



Research Paper

## Public-Private Partnership: A Contemporary Management Solution to the Problems of the Nigerian Public Corporation

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### ABSTRACT

Public-private partnership as a corporate reform and public utilities development strategy enables and empowers both the public and private sectors to collaborate and cooperate in infrastructure development for the common good of the society. It initiates and signs an agreement between the public and private sectors, whereby the later extracts concession and raises funds from either the money or capital markets for a development of a public utility and recoup the sunk costs over a certain period of time depending on the model of public-private partnership operated. This paper examines the role of public-private partnership in the infrastructure development in Nigeria, especially during the harsh times of economic meltdown. It x-rays the identified models of public-private partnership, rationale for this type of partnership, problems of public corporations, varieties of public-private partnership, problems and prospects of the public-private partnership as a viable option of projects development and sustainability in the short, medium and long term. It is highly recommended as a model that will take public corporations growth, development and effective delivery of public goods and service to higher stages of economic development.

**KEYWORDS:** Public, Private, Partnership Corporation and E-government.

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### I. INTRODUCTION

Public-private partnership describes a government service and private business venture, funded and operated through a partnership of government with one or more private sector operators. The global acceptability of the business option stems from the increasing difficulty of government to solely and wholly provide and deliver the much-needed infrastructures and amenities to its citizens. The emerging challenges of the global economic meltdown, such as liquidity squeeze, high interest rates, government as a bad manager of business organizations, problems of the public corporations management, inadequate funds, politicization of projects development etc, had collectively made it near impossible for government to deliver the right quality of goods and services. Various models of public-private partnership have been identified (Babalakin, 2008).

Nigerian banks have now risen-up to the responsibility of financing big projects, either individually or jointly banks can finance mega projects. The benefits of public-private partnership irrespective of the term of contract financing remains the most profitable option to all stakeholders. Identified obstacles to effective public-private partnership operations such as poor regulatory and legal frameworks, bureaucracy and red-tapism, inadequate judicial processes, implementation challenges, rivalry amongst partners, corrupt and fraudulent practices delays in securing adequate government approvals, poor government commitment etc are known to impact the smooth operations of public-private partnership. However the benefits of the public-private partnership outweigh the cost elements (Babalakin, 2008).

### II. THEORETICAL ISSUES

#### Nature of Public-private partnership

Public-private partnership is a special purpose vehicle to develop, build, maintain and operate or even revive all Nigerians public sector services. It is a system through which public sector deliverables are provided by the private sector under a pre-arranged system. Under a public-private partnership arrangement, government engages the resources and expertise of the private sector to deliver services of the best quality and at the best prices, thereby releasing government's scarce resources for other projects, Babalakin (2008:13). Public-private

partnership covers all types of collaboration across the interface between the public and private sectors to deliver goods services and infrastructure. The public private partnership invests in infrastructure procurement delivery of long-term value delivery of public assets on time and to budget. It also provides the opportunity for management skills and financial acumen of the business community to create better value for money for the taxpayers. It is the best way to secure improvements in public services delivery. If privatization programme is regarded as a takeover of a publicly owned institution, public-private partnership is more of a merger, with both the public and private sectors sharing risks and producing greater benefits.

### **Theory of Public-Private Partnership**

The theory of Public-Private Partnership is the hybrid of some notable these concepts are inclusive and corporate improvement and reform concepts, complement each other in practice to result in this collaborative initiative with far reaching effects in the growth and development of public corporations, effective delivery of goods and services at affordable costs to all stakeholders. Among the improvement concepts include;

**Strategic alliances** (joint ventures, short, medium and long-terms contractual agreements, development of sustainable new products and services based on mutually reinforcing factors, alliance structure, partner selection and alliance management).

**Sharing of services** involving changing roles, by demonstrating a fundamental change in the structure of the established roles of support services and business units, all aimed at creating additional value and provision of quality goods and service.

**Outsourcing** (interfaces with the total quality management concept) involves collaboration based on relative advantage in competence and capacity to jointly improve the performance of existing utilities or grow and develop new infrastructures.

**Partnership** collaboration based on complementary capabilities and competence that are foreign to separate entities. It enables and empowers the sharing of development costs, risks spread out and cooperation and the applications of scarce resources.

**Left hand financing;** enables lower or reduction of government's cost of capitalization, provides investors with direct ownership or interests (partly or wholly) in the value potentials of assets, effective products and service delivery, through debt financing (using the assets as security) of the improvement of public corporations. These concepts network with other derivatives there-from to deliver effective public-private partnership programmes, processes, procedures and frameworks. (Okorie, 2008: 106-126).

### **Notable Models of Public-Private Partnership**

There are various models of public-private partnerships useful in describing the relationship between the public and private sector as it relates to the implementation of public-private partnership projects. These include:

**Design-Build-Finance-Operate (DBFO);** private sector designs, build and finances a new facility under a long-term lease, and operates the facility during the period of the lease, and transfers the new facility to the public sector at the expiration of the lease term.

**Design-Build or Turn-key (DB);** private sector designs and builds infrastructure to meet public sector performance specifications, often for a fixed price, so the risk of cost outlet is transferred to the public sector.

**Private Finance Initiative (PFI);** private sector, (financial services company) funds a new or rehabilitation of existing project using various finance options on a long-term bases.

**Operation and Maintenance Contract (O & M);** private sector, (under contract) operates a publicly owned asset for a specified term, while ownership of the remains with the public sector.

**Buy-Build-Operate (BBO);** transfer of a public asset to a private (or semi-public entity usually under contract). The assets are to be upgraded and operated for a specified period of time. Public control is exercised through the contract at the, time of transfer.

**Operation License;** private operator receives the license (or rights) to operate a public utility, usually for a specified term, usually common with IT projects.

**Build-Own-Operate or Concession Agreement (BOO):** — private entity receives a concession to finance design, build and operate a facility (and to charge user fees) for a specified period, after which ownership is transferred back to the public sector, examples is the Concession Agreement between the Federal Government of Nigeria (through the Federal Airport Authority of Nigeria) and B/-Courtney Limited and Stab/finVisinoni Limited for the design and construction of the Murtala Mohammed Domestic Airport Terminal 2. Also the Lagos State Government and Lekki concession company to build 49.4 kilometre Lekki-Epe road (Babalakin, 2008).

### **Forms of Public-Private Partnership**

Identified public-private partnership methods include:

**Private Finance Initiative;** (private sector business driven) is purely a turn-key- project model or contractor financed projects. By this method, government gets new public institutions, outside budgetary allocations/appropriations. Private finance initiative leads to dramatic increases in the quality and quantum of public services (without public monetary inputs). It demonstrates a fast effective and cheap way of getting new facilities built.

**Public Social Private Partnership (PSPP):** social enterprises operate partnerships with the state, commercial partners, non governmental organizations, local governments to partner in areas that provide social goods and services, at relatively no cost to government, especially in the areas of poverty reduction and alleviation, economic empowerment, skills acquisition and training, socio-political education etc. This great symbiosis has produced equally great synergistic effects (Babalakin, 2008).

**Public-Private Product Development Partnership (PPDP):** focuses on health care products and services delivery for the global diseases control and cure public sectors industry, expertise in product development and marketing etc. The interface management involves the bridge of both parties interests and zero down of the barriers (financial, management etc) to the development of effective and safe products (Akingide, 2005).

### **Some Notable International Experiences of Public-Private Partnerships**

Notable benefits to the international community health care delivery programmes include; the global alliance for vaccines and immunization (financed 75% by Bill and Melinda Gates Foundation), World Health Organization (UN agency funded by member states) The Global Fund To Fight Aids, Tuberculosis And Malaria, The Tuberculosis Alliance (financed public agencies and private foundations), Drugs For Neglected Diseases Initiative, International Aids Vaccine Initiative (funded by governments, multilateral organizations and major private sector institutions and individuals) etc, (Wikipedia 2009:4).

### **Public Project Management in Nigeria**

The project management skills form the cornerstone of any project process and constitute the core of project governance. Critical project management skills include; integration management, scope management, Time management, procurement management, human resources management, quality management, cost management, risk management, and social responsibility and environment management. These skills define and determine the decisions- making capacity and capability of the project team, knowledge management and the quality delivery of the project. The ways and means of how these vital skills are packaged escalate or reduce the problem of the public-private partnership (David West, 2005).

### **Problems of Public Project Management in Nigeria**

The reasons for non-performance or under performance of projects in Nigeria can be identified and recognized with reference to its purposes, the reason for its existence, the thinking of the promoter(s), the competence and capabilities of the managers and other stakeholder's interests. Several issues had been identified and recognized as the problems of project management in Nigeria such as: unfocused development consciousness and lack of political will, unstable polity and unjustified discontinuity of policies and programmes, poor development administration policies and practices concerning project management, negative patriotism and general destructive attitude towards government owned business, corruption and poor transparency and accountability, etc (Ajayi, 2006).

Other problems include: Inadequate definition of project scope, constant interferences and manipulation of project scope and specifications for selfish reasons, inadequate data bank and faulty procurement policies and practices, poor project engineering designs and supply logistics, unstable public energy supply, poor state of infrastructures, lack of expertise and competent human capital, poor state of political governance and leadership, etc (Okorie, 2005:81-85).

### **III. RATIONALE FOR PUBLIC PRIVATE PARTNERSHIP**

#### **Some of the notable reasons include:**

- i. Pressure to change the standard model of public procurement arising from the rising level of public debt, ineptitude of government officials, corruption, high cost of executing government projects.
- ii. Government desire to encourage private investments in public infrastructure development and management increasing private sector social responsibility and responsiveness towards environment friendly programmes.
- iii. The need to raise the standards of transparency and accountability in public expenditures, and service delivery which had collapsed, under solely and wholly government management of public corporations. It will lead to the growth and development of proactive corporate governance and development administration practices, fine-tuning of procedures and processes, policy formulation and implementation strategies involved in the growth and development of public corporation.
- iv. Dwindling revenue (as a result of falling crude oil price), other competing demands for scarce resources, poor integrity of the public corporations to attract funds from the money and capital markets, give the impetus to public-private partnership interventions.
- v. Change of private sectors (banks) investments policies from short term to long term funding of mega projects based on sound risks management skills and competencies, encourage private sector collaborations with the public sector.
- vi. The collaboration between the public and the private sector in public-private partnership is especially productive in promoting poverty alleviation and reduction, effective allocation and distribution of resources, effective public utilities development and management etc.
- vii. Public-private partnership allows for flexible risks management and sharing of development costs, engagement of local expertise and technology, development of the financial and capital markets, increased development and management of public institutions etc.

#### **SOME CRITICAL ISSUES IN PUBLIC PRIVATE PARTNERSHIP**

##### **Stakeholders support**

Public-private partnership effectiveness and good delivery depend on the total stakeholders support. Unflinching support will convey the message of acceptance of the relationship and willingness to allow it to logical conclusion. Public-private partnership is a unique solution to the problem of public corporations management. Rather than see it as government disposal of public assets to private individuals, the public should see it as a rescue operation to salvage a bad situation. Government as primary stakeholder must support public-private partnership projects, network with the private sector to resolve all stakeholder issues, promptly grant all approvals and encourage other stakeholders, such as the media, civil society, etc to equally render sincere support to the programmes (Elabute, 2003).

**Proactive Corporate Governance:** Corporate governance involves a set of relationships between a company's management, its board, shareholders and other stakeholders.

The principles of proactive corporate governance necessary for effective public-private partnership include; ensuring the basis for an effective proactive corporation governance framework, (promote transparent and efficient markets, clearly articulation of the responsibilities of supervisory, regulatory and enforcement authorities etc), protection of the rights of all stakeholders the equitable treatment of all stakeholders and redress of any violation of rights, recognition of all the rights of all stakeholders, encourage active public private partnership in creating wealth, jobs, and the sustainability of financially sound enterprises, ensuring the timely and accurate disclosure of all material matters corporate performance, financial and management etc (Okorie, 2005: 11-15).

Complementing and collaborating proactive corporate governance are the critical project management skills involved in effective project delivery such as; integration management, scope management, time management, procurement management, human resources management, quality management, cost management, risk management, and social responsibility and environment management. These skills define and determine the decisions-making capacity and capability of the project team, knowledge management and the quality delivery of the public-private partnership (Narain, 2003).

##### **Proactive Development Administration**

Proactive Development administration (integral of public administration) encompasses the establishment of machinery for planning, economic growth, mobilization and allocating of resources to expand the value creation of public institutions, effective deployment of available material and human resources, and increased gross domestic product. It is about the articulation of management and administrative strategies,

proactive bureaucratic leadership and political governance, that will result in sustained economic growth and development. These attributes must focus the right change in government investments and management of the public enterprises, such that they take advantage of the opportunities offered by the private sector. Other attributes include competent administrative staff, proactive administrative leadership, focused objectives and functions, adequate funding, institutional capacity building to accomplish the specific goals of development, effective policy formulation and implementations, transparent and accountable management etc, Okorie (2006:10-11). Alternatively reactive development administration will give room to bureaucracy and redtapism, ignorance of public-private partnership processes, resistance and opposition from public servants, civil society, labour unions, unnecessary delay, corruption etc. The combination of these factors has created a dysfunctional system which is a major challenge to the successful implementation of public-private partnership in Nigeria and might deter prospective investors or creditors, from leveraging the opportunities of the programme (Redwood et al, 1999).

### **Public-Private Partnership Communication**

Corporate communication is the sharing of views, ideas and meanings towards the same orientation. Communication does more than just transfer information; it kindles passion, and ignites action. It must be truthful, factual trustworthy and clear in order to buy over the confidence, trust, commitment, etc of the all stakeholders. Communication is endowed with four priorities that affect every action, initiation, analysis, definition, transition and improvement. These priorities can translate into explaining the need for action, clarifying the vision, inspiring for action and sustaining momentum (Redwood et al, 1999:122).

Accurate corporate reporting is the vital tool for ensuring accountability, transparency and availability of information about corporate activities to all the stakeholders. Effective public-private partnership cannot be deemed effective, without accurate corporate reporting to all stakeholders, Elcbute (2002: 19 & 2003:22). Lack of effective communication has cumulated in the failures of several well-intended endeavors. Notable successes had been lost due to the near absence of effective corporate reporting. The concept of "no man is an island" further degrades the issues of self-reliance, self-dependence and further elevates the relevance of corporate reporting.

### **Transparency and Accountability**

Transparency refers to the public access to knowledge of the policies and strategies of the corporation. It also includes making available for public scrutiny, accurate and timely information on financial and corporate affairs. Transparency

Contributes to procurement stability as it prevents the build up of crisis in secret, bringing about smaller adjustments sooner, to scrutiny and in conformity with acceptable principles. Corporate accountability is a pre-requisite for effective public-private partnership and the rendition of stewardship of the public-private partnership to all stakeholders. Accountability is holding responsible elected or appointed individuals charged with a public mandate, to specific actions, activities of decisions to the public from which they derive their authority, Narain (2003: 147). It includes ability to account for the allocation, use and control of public spending of resources in accordance with legally accepted standards. It is concerned with the establishment and enforcement of rules of public-private partnership.

### **Strategic Leadership and Policy Stability**

Social, economic and political stability are critical factors in the successful implementation of public-private partnership projects. However, a continuing threat to public-private partnership in Nigeria is policy instability resulting from changes in government. Over the years, the trend of successive governments has been to reverse policies and decisions of their predecessors upon assumption of office. Often times, the same administration starts a policy and midway through the implementation of these policies, reverses itself causing substantial losses to investors. It is imperative that such policy reversals be reduced to the barest minimum, and where exigencies demand that such reversals be made, there must be a framework indemnifying and compensating investors who have committed themselves to such policies. Disputes arising from such reversals must also be managed in a manner that is expeditious and cost effective, while ensuring that the public-private partnership project arc not interrupted or unduly delayed (Okorie, 2006).

### **Guarded Tariffs, Revenue Administration and Cost Recovery**

The government has obligations under any public-private partnership, to the public and the private investor. The government must balance its obligation to provide public infrastructure and services with the imperative need for the recovery of the investors' costs and profits and the need to protect citizens from all forms of extortion (costs of providing public services) by private investors, while ensuring the safety and security of the projects. These issues are potential areas of conflicts in public-private partnership and may lead to social unrest and destruction of public properties etc. In public-private partnership tariffs must be regulated but must allow the



investors to make a reasonable return on investment and encourage future growth of Public-private Partnership. Friendly fiscal and monetary policies such as interim tax holidays for investments in public-private partnership projects, guarded exceptions from value added tax, capital gain tax, capital transfer tax etc, should be put in place. Also the return on investment public-private partnership projects should be treated as after tax item. There shall be compulsory banks/financial institutions participations in at least one public-private partnership projects at any level of government based on agreed terms (Omotola, 2009).

### **E-government**

E-government is the application of information and communication technology (ICE) within and by the public sector. It provides government, the citizen and business with a set of tools that can potentially transform the way in which interactions take place, services are delivered, and public administration reform and good governance goals are met. The strategic use of ICT in government results in a more coordinated, inclusive, effective, efficient, transparent and accountable public administration, which key to improved economic development and competitiveness. Moreover, in enhancing the quality and delivery of public services through ICT, government may be better positioned to reduce poverty, redress inequality and promote sustainable development. As a part of a broader focus on e-governance, it offers new channels for participation and engagement by citizens, and can enhance the prospects for deepening democracy. The deployment of Information Communication Technology infrastructure in the public sector administration offers government, stakeholders etc, the set of tools that will effectively transform the all government businesses, improve interactions with other stakeholders, public institutions reforms, the realization of the good objectives of political governance, and the enhancement of public-private partnership. The benefits of e-government include better co-ordination, inclusive, effective, efficient transparent and accountable transactions. Total government support, adequate funding, capacity building, monitoring and evaluation are essential elements of e-government applications in public-private partnership (Okorie, 2005).

### **Capacity Building**

Capacity building in public-private partnership encompasses human capital development, knowledge management and diffusion, training and manpower development programmes, networking and management development programmes, which grow and update skills and competences to execute assigned functions. A well-informed and knowledgeable public sector will impact public-private partnership activities resulting in better public goods and service delivery. The key objectives include capacity building of practical skills that avert potential conflict situations, deployment of conflict prevention and management tools and the institution of conflict management structures in public-private partnership. The most critical is the management of the networks of interdependence and interface arising from the complex interplay of forces challenging public corporations and public-private partnership. Proactive capacity building will reverse the cycles of emerging challenges by strengthening the governance competencies of the range of actors (government, policy makers, development practitioners etc) involved in public-private partnership (Omotola, 2009).

### **Robust Regulatory, Legal Frameworks and Judicial Processes**

Effective regulatory, legal frameworks and judicial processes are among the essentials of an effective public-private partnership. They define, determine and drive the processes, procedures and integrity of public-private partnership, and in addition build the necessary trust and confidence required for the profitable realization of public-private partnership objectives (Okorie, 2006).

### **Regulatory Mechanism**

Regulatory processes refer to the executive activities aimed at creating the right enabling laws, rules and regulations etc guiding all governmental actions such as NEEDS etc.

### **National Economic Empowerment Development Strategy (NEEDS)**

The Federal Government of Nigeria (2003), National Economic Empowerment Development Strategy (NEEDS) document highlights the socio-economic developmental aspirations and reforms of the public sector, enabling a robust private sector driven economy and the execution of an effective social contract for the purposes of reducing poverty, creating wealth, generating employment and re-orientating national values, effective utilization of national resources etc. NEEDS clearly highlights the responsibilities of government and the private sector, component strategies, plans and targets. Government promises to provide the enabling business and regulatory environment, while the private support is to robustly invest in and manage the ventures that would stimulate and support socio economic development.

NEEDS represents and demonstrates a broad-based public private partnership (public-private partnership) initiative. All the stakeholders in the developmental process are expected to contribute maximally to its full realization (Omotola, 2009).

### **Robust legislative Framework and Executive Commitment**

The Nigerian national assembly passed the "Infrastructure Concession Regulatory Commission" Act into Law (2004). The Act provides a legal basis for any federal government ministry, agency, incorporation or body involved in financing, construction, operation or maintenance of infrastructure to enter into a contract or grant concession to any qualified private sector operator to finance, construct, operate or maintain any infrastructure that is financially viable or develop any public utility of the federal government. The commission has general supervisory powers over concessions granted by the federal government and its agencies to private investors, but subject to government approval (Omotola, 2009).

Government's commitment and support are crucial in the prevention of delays in granting of permits and approvals to all public-private partnership projects. Even where the legal framework conforms with international standards, there must be effective rule of law regime and institutional frameworks which will permit projects to be implemented effectively. Also inefficient court system, poorly trained public officials, the stakeholders' negative attitude towards international arbitration etc must be addressed. Effective the policy and legal frameworks are essential for the success of public-private partnership (Omotola, 2009).

### **Reliable and Dependable Judicial Frameworks**

Robust judicial framework that functions on the reliable and dependable dispensation of justice based on the rule of law, integrity of the judiciary, zero tolerance to all forms of corrupt and fraudulent practices, redress of all breaches/applications of appropriate sanctions etc. Public-private partnership will function maximally where disputes and conflicts are decided based on quick disputes resolution, transparent and accountable justice system. It relies heavily on the acquisition and application of specialized knowledge and competence to address the complex interfaces emerging from the agreement systems between parties. Therefore there is need to establish specialized courts manned by equally competent and knowledgeable judges and other adjudicators in the areas of public-private partnership administration and execution. Capacity building of these specialized and allied operators to international standard is non negotiable. The situation in Nigeria where the judicial process is noted for delays and most times wrong applications of the law are anti progress and success of effective public-private partnership, The Nigerian judiciary is characterized by long periods of resolving disputes, which may impact the course and progress of public-private partnership. So also lack of specialized knowledge by Judges and other adjudicators in respect of public-private partnership is also a major obstacle to the successful execution of projects (Babalakin, 2008: 13). One injunction in the lifetime of a project can terminate the vision driving the project and the project itself. In the absence of a legal framework for concessions, projects can still be implemented fairly successfully so long as daily implementation and enforcement frameworks are in place.

### **Prospects of Public-Private Partnership in the Nigerian Economic Development**

The prospects include that:

1. Public-private partnership provides the avenue for effective and efficient mobilization and allocation of scarce resources especially in the areas of public corporation/utilities growth and development.
2. It encourages the networking of expertise and resource persons in both the private and public sectors, therefore leading to effective deployment and utilization of available human resources.
3. It results in the production of quality goods and services to the citizen at affordable costs to all the partners and other stakeholders.
4. It results in growth and development of the necessary institutions for poverty alleviation and reduction, effective health care delivery, professional education of the masses, employment generation, development of balanced democracy etc.
5. Financial institutions are encouraged to play active roles in the national economic development, practice effective social responsibility and responsiveness roles, diversification of their portfolio investments, effective marketing of products and services, fine tuning of perceptions and investment policies concerning long-term management projects.
6. It enables the fine-tuning of all the associated policies, judicial and, legislative frameworks, implementation strategies etc necessary for the effective public private partnership operations in Nigeria.

### **Project Procurement and Terms of Contract Policy Issues**

The procurement policy has direct relationship with the cost effectiveness, transparency, accountability and value for money in project management. As a contract system it embraces the outsourcing of services and

supplies, required for project implementation. It is often one of the sources of inefficiency and ineffectiveness, association with project abandonment and failures in Nigeria.

Complementing the award of contract (or outsourcing approach) is the bidding process, used by promoters of project to tender for projects or subprojects. Notable among the bidding process are; open tender, selective tender and negotiated tender. The bidding process is another source of destructive factors in the Nigerian project management system, especially where the rules are not definitive and hardly obeyed. The inadequacies associated with the preparation of tender documents, period allowed for submission of tenders, market survey, etc, seriously affect the success of project management. The poor status of public projects in Nigeria is attributed to the endemic and systemic problems of; poor design and documentation of bids, poor preparation of tender document, obsolete technology and lack of spare parts, dearth of local expertise to hand equipment maintenance, high cost of doing business, galloping of inflationary trends, faulty engineering estimates and inadequate expert knowledge and technology (Ajayi, 2006:10).

### **Implementation of Public-Private Partnership**

Public-private partnership is based on overlapping and interfacing goals, there is much potential for conflict of interests, control, management etc, especially where the public-private partnership involves long-term arrangements between two or more parties. This is because public-private partnership involves myriads of complex legal arrangements, the interpretation or misinterpretations of business and legal processes and procedures, creditors over bearing influence etc, which can lead to several conflicts between the parties to the agreements. Numerous challenges may arise in the course of public-private partnership, particularly in a developing economy like Nigeria. These include the absence of effective policy frameworks, inadequate regulatory and legal frameworks, inadequate judicial processes, bureaucracy and red-tapism, policy instability, vested interests, poor tariffs and revenue administration, poor cost recovery and corruption etc (Ajayi, 2006).

Well-articulated policy frameworks, legal and judicial processes (government endorsement and support) are critical essentials in an effective and efficient public-private partnership regime. The government's commitment must contain the objectives, principles of effective training policy and public education and campaign, cooperation of civil society and professional organizations, sound legislative frameworks, proactive development administration and corporate governance etc (Ajayi, 2006).

### **Positive Impact of Public-Private Partnership in Economic Development**

The positive impact is in the areas of:

1. Employment opportunities for both former and new employees of the public corporations. The revival of mega corporations like, Nigeria Railway Corporations, Nigeria Coal Corporation, Nigerian Airways Ltd, refineries Nigeria Mining Corporation, Ajaokuta Steel Complex and Rolling Mills, Nigeria Cement Company etc, will impact employment generation, poverty alleviation and reduction, economic empowerment etc.
2. Increased cash flow both during and after rehabilitation of the public corporations arising from the patronage of food vendors, building materials vendors etc. Payment of outstanding salaries, pensions, gratuities of retirees and regular payment of salaries etc, will jumpstart the economy.
3. Possible general prosperity for local contractors, artisans, service providers such as, transporters, suppliers of sand, cement, stone etc.
4. Property owners that will enjoy good financial inflows; enhance real estate asset values contributing to wealth creation and economic growth, enhancement and sustainable business growth and job creation.
5. High quality infrastructures to support and safeguard business operations and creation of an orderly and stable environment for growth and development.
6. More structured approach for managing utility installations and necessary infrastructures.
7. Departure from the era of lack of planning, lacking adherence to regulations and lack of enforcement of regulations etc.
8. Provision of world class public corporations, utility infrastructures and related services at affordable cost, greater value for money etc in improvement in the quality of life.
9. Each viable public corporation is centre of development for the further development of other allied enterprises and businesses.

## **IV. RECOMMENDATION AND CONCLUSION**

Public-private partnership remains one of the special purpose vehicles available to the Nigerian government to revive comatose public corporations and utilities, expand the installed capacity of existing ones and embark on the development of new public infrastructure, with the aim of delivering quality public goods and services of global standard. Best practices of public private partnership enables the private sector operators to deploy sound business management acumen and finance in the production of affordable goods and services, cause the efficient allocation of material and human resources, and the transformation of the public corporations



into employment generator, poverty reducing and alleviating agent, revenue generator, allied business and value creator etc. Global experiences evidence the positive effects of public-private partnership, also the benefits to the international community so far, attest to the need for Nigeria to quickly adopt the public-private partnership approach in its growth and development programmes.

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