.

For Balogun (1983), the inefficiency of Nigerian SOEs is traceable to the environment in which they operate, whereas Obadan (2000) identifies poor maintenance culture as the bane of the SOEs. For him, SOEs in many developing countries, as in Nigeria, have been attacked for being economically inefficient and wasteful of resources. This is because they make significant demands on government resources, as well as on domestic and foreign credit and yet these demands have been associated with low profitability and inefficiency. These organisations have failed to show a profit. Operating on a deficit, they have proved to be a massive drain and economic parasites on government's resources through transfer and subsidies.

In order to substantiate the above assertion, in 1998, there were 588 SOEs in Nigeria and this meant that government was responsible for over 5,000 board appointments, thus constituting an economic drain on government's purse. According to the International Monetary Fund (IMF), the drain of SOEs in 1998 was equal to 5 percent of the nation's Gross Domestic Product (Nigerian Business Magazine, 2000). Also, in 1998 alone, for example, the amount spent on Nigerian SOEs, was N265 billion. The breakdown of the amount is presented in Table 1.

These monies, naturally, could have accrued to the government coffers as income and could have been utilised for very important developmental and socio-economic projects that would have bettered the lives of Nigerians. But such waivers, tax exemptions, unmerited revenues and grants to state-owned enterprises meant they continued to enjoy government's patronage and support. This status quo might have informed the lack of initiative and enterprise on the part of the SOEs since, whether they performed or not, the government would always come to their rescue to clean up their mess and cover their inadequacies and structural flaws.

From the foregoing, it is clear that government's desire to achieve economic self-reliance through the evolution and financing of state-owned enterprises failed to meet the objectives of government. Instead, SOEs have been a drain on government's lean coffers; this is not to mention the toll the entrenched corruptive tendencies of government representatives and officials had and are still having on the liquidity of government business. This scenario prompted the push for different privatisation models in the country.

Policies, programmes and efforts of government to achieve economic Self-reliance for and in Nigeria

Nigerian governments, over the years, have evolved well-articulated policies and programmes aimed at achieving economic self-reliance in Nigeria. These include:

First, the Operation Feed the Nation and the Green Revolution programmes of General Olusegun Obasanjo in the late seventies and President Shehu Shagari in the early eighties, respectively. Agriculture was the mainstay of the national economy before the discovery of crude oil in commercial quantities in the mid-fifties. The programmes were aimed squarely at restoring agriculture to its pride of place in the country while enabling the country enjoy stability and self-sufficiency in food production.

Second, the Structural Adjustment Programme (SAP) of the Babangida administration in 1986 which was in response to the paradigm shift from a public-sector dependent economy to a private sector-led enterprise and partly forced on the country by the steady drop in its revenue profile (Adamu, 2006). The programme was supposed to restructure and diversify the productive base of the economy, in order to reduce dependence on the oil sector and imports; achieve a fiscal and balance of payment viability over the medium term and lay the basis for a sustainable non-inflationary growth over the medium and the long-term. Under the programme, government embarked on partial or full privatisation of its companies and parastatals. Seventy-three of the 95 government enterprises put on the block were privatised (Imhonopi, 2010).

Third, the National Economic Empowerment Development Strategy, NEEDS, which was launched on May 29, 2004, by the Obasanjo civilian administration. According to Chief Obasanjo, the NEEDS was "in response to the development challenges of Nigeria." He said that the programme would "lay a solid foundation for sustainable poverty reduction, employment generation, wealth creation and value reorientation." The same programme at the state and local government levels were known as State Economic Empowerment Development Strategy (SEEDS) and Local-Government Economic Empowerment Development Strategy (LEEDS) respectively. NEEDS rested on the following pillars, which were, reforming the way government and its institutions worked, boosting the private sector, implementing a social charter for the people and re-orienting people’s values. A unique feature of NEEDS was that the federal government supported it with comprehensive reforms in the public sector. The banking consolidation, where twenty-five mega banks emerged each with a minimum capital base of 25 billion naira, was also a point in this direction. The banks were strong enough to support private initiatives and entrepreneurship. Following the NEEDS were also Millennium Development Goals to be achieved by the year 2015. These goals encapsulated a national desire to deal with "poverty, educational development, gender equality, child and maternal health, combating HIV/AIDS, the malaria scourge, environmental sustainability and international cooperation" (Adamu, 2006).

Fourth, others were the 7-Point Agenda, the Eight-Point United Nations Millennium Development Goals, the American AGOA, the African NEPAD and the sudden Food Crisis policies of the late President Umar MusaYar’adua (Imhonopi, 2010).

Factors militating against economic self-reliance in Nigeria

There are factors working against the genuine efforts of government to achieve economic self-reliance in and for the country. These factors are as follows:

1. Corruption: The genuine efforts of government over the years have suffered incessant drawbacks as a result of the entrenched corruptive tendencies and sharp practices engaged in by public officials and political office holders. This frustrates the efforts of government to achieve economic self-reliance either through the deployment of state-owned enterprises or through the creation of social and economic programmes in the country. Although, government has put in place the Economic and Financial Crimes Commission (EFCC) to checkmate the incidence of corruption among political office holders and public officials, Nigerians are yet to see the tangible benefits of the anti-corruption war engaged in by the agency.
2. The Nigerian factor: The efforts of government to pursue economic independence for Nigeria has resulted in failed policies and programmes because of factors like nepotism, tribalism, lack of meritocracy, federal character, bribery, politicisation of benefits and privileges and other corruptive tendencies that have continued to weaken our resolve as a nation to lead the rest of the continent and even the world.
3. Frequent change of policies: Each new government comes into power with its own virgin economic blueprint which it promotes in the place of existing policies. This frequent change in policies does not help to stabilise existing programmes, so they can deliver their dividends to Nigerians. Therefore, before a policy implementation process matures, a new policy is introduced, terminating the existing process and denying Nigerians the benefits that could have accrued from such programmes. Many healthy and pragmatic programmes initiated in the time past by successive administrations in the country have suffered this fate.

4. Multiplicity of economic advisers: One of the strong drawbacks to achieving our economic self-reliance is the engagement of many economic advisers in the life of one single administration. These advisers come on board with different ideologies, programmes and initiatives which collapse on one another and entrench the culture of frequent policy somersault and back-flips (Imhonopi, 2010). As Aluko (2008) observed, during the eight years' rule as the President of Nigeria, Chief Olusegun Obasanjo had six different Economic Advisers/Ministers of National Planning who were supposed to have been responsible for the midwife of the NEEDS. They were Chief Philip Asiodu, Dr Magnus Kpapol (now Director of NAPEP), Professor Charles Soludo, Professor Ode Ojowu, Dr Osita Ogu and Senator (Dr) Wali. This situation creates setbacks to the policy formulation and implementation process towards economic self-reliance.

5. Lack of continuity of policies: As a corollary to the above points, genuine efforts of government at achieving economic self-reliance for the nation cannot be realised within a climate of inconsistent policy formulation and implementation. This is one area that the country has almost become acculturated to as a nation. Lack of continuity has led to the existence of many policies but fewer results in practical terms for Nigerians.

6. Low-level of technology: No nation develops its economic constituents without having an enabling technology backbone. The absence of a home-grown or customisable technology platform has denied the country of access to an industrialised and vibrant economic system. The history of the Asian Tigers is an instructive lesson on the need for developing nations like Nigeria to invest in technology tools and the manpower to run these technologies in order for the country to achieve the much anticipated economic self-reliance.

7. Lack of infrastructure: This is another deep-seated crisis facing the nation. The absence of an effective road network, power supply and other social amenities further limits government's efforts to achieve self-reliance. In fact, today, many multinational companies like Dunlop Nigeria and a few others are leaving Nigeria for countries like Ghana where the infrastructural facilities are in place and where the economic climate is supportive of and mild to their business operations.

8. Political instability: Before now, the frequent change of government in Nigeria, which created political instability, resulted in the frequent change in policies. Since independence, Nigeria has experienced repeated change of governments and political leadership. This situation engendered the abandonment of existing policies and the repeated introduction of new policies, creating waste of resources, waste of government's time and denying Nigerians from being positively impacted by these policies.

Suggested ways to achieve economic self-reliance in Nigeria

Having looked at the challenges militating against government's genuine efforts to achieve economic self-reliance for Nigeria, the following are suggested ways by which the present challenges can be addressed.

First, accountability: one of government's greatest challenges is lack of accountability of its resources. The political leadership and public office holders have taken advantage of the loopholes in government accounting system, poor financial monitoring and the absence of the digitalisation of government financial records to steal from government coffers. However, the present massive digitalisation and computerisation of government business, that is e-government, will help to reduce government's exposure to the activities of political fraudsters and thieves.

Second, the empowerment and independence of anti-corruption agencies: The Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC), are two agencies of government created to stem the growing tide of political and other forms of corruption in the country. For these agencies to effectively discharge their functions, the government needs to empower them and let them have total independence from government interference and encroachment so as to dispense justice as they carry out their duties.

Third, renewal of ethical standards: The government of the day must evolve programmes aimed at reviving the fallen ethical standards and morals such as sincerity, credibility, transparency, truth and honesty. It should have a zero tolerance for those who engage in sharp and questionable practices whether in and outside government, while, individuals who are found to support this paradigm shift are to be encouraged through a reward system to be put in place. Also, along this line, government business needs to integrate global best practices like professionalism, creativity, innovation, meritocracy, performance-based reward systems and planning.

Fourth, consistency in policy formulation and implementation: To achieve economic self-reliance, government needs to be consistent in its policy formulation and implementation.

Fifth, development of home-grown technology: Today's global economy is governed and controlled by those who own the technologies in place. Nigeria, for many years, has remained a consumer nation and this will continue to frustrate the genuine efforts to transform our economy. As long as Nigeria remains at the receiving end of the technology trade continuum, the desire to achieve economic self-reliance will be far-fetched.

Sixth, the need for entrepreneurship development: Globally, countries are beginning to look inwards towards developing and empowering their small businesses, creating a climate that supports small business growth and encouraging citizens and young graduates to create businesses rather than seek employment. By investing in the growth and development of small businesses in the country, the massive result to be realised from this effort can facilitate economic self-reliance for Nigeria.

Seventh, the political will and commitment of government to economic self-reliance is key to achieving economic development. Government, at whatever level, must refuse to pay lip service to the question of economic growth, development and independence for the country. Government needs to put its money where its mouth is by making a genuine commitment to efforts aimed at achieving economic self-reliance in Nigeria and for Nigerians.

CONCLUSION

There is no doubt that state-owned enterprises, at some point in the history of Nigeria, had to manage the commanding heights and economic base of the country. The reasons for this were obvious. Issues like the need for government to provide essential services in key areas like communication, health, financial services, transportation, agriculture, water, inter alia, justified government's intervention in these areas.

However, SOEs were not properly constituted, properly run and managed by those in charge of these institutions. Rather, they became items of political patronage and ethnic integration as political managers of the state used these enterprises to reward their loyalists, supporters, party people and kith and kin. Therefore, having the wrong people at the helm of affairs of state-owned enterprises meant their inadequacies and incompetencies were indeed structural and with time would result in the non-performance or death of these enterprises. Again, the conservative nature of government also spelled doom for the utilisation of state-owned enterprises to achieve economic development and self-reliance.

As countries began to privatise their state-controlled and –managed institutions, Nigeria was consolidating hers. This may be partly due to the inglorious role of the military in Nigerian politics. These strangers to political power, with no basis for political intervention in the management of the state, and with no training and competence in handling the affairs of the state, further plunged Nigeria into the abyss as different gladiators from this class undertook massive exploitation of the state resources for personal aggrandisement and to perpetuate themselves and their cronies in power. With the introduction of political democracy in 1999, the privatisation process has begun to yield the expected dividends of economic vibrancy and development. The communication and financial services sectors, which have undergone massive restructuring, privatisation and recapitalisation, have emerged as examples of corporate efficiencies today, offering diverse services and meeting the growing needs of the Nigerian peoples in areas of telecommunication and financial services.

This paper, therefore, has looked at the issue of economic self-reliance in Nigeria and identified the reasons for the non-performance of state-owned enterprises and why these institutions failed to achieve economic self-reliance for the country. This paper also delved into the historical background of the role that was to be supposedly played by state-owned enterprises in stimulating economic growth, providing essential services for the people at low cost and achieving economic self-reliance for the country and why SOEs failed to live up to expectations. Even if an aspect of the economy requires government intervention, it is the contention in this paper that unless and until SOEs meet up with global best practices in the structure, constitution, operations, service delivery and management expected of modern organisations, the inadequacies and defects inherent in these enterprises will continue unabated.

Without accountability, a value system that supports honesty, service delivery, creativity, professionalism, meritocracy, public interests and efficiency, and without the monitoring of activities and the managers of SOEs by such anti-corruption agencies as the EFCC and ICPC, SOEs will continue to be a drag on economic development, remain a conduit pipe for siphoning the commonwealth and for making easy money, and generally will remain an emblem of inefficiency. Thus SOEs that have proved inefficient and structurally defective need to give way, as many have already done, for better structured, better managed, more profitable and efficient institutions that would meet the needs and aspirations of Nigerians as the years go by.

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