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Revitalizing Nigeria's Government-Owned Enterprises

A Pathway to Productive Capacity and Economic Development

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Conceptual and policy paper

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Abstract

Every seed is an asset with the potential to grow, mature, and bear fruit. Yet that potential may remain unrealized—or be diminished—when the seed is poorly cultivated. The same principle can be applied to enterprises and national productive assets: an organization that appears to be a liability may still possess recoverable value when its resources, capabilities, and institutional foundations are properly assessed and developed.

This paper examines the revitalization of Nigeria's government-owned enterprises as one possible pathway to strengthening national productive capacity, diversifying public revenue, supporting domestic production, creating employment, and improving socioeconomic welfare. It considers telecommunications and information and communications technology (ICT) as cross-cutting enablers of productivity: infrastructure and services that can support innovation, coordination, market access, and more efficient operations across agriculture, healthcare, education, manufacturing, commerce, and public administration.

The paper argues that the underperformance of a public enterprise should not automatically be treated as proof that the underlying asset has no productive potential. Underperformance may also reflect weaknesses in leadership, governance, investment, human-capital development, technology adoption, maintenance, business strategy, and long-term planning. Accordingly, privatization or liquidation should not be treated as the only available response. Depending on the enterprise and sector, alternatives may include restructuring, professional management, transparent performance agreements, reinvestment, public-private partnerships, or other forms of operational reform.

The paper proposes a productivity-centred approach to public enterprise reform: assess each asset on its merits, identify the causes of underperformance, establish accountable

management, align operations with demonstrable public needs, and measure financial and wider socioeconomic outcomes. It does not argue that government ownership is inherently superior to private ownership. Rather, it advances the proposition that Nigeria should evaluate revitalization, ownership, and partnership options according to their capacity to create sustainable public value, productive activity, and fair competition.

Keywords: Nigeria; government-owned enterprises; public enterprise reform; productive capacity; telecommunications; ICT; industrial policy; economic diversification; governance; employment.

1. Introduction and Background

National development depends not only on the availability of natural, financial, and human resources, but also on the institutions and systems through which those resources are organized and put to productive use. An asset may have considerable economic potential and yet deliver little value when it is poorly managed, inadequately maintained, disconnected from market needs, or deprived of a credible long-term strategy. Conversely, a neglected asset may regain productive value when its constraints are identified and addressed.

The seed analogy provides a useful starting point. A seed contains the potential for growth, but that potential is not realized automatically: it depends on the conditions in which it is cultivated. In a similar way, the existence of a government-owned enterprise, industrial facility, or public investment does not guarantee economic returns. Its contribution depends on sound planning, capable leadership, appropriate technology, skilled personnel, effective management, maintenance, integrity, and an understanding of the market and the needs of the population it is intended to serve.

This issue is important in Nigeria, where economic activity and public revenue can be vulnerable when production and value creation are concentrated in a limited number of sectors. Underperforming or dormant public enterprises may represent lost opportunities for domestic production, employment, skills development, supply-chain activity, and revenue. At the same time, public ownership alone does not ensure that an enterprise will serve the public effectively. A government-owned company can also fail when it is exposed to weak governance, political interference, corruption, poor commercial decisions, or inadequate accountability.

The central concern of this paper is therefore not ownership in isolation. It is how Nigeria can make better use of existing productive assets and institutional capabilities. The paper considers whether, and under what conditions, the revitalization of selected government-owned enterprises could complement private-sector activity and contribute to a more diversified and productive economy.

2. Telecommunications and Technology as Cross-Sector Enablers

Telecommunications illustrates how one sector can contribute to productivity well beyond its own direct output. Reliable communications networks and digital platforms support the exchange of information, coordination of transactions, access to markets, delivery of services, and management of complex operations. Their economic value is therefore partly direct—through the provision of communications services—and partly indirect, through the improvements they enable in other sectors.

Agriculture can use connectivity and digital information to improve access to weather information, extension services, input suppliers, logistics, and buyers. Healthcare can use communications infrastructure to support referrals, health information, remote consultation where appropriate, and coordination among providers. Education and training can use digital platforms to widen access to learning resources. Manufacturers and other businesses can use connected systems to coordinate suppliers, manage inventory, reach customers, and improve operational processes. Public institutions can use digital systems to improve information management and service delivery.

These examples demonstrate the interdependence between telecommunications and other areas of economic activity. Different sectors require reliable information resources, communication channels, and digital tools to reach their customers, coordinate production, and fulfil service obligations. Telecommunications and ICT can provide part of this enabling infrastructure. When appropriately deployed and governed, they can stimulate innovation, support new business models, improve productivity, and make it easier for firms and institutions to participate in wider markets.

Technology, however, is not a solution simply because it has been acquired or installed. Its contribution depends on whether it addresses a real operational need, is accessible and affordable, is maintained, and is supported by the skills and institutional processes required to use it. The policy challenge is therefore not only to expand access to technology, but also to improve the way its capabilities are selected, integrated, governed, and applied to productive activity.

3. Problem Statement: Underutilization of Productive Public Assets

Underperforming government-owned enterprises can impose costs on the public while failing to deliver the production, employment, services, or revenue expected of them. Some may be dormant or operating below capacity; others may continue to operate but lack the capital, technical capabilities, skilled personnel, maintenance systems, or management practices needed to remain competitive and responsive to public needs.

When productive activity is limited or concentrated in a relatively small number of sectors, the economy may become more exposed to sector-specific shocks and less able to generate diverse sources of employment, goods, services, and public revenue. A weak productive base can also

constrain the development of domestic supply chains and reduce opportunities for workers and businesses to build capabilities across different industries.

The causes of enterprise underperformance are likely to differ from one organization to another. They may include short-term planning, unclear mandates, weak boards and management, political interference, insufficient or poorly allocated investment, outdated equipment, inadequate maintenance, skills gaps, corruption, weak procurement controls, poor customer service, limited market understanding, and failure to adapt products or services to changing demand. These factors should be investigated rather than assumed. An effective reform programme must diagnose the actual causes of failure before selecting an intervention.

The resulting policy question is how Nigeria can distinguish enterprises with recoverable productive potential from those for which continued public support would be uneconomic or inappropriate. It is also necessary to determine what governance, financing, regulatory, and performance conditions would allow a revitalized enterprise to operate efficiently and deliver demonstrable public value.

4. Reconsidering Privatization as a Response to Underperformance

Privatization can be a legitimate policy option. In some circumstances, private ownership or private-sector participation may introduce capital, technical expertise, commercial discipline, and operational improvements that a public enterprise has been unable to secure. However, the transfer of ownership is not, by itself, a guarantee of improved productivity, wider public benefit, or fair market outcomes. The results depend on the design of the transaction, the quality of regulation, the competitiveness of the market, the obligations placed on the operator, and the capacity of public institutions to monitor performance.

Equally, the sale or liquidation of an underperforming public asset should not be assumed to be the only available route to reform. Where an enterprise retains valuable infrastructure, a viable market, a strategic role, or capabilities that can be restored, options such as restructuring, professional management, operational partnerships, concession arrangements, or targeted reinvestment may deserve careful assessment. The appropriate choice will depend on the asset's condition, sector characteristics, fiscal implications, public-service obligations, and realistic prospects for sustainable operation.

Public revenue from the sale of an asset is also different from the recurring economic activity that a productive enterprise may generate over time. A sale can provide a one-time receipt, while an operating enterprise may generate wages, supplier demand, taxes, services, and other economic effects over a longer period. This does not mean that retaining an enterprise is always better: continued losses, subsidies, and contingent liabilities can impose substantial costs. The comparison should therefore consider the full lifecycle costs and benefits of each option, including the opportunity cost of public capital.

The argument advanced here is not that private investors should be excluded or that government should dominate every industry. Rather, Nigeria should avoid treating privatization as a universal remedy. Public authorities should compare ownership and partnership models transparently and select the arrangement most likely to deliver efficient services, sustainable production, fair competition, fiscal responsibility, and public value.

5. Proposed Approach: Revitalization and Productive Utilization

This paper proposes a structured approach to evaluating and, where justified, revitalizing government-owned enterprises. The starting point should be an enterprise-by-enterprise assessment rather than a blanket commitment to retain, sell, or revive every public company. The assessment should establish the condition and value of the assets, the enterprise's strategic role, the needs of its intended market, its historical and current performance, its liabilities, and the realistic prospects for recovery.

5.1 Asset and viability assessment

Government should establish an accurate inventory of the enterprise's physical assets, infrastructure, intellectual property, workforce capabilities, contractual obligations, debts, and operational requirements. Independent technical, financial, legal, and market assessments can help determine whether the enterprise is viable, potentially recoverable, suitable for a partnership, or better managed through an alternative arrangement. Decisions should be based on evidence and disclosed assumptions.

5.2 Professional leadership and accountable governance

Revitalization requires competent leadership with clear authority and responsibility. Boards and executive teams should be selected against relevant expertise and integrity criteria, with transparent mandates, measurable performance targets, and consequences for persistent underperformance or misconduct. Governance arrangements should protect operational decisions from improper interference while preserving legitimate public oversight.

5.3 Investment, maintenance, and operational discipline

Capital should be allocated according to a credible business and service plan. Investment decisions should account for operating costs, maintenance, replacement cycles, supply-chain risks, and the resources required to keep facilities productive. Reinvestment should be staged against milestones so that additional public funds are not committed indefinitely without evidence of progress.

5.4 Human capital and technical capability

Enterprises need reliable and appropriately skilled personnel. Workforce plans should identify capability gaps, strengthen technical and managerial skills, support continuous learning, and establish fair systems for recruitment, development, evaluation, and succession. Human capital

development should be linked to the enterprise's operational requirements and longer-term industry needs.

5.5 Technology, innovation, and business strategy

Technology adoption should be driven by defined productivity and service objectives. This may include modernizing production systems, introducing appropriate digital platforms, improving data management, automating suitable processes, strengthening cybersecurity, and integrating customer and supplier channels. Innovation should also include improvements to products, services, processes, distribution, and business models—not only the acquisition of new equipment.

5.6 Market relevance and public value

A revitalized enterprise must understand the people and organizations it serves. Products and services should respond to identifiable needs, meet appropriate quality standards, and be priced and delivered in ways that are financially and socially sustainable. Public-service obligations should be explicit and, where they require public funding, transparently costed rather than hidden within the enterprise's accounts.

6. The Role of Government Enterprises in a Competitive Economy

Government can participate in commercial activity through properly constituted corporate entities, provided that the legal, regulatory, and governance framework is clear. A well-managed public enterprise may help provide strategically important goods or services, support infrastructure development, build domestic capabilities, or address gaps where markets are not adequately meeting public needs. It may also demonstrate standards of service, safety, transparency, or technical performance that influence an industry.

Such participation should complement rather than arbitrarily displace private enterprise. Public and private firms should operate under clear and fair rules, with appropriate safeguards against preferential treatment, political patronage, anti-competitive conduct, and conflicts of interest. Where government is both owner and regulator, institutional arrangements should manage that dual role and protect the independence of regulatory oversight.

The public purpose of a government-owned enterprise should not be used to excuse inefficiency or weak accountability. Nor should commercial profitability be the sole measure of an enterprise that has an explicit public-service mandate. Performance frameworks should distinguish commercial objectives from public-service obligations and assess both transparently. Relevant measures may include productivity, service quality, affordability, financial sustainability, employment quality, local supplier development, innovation, and wider economic effects.

7. Institutional Requirements and Enablers

Revitalization is a coordinated undertaking. Finance alone is insufficient if the enterprise lacks reliable personnel, technology, management, market access, or a maintenance plan. The following factors should be considered together:

- **Finance and investment:** realistic capital requirements, sustainable financing, transparent budgeting, and disciplined allocation of funds.
- **Human resources:** capable leadership, skilled technical staff, workforce development, ethical standards, and effective performance management.
- **Technology and technical capability:** fit-for-purpose systems, infrastructure modernization, digital tools, maintenance expertise, and cybersecurity.
- **Land, facilities, and raw materials:** secure access to the inputs and infrastructure required for reliable production.
- **Governance and integrity:** transparent procurement, independent audit, conflict-of-interest controls, anti-fraud measures, and public reporting.
- **Business and production strategy:** clear objectives, viable operating models, product and service design, supply-chain planning, and risk management.
- **Market development:** evidence-based demand assessment, appropriate market segments, distribution, customer relations, and public awareness.
- **Maintenance and sustainability:** lifecycle planning, environmental and social safeguards, resilience, and provision for future replacement and upgrades.

These requirements should be reflected in an integrated revitalization plan with assigned responsibilities, budgets, timelines, milestones, and measurable outcomes. Where the necessary conditions cannot be established, government should be prepared to pursue a different ownership or service-delivery model rather than continue an unsustainable intervention.

8. Expected Economic and Socioeconomic Implications

If carefully selected enterprises are successfully revitalized, potential benefits may extend beyond the organizations themselves. More productive operations could increase the domestic supply of goods and services, create direct and indirect employment, strengthen local supplier networks, develop technical and managerial skills, and generate taxes or other public receipts. In sectors such as telecommunications, the benefits may also spread to other industries that rely on connectivity and digital infrastructure.

Revitalized enterprises may contribute to economic diversification by expanding productive activity beyond a narrow group of sectors. They may also support competition and service availability where market gaps exist. However, these outcomes are not automatic. They depend

on sound project selection, efficient operations, appropriate regulation, fiscal discipline, and the ability to sustain performance over time.

Public value should therefore be evaluated using a balanced set of indicators. Financial returns matter, but so do service reliability, affordability, quality, employment, productivity, domestic value addition, technology transfer, regional access, and the cost to taxpayers. Transparent evaluation can help policymakers determine whether a particular enterprise is delivering sufficient value to justify continued public ownership or support.

9. Conclusion

Nigeria's economic development requires more than the possession of natural resources or the collection of public revenue. It requires the effective organization of resources, institutions, technology, and human capabilities into sustainable productive activity. Underperforming government-owned enterprises should therefore be examined not only as financial burdens, but also as assets whose remaining capabilities and potential may warrant careful assessment.

The seed analogy captures the central proposition: potential is not the same as realized value. Productive outcomes depend on the conditions in which an asset is managed and developed. For public enterprises, those conditions include competent leadership, accountable governance, strategic investment, capable personnel, appropriate technology, maintenance, market relevance, and integrity.

Revitalization should not be treated as a universal answer, just as privatization should not be treated as a universal remedy. Each enterprise requires an evidence-based assessment of its viability, public purpose, fiscal implications, and available alternatives. Where a strong case exists, structured reform and professional management may restore productive capacity and contribute to national development. Where it does not, alternative arrangements may better protect the public interest.

The broader objective is to build an economy in which public and private institutions contribute to productive capacity, innovation, employment, and improved welfare. By making decisions about national assets on the basis of evidence, accountability, and long-term value, Nigeria can better align its resources with the needs and aspirations of its people.

Research Scope and Limitations

This paper is a conceptual and policy-oriented discussion based on the arguments and propositions set out in the manuscript. It does not present original statistical analysis, enterprise-level case studies, interviews, or empirical evaluation. Its claims should therefore be read as a framework for analysis and policy consideration, not as measured findings. Further research could test the propositions through comparative case studies of selected Nigerian public enterprises, financial and operational data, stakeholder interviews, and evaluation of alternative ownership and governance models.

About the Author

Afamefuna Mbonu is the Founder and Director of Go-Get-Friends International. His interests include technology, digital infrastructure, institutional productivity, innovation, human capital development, and socioeconomic advancement. This paper is presented as an independent research contribution and is hosted by Go-Get-Friends International.

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