



New Paradigm in Public Enterprise Management in Nigeria: Evidence from Local Government Councils Transport Corporations

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Abstract

This study examined the critical factors that facilitate the successful management of public transport corporations by local government councils in Nigeria, against the backdrop of the contrary experience of subnational and national counterparts; and the position of Classical Theory that government has no place in business, except in the inevitable provision of public goods. Literature and studies have directed much focus on lamenting the quagmire of the economic consequences of the albatross levied on Nigeria's economy by the mismanagement of humongous investments in public enterprises, without examining the opportunities presented by the phenomenal success of local government corporations, ascribable to a shift in management paradigm. This deficit is the central focus of this study. In the survey research design, primary data on major managerial variables were collected from a sample of 200 respondents drawn from a population of 550 selected local government councils and transport management. Employing a simple percentage tool, data analysis provided answers to the research questions post. Among the salient findings, the factors critical in successful management included corporate autonomy, sound financial management and good governance, encapsulated in the adopted New Public Management model. In conclusion, the study posited that the appropriate management option, the government is strategically placed to manage public enterprises, with enormous success, as is evident in the case of the local government council's management of transport enterprises in Nigeria. It was therefore recommended, among others, that public authorities desirous of establishing new enterprises or resuscitating ailing or failed ones, should prioritize efficient management, hinged on New Public Management typology, in line with the position of Liberal Theory.

Keywords: New Paradigm, Public Enterprise Management, Local Government Transport, New Public Management, Nigeria.

Introduction

Literature in Political Economy is replete with reasons for the direct participation of government in economic activities, particularly in Less Developed Countries (LDCs). Ojobo (2006), Chikeleze and Ezenwaji (2003) and Anyanwu, Oaikhenan, Oyefusi and Dimowo (1997) provide

an array of reasons and posit, in summary, that in the total absence of public intervention, the growth rate of a nation's economy may be minimal. Generally, the reasons provided for state intervention include the provision of public or social goods and services; correction of the imperfection of the free market system; provision

of enabling political, economic, social and cultural environment; protection of domestic industries; management of externalities; insufficiency of investable capital; provision of long-gestation goods; and strategic or holistic economic growth and development (Anyanwu, et al, 1997; Tukur, 2014). On direct participation, governments at the national, subnational and local government levels had established and run enterprises in almost all sectors of the economy. In transportation, the Federal Government established and held a monopoly over the pioneering and the only airline: Nigeria Airways. The National Shipping Line, the Nigerian Railway Corporation and the Federal Urban Mass Transit Scheme were also state monopolies of the Federal Government. It was the vogue from the late 1970s, through the 1980s, to the 1990s, for state governments to establish and manage public enterprises in road transport: Bendel Line, (later Edo Line), Transport Company of Anambra State, Enugu State Transport Company, Kano Line, Kaduna State Transport Authority Line, Cross River Line, Delta Line, Ondo State-owned Sunshine Express and Benue Links (Benue State), among numerous others.

More recently, from the late 2000s, the pressure to grow internally generated revenue to augment statutory receipts compelled various local government councils to establish road transportation and other local government enterprises. Thus, with the exception of a few, most local government councils established and managed inter-city road transport companies. These include Etsako West Express, Etsako East Express, Owan West Express (in Edo State), Udenu Express (Enugu State), Bokkos Express, Jos North Express and Jos South Express (Plateau State) and Olomaboro Express (Kogi State). Experience in state ownership and management of business enterprises in Nigeria had been so chequered that it was a widely considered view, particularly among economic experts, that the state had no business in running businesses. This conclusion derives from the humongous investment in public enterprises and the colossal failure and losses, ascribable to mismanagement. The question often asked, therefore, is why a private business will succeed highly; while the comparative public-owned enterprise, under

similar operating conditions or environment, will fail. It seems clear that an answer can be found in the difference in management. The observed resilience of municipal public transport enterprises against the pervasive failure of sub-national and national enterprises suggests that municipal governments may have discovered and acquired the secret of managing public enterprises. Otherwise, they would have collapsed and soared to the extinction list populated by failed enterprises of sister tiers of government. This study is therefore motivated by the success of municipal councils and the need to gain insights into the new paradigm in the management of public transport corporations, using the local government council model, for policy guide. To be sure, the new approach adopted by local government councils in the management of public transport enterprises derives from ‘managerial entrepreneurship’ or ‘new public management’, a model that advocates the adoption of aspects of the private sector approach in public management, in view of the greater efficiency and result driven nature of the approach over pure public approach (Sharma, Sadana & Kaur, 2012).

Statement of the Problem

The monumental losses suffered by the economy of Nigeria from the huge investments in unproductive public enterprises have remained a source of agony to taxpayers whose levies have been dissipated. The debacle is more worrisome when the opportunity cost of the investments is considered, in the light of alternative needs. Notwithstanding the challenges, the focus of literature and empirical studies has remained largely on lamenting the unfavourable political and “cultural” conditions under which public enterprises had operated and failed. In the dilemma, the preponderance of opinions contends that it is improbable that public enterprises can be successfully managed by governmental authorities. For this reason, the cliché that “government has no business in managing business” has been tritely recited and internalized. Regardless of the despondent experience, however, a tier of government, the local government, has achieved remarkable success in public enterprise management across its ranks. But either overtly or covertly, previous

studies have ignored or undermined the opportunities presented by the new paradigm or positive development that are effective in the management of public transportation by local government councils in Nigeria. This gap is therefore the central focus of this study.

Research Questions

To guide this study, the following research questions were posed:

1. What are the critical success factors in the survival and continuity of local government public transport enterprises in Nigeria?
2. What are the modus operandi of municipal transport enterprises in Nigeria?
3. What are the challenges of municipal public transport enterprises?
4. What are the policy options for resolving the challenges?

Arising from the research questions, the major objective of this study is to examine the factors critical in the observed successful management of public transport corporations by local government in Nigeria. Other objectives are, to examine the mode (modus operandi) operation of local government transport enterprises in Nigeria; and to analyze the challenges facing the enterprises, for improved performance.

Literature Review and Theoretical Framework

This section presents some conceptual clarifications and theoretical underpinnings.

Public Enterprises

Because of the diversity in their scopes, public enterprises have elicited a legion of definitions from scholars. Nevertheless, there is a convergence of opinions of what public enterprises are, as illustrated in a few definitions. In this regard, Oshisanmi and Dean (1984)'s defined public enterprises as semi-autonomous bodies which are under the overall control of the government; but with their own distinct managements that make policies and decisions in their statutorily defined fields. Implicit in Oshisanmi and Dean's (1984) definition are notable basic features: ownership by government, semi-autonomy and the existence of own board and management.

A more comprehensive definition provided in the United Nations (UN) publication (1975) defined a public enterprise as an economic undertaking: industrial, agricultural or commercial, owned wholly or partly, and controlled by the state. To Aire (1986), as cited in Ojobo (2006,2);

...public enterprises are organisations created by partly or wholly owned and largely controlled by a public authority (Federal, State or Local Government) and which are supposed or expected to operate long industrial, commercial or profit-making lines (even if they also have social objectives).

Again, all the features identified in Oshisanmi's, et al definitions are present in Aire's (1986), but the latter definition emphasises the commercial nature of public enterprises. In their diverse forms, public enterprises traverse various economic endeavours in transportation such as Nigerian Railway Corporation, the defunct Nigeria Airways, Nigerian National Shipping Line, Federal Urban Mass Transit, Ibom Airline, Edo Line, Delta Line, Transportation Company of Anambra State, Kano Line and the numerous inter-state transport companies owned either wholly or partly by local government councils. With respect to their characteristics, public enterprises exhibit various peculiarities. Adamolekun (1983) prefers to rely on the situation in the United Kingdom (UK), the country acknowledged as the epitome of public corporations, in identifying the characteristics that traverse state ownership, origin or creation in specific government statutes and exemption from regulation by company law, but only subject to the enabling statute.

Other characteristics include possession of legal personality, financing arrangement outside the purview of ministerial protocol, derivation of own revenue from business undertakings and borrowing; and freedom of their accounts from government's audit, because audit procedure is as applicable in private companies. Furthermore, employees of public corporations are included in the public service establishment; but are employed under terms and conditions as determined by the corporations' boards which

provide the apex policy-making and administrative organ (Akinsanya, 2017).

Rationale for Establishing Public Enterprises

Literature abounds (Anyanwu, et al, 1997; Chikeleze & Ezenwaji, 2003; Ojobo, 2006; Akinsanya, 2018) with regard to the motivation for establishing enterprises by governments, even when such endeavours can be assigned totally to the private sector. For space and time constraints, a few of the reasons are highlighted. In order to produce certain goods and services in a more efficient manner, it may be preferable to centralize the effort outside the direct purview of the core civil service, by establishing autonomous or semi-autonomous structures, where effectiveness and efficiency can be assured. For this reason, it is often argued that the provision of railway, port, water and health services should be de-bureaucratized (Ogbu, 2000; Darma 2000; Ujo, 2008). Furthermore, certain goods and services are of national security importance; and their production is better undertaken by the central government. In this wise, petroleum, security printing and minting, and defence armament are seldom concessioned to private operators in Nigeria. Furthermore, for effective social welfare administration, it may be advisable to retain the provision of certain welfare-oriented goods and services at the government's domain. The private sector with its profit motive will hardly be able to provide such goods and services without compromising welfarism.

As a corollary is the production of public goods and goods of fundamental importance, which benefits cannot be efficiently allocated by the price mechanism? Such goods are generally indivisible and non-excludable. Education, health, roads, iron and steel, and electricity, among others, are a few classical examples of public goods, the production of which governments in Nigeria established various enterprises (Darma, 2000).

Another reason for which public enterprises have been established is convenience, condensed from a myriad of reasons, including national monopolies and natural rights (Ojobo, 2006); effective control; political and ideological needs; public profit motive; economic leadership; huge capital requirement beyond the reach of private

investors; and overall protection of the economy. Thus, exploring and developing natural gas, seaports, car assembly plants, railway lines and banking were motivated by the huge initial investment capital cost associated with such investments at the time such decisions were made in Nigeria.

Problems of Public Enterprise Management in Nigeria

Several objective criteria have been adopted in measuring the performance of a business enterprise (Kazmi, 2006). Since public enterprises are also in business to provide services, and at least, cover their operating cost, it is necessary that, for continuity, they should at least cover their operating cost, or break even. Sargant and Walker (1999) posit that breaking even or making a surplus is the basic test of efficiency in the public sector, provided that, among other conditions, the surplus is not a result of exploitation; and the surplus is derived from a low margin on large output, and not vice versa. Implicit in this position is that whether private or public, an enterprise exists to, in the worst circumstance, cover its cost of operations, otherwise, the enterprise, posting negative operating results, will either eat up its capital or return frequently to shareholders for recapitalization.

This latter situation had characterised the management of public enterprises in Nigeria. Analogously, in the defunct Bendel State, Bendel Breweries Plc (BBP) and Guinness Breweries Plc (GBP) were located adjacently at Benin City. While GBP, privately owned, grew progressively in terms of product quality, market share and returns, BBP assumed the opposite trajectory. Over time, BBP collapsed and went into liquidation; while GBP continued in its strides (Mahmud & Ogwuzebe, 2020).

The result of massive failure was the government's decision to privatize or commercialize most of the failed or ailing public enterprises, in admittance of management inadequacies. To be sure, the expectation is not for public enterprises to return huge profits, given their social nature; but to break even and survive.

The argument often canvassed for the poor performance of public enterprises is that they provide social goods and services that benefits cannot be priced; and which cannot be justifiably subjected to market conditions. This argument which supported the imperative of excessive subsidy is, at best, an alibi for bad management. The contention here is that, analogously, while a well-managed private enterprise can return a huge profit in excess of N200billion annually (as in some banks), a public enterprise in the same industry, and facing the same market conditions, should break even, and perhaps post a profit of N1,000 during the same period, notwithstanding its social responsibility.

What therefore has been responsible for the poor performance of public enterprises in Nigeria? Although there is a legion of reasons in literature, the totality of the causes can be encapsulated in the overriding issues aptly coalesced in the singular factor: poor management. To be sure, it is due to poor management that numerous challenges: poor service delivery, low labour productivity, high cost of production, weak operating environment (cultural, political, economic, etc.), poor product quality, low return on investment, undercapitalization, undue government or ministerial interference and diminished autonomy, policy somersault, board-management squabbles, corruption, weak accountability, excessive borrowing and financing mismatch, defective corporate structure, bureaucratic red-tape, poor governance, among others, as variously reported by Fubara (1984), Ojobo (2006) and Ayodele (1995), have confronted public enterprises in Nigeria. Similarly, Akinsanya (2017), Okeke (1983) and Zayyad (1991) wrote variously on the numerous problems confronting public enterprises in Nigeria. Their respective views corroborate the opinions expressed in literature and empirical studies as reviewed.

Modus Operandi of Local Government Transport Enterprises in Nigeria

The history of road public transportation in Nigeria dates back to the early independence era in 1960 when regional governments established companies to provide services to ferry mail and

later passengers between major cities and regional capitals (Anyanwu, et al, 1997). Specifically, in the Western Region, the Armels Transport Service transported mail from different locations to major hubs where mail were sorted and further distributed to the sub-urban centres, for onward delivery to remote village postal agencies. The services were subsequently extended to passengers commuting on the routes covered by the company.

Over time, similar passenger service companies were established across other regions. In the Mid-West, Mid-West Line rapidly gained popularity, due to the superior quality services it provided; while the Eastern Transport Corporation provided services in the Eastern Region. The same was true elsewhere in the North.

A distinguishing feature of public road transport corporations was the extensive commanding height which they enjoyed, particularly because of the capacity conferred by the huge capital outlay and government's might. Individual business moguls in Nigeria, such as Chiefs Ojukwu and Okwedo established major transport companies: Ojukwu Transport in the East and BGM Transport in the Mid-West, etc., which provided similar services. Nevertheless, road transportation was considered as more of the government's domain, particularly in the early times.

Post-civil war Nigeria ushered in an era, 1970-1980 of massive investment in public transportation by public and private sectors. Indeed, the era marked the beginning of intense competition between the sectors (Ejiofor, 1988). Almost all state governments establish corporations, alongside the growing private sector interest. In this regard, numerous public transport companies operated under different names which included 'Agency'; 'Authority', 'Corporation', 'Company', and 'Line', among others. For illustrative purposes, some of the state government-owned transport corporations, particularly during the era, are presented in Table 1. During the period, municipal public transport enterprises were either invisible or operated intra-city services majorly.

Table 1: Public Transport Corporations in Nigeria, 1970-1990.

S/No	State	Name of Transport Company
1	North East	North East Line
2	North Central	Kaduna Transport Authority
3	Bendel	Bendel Line
4	Kano	Kano Line
5	Western	Western Nig. Transport Corporation
6	Eastern Central	East Central State Transport Company
7	South East	South East Transport corporation

Source: Field Survey, 2019.

Two factors contributed to the upsurge in the demand for road public transport services during the era: the creation of additional states, which gave rise to the desire for states to establish their own enterprises, to cater for their citizens; and the demographic structure of the population, which was favourably skewed towards the middle- and lower-income groups with strong demand for road transport option.

From the late 1990s, municipal councils made significant entry into public transportation. For diverse reasons, traversing social service and economic consideration, a significant percentage of local government councils established inter-city enterprises. For illustrative examples, a few councils which established visible transport enterprises, variously labelled as “mass transit”, included the following: Udenu and Nsukka (Enugu State); Njikoka and Onitsha North (Anambra State); Jos North and Jos South (Plateau State); Owan East, Owan West and Etsako West (Edo State); Ethiope (Delta State); Keffi (Nasarawa State); Olomaboro (Kogi State); and Ogbadibo (Benue State).

In the new dawn, municipal public transport services were extended from intra-city to inter-city, with many covering contiguous and sometimes far away states. Besides, a curious aftermath was the rapid displacement of state government participation in public transportation services by council enterprises. Thus, state-owned enterprises waned, as the emergent municipal counterparts prospered.

Previous Policy Options for Resolving the Challenges of Public Transport Enterprises

In an attempt to resolve the challenges of public enterprises, several policy options were evolved by the various local government councils. In

Etsako West and Owan East Local Government Councils, for example, official interference was minimized through the engagement of independent professional transport managers (Anyanwu, et al, 1997), while in others, as Udenu and Olomaboro, effective internal control mechanisms were strengthened, to ensure prudent management of resources.

Employee productivity was also increased through policies which promoted training and motivating reward systems benchmarked against reputable private transport companies. The result was a drastic reduction in the rate of accidents and passenger complaints. Improved maintenance culture and efficient service delivery were also promoted through various policies adopted by the council and professional managers of the enterprises, aimed at achieving prudent management through cost-cutting operations, error and waste minimization and sound credit policy. The cumulative impact of the measures was considerable improvement in the management and efficiency of the public enterprises (Ojobo, 2006).

Theoretical Framework

Depending on the ideological leaning, various theoretical positions have been canvassed, to support the need for government’s intervention in the provision of goods and services in an economy. In this regard, the Classical Theory, Liberal Theory and Neo-Liberal Theory are salient, among the myriad of propositions (Ojobo, 2006). Central in the Classical Theory is the assignment of the role of economic operation to the private sector; while government should provide the regulatory framework and create the enabling institutional environment, for the efficient functioning of markets and systems. The assumption of perfect market conditions,

underpinned by the efficient allocation of resources and equitable distribution of resources, through competition and social justice, presumed the attainment of a Pareto-optimal condition in the Classical Theory.

Critics of the efficient market hypothesis including Vernon (1987), Friedman (1962) and Stigler (1983), in Ojobo (2006), while aligning with the plausibility of government's intervention, argue that certain inherent institutions: bureaucracy, control of public organisations, political concerns and difficulties in assessing public programmes, have led to considerable limitations in government's participation in establishing and managing enterprises. Nonetheless, the need for humongous financial resources, as noted in some growth theories, such as Harrod-Domar's (1947) 'Big-Push' (1943), and Balanced Growth Models, supported the inevitable role of government (Jhingan, 2006).

The criticism levelled against the market system has fueled the doubts of the core liberals, notably Galbraith (1978) and Samuelson (1983), about the capacity and efficiency of the system in optimally allocating resources, for overall economic and national development. According to Galbraith (1978), the defects of the market system can only be cured by the intervention of the government, through the regulation of private activities, subsidization policy, and very tight ministerial controls. The Liberal Theory therefore argues for the government's intervention, through the establishment of public enterprises, for the production of public goods and services, as guided by the regulations aforementioned.

Notwithstanding the essence of the Liberals' argument, the Neo-Liberals posit that, recently, the public sector had constituted a major obstacle to economic development. The argument is that more often, government interventions have exacerbated the problem they ought to solve because the interventions resulted in failure (Ojobo, 2006). To cure the defect, therefore, the

Theory advocates increased reliance on the privatization and commercialization of existing public enterprises, deregulation of domestic industries and markets, and liberalization of trade. The military regime of General Ibrahim Babangida may have relied on this thesis when the regime embarked on the Structural Adjustment Programme in the 1980s, as recommended by the World Bank/IMF.

This study adopts the Liberal Theory because of its relevance in providing insight into the imperative of the government's diminished intervention, through the establishment of public enterprises; under a public-private partnership (PPP) arrangement.

Methods

The study adopted a survey research design and relied extensively on primary data, collected with a questionnaire, administered to a selected sample of key local government enterprise stakeholders: council management officials and top transport managers of the selected public transport corporations across Nigeria. Oral interviews were also conducted to validate or clarify responses and to obtain additional information. Accordingly, a sample of 231 local government transport corporations was randomly selected from the 550 identified councils operating thriving enterprises. In this regard, 550 out of a total of 774 councils in Nigeria (71 per cent) were considered sufficiently representative of the entire population. However, only 200 copies of the questionnaire (86.6 per cent) were validated and used in the analysis. Yamane (1967) formula of sampling was adopted, due to its simplicity, precision and inclusiveness of the key sampling parameters, such as population and margin of error. The method has been widely used in Management and Social Science research works (Akinsanya, 2017).

Table 2 below highlights the status of the questionnaire administration on the local government council and enterprise management.

Table 2: Status of Questionnaire Administration

S/No	Questionnaire	Frequency	% of Success
1	Copies administered	231	100
2	Copies completed and retrieved	200	86.6
3	Copies not retrieved	31	13.4
	Total	231	100

Source: Field Survey, 2019.

Data on responses are presented in frequency tables, for ease of analysis; while the trend examination was conducted using a simple

percentage tool. Statistically, percentage (%) formula is defined as:

$$\% = \frac{n}{N} \times 100,$$

Where n = Proportion of the total to be expressed as a percentage;

N = Total figure, or base against which the proportion is to be expressed;

100 = Factor of conversion to percentage.

The use of simple percentage analysis holds a wide appeal in research work in Management and Social Sciences. Thus, Nnamdi (1986) and Ezennia (1986) employed the methods.

Results

Demographic Analysis of Respondents

The demographic profile of the respondents is presented in Table 3

Table 3: Demographic variables of council and enterprise managers/respondents

S/No	Variable	Year	Frequency of Responses
1	Age	Less than 30	0
		30-40	15
		41-50	170
		51-60	13
		Above 60	2
2	Work Experience	Less than 15	0
		16-20	20
		21-24	152
		25-28	15
		29-36	10
		Above 36	3
3	Managerial Experience	Less than 05	0
		06-10	2
		11-14	128
		15-18	20
		20-22	21
		23-26	24
		Above 26	5

Source: Field Survey, 2019

From a perusal of Table 2, and by inspection, it is observable that the average age of council management staff was 45 years; while for the

length of service (work experience) and specific assignments at a management position, the average durations were 22 years and 12 years

respectively. Similarly, the minimum qualification for council management officials was a Higher National Diploma (HND). For transport managers, the average age was 40 years, while the average experience was 25 years, as obtained from oral interviews. With regard to academic qualification, National Diplomas (ND), National Certificate of Education (NCE) and Higher National Diploma (HND) were the common qualifications among transport management executives. Accordingly, all management staff, council and enterprise, were sufficiently experienced and suitably qualified, in relation to the industry average of 15 years, as provided in a response to oral interviews.

Analysis of the Key Factors

Given the pervasive failure of public enterprises in Nigeria, respondents were requested to indicate from the array provided, factors which were critical in the successful management of municipal public enterprises in their local government councils. For ease of analysis, the myriad of factors were grouped into four categories traversing corporate governance, service delivery, asset or fleet management and financial management, as presented and analysed.

Corporate Governance

Table 4 below presents the responses on the variables relating to corporate governance.

Table 4: Responses on Corporate Governance Variables.

S/No	Factor Element or Variable	Frequency of Response			
		Yes	%	No	%
1	Corporate autonomy (minimal council interference)	20	10.0	180	90.0
2	Interference from the political class	10	5.0	190	95.0
3	Board-Management squabbles	0	0.0	200	100.0
4	Council ENTERPRISE management relations	10	5.0	190	95.0
5	Frequency of policy change, leading to policy inconsistency	15	7.5	185	92.5

Source: Field Survey, 2019

From Table 4, it could be observed that responses on the key elements of corporate autonomy were largely affirmative at an average of 92 per cent. Thus, council management or the political elite class exacted insignificant influence on enterprise management. Besides autonomy, a regime of stable policy environment supported uninterrupted operations, given the average affirmative response of 95 per cent.

Service Delivery

Variables captured in the factor relating to service delivery included suitable and effective corporate structure, quality of personnel, employee motivation and productivity, competitive service delivery, and favourable operating environment (economic, social and political), all of which impacted quality service delivery. Table 5 highlights the frequency of the responses.

Table 5: Responses on Service Delivery Variables.

S/No	Factor Element or Variable	Frequency of Response			
		Yes	%	No	%
1	Suitable and effective corporate structure	175	87.5	25	12.5
2	Quality of personnel (relevant qualification and experience)	180	90.0	20	10.0
3	High employee motivation and productivity.	150	75.0	50	25.0
4	Competitive service delivery	170	85.0	30	15.0
5	Favourable operating environment	165	82.5	35	17.5

Source: Field Survey, 2019

From Table 5, it could be discerned that the operation of the elements of service delivery was highly commendable, given the favourable

responses by council and enterprise managers. Thus, at an average of 84 per cent, responses in favour of quality service delivery indicated an

effective system. Supporting quality service delivery was a well-motivated and productive workforce, and a favourable operating environment.

Asset and Fleet Management

A stock or fleet of operating vehicles in good technical condition is a necessary condition for

effective and efficient service delivery and proper market positioning, just as efficient management is critical. Superior quality vehicles, good asset maintenance culture, backed by in-house service workshops manned by well-trained technicians, timely depreciation and asset replacement policy constituted key elements of high-quality asset and fleet maintenance. Table 6 presents the responses to the variables.

Table 6: Responses on Asset and Fleet Management Variables.

S/No	Factor Element or Variable	Frequency of Response			
		Yes	%	No	%
1	Stock of technically sound vehicles (fleet)	160	80.0	40	20.0
2	Good asset maintenance and management	190	95	10	5.0
3	Establishment of in-house support structures (maintenance workshop, well-trained and motivated technicians, stock of genuine auto spares and lubricants, etc.)	185	92.5	15	7.5

Source: Field Survey, 2019

A cursory perusal of Table 5 indicates that respondents were highly affirmative that municipal public enterprises “scored” high on all elements of superior quality asset management, at an average of 89 per cent.

Financial Management

In Table 7, variables which included adequate capitalization, efficient accounting system, accountability, profitability, efficient and effective financial controls characterised by zero tolerance for fraud or corrupt practices, and reasonable return on investment, among others, dominated the financial management barometer.

Table 7: Responses on Elements of Financial Management

S/No	Factor Element or Variable	Frequency of Response			
		Yes	%	No	%
1	Adequate capitalization	98	49.0	102	51.0
2	Efficient accounting system	180	90.0	20	10.0
3	Effective financial control systems	183	91.5	17	8.5
4	Accountability	190	95.0	10	5.0
5	High operating cost	174	87.0	26	13.0
6	Break-even and profitability	155	77.5	50	22.5
7	Return on investment (ROI)	140	70.0	60	30.0
8	Prudential disposition (good credit policy, low bank borrowing, good expense budgeting and control, etc, reasonable credit purchases, etc.).	188	94.0	12	6.0

Source: Field Survey, 2019

In Table 7, it is observable that apart from inadequate capitalization at 49.0 per cent of responses, other variables recorded high positive responses of 70 per cent or above. In totality, the

responses indicated prudent financial management, supported by efficient internal control systems.

Summary of Findings

Local government council transport corporations achieved commendable corporate governance in their diverse operations, characterised by effective and efficient service delivery. Very critical, efficient asset or fleet management was adopted, ensuring uninterrupted service uptime, to the appreciation of clients. Furthermore, sound financial management complemented the range of other efficiencies, to ensure prudence, reasonable earnings and return on investment, all of which have been instrumental in corporate survival and business continuity. As a corollary, the phenomenal managerial competence which resulted from the adoption of the principles of New Public Management added much impetus to the drive for success. To be sure, the approach, which adopts considerable aspects of entrepreneurial management and leadership styles of private entrepreneurship diminished the impact of bureaucratic bottleneck on efficiency, often associated with pure public management. The mode of operation under new Public Management guaranteed prudent financial management, efficient service delivery, result-oriented, human resource management, enhanced employee productivity, quality asset management, and more robust balance sheet and profitability, among others, all of which constituted challenges in local government public transport enterprises under pure bureaucratic management.

Discussion

The discussion is offered in line with the findings, as presented. The major ugly experience of public enterprise management in Nigeria is weak corporate governance, reflected in impunity and disregard for extant procedures. This defect had been largely minimised by new managerialism adopted by local government councils in contemporary times. Irrespective of the nature of the business, the stock of operating assets or the fleet of vehicles in the case of a transport enterprise occupies a critical position. Asset quality is therefore a building block upon which business operations are erected. "Managerialism" as practised by municipal transport corporations ensured orderly acquisition, efficient maintenance and timely replacement of ageing

vehicles, thereby guaranteeing quality service delivery. Almost all efforts will amount to zero if effective financial management and strong internal control systems are undermined. This weakness had been the most insidious armyworm that destroyed the fabric of public enterprise management in Nigeria. The acute financial dehydration through incompetence, corruption and mismanagement disabled public enterprises from meeting many crucial obligations essential for operations and earnings. Broken down and abandoned vehicles, large-scale unserviced bank loan obligations and deplorable staff morale, arising from arrears of unpaid salaries, were a few examples of the aftermath of mismanagement. Interestingly, the new-dawn municipal enterprises, latching on to the ingenuity of New Public Management, have avoided the pitfalls, to achieve success. Without a doubt, the improvement in management and the resultant success recorded by local government public transport corporations were ascribable to the shift in management paradigm. The *modus operandi* of the new paradigm encompassed considerable adoption of private sector entrepreneurial typology, widely considered as more "business-oriented", without totally jettisoning the "social motive" of establishing public enterprises.

Conclusion

Given the objectives of the study; to examine the major critical factors that facilitate the success of local government public enterprises and the challenges, the discussion is offered in line with the findings. One of the major findings of this study was the considerable effect on local government public enterprises management by weak corporate governance, arising from the wanton political and administrative interference in the management of the enterprises. In this regard, a study by Mahmud and Ogwuzebe (2020) reported the comparative performance of Bendel Breweries Plc and Guinness Nigeria Plc, located within the same vicinity, and operating under similar market conditions but with basic differences in ownership and management styles, Guinness Nigeria Plc, closely held, sustained high operating performance; while the Bendel Breweries Plc, collapsed, due to public ownership and management. Similar reports about

governance associated with red tape and defective corporate structure were also reported by Fubera (1984) and Ayodele (1995) as reviewed. To the rescue, the selected local government councils with successful experience in public transport management aptly adopted new approaches which aligned considerably with contemporary entrepreneurial management, or new public management. The approaches also prioritised other fundamental prerequisites for successful public transport undertaking, by acquiring and prudently managing quality stock of operating fleet; providing quality customer service and institutionalising very strong internal control mechanisms, to discourage system manipulation through abuses, corruption and other antics capable of undermining enterprise effectiveness, efficiency, corporate survival and growth, as noted by Ojobo (2006) and Anyanwu, et al (1997). The managerial approaches have successfully eliminated or drastically reduced the antics of bureaucratic management; and have attempted to reverse the notion that government is incapable of successfully managing a corporate business enterprise. To be sure, this has elicited a new paradigm in public enterprise management.

Recommendations

Arising from the analysis and findings, the following recommendations are offered, for policy and managerial improvements: New Public Management models should be adopted by public enterprises, given their innate efficiency and result orientation. The challenge of inadequate enterprise capitalization should be addressed, through higher budgetary provision, and retention of earnings, for enhanced capacity. Transportation is capital intensive; and only well-capitalized operations can ensure cost-effective replacement of obsolete and ageing fleets, as well as meet low-cost operating cycles. Local Government enterprises should aggressively pursue the policy of product and service diversification, creating one-stop shops where customers can purchase a basket of services: passenger commuter, cargo shipment, postal or courier, intra-city delivery and passenger overnight or transit accommodation, for late arrivals at destinations.

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