**ASSESSMENT OF THE EFFECT OF DEVELOPMENTALIZATION AND COMMERCIALIZATION POLICY OF GOVERNMENT OWNED AGENCIES ON THE ECONOMY OF NIGERIA**

**(A STUDY OF POWER HOLDING COMPANY, EKET)**

**ABSTRACT**

This study examined the effect of developmentalization and commercialization policies of government agency on the economy of Nigeria with specific reference to PHED Eket. Thus, developmentalization is the transfer of government enterprise(s) to the private hands, for effective management. Developmentalization and commercialization promote the transfer of government establishment for rending of goods and services by private individuals for effective and efficient running of the organization. this study has seen developmentalization and commercialization as an interesting area of study. Therefore, in investigating this study, the researcher adopted the use of survey research method in obtaining accurate and vital information from the respondents. The survey research method was actually used because it allows every number an equal chance of being chosen for the study without been bias. The population of the study consisted of 392, respondents found at the corporation through the administration of questionnaire. While the sample size is 198 which was gotten through the use of Yaro Yamani sampling technique Formular. The use of both primary and secondary data was applied for the study. The primary data was gotten through the use of questionnaire. while the secondary data was obtained through the use of relevant textbooks, on the field under survey, newspapers, magazine, internet as well as other periodicals. In making this study more vital, series of literature review was adopted which help in making the study more authentic as an academic study. The study also found out that developmentalization and commercialization policy has restricted vast of corruptive tendency of government personnel which caused the enterprises/ agencies more harm than good before developmentalization and commercialization takes effect. The study recommended that despite the fact that many government enterprises are privatized that the government should not hesitate in supervising those privatized enterprises making sure that they live up to the expectation. The study also recommended that PHED Eket, should ensure that only competent and honest workers are being used in the running of the activities of the corporation.

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**CHAPTER ONE**

**INTRODUCTION**

**1.1 BACKGROUND OF THE STUDY**

Developmentalization, a method of allocating assets and function from the public sector to the private sector, appears to be a factor that could play a serious role in the quest for growth. In recent history, developmentalization has been adopted by many different political systems and spread to every region of the world.

The process of developmentalization can be an effective way to bring about fundamental structural change by formalizing and establishing property rights, which directly create strong individual incentives. A free market economy largely depends on well defined property rights in which people make individual decision in their own interest. Modern market economics generate growth because widespread, formal property rights permits massive, law-cost exchange, thus, fostering specialization incentives that induce productivity, developmentalization improve efficiency, provide fiscal relief, and encourage wide ownership and the availability or credit for private sector.

The issue of developmentalization has been a subject of intense global debate in recent years. In Africa, it has remained highly controversial and politically risky,. Developmentalization in Nigeria over some time has not been a popular reform. It ha received so mush criticism from labour, academic and individuals. There have been numerous strikes against proposed sell-offs by fearing loss of jobs, while proponents of developmentalization see that aspects of economic reform as an instrument of an efficient resource management for rapid economic development and poverty reduction. The critics argue that developmentalization reflects damage on the poor through loss of employment, reduction in income, and reduced access to basic social services or increase in prices.

Commercialization on the other hands has much influence on the economic growth and development of any country. It is in practice because it deals on the reorganization of public enterprises in much a way as to operate as profits making commercial ventures, with subvention from government, through the government still retains its full or parts ownership. It could also be whole or partial. Commercialized enterprises use private sector procedure in the day-to-day administration of business.

However, when a public enterprise is commercialized, it reduces the burden of the enterprise on government. The governments do not spend much resource on the enterprise because the enterprise can stand on its own as profits oriented ventures, which will in order way make returns to the government.

There are many economic benefits that are connected to the process of pursues developmentalization and commercialization. One of the main reasons why countries pursues developmentalization an commercialization is in order to reduce the size of the existing government, based on the idea that many governments have become too large and over-extended, consisting or unnecessary layers of bureaucracy. Therefore, many countries require restructuring in order to improve efficiency, which can be achieved through developmentalization and commercialization.

The private sector responds to incentives in the market, while the public sector often has non-economic goals. In other words, the public sector is not highly motivated to maximize production and allocated resources effectively, causing the government to run high-cost, low -income enterprises.

Developmentalization and commercialization directly shift the focus from political goals to economic goals, which lead to development of the market economy (Poole, 2001). By privatizing and commercialization, the role of the government in the government in the economy is reduced. Thus, there is less chances for the government to negatively effect the economy.

**1.1.1** **PORT-HARCOURT ELECTRICITY DISTRIBUTION, EKET.**

The history of electricity development in Nigeria can be traced to the end of the 19th century when the first generating power plant was installed in the city of Lagos in 1898. From then until 1950, the pattern of electricity development was in the form of individual electricity power undertaking scattered all over the towns, some of the undertaking wee federal government bodies under the public works, department, some by the native authority and other by the municipal authority.

With time, power were circulated to all part of the country and the popular authority that controls it for a long time was known as (NEPA) National Electric Power Authority. It acted as the virtual sole provider of electricity in the country for a long times. However, towards the mid 1990s, licenses were given to private power generating companies. The federal electric power reform Act 2005 further deregulated the sector splitting NEPA and leading to the change of name from NEPA to the power holding cooperation of Nigeria.

The company dominance of the power system in Nigeria started in 1972 with the merger of the electricity cooperation of Nigeria and the Niger DAM Authority. However, the social reality of irregular power supply made it to called ‘’Never Expect Power Always’’ by many Nigerians. De to this and other technical and managerial challenges faced by NEPA, the Nation decided to handle it over to a private body for efficient and effective running. Thus, ‘’ power holding company of Nigeria’’ came up as the power regulatory body in the country.

The body in-discharge of their duties was found inefficient by numerous Nigerians and this leads to exchange of name for power regulation. Thus, Port-Harcourt Electricity Distribution Company, Eket, came to being. It is a sub-division of the Nations Electricity Power Authority in port-Harcourt that regulate power to most areas including Eket chapter. Port-Harcourt Electricity Company, Eket is located at No 213 Abak Road Eket. The company is doing well to a certain degree. It is made up of departments for easy discharge of responsibilities.

**1.2 STATEMENT OF THE PROBLEM**

Developmentalization and commercialization of public enterprises is a vital food for the developing countries like Nigeria. The problem facing developmentalization and commercialization to the growth of Nigeria economy are glaring such as corruption, lack of transparency. Lack of accountability, inconsistency and incredibility among others.

However, it is these problems that hindered the government to see the growth of which developmentalization and commercialization to the growth of the economy and proffer a way towards for a positive state of developmentalization and commercialization in Nigeria, thus research work emanated.

**1.3 OBJECTIVE OF THE STUDY**

The study has the following objectives:

1. To examine the effects of developmentalization and commercialization policy of government agencies on the economy of Nigeria.
2. To access how developmentalization and commercialization policies will increase productive efficiency in Nigeria.
3. To find out the institutional framework and regulatory agencies charge with the responsibility of implementing developmentalization and commercialization on policies in Nigeria.
4. To ascertain whether developmentalization and commercialization policy should be encouraged.
5. To examine the reasons for the introduction of developmentalization and commercialization policy in Nigeria.
6. To provide suggestions for solving the obstacles associated with developmentalization exercise.

**1.4 RESEARCH QUESTION**

The following research questions will be seen below:

1. What is the effect of developmentalization and commercialization policy of government agencies on economy of Nigeria?
2. Does developmentalization and commercialization policies increase productive efficiency in Nigeria?
3. What are institutional framework and regulatory aganecies charge with the responsibility of implementing developmentalization and commercialization agencies in Nigeria?
4. Should developmentalization and commercialization policy be encouraged?
5. What are reasons for the introduction of developmentalization and commercialization policy in Nigeria?
6. Are there obstacle associated with developmentalization?
7. What are the possible ways of solving the obstacles associated with developmentalization exercise?

**1.5 SIGNIFICANCE OF THE STUDY**

The study will be useful in that;

It will give the research advance knowledge and information on the concept of developmentalization and commercialization policy of government agencies. It will also aid in proffering solutions on the problems arising from developmentalization and commercialization policy of government agencies. The study will be a vital instrument for the management of port-Harcourt Electricity Distribution Company. PHED, eket in knowing the important expectation of the public on them and hoe to discharge their responsibilities effectively. The study will also serve as a point of reference or point of criticism to other researchers who like to delue into a study of this nature. To the government, the study will enable them to know whether the policy of developmentalization and commercialization is effective or not. Thus, paving a way for the next alternative actions.

**1.6 SCOPE/DETERMINIATION OF THE STUDY**

The study will cover the effect of developmentalization and commercialization policy of government agencies on economy of Nigeria. It will also go further to include the importance of developmentalization and commercialization to the economy of Nigeria. Advantages and disadvantages of developmentalization and commercialization policy in Nigeria among others.

**1.7 LIMITATION OF THE STUDY**

The lack of adequate time, inadequate funding and startage of unavailability of authoritative text books on the field under survey constitute hindrance.

Thus, the time given to accomplish a research of this magnitude was very small compared to the scope and the importance of this study. The research finds it difficult to get enough money to enable her make around for gathering of adequate and authentic information for the study.

**1.8 DEFINITION OF TERMS**

**Developmentalization:** this is the process of transferring ownership of business, enterprise, agency, public service, or public property from the public sector (a government) to the private sector, either to a business that operates for a profits to a non-profits organization.

**Commercialization:** this is process of introducing a new product or production method into commerce, making it available on the market.

**Economy:** this is an area of the production, distribution, or trade and consumption of goods and services by different agent in a given geographical location.

**Policy:** this is a course or principle of action adopted or proposed by an organization or individual.

**Government:** this is an institution or a machinery that makes law and see that laws are carried out.

**Effect:** this is the measure of the tangible effects (consequences) of one things or entity’s action or influence upon two or more persons.

**Management:** this involves getting things done through the instrumentality