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Globalization and privatization in Nigeria: “Phenomena” Worth Re-thinking?

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Abstract

This study examined globalisation and privatisation in Nigeria as phenomena warranting critical re-evaluation, with the objective of proffering reasons why the Nigerian state should withdraw from economic and financial sector liberalisation. Adopting a documentary research method, the study drew upon materials from books, peer-reviewed journal articles, internet-based resources, and official government documents. The analysis highlighted structural adjustment programmes (SAP) as the forerunner of globalisation in developing countries, noting that such programmes were promoted on the premise that they would enhance the efficiency, administration, and management of public enterprises. In effect, the adoption and implementation of SAP components, encompassing deregulation and liberalisation of the economy, privatisation of public enterprises, devaluation of the domestic currency (the naira), and withdrawal of subsidies from public services, constitute what is now understood as globalisation. The Nigerian state embraced these reforms in expectation of promoting macroeconomic growth; however, the resultant unrestrained neo-liberal experimentation and commercialisation of social service provisioning have hampered the country's overall development agenda and precipitated further deterioration in citizens' wellbeing. Consequently, the study recommends that the Nigerian state: (i) adopt the rollback theory and exempt itself from norms governing the open liberal economy; (ii) emulate the Malaysian globalisation model, which encourages local capitalists to establish new enterprises; and (iii) cultivate state capitalism to foster improvement in the real economy.

Keywords: Globalization; Privatization; Public enterprises; Roll back plan; Structural adjustment programme

1. Introduction

The evolution of public enterprises in Nigerian dates back to the pre-colonial, colonial and post-colonial era. The traditional values depicted a sense of organizing public utilities like ponds for harvesting water during the rainy season, constructing open space for recreational activities after the highly valued farming and security outfits for the protection of the lives and property of the people. In some places, the people cultivated farm lands collectively and shared the proceeds after harvesting. The emergence of colonial administration in Nigerian expanded, promoted and encouraged the people's involvement in the harnessing rationally the scarce resources to produce goods and services for economic improvement as well as for the promotion of the welfare of the citizens. The involvement of the public sector in Nigeria became significant during the period after independent (Nwoye: 2003). Impliedly, the present structure of public enterprises was instituted by colonial administration.

The colonial administration formed the nucleus of necessary economic and infrastructural facilities that private enterprises could not or would not have provided. These facilities included railways, roads, bridges, electricity, waterworks, ports and harbours and telecommunication (Aboyade 1984). However, the provision of social services like education institutes and healthcare centres remained in the hands of the Christian missionary. Within this initial stage,

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government itself moved swiftly into some of the direct productive sectors of the economy: the stone quarry at Aro, the colliery at Udi and the saw mill and furniture factory at Ijora (Nwonye: 2003). Within this period, agriculture formed the main source of government revenue. Remember the ground nut pyramid in the North, the palm produce beach in the East and the cocoa bags in the West.

The historic discovery of crude oil and its subsequent emergence into the Nigerian economy, after the civil war in January 1970 with its associated boom invigorated the government's participation in the production and in the control of Nigerian economy. One of the major aims of government at that time was to convert as much as possible of the growing oil revenue into social, physical and economic infrastructural investments (Igbuzor : 2009). The indigenization policy of 1972 as enacted by the Nigerian Enterprises promotion decree of 1972, which took effect on 1st April 1974 with its subsequent amendment in 1976 provided a concrete basis for government intensified efforts towards participation in the ownership and management of public enterprises (Elijah : 2009)

The policy provided that the state shall also intervene in the private sector in order to prevent undesirable and continued foreign monopoly of the commanding height or the vital productive sectors of the country's economy (Indigenization policy 1972). In effect, the indigenization policy is defined as roping off of certain types of business activities and reserving this for exclusive ownership and control of Nigerian (Ogbuagu 2010: 1). The policy reinforced the increasing dominant role of the public sector in the management of Nigeria's economy. During this period, public enterprises flourished. For instance, the Motor Manufacturing Company in Enugu, the Renault plant in Bauchi, the Peugeot plant in Kaduna, Volkswagen plant in Lagos, the Nigercem in Nkalagu, the BCC Lions in Gboko, the Sokoto cement to mention but a few ones all were flourishing. Public enterprises at the federal level had exceeded 100 in number by 1985. These had spread over agriculture, energy, mining, banking, insurance, manufacturing, transport, commerce and other service activities (Nwoye: 2003). At the state and local government levels, the range of activities that has attracted public sector investment also had become quite exciting. Between 1975 and 1985, government capital investments in public enterprises summed up to ₦23 billion. In addition to the equity investments government gave subsidies of ₦11.5 billion to various state enterprises (Ogundipe: 1986). Thus a variety of enterprises with public interest in terms of majority equity participation or fully owned by the federal, state and local government agencies were observed and these had a positive impact on the real economy. In addition to the expansion of public enterprises, government integrated the ownership and management of the education and health sectors into public domain. These reforms relating to the government involvement in the ownership and management of public enterprises did not match the interest of the developed countries. In order to reverse the trend, developed countries through the International Monetary Fund and the World Bank advised the developing countries that they should embark on structural adjustment programme on the premise that the programme would enhance their economic growth. Nigerian state embraced the programme on the expectations that it would promote her macro-economic growth. Thus, in a sense it is the global application and implementation of the structural adjustment programme that is now appropriately referred to as globalization (Alli: 2009: 337). The elements of this Structural Adjustment reforms include : deregulation and liberalization of the economy, privatization of public enterprises, withdrawal of subsidy from some public services where used to be the case and devaluation of domestic currency, for example, the naira and other market reforms (Alli, 2009).

Many African countries like Ghana, Zambia, and Nigeria followed the orthodox policy advice and embraced the structural adjustment programme and other economic "stabilization" reforms programme in the mid-1980s. Therefore in order to attain the macro-economic goals as advised by the World Bank and the International Monetary Fund, the guidelines in privatization and commercialization programmes provide that the programme were set to:

- Restructure and rationalize the public sector in order to reduce the dominance of unproductive investment in that sector.
- Re-orientate the enterprises for privatization and commercialization towards a new horizon of performance improvement, viability and overall efficiency.
- Ensure positive returns in public sector investment in commercialized enterprises.
- Check the present absolute reliance of commercially oriented parastatals on the treasury for funding and encourage their approach to the Nigeria capital market.
- Initiate the process of gradual cession to the private sector of such public enterprises those by nature of their operations and other social economic factors are best performed by the private sector.
- Create a favourable investment climate for both local and foreign investors.
- Reduce the level of internal and external debts, and
- Provide institutional arrangements and operational guidelines that would ensure that gains of privatization and commercialization are sustained in the future (FGN Privatization and Commercialization Guidelines: 1988).

By embracing structural adjustment programmes and its tenets, public enterprises in Nigeria have been subjected to unrestrained neo-liberal experimentation and the commercialization of social service provisioning (Folabi 2007: 93). This means that public enterprises in Nigeria have been subjected to market ethos and the marketization of goods from public enterprises in consonance with globalization. Globalization has paved the way for the dismantling of indigenization policy of 1972 and for the integration of Nigeria back into the global economy. The privatization Handbook (FGN: 2001) stipulates that the emphasis is to change from commercialization to encouraging core investors and promoting foreign investments in the privatization programmes.

Consequently, by adjusting to globalization process, the Nigerian state has had to withdraw from its ownership and management of public enterprises. This has hindered the improvement of the country's socio-economic development, thus leading to further deterioration in social services (Khor :2001:20). It is quite evident that the great area of the impact of globalization on African societies and on the people is in the performance of public enterprises where the state used to play significant roles in the life of the people through the delivery of social welfare policies and creation of employment opportunities. The dramatic reversal in the economic sphere –the state's withdrawal from the ownership and management of public enterprises which EL Badawi and Hegre (2003) have described as economic "shock" have fanned tension and greatest concern for access to resources. Hence the present performances of privatized public enterprises occasioned by globalization has heightened complaints about economic marginalization and concern and agitation for access to resources. Thus, objective of this paper was to proffer reasons that explain why the Nigerian state should withdraw from economic and financial sector liberalization.

2. Globalization

Developing countries including Nigeria are witnessing various economic reforms one of which is the privatization of public enterprises. These economic reforms are attributable to the influence of globalization. Globalization is characterized by greater integration of the world in the economic, social, cultural and political sphere (Alli: 2009). In the words of Aina (2002), globalization fosters convergence and fragmentation, integration and polarization within the content of capitalism. This assertion indicates that the contribution of globalization differ from state to state and from society to society or from class to class. As international labour organization (2009) observed that in many developing countries everything that has been purchased by foreigners. Globalization has been conceptualized to catalyze the takeover once again the public economic institutions of developing countries by the transnational corporation of developed countries.

Globalization is a historical process that has been in existence since centuries ago. Africa has long ago experienced the transfer of her assets to the developed countries. Thus, Tandon (2000:57) observed:

*Within this broad sweep of history, there are shorter movement.
The colonial conquest of most of what we call the third world by the
West, was one such short movement of history? Within this particular
Movement, there have been several stage from slavery lost Africa
20Million lives, there was a movement to trading in commodities
Followed by the export of capital and the direct appropriation of the
labour and national resources.*

Globalization marks a new phase in the propagation of capitalist etho (Mann: 2003). It is a re-establishment of the capitalist economic culture which is described as post industrialization, post modernization and neo imperialism (Mann: 2003). Globalization is based on privatization, deregulation, de-nationalization, new technologies, integrated market, global interdependence and global flows-explicated by autonomous capitalist states and their collaborating economic organizations (Folabi: 2007). The Bretton woods institutions and the World Trade Organization are the collaborating institutions.

Globalization according to Mkandawire and Olukoshi (1995) is considered the triumph of capitalist world economy tied together by the logic of capital accumulation. In his words, Onimode (2000:162) advanced that globalization is a process promoted by the openness of most countries to international trade, international investment, and international finance. Globalization has produced a differentiation in the production process from material production to the service sector – important among which is the economic zone or finance zone (Petrella : 2003). Thus financial flows- in-flows and outflows have assumed the prevailing factors in the current globalization. Financial flows according to United Nations Development Programme (1996) have become the dominant element in the current globalization trends. For instance, within a 24 hours period, more than one trillion dollars moves around the world in search of better returns

(UNDP:1996). Today, more than one quadrillion dollars could be moving around the world in search of better returns within the same 24 hours period.

Globalization as observed by Ake (1995:23):

Is about growing structural differentiation and functional integration in the World economy, it is growing interdependence across the globe; it is about the nation state coming under pressure from the surge of transnational phenomena, it is about the emergence of a global mass culture driven by mass advertising and technical advances in mass communication.

Globalization is a multifaceted social process. It interfaces with various elements of social life – economic, political, and cultural among others. According to Nnoli (2000:173) globalization is suffused with ambiguities, variations, uncertainties and incompatibilities. He argued that its core task is the inevitable expansion of capitalism worldwide including the spread of its values. In a similar vein, Toyo (2002:17) captures the definition as capitalist and imperialist economic revolution. This conceptualization portrays globalization as the capitalist manipulation of the economies of less developed countries so as to subject their currency to be under the control of the currency of the developed countries – the drivers of globalization. Today the currencies of the most developing countries have been greatly undervalued thereby reducing their purchasing power in both international and domestic markets. Alli (2009:337) articulated globalization as a process which intensifies the integration of the world economy and the people through technological advancement in several areas particularly in the area of information technology. Communication technology has succeeded in rooting and intensifying the tenets of globalization in less developed countries including in Nigeria. In another development (Hamouda 2000:31) sees globalization as a neo-liberal ideology which tries to elevate the role of the market as an instrument for nurturing and encouraging innovation among social actors and as an instrument also for rationalization in the distribution of the world's resources. In this perception, globalization encourages competition and creativity. As Jhabvala (2002) pointed out that the main driving force for globalization is the opening up of the national economy to international competition through more openness in trade and capital flows.

Globalization has impacted on the people and on various nations in different forms. For instance, the United Nations Development Programme (2001: x11) observed that though the process intensifies the integration of people and nations, it has impacted on different countries and people in an unbalanced manner. Globalization is marginalizing some and rewarding some with unequal distribution of benefits and losses (Khor 2001:16). Consequently, developing countries particularly African countries have been mostly hit by marginalization, their options controlled by institutionalized global regime for the allocation of globally available resources and even their national resources (Clark :1999). This observed imbalance leads to the polarization between the few countries and groups in the society that lose out or are marginalized (Khor :2001:16). Globalization has engendered the “downsizing” or “squeezing” of erstwhile public enterprises instead of the “rightsizing” or “expanding” of the state agencies in many developing economies including in Nigeria.

The manifestation of globalization is in the areas of economic reforms also referred to as economic openness (Skapendes: 2004). As Aina (1997) argued that economic relations constitute a set of relation central to the understanding and expression of globalization and social policy. Thus, in globalization process, the economy is to reform or be reformed. In Nigeria, these reforms have been directed towards the privatization of public enterprises, subjecting this enterprises to both domestic and international competition for ownership and management.

3. Dimensions of globalization

Globalization is one of those words that appear in varying dimensions. As Petrella (1996) describes the process as the collectivization of global interest and destiny, cultural diffusion, end of history, geography and the state, the triumph of capitalism and neo-liberalism.

Globalization as an ideological integration shifts to somewhat unipolar world system (Savigny: 1990). The ideological integration is a manifestation of the post-cold war global politics. The collapse of the cold war has equally brought hard politics to an end. Globalization has minimized international power face off. The concept of “a little to the left and little to the right” has been beclouded by globalization. The struggle for territory has been substituted with the access to market shares outside the territorial confines of a state (Mann:1996). The struggle for national resources in a territory is also subsumed in the contestation for world market shares (Stopford and Strange :1991). Consequently, instead of preparing for hard politics, the contending state thus seek allies to foster their bargaining power through wider economic space as opposed to military rivalry of the old war era.

Globalization as a process of political democratization and good governance (Petrella:1996). This aspect questions the interface of globalization and state power, globalization and democratization. The state amid growing transnational economy and cultural relation still performs three important role. (Petrella: 1996). These are the role as regulator that provide legitimacy for international economic regulation and the stability of financial markets; mechanism of social cohesion and economic co-operation among the social groups at the nation state level and guarantor of the rule of law. (Held and McGrew: 2003). It is also the duty of the state to insulate against external embarrassment and to alleviate the market distortions in order to control the roles of transnational co-operations and international finance capitals in the local economies.

Globalization as a neo liberal ideology and marketization took the centre stage in the management of national economies especially in the developing countries (Petralla: 1996) as in Nigeria. The spread of capitalist values and interest are thus in consonance with globalization. Globalization however, enhances dependence, peripheralization and pauperization of the less developed countries as against the affluence, convergence and integration of the core capitalist states (Petralla:1996).

Globalization as an economic convergence is predicted on trade investment, financial exchange, production and consumption (Jega: 2004). Thus, globalization is manifested in the integration of financial markets and the rate of capital movement. The greater bulk of financial transfer, however, involves speculative capital as against foreign direct investment (Stopford and strange: 1999). Economic globalization tenets include the flows of labour (inflows and outflows), real estate investments, entrepreneurship and intellectual property. These flows are evaluated within the framework of global economy, the region, state industry and firm (Ninsin 2000). As globalization enhances the pauperization of the less developed countries, less developed countries should find an alternative approach to globalization by reinstating public enterprises and bringing in patents and technical advisors to catalyze their operations.

4. Globalization and Privatization in Nigeria

Today, the received wisdom from the International Monetary Fund and the World Bank is that the state should withdraw from its ownership and management of public enterprises in Nigeria. Furthermore, the globalization gospel also argued that private ownership of the factors of production is the only viable approach to efficient production of goods and service so as to enhance economic growth and development. Based on this perception, most developing countries including Nigeria joined the band wagon to privatize their public enterprises.

Privatization is the transfer of the ownership and all the incidence of ownership, including management of a public enterprise to private investor (Igbuzor 2009:1). Ihome (1997) defined privatization as any of a variety of measures adopted by government to expose a public enterprise to competition or to bring in private ownership or control or management into a public enterprise and accordingly reduce the usual weight of a public ownership or control or management. The privatization and commercialization Decree 25 of 1988 and the Bureau of public enterprises Decree 25 of 1988 and Act of 1999 respectively defined privatization as the relinquishing of part or all of the equity and interest held by the Federal Government or any of its agencies in enterprises whether wholly or partly owned by the Federal Government (Obasanjo: 1999). Thus, privatization is the total or partial wither amed of the government's participation in the ownership, control and management of public enterprises (Nwoye: 2003). But however privatization is conceptualized, it transfers ownership of production and control of public enterprises from the public to the private sector.

Privatization in Nigeria mas formally introduced by the privatization and commercialization Decree 25 of 1988 as part of the structural adjustment programme of the then Federal Military Government (1985-1993). This decision was in conformity with the various conditions made by the World Bank and the International Monetary Fund that developing countries should embark on structural adjustment programmes in order to sustain their economies for an enhanced development. Structural adjustment programme as a neo-liberal development strategy devised by International Financial Institutions, to incorporate national economies into the global market that is into embracing globalization (McGrew 2000). The vision of a global market civilization has been reinforced by the policies of the major institutions of global economic government. The has been referred to as the washing on consensus which prioritizes the opening up national economies to global market forces and the requirement for limited government intervention in the management of the economy (McGrew 2000).

One of the major objectives of structural adjustment programme was therefore to pursue deregulation and privatization. These would lead to the removal of subsidies, reduction of wage bills and the retrenchment of the public sector ostensibly to trim the state down (Egwu 1988). All these actions are in line with the tenants of globalization.

Thus, privatization in Nigeria is driven by the increasing globalization of the world economy. Many countries embarked in privatization without comparing their socio-economic bearing with the socio-economic background of the globalizers-that is the capitalist states. Privatization has cut down the sources of government revenue leading to heavy and multiple taxations of the citizens and organizations.

5. From Privatization to Problematicization

A characteristic shared by all forms of modern state in recorded economic history is the capacity and the need to efficiently manage the nation's endowed resources for the benefit of all the citizens. The Nigerian state has been integrated into the global capitalist system. One of the characteristic of the system is the privatization of public enterprise. These development plans now depend on donor funding or borrowing from both domestic and foreign sources, for example from the two Western lending cartels-the London and Paris clubs of creditors. The process of privatization in Nigeria was conceptualized without accommodating the historical specificity of her political economy. The structural adjustment programme- the foreign "gold pill" that has come to treat the Nigerian economic "ill-health" typifies the flawed conception of privatization as development agenda for African countries.

The end of the cold war processed and delivered the way for the dramatic changes in the world. A world hitherto driven by the divisions of ideology was to be integrated by market and technology, (UNDP 1999:401). Structural adjustment and the logic of the market, debt crises and marginalization have all been intensified by this globalization process and also indicators of the process (Alli 2009:330). Many African countries for instance Ghana and Nigeria have been entangled in the debt web as a result of heavy debt servicing. For instance by 2005, Nigeria had recorded a debt of \$30 billion owned to Paris club of creditor nations in the heat of the operations of the privatized public enterprises (Bakoji 2005).

By 2025 Nigeria's debt has reached an alarming level of 142.3 trillion naira (Abuh et al 2025). Thus, debt burden would shift to tax payers as they would be required to meet the bills.

The role the state in economic management has been downsized- depleting her sources of revenues. Consequently, the prices of public utilities like electricity, water and road usages have risen. (Toyo 2000) had observed that as long as distribution of resources would remain as it is, there cannot but be an increase in inequality among and within states. The United Nations itself had noted the sharp increases in social inequalities and unprecedented surges in poverty do to privatization occasioned by globalization (UNDP, 1991). Musa, (2025: 6) hinted that naira depreciation may drive an additional 13 million people in Nigeria below the national poverty line by 2025. Globalization also increases dependence, peripherization and pauperization of the less developed economies like the African states of which Nigeria is one. For example, borrowing makes one to live on negative money and no money is better than negative money.

The National Bureau of Statistics (2024) reported that the inflation rate in Nigeria stood at 34.8% as at December of the same year. The reforms introduced by the Federal Government in (May, 2023) in conformity with the prescriptions of structural adjustment programme which include removal of the petrol subsidy and devaluation of the naira have contributed to this rising inflation in Nigeria (Musa, 2025). Consequently, the pricing of essential commodities like food items, medicinal drugs. Petroleum and kerosene, used for cooking by the poor went up as they were deregulated in Nigeria. Today, Nigeria is experiencing a serious food security crisis, with projection showing that 33.1 million Nigerians will face high levels of food insecurity by the middle of 2025 (Awodiye: 2025). One of the most important measures in the management of national economy is the concern for the welfare of the citizens. The continued rising of prices of tangible and intangible of public services would rather generate negative chain problems like social disorder and decay in the Nigeria society. Everywhere in Nigeria today is characterized by security uncertainties.

When the financial sector faces a crisis, it affects the real economy through recession and unemployment lowering wages and affecting the social sector (Raghavan 1995). Nigeria's financial sector is facing crisis and is affecting real economy through recession and unemployment consequent upon the implementation of the guidelines for privatization and commercialization of public enterprises. The unemployment rate in Nigeria is 28.57 percent (Bello, 2023) showing that the fortunes stipulated to be realized after the implementation of privatization could best be described as political gimmicks to lure developing countries to imbibe the economic cultures of the developed economies.

The conditions of public enterprises in Nigeria are sinking as a result of privatization occasioned by globalization. For instance there are no more low cost housing projects in Nigeria as all the houses are high cost due to the high prices of building materials. For example as at May 2025, 50kg bag of cement costs N10,000, a bundle of zinc costs N85,000, and a tipper (six tyres) of sand costs N70,000. Even a copy of a newspaper in which is supposed to be read daily costs N250. Furthermore, privatization engenders the formation of financial clusters. Financial clusters are the accumulated funds

due to budgetary allocations to ministries, department and extra ministerial departments which productivity areas have been privatized. Consequently the functionaries of these ministries are in effect tempted to divert these financial clusters to their private purse. This implies that the formation of financial clusters due to privatization of functional areas enhances the spread of the alleged corruption in the society. Privatization has promoted social disorders and decay.

The conditions of the citizens are worsening because of the problems posed by the privatization of public enterprises. Thus, Raghavan (1995) had posited that there should be roll back of the state in major area of economic and social activity because of the reactions of the citizens to the negative effect of privatization. Roll back attempts to re-discover the state as a legitimate actor in the strategic interventions in public matters. The rolling back the role of government in economic, financial and social matters is part and parcel of globalization as it involves international partnership in form of advisory roles. Raghavan (1995) canvasses that while an economy like the United States would liberalize everything developing countries were much more vulnerable and had to be more careful about trade liberalized particularly financial sector liberalization investment inflow, outflow and foreign currency deposits.

Thus, according to Raghavan (1995:1). Complete withdrawal of the state from the economic and financial sector liberalization will produce a uniform development model for economic and social improvement in developing countries". According to him national measures were needed to control investment and capital flows and that had to be supported by international agreements. International agreement implies obtaining international co-operations in form of buying patents and acquiring technical advisors from the technological rich countries like the United States of America, Europe among others. Jhaba vala (2002) posits that this frame work is necessary because the continued economic crises have proved that what is needed is not "downsizing" but "rightsizing" of the state. The main thrust of the Rghavan's roll back approach is the regulation of capital markets and the imposition of restriction on investments. For instance, the states in Asia adopted this framework for the revitalization of their public enterprises.

The states restricted and controlled foreign trade and investment, and guided corporate development in the private sector (Folabi 2007). This framework was viewed as the trajectory on which the economic growth, industrialization, modern infrastructure and increased human development of the continent rest (Ninsin: 2007). These states were exempt of the norms in the open liberal economy (Folabi, 2007). The states in Asia restricted foreign imports and the entry of foreign firms that might undermine the growth of local enterprises (Folabi 2007). The Asian states exploited open access to the rich united states and European market, and accessed technology through patents, technical advisors from Europe and America (Ninsin:2000). These approaches should serve to mediate the partnership between Asia and the rest of the world, thus keeping in touch with globalization.

This Raghavan's (1995) framework is critical to reversing the setback which the social sector had suffered through unrestrained neo-liberal experimentation and the commercialization of public enterprises (Jhabavala, 2002), all in the context of globalization. The neo-liberal policy and market option failed to redeem the condition of public enterprises, democratize access to national resources or broaden the public domain to foster the contestation of ideas in the supervision of economic domain (Olukoshi: 2002). Successful developmental state coordinated investment plans, articulated development vision in the sense of an entrepreneurial agent engaged in institution building to foster growth and development, and mediated conflicts based on reactions and counter reactions to the development trajectory between the winners and loser (Chang 2005:192).

Specifically, the Malay State is an instance of a developing state in Asia. The state after an aggressive articulation of the way forward, prepared a roll back plan as an another approach to globalization. The state reconstructed an industrial master plan for the country and focused on the local capitalist class as critical aspect of its industrialization strategy (Taylor: 2005). The Malay State promoted an entrepreneurial community and created a new class of "Bumipetra" capitalist class that would compete internationally and that is engage in foreign and demotic investment. The Malay government offered deliberate incentives to assist the growth of the local capitalist class (Ninsin 2000). This action has enhanced the promotion of both private and public enterprise in Asian countries. It has also resulted in the export of hi-technologies to foreign countries from Malaysia. The interests of the African people as opposed to the self centred and intentional domineering manipulation of the foreign donor community should be the foci of the state (Mandawire : 1995). What is needed is not downsizing of the state agencies but right sizing, Raghavan (1995), emphasized that public finance should serve public enterprises and not the other way round.

Applying the Raghavan's roll back approach implies that the Nigeria state has to restore its role in the management of public enterprises so as to improve the socio-economic fortunes of its citizens. To achieve this requires that the Nigerian state constitute a small professional and efficient state bureaucracy, a political milieu where the bureaucracy has sufficient space and opportunity to thrive and articulate policy initiatives devoid of interferences by vested interests,

the crafting of involvement in the economy without undermining the market (Johnson 1995). These feature from a synergy in articulating policy that is geared forwards reclaiming, building, expanding and maintaining public enterprises for social service provisioning. To this extent, the state must have the capacity to rethink the privatization option prescribed by globalization, institution and agencies. Thus, adopting the Malaysian prototype implies that the Nigerian state provides assistance to public enterprises. These enterprises should be promoted through patents and technical advisors from the developed countries. This action is aligned to globalization since globalization involves national, international and interregional co-operation. The state instead of giving rooms for the sale of public heritages like public enterprises should establish "Bumipetra" capitalist like class. In Nigeria, the "Bumipetra" structure could be designated as "Biazowa" capitalist class. This class representing the government should be encouraged to establish enterprises that can complete favourably with foreign entrepreneurs in the ownership and management in the production and reproduction of capital. This action requires that the state provides the country with industrial master plan. The industrial master plan should encompass creating industrial zone that cut across the country, providing access to patent and technical advisors, providing access to capital from the state and providing access to technical equipment at reduced tariffs. Achieving this action requires that the nationalist governing class would be amendable to involving the working people, artisans, intellectuals, business class, trade union and the public administrators and in addition to other institutions for the propagation of work ethics in public sector enterprises.

6. Conclusion

The withdrawal of Nigerian state from the ownership and management of public enterprises may sound well in the international arena but not at local level where the role of the state in social provisioning is very much felt. The denial of social provisioning is on the increase. Countries in the periphery for instance Ghana and Nigeria are in the loss out. Globalization does not favour unskilled workers. These skilled workers are mostly found in these developing countries. The globalization agendum has not come to correct the structural imbalances but to propagate the capitalist values. The Nigerian state must develop her economic reforms agenda, based on the socio-economies. What is needed now is the re-thinking of the state in terms of the discontinuation of experimentation of privatization, re-kitting of the state to enhance her capacity redrawing and shaping her pattern of globalization for economic growth.

Recommendations

- The Nigerian state should adopt the roll back approach to her present privatization policies. The hub of it is that the state should be exempt of the norms in the open liberal economy. The open liberal economy is anchored on privatization, competition, marketalization and commercialization of public enterprises.
- The Nigerian state should draw up a "roll back" programme. This programme should be geared towards takeover once again the ownership, control and management of public enterprises.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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