Abstract: The study is on the rate of Unemployment in Nigeria as a result of the failure of Public Enterprises. The objective of the study therefore is to identify the impact Public Enterprises failure had on Unemployment rate in Nigeria. This was achieved through the analysis of secondary sources of data and other documentary evidences on the issues. The study discovered that the failure of Public Enterprises in Nigeria had contributed immensely to the Unemployment rate. Conclusively, the Privatization of Public Enterprises in Nigeria had led to massive loss of jobs due to lack of stable trade unions that will negotiate workers disengagement or exit in accordance with the law. The study therefore recommended that in order to provide employment to the unemployed in Nigeria, Public Enterprises should be revamped and managed in the spirits of State Capitalism or purely on full commercialization basis.

Keywords: Public Enterprise, Employment, Unemployment and Failed Public Enterprise.

INTRODUCTION

Public Enterprises came into existence in Nigeria in 1888, when the British Colonialists undertook the railway transport project from Iddo in the capital city of Lagos to the Hinterland.

This was followed by the establishments of Cotton Ginners in Gusau and Challawa and Rice Hauling factory in Sokoto, in 1925; West African Produce Marketing Board in 1947; Electricity Corporation of Nigeria (ECN) and the Nigerian Produce Board in 1950. Also, the Nigerian Railway Corporation was fully established in 1955 [1]. At Independence, there were few Public Enterprises, but in 1970, it grew to 200 and in 1987 rises to 1,500. The reasons for this progressive increase in Public Enterprises in Nigeria were the evolution of the administrative structures from four units in 1950s to thirty-six in 1996 [2]. These increases were not commensurate with the expected benefits.

The establishment of Public Enterprises in Nigeria was seen as a means of accelerating development, especially immediately after the country attained its independence in 1960. There are several reasons for the establishments of these Public Enterprises, amongst which are the desire to use it as an instrument of effective plan; to secure economic independence; government control over strategic sectors and the need to provide employment [3]. There were about 600 public enterprises in Nigeria, which account for over 5,000 appointments into their management and board [4]. But the performances of these public enterprises were nothing to write home about, as they have been criticized for their lack of productivity, efficiency and transparency [5]. In order to improve the performances of these enterprises, various reforms were put in place by the government, which also failed. The latest attempt was the privatization and commercialization of these enterprises. About 111 public enterprises were privatized in the first phase of the exercise and 28 were commercialized [2]. It is the objective for the provision of employment that this study is assessing in relation to the failure of public enterprises in Nigeria. This will be achieved through the use of secondary sources of data and some documentary evidences.

Clarification of Concepts

Concepts that are useful in the understanding and assimilation of this study shall be clearly explained. Public Enterprise according to Balami [6] is any enterprise which has government ownership and is engaged in the production of goods and services and is created by specific law which gives the enterprise authority to engage in designated activities under designated condition, regardless of whether it is owned by the Federal, State or Local Government. But Omoleke [7], sees Public Enterprise as Organizations established and financed by the government of a country to perform certain functions which are thought could be better performed outside the bureaucratic structure of the public or civil service. While Laleye [8] on his part described a Public Enterprise as an...
organization that is set up as a corporate body and as part of the government apparatus for an entrepreneurial or entrepreneurial like objective.

These Public Enterprises can be Communication and Media enterprise like the Nigerian Television Authority (NTA); Economic Enterprise like the Central Bank of Nigeria (CBN) and Energy Enterprise like the Nigerian National Petroleum Corporation (NNPC) [9]. In order to make the Public Enterprises functional and viable, people have to be employed to work therein. Employment is the relationship between two parties usually based on a full time or part-time contract. It is a state of having paid work or an act of giving someone a job. Unemployment on the other hand is a situation where some people who fall within the ages of the working population, capable and willing to work are unable to secure befitting jobs go do [10]. It is also the number of people that are out of work in a given period; it is also the members of the labour force that have no employment. In short, unemployment is the gross underutilization of human resources.

However, for the purpose of this paper, an unemployed person is therefore someone without employment and who is actively seeking for a job of certain specification and would be willing to accept such a job if it were offered at the prevailing money wage [11]. What we have in Nigeria is persistent general unemployment, whereby there is general unemployment throughout the economy with men and women who have not worked for years [12]. On the other hand, full employment, is a situation where there are more jobs and the number of unfilled vacancies is equal to the number of people who are out of work. This situation can only be attained in a perfectly democratic system of government [13]. While Failed Public Enterprise refers to a process whereby a public enterprise set up to meet the social and economic developmental needs of a country, gradually failed to meet these needs due to political interferences, inefficiency, corruption, lack of transparency and poor productivity.

Theoretical Issues

This study is explained from the perspective of the David Easton’s Systems Theory. The theory is based on the Input and Output variables. David Easton was of the view that the political system or an organization is always subjected to demands and challenges from its environment, to which it is expected to cope. However, in simple term, Easton’s system approach is based on the following steps: Changes in the social or physical environment surrounding a political system produces “demand and support” for action or the status quo directed as “input” towards the political system, through political behavior. These demands and supporting groups stimulate competition in a political system, leading to decisions or “outputs” directed at some aspect of the surrounding social or physical environment. After decision or output is made (e.g. a specific policy) it interact with its environ, and if it produces change in the environment, there are “outcomes. When a new policy interacts with its environment, outcomes may generate new demands or supports and groups in support or against the policy (feedback) or a new policy on some related matter. Feedback leads back to step one, forming a never ending cycle.

If the system functions as described, then we have a stable organization or political system, if the system breakdowns, then we have a dysfunctional political system (en.m.wikipedia.org/wiki/system theory in politics). Easton’s Input consists of demand and support. The demand can be for allocation of goods and services such as wages and working conditions, education, health, etc; Regulation of behavior such as public safety, control over markets etc; Participation in Political system such as right to vote, form political associations etc; and Communication and information regarding policies of government. Demand cannot be satisfied without support. Support, according to Easton can be material support like payment of taxes; Obedience of laws, rules etc; Participatory support like voting, political discussions etc and paying attention to government communication like advertisement, ceremonies, symbols etc. In the case of Output, Easton refer to it as Policies and Decisions in taxation and economic policies; regulations of human behavior, distribution of resources, provide opportunities; symbolic outputs, communication of policy intents. While feedback is communicative process which produces action in response to information about the political system. It appraises the political system of the position of its goal and the changes brought by its performance (en.m.wikipedia.org/wiki/system theory in politics).

Therefore, in the case of the demand from Nigerians for more electric power from the Power Holding Company of Nigeria (PHCN), coupled with illegal connections and the refusal to pay for electricity bills together with official corruption via embezzlement of funds meant for improvement in power supply, produces lack of electricity or enough power to go round. What this mean is that the demand for more electric power, the lack of support for the demand to sail through, as a result of the refusal to pay electricity bill and the embezzlement, were the demands, and the throughput or conversion process is the inability of the government to meet the need of the citizens because of the lack of support i.e. illegal connections and non-payment of electricity bills, while the output is the poor supply of electricity. The feedback is the repeated need for improved power supply from the citizens, which goes back to the input again. This is diagrammatically presented below [7].

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The Right to Employment

One of the important rights of a citizen in any country is his/her right to work. This is because as a citizen, he or she can only live on the sweat of his/her labour. As such, it is the responsibility of the government to create an enabling environment to enable him/her have access to the means of existence (employment) to that personality could be realized. The right to work or employment, according to Laski [14], implies that there should be a national insurance against unemployment; there should be an economic planning to utilize the productive labour of the whole populace and the right to be paid adequate wage which should be sufficient to guarantee a citizen the basic minimum comforts. Therefore, to guarantee full employment and an increasing standard of living for all citizens, the state must control industrial power in the interest of its citizens or the industrial power will control the state in the interest of its possessors.

Causes of the failure of Public Enterprises

Looking at the performance of Public Enterprises in Nigeria, Obikenze and Obi [15], stated that the performance of public enterprise can be assessed using two criteria such as the quality of service they deliver and their return on investments. They therefore stated that all the public enterprises in Nigeria were grossly inefficient, rendering epileptic and unsatisfactory services to the people, to the extent that the then National Electricity Power Authority (NEPA) serves only 12 per cent of Nigeria’s population with an average of six hours of electricity per day, while Nigerian Telecommunication Limited (NITEL) attracts operating subsidies of #20 billion between 1975 and 1988 to provide Nigerians with the world most expensive phone network, with a paltry 400,000 working lines, one of the lowest in the world. Furthermore, quoting President Obasanjo in 1999, Obikenze and Obi [15] asserted that about 800 million US Dollars was lost due to unreliable power supply and another $440 million was also lost through inadequate and inefficient power distribution.

On his part, Okpata [1] maintained that factors affecting the performance of public enterprises in Nigeria are grouped into economic, socio-political, administrative and operational-technical, thus: Economic Factors such as staffing and staff establishment; uncompetitors prices of production and services; market and market potentials; financial management, inadequate capital, competition, world economic forces and infant industry benefits. Socio-Political Factors include political intervention and control, ethnicity, bribery and corruption, work attitudes, industrial relations and trade unionism and boards and board members. Administration factors include healthy human relations, management efficient and intrusion of government bureaucracy. Operational and Technical factors are quality of equipment and methods, professional experting and experience and problems of infrastructure. On the actual performance of the public enterprises, Okpata [1] stated that the evaluation of the performance of public enterprises should be to review the extent to which objectives, purposes and rationale of public enterprises have been achieved. He then stated that public enterprises are established to achieve the dual purpose of not only profit earning but also to create employment and eliminate mass poverty and other contradictory expectations. But maintained that the objectives of the public enterprises have not been realized due to the fact that some of these objectives raise conflicting expectation because of lack of clarity between the relevant bodies involved in the management of public enterprises; there is also lack or inadequacy of resources at the disposal of the management for effective result oriented programmes leading to the realization of objectives; furthermore, political interference in the affairs of the enterprise as a result of lack of political and managerial autonomy of the management and board members and directors of the enterprise. In addition, there is the problem of inadequacy of capital base and funding. This arises from the absence of reliable feasibility studies and lack of coordinated planning of operational activities.
Impact of failed Public Enterprises on Unemployment

The unemployment rate in Nigeria increased to 14.2 per cent in the last quarter of 2016 from 10.4 per cent a year earlier. It is the highest jobless rate since 2009, as the number of unemployed went up by 3.5 million to 11.549 million, while employment rose at a slower 680.8 thousand to 69.6 million. The labour force increased by 4.194 million to 81.151 million and those detached from it declined by 625.7 thousand to 27.439 million. The unemployment rate was higher for persons between 15-24 years old (25.2 percent), women (16.3 percent) and in the rural areas (25.8 percent) in the previous quarter, the jobless rate was 13.9 percent. Unemployment rate in Nigeria averaged 9.76 percent from 2006, reaching an all-time high of 19.70 in the fourth quarter of 2009 and a record low of 5.10 percent in the fourth quarter of 2010 (https://tradingeconomics.com/nigeria/unemployment-rate).

The Privatization of Public Enterprises in Nigeria was carved up into three phases. Phases I and II involved the privatization of commercial and merchant banks such as FSB International Bank and NAL Merchant Bank, quoted cement companies such as West African Portland Cement Company and Benue Cement Company, downstream oil companies such as Unipetrol Nigeria Plc., National Oil and Chemical Marketing Company (NOLCHEM) and African Petroleum. Phase III saw the privatization of larger state-owned enterprises including the National Electric Power Authority (NEPA) later Power Holding Company of Nigeria (PHCN), Nigerian Telecommunications Plc (NITEL), Nigeria Ports Authority Plc,(NPA) Nigeria Airways, the Nigerian Security Printing and Minting Company Ltd (NSPMC), Nigeria Railway Corporation (NRC) and petroleum Refineries [17].

Privatization that was seen by the various governments in Africa as one of the solutions to unemployment became a major means of creating unemployment. As soon as privatization plans are rolled out, workers are rationalized without any voice to negotiate their benefits. Employers engaged them on individual negotiation and on case by case basis that does not mostly result in their best interest. The workers are thrown into cold unemployment. A World Bank review of the effect of privatization on labour in Benin, Burkina Faso, Ghana and Zambia, for example, showed total job losses during privatization as follows: Benin 675, Burkina Faso 6, Ghana 932, Togo 334 and Zambia 412. These were net losses, representing 36.05 percent in (Benin, 6.7 percent in Burkina Faso, 17.20 percent in Ghana, 11.58 percent in Togo and 6.81 percent in Zambia [18]. In Nigeria, privatization of public enterprises leads to upheavals, job cuts and reorganization of management structure. This is because the public enterprises were saddled with corruption, maladministration and mass employment. Mass employment is always used by a ruling party to compensate friends, relatives and political associates [10].

Gupta and Robert [19] in Ugoani and Ibeenwo [18], concluded in their own study that privatization has adverse impact on employment and wage condition. In the same vein, D'souza and Megginson [20] also in Ugoani and Ibeenwo [18] in their privatization study found out a decline in employment that involved a huge proportion of privatized public enterprises. But Sheshinsk and Lopez Calva [21] as quoted by Ugoani and Ibeenwo [18] stated that privatization can lead to a reduction in an enterprises workforce and also affect salary and structure, working conditions and employees benefits.

According to Stosic, Redzepagic and Brnjac [22], the effect of performed privatizations and restructuring in Serbia are as follows: that significant number of firms’ privatization was unsuccessful as there were no visible improvements in performances. They further stated that many of the privatized firms were closed or have their activities reduced to a minimum without major looks at the revival of business. In the case of the employees, they were either rationalized or laid-off.

In Rwanda, policy makers and workers fear that following the privatization of State Owned
Enterprises, jobs and wages will be cut and the level of employment to drop drastically. In Chile, there were significant job losses in telecommunication and electricity companies even before privatization. But in Egypt, there were significant reductions in the levels of employment in both state owned enterprises as well as privatized firms. Finally, it was claimed that privatization causes more job losses amongst semi-skilled workers, compared to the case of higher income earners with higher levels of skill [24].

Privatization Failures in Nigeria

In Nigeria, some of the Public Enterprises that were privatized have failed and become lame-docks, according to Eni [25], as a result of the following shortcomings: The Aluminium Smelter Company in Ikot Abase in Akwa Ibom State is not operating as expected because the Core Investors did not keep to the agreement reached with the Federal Government in the area of power supply, dredging of River Opobo and poor incentives to the workers. The Core Investors did not respect the agreement as such the company is dormant. Also, the Ajaokuta Steel Company was given out on a 10 years Concession to Global Infrastructure Holding Ltd. But the company failed to reactivate, complete and commission the Steel Company as agreed, because according to the company, the Federal Government did not dredge the River Niger. In addition, the Jos Steel Rolling Mill (Now Zuma Steel Rolling Mill), Inland Steel Rolling Mill, Oshogbo Steel Rolling Mill (Now Kura Holding Ltd.), was either under lock and key or the new owners were busy selling the assets of the mills. Furthermore, NITEL (Nigerian Telecommunication Ltd.) which was privatized in 2006 to Trans-national Corporation has its sale reversed by the Federal Government because due process was not followed. Just as Two major Fertilizer companies in Nigeria – National Fertilizer Company of Nigeria (NAFCON) and the Federal Super Phosphate Company (FSPC) were all dormant after their sale in 2005.

As a result of all these, in Nigeria, 23.9% of the population are unemployed, that is 40 million out of a population of 170 million [26]. Out of these populations (40 million), 60% are graduates. See table 1 and 2.

Table 1 shows the distribution of the unemployed persons in Nigeria. From the table, those within the age of 15-24 and 25-34 years constituted the youth unemployed in the society.

Table 1: The Distribution of Unemployed Persons 2009/2012

<table>
<thead>
<tr>
<th>Sectoral Unemployment</th>
<th>Level of Education</th>
<th>Gender</th>
<th>Age Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>Rural</td>
<td>Masters/Ph.D</td>
<td>Degree</td>
</tr>
<tr>
<td>19.2%</td>
<td>19.8%</td>
<td>0.5%</td>
<td>38.7%</td>
</tr>
</tbody>
</table>


Table 2: Unemployment within some States

<table>
<thead>
<tr>
<th>S/No.</th>
<th>State</th>
<th>Unemployed %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Adamawa</td>
<td>29.4%</td>
</tr>
<tr>
<td>2.</td>
<td>Akwa-Ibom</td>
<td>34.1%</td>
</tr>
<tr>
<td>3.</td>
<td>Bauchi</td>
<td>37.2%</td>
</tr>
<tr>
<td>4.</td>
<td>Borno</td>
<td>27.7%</td>
</tr>
<tr>
<td>5.</td>
<td>Bayelsa</td>
<td>38.4%</td>
</tr>
<tr>
<td>6.</td>
<td>Federal Capital Territory</td>
<td>21.5%</td>
</tr>
<tr>
<td>7.</td>
<td>Gombe</td>
<td>32.1%</td>
</tr>
<tr>
<td>8.</td>
<td>Imo</td>
<td>20.8%</td>
</tr>
<tr>
<td>9.</td>
<td>Jigawa</td>
<td>26.5%</td>
</tr>
<tr>
<td>10.</td>
<td>Kano</td>
<td>27.6%</td>
</tr>
<tr>
<td>11.</td>
<td>Katsina</td>
<td>37.3%</td>
</tr>
<tr>
<td>12.</td>
<td>Taraba</td>
<td>26.8%</td>
</tr>
</tbody>
</table>


Table 2 shows the total percentage of the population of the unemployed in some states of the federation. Bayelsa, Bauchi and Katsina states have the highest number of unemployed as per the table.

Other causes of unemployment are the rapid growing urban labour force arising from University, Polytechnics and Colleges of Education graduates that are been turned out every year into the labour markets and the rural urban migration; There is also the problem of rapid population growth. The 2006 census in Nigeria put Nigeria’s population at 140,431,790 and projection for the future indicate that the population could be over 180 million by the year 2020. But as at 2017, Nigeria’s population is already being projected at 180 million; Further causes of unemployment is attributed to the outdated school curricular that were previously been used that produced unskilled workers.
employees. Although entrepreneurial skills are now included in most school curricular, the problem still persist as a result of the economic recession that Nigeria was going through [27].

Prospects
As a result of the poor performance of the Public Enterprises, the Nigerian government has put in place a lot of reform measures to revamp and rescue these enterprises. These were: First, the exercise of Rigid Control over their operation. This attempt did not succeed because it amount to usurping the powers of the enterprises management. The second move was the inclusion of Civil Servants in the Boards of the enterprises. This also has several disadvantages as put forward by Umaru[2]:

- Civil Servants are normally appointed by virtue of their offices, and because of the great turnover in staff, they are never on the board long enough to develop a sense of identification with an enterprise. By the time they get acquainted with the problems of a particular enterprise, they are moved to other jobs. Civil Servants are by training, service-oriented rather than profit-oriented. They are cautious and averse to taking the kind of risks necessary or the success of commercial enterprises. There is also a tendency on the part of civil servants to act as watchdogs rather than as planners. In addition, Civil Servants are inclined to equate their remuneration and conditions of service with those of public enterprises with the result that public enterprises are often unable to attract or compete with private enterprises in the recruitment and retention of scarce manpower.

- Other measures tried include the establishment of a statutory corporation service commission to be responsible for appointment, promotion and dismissal of the staff of public corporations and State Enterprises. Another reform was the establishment of standing tenders board for the award of contracts. These attempts were later scrapped because they worsened the situation by further restricting the autonomy of enterprises. Also, an attempt was made to compel the enterprises to operate on commercial principles that are to charge customers the cost of services rendered. This was done by reducing their subventions to 50 per cent of the 1985 level. This sudden change was introduced in the 1986 budget, and it sent shock waves to the management of the enterprises. This was followed by the appointment of task forces over and above the boards of public enterprises. The task forces are expensive and are likely to increase the indebtedness of public enterprises or increase the quantum of public funds channelled into them as subsidies.

- Other responses of government to the unsatisfactory performance of State Enterprises, according to Ikeji [28], took the form of setting up Study Group/ Panels/ Tribunals to unravel the dysfunctional factors. One of these panels of inquiry is: The Presidential Commission on Parastatals (Generally referred to as Onosode Commission) and Concluding Management Contracts for the running of State Enterprises – handing over the management of Public Enterprises to Managers or Management Consultants. Followed by the Privatization and Commercialization of Public Enterprises.

Some of these public enterprises that were privatized have failed woefully. The implication of these failures are two folds: first, when these enterprises were privatized, workers were laid off, only very few were retained, as the new owners preferred to work with very few workers to maximize profit; second, the failed enterprise also ensures that no worker remained in employment as the enterprise is no more in existence.

CONCLUSION
It can clearly be deduced from the analysis that the failure of the Nigerian Public Enterprises had immensely contributed to the unemployment situation in the country, because after privatization, the workforce are usually reduced drastically by the new owners (unemployment set in). Furthermore, as some of these privatized public enterprises failed in the hands of the new owners, workers will lose their jobs (another unemployment situation). So both ends lead to unemployment.

RECOMMENDATIONS
Government exists in a county to among other things, maintain law and order, defend the territorial integrity and to ensure the general welfare of its citizens. One aspect of the maintenance of the general wellbeing of the citizens of a country is the provision of full employment to its labour force. Therefore, public enterprises in Nigeria should be revamped or reinvented to assist in the provision of and reduce unemployment. One of the most promising strategy towards the revamping of failed or failing public enterprises is the Outsourcing of services in order to reduce costs and wastages. Outsourcing here refers to a process whereby government may choose to maintain enterprises in public ownership but outsource or contract out the provision of some services, the construction or operation of infrastructure, or management of some or all of public enterprise’s functions. These may take the following forms:

Total human resource outsourcing that transfers majority of human resource services such as recruitment, payroll, human resource information system, benefits, compensation, the transition of human resource management and staff, etc to one service provider. There is also the Service Contract that allows a Public Enterprise to purchase services on a long-term basis from the private sector. Public Enterprises have used this type of outsourcing to modernize government
housing projects, expand schools, prisons and hospitals. Another type of outsourcing is the Management Contract that is used by Public Enterprises to arrange for private companies to provide services or produce goods more efficiently. Next is the Public-Private Partnership, which is another potential means of improving the management of Public Enterprises. It involves collaborations with corporations, small businesses, non-government organizations and civil society organizations to provide socially-beneficial goods and services. Public Enterprises and the Private Sector cooperate in providing services and infrastructure through a variety of mechanisms including concessions, build-operate-and-transfer (BOTs) arrangements, Joint Ventures and Informal and Voluntary cooperation. If these recommendations are adhered to, new public enterprises can be set up and the old ones revamped to the benefits state governments and the country as a whole, in terms of provision of full employment.

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