



A Systematic Review of Commercialization of Public Enterprises in Global North and South

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Abstract:

Commercialisation is a deliberate government strategy that aims to increase economic development and efficiency by lowering government involvement and expanding the range of activities performed by the private sector through the transmission of government-owned assets to private ownership, and promoting the participation of private stratum in public activity. This study therefore aims to analyse the introduction of commercialisation in countries both in the global north and global south. This study also aims to unravel the merits and demerits of commercialisation as well as the factors that led to the success or failure of the commercialisation process in the countries listed. The study engaged secondary data while it adopted the liberal theory and a descriptive survey research design. For this study, secondary data were collected from published works, academic journals, books, reports, and online materials. Findings revealed that following the ostensibly successful commercialisation programme in Britain, the commercialisation of public businesses has emerged as a key policy tool in countries both in global south and global north. This study concludes generally, that the commercialisation policy itself is not a terrible notion, but that the issue is more with its implementation and the practical effects it has on the country's economic independence.

Keywords: *Belgium, China, Commercialisation, Ghana, Nigeria, Public Enterprises, United Kingdom, United States*

I. Introduction

Every government seeks towards achieving constant growth and development, as evidenced by a constant increase in the Gross Domestic Product (GDP) of the country (Olu-Owolabi et al, 2020). Financial and economic development is seen as a yardstick for measuring the failure or success of any government (Igbuzor, 2003). Stable and constant economic growth and development have a corresponding effect of growing the level of income among the public, decrease in the rate of unemployment, and uplifting millions of the populace out of poverty. To attain this objective of economic growth, governments have to make capital investments in the infrastructures which become state assets and aid as an agent for economic development as well as growth. The government undertakes the provision of services for the public at a subsidized rate because of social problems such as externalities, unemployment, and economic inequalities. These services which are provided by the government are largely done via public enterprise(s).

Public enterprises are seen by Efange (1987) as organisations or establishments which are managed by the government of the country or in which the government of the country holds a major significance. Public firms engage in commercial activity, offer goods or services, and also have independent management. Public enterprises serve as the avenue or medium by which the government

delivers economic and social development to its people. The major purpose for creating public enterprises in all countries where they exist has been to boost growth and advancement. Hanson (1972), while thinking about India, Turkey, and Nigeria commented that he perceived impediments to economic growth and financial development in the post-independence countries as the foundation for the creation of public enterprises.

With a large and an ongoing programme that involved the sale of state firms in the United Kingdom, privatisation and commercialisation had their beginnings in the 1980s. The terms privatisation and commercialisation are commonly used by authors to contrast one another. Commercialisation is defined as the partial or complete transfer of equity and all other interests that were formerly controlled by the central of activities performed by the private sector through one or more of these subsequent measures: management or control of state-owned assets, the transmission of government-owned assets to private ownership, and promoting the participation of private stratum in public activity, through the sale of shares and involving agents who are conversant with market conditions in decision-making processes (Ezeani, 2005). The commercialised enterprise would continue to be managed solely by the government, and it would also continue to have a financial interest in such businesses (Oji, Nwachukwu &

Eme, 2014).

This paper therefore aims to analyse the introduction, implementation and general effects of commercialisation. This study also aims to unravel the merits, demerits and factors that led to the success or failure of commercialisation process in countries both in global south and global north

II. Research Method

Secondary source of data was collected from published works such as academic journals, books, newspapers, reports, and online materials to accomplish this study. The study adopts an explanatory and descriptive survey research design. The descriptive research design was used because it obtains information that describes commercialization of public enterprises in countries both in global south and global north. The use of the explanatory design aims at simplifying the explanations of the concept of commercialisation, the rationale for commercialisation, and the problems and success of commercialised enterprises. The objective of an explanatory research design is to "connect the dots" in research by determining the causes and effects as regards the subject-matter.

III. Theoretical Framework: The Liberal Theory

This study adopts the liberal theory as its theoretical framework of analysis. The Liberal theory was developed by John Locke, John Stuart Mill, and

John Rawls in their works in the early 80s. According to Galbraith and Samuelson (2004) in (Eke & Chiazor, 2017, p.156), the market system's effectiveness in the management and allocation of resources for a country's growth did not sit well with liberal theorists. In order to illustrate the need for government involvement, Samuelson proposed that people are persuaded to acquire products they do not want due to intense advertising and at extravagant prices. He continued by saying that because the production cost is increased by the addition of the promotional cost, consumers pay more for goods and services.

Galbraith (2004, p.34), argued that government intervention is necessary due to the limitations of the price system, which may be accomplished by enacting strict ministerial control, private activity regulation, and subsidization policy. The theory advocated for and supported government intervention by setting up public businesses to create necessary commodities and services for which the private sector is unable to allocate resources.

Garcia (2003, p.79) in his support for Liberalism believes that for the actions of the government to be just or moral, they must be acceptable or capable of being made acceptable to all affected individuals. It believes that there must be a rationale for every social policy or reformation. According to Garcia, liberalism has been the predominant philosophical

perspective on issues of governance and society in the west.

The liberal theory is pertinent to this study because it emphasizes on guaranteeing the effectiveness of the market system in the management and allocation of resources for nationwide development. It supports the need for State intervention to safeguard the citizens from paying high prices for commodities. Government intervention would help to achieve strong ministerial supervision, private activity regulation, and subsidization policy. Government intervention would also ensure the creation of public businesses with the sole purpose of producing necessities that the private sector is not permitted to invest in. However, for the actions of the government to be just or moral, they must be capable of being made acceptable to all affected individuals. This means that there must be a rationale for every social policy or reformation.

IV. Commercialisation in the Global North and Global South: Case Studies

This section reviews commercialisation in countries both in global south and global north. United Kingdom, United States and Belgium are in the category of the global north while Nigeria, Ghana and China represents the global south (Bailey & Mulder, 2017). Hanson (1972, p. 65) emphasized that the creation of public businesses was predicated on what he believed to be barriers to economic development in

the post-independence governments. In western industrial nations including the United States, France, Spain, Italy, Austria, Sweden, Netherlands, Portugal, Japan, Germany, Canada, and United Kingdom, the privatisation reform success story was also documented. In order to accomplish their administrative and economic goals, many nations have transformed their State-owned firms. The developing world is not excluded from this privatisation campaign (Adeyemo & Adeleke, 2008, P.406). According to Kuye (1990, p. 63), governments of nations with mixed economies, like Nigeria, United Kingdom, Canada, France and Turkey, have come to terms with the obvious truth that their economies would perform much better if most or all of their public enterprises were transferred to the private individuals (Adeyemo & Adeleke, 2008, p. 411).

Numerous nations implemented comprehensive privatisation plans as part of their macroeconomic development strategies (White & Bhatia, 1998). So, following the ostensibly successful privatisation programme in Britain, the privatisation of public businesses has emerged as a key policy tool in both industrialized and non-industrialized countries (Akinola, 2021, p.38-39). Also, during the 1990s, Nigeria's privatisation process has sporadically increased (2016, p.25-34). As a result, some nations' privatisation efforts have been far more extensive than those of others. There seems to be a global trend toward reviving the free

enterprise ethos that was sparked by the deregulation movement that the Regan administration launched in the United States. British Gas, British Telecommunications, and British Airways were among the large government-run companies that were privatised by the Thatcher Government in Britain (Lee & Nellis, 1999, p.265).

In the 1990s, socialism and communism were completely replaced by market-oriented systems in Russia and eastern European nations (Akinola, 2021, p.38-39). As a result, numerous businesses that were previously solely owned and run by the government have either been commercialised or privatised, or both, or are in the process of doing so. In Asia, India started to rebuild the free enterprise system by abolishing all restraints after forty years of socialism. The People's Republic of China welcomed foreign business initiatives and opened its doors to the outside world. It began to allow private ownership of businesses by its citizens (Lee & Nellis, 1999, p.266).

A. Commercialisation In The United Kingdom (UK)

Galal, Jones, Tandan, & Vogelsang (1994, p.4), asserts that the UK privatisation and commercialisation programme is large both in absolute scale and the size of the enterprises divested. These enterprises include the British Airways, gas, telecom and petroleum. The BritishTelecom (BT) privatisation was accompanied by series of regulatory policies that other countries have been adopting in recent

years. The productivity levels rose from decline to improvement, there were improvements in price effects that are attributable to favourable price movements and institutional change (Ukropcova & Sturdik, 2009, p.256). It was discovered that the privatisation programme released BT from financial constraints imposed by the public sector leading to greater investment. The downsizing of the labour force made a significant contribution to operating efficiency. British Airways (BA), a flourishing enterprise and a dominant airline in the United Kingdom was privatised in February, 1987. Its privatisation was evidenced by a growth in fixed capital acquisition, positive turnarounds for productivity and increased output at constant prices. There were improvements in operational efficiency and market power (Galal et al, 1994, p.10). Another example is the National Freight Consortium plc (NFC) which is a holding company for transport companies in the UK. Before its privatisation, NFC's outlook was bleak, it was overstaffed, short on investment and losing money. It was recorded that after its privatisation, NFC grew in output and expanded rapidly generating massive profit for shareholders (Cusumano & Ruzza, 2018, p.98). This privatisation was a success which prompted other countries to adopt same method. Furthermore, Martin (2009, p.1), opines that as from 1930, the turkey industry in the united kingdom was commercialised. As a result, turkey production has changed from a small-scale seasonal industry to a sector

with a high level of mass production, with year-round producers holding the majority of the market share. The evolution of more prolific strains of turkeys with better conformation as well as improved disease management strategies are all part of this revolution in production techniques.

In his article, D'Arma (2018, p.435), reviews the commercialisation of the programmes being developed at the British Broadcasting Corporation (BBC) in the UK. It sees a market logic becoming more entrenched in Public Service Media (PSM) organisations. In order to better serve its long-term interests, the BBC birthed BBC Studios, a new commercial subsidiary that brings together the majority of the BBC's in-house production groups and is free to compete in the wider market for programme commissions. It examines how BBC strategists responds to popular notions about the economic importance of the creative industries and the advantages of competition for innovation in television programme-making that dominated UK broadcasting policy (Ismail, Omar, & Majid, 2011, p.7201).

B. Commercialisation in the United States (US)

In the United States of America (US), both the State and Federal Governments developed and invested in the education sector of higher education to pursue social and economic goals (Priest & St.John, 2006, p.14). Higher education has played an important role in social

mobility and financial development in the U.S. Subsequently, the government faced pressures to privatise in a more competitive marketplace, where competition for students and faculty are major driving forces in the pursuit of excellence due to the decline in State funding. This shifted the emphasis from public funding to alternative revenue sources (Battistoni, 1985, p.87).

Priest & St.John (2006, p.25) further opines that the U.S privatisation experience is appropriately viewed in relation to the movement towards the new accountability regime in K-12 education- standards, testing and aligned curriculum, especially in math- used as a means of improving academic preparation and rationalizing limited opportunity to enrol in U.S colleges and universities. The privatisation and new financial strategies (Orit, 2012, p.289) hasten the organisational transformations of public colleges and universities. Belfield & Levin (2001, p.1) pondered on how well government, universities and the public will adapt to the changes of privatisation. It was observed that privatisation has enabled the country to expand higher education enrollment at lower taxpayer cost. However, there have been growing financial and racial inequality in access (Orit, 2012, p.291).

Space related activities were managed by the Federal Government in the U.S until the 1960s when they were privatised and commercialised (Oduntan, 2016, p.81). This led to a remarkable amount of finance been

dedicated towards the advancement of space defence systems, satellite technology, launch technology, spaceports, and space vehicles. Pawel (2017, p.140); Dula, (1985, p.165) contends that in order to account for the extensive involvement of private organisations in space activities, current international law needs to be developed further and specifically updated. Leon (2018, p.499), went further to criticize the legality of the commercialisation and privatisation of space activities in the sense that it will give rise to the exploitation of outer space resources through mining by private persons. Second, (Weinzierl, 2018, p.190) remarked that it is unclear whether these initiatives are consistent with international law and diplomatic values.

Himmelstein & Woolhandler (2008, p. 408) noted that the U.S having had forty years of experience of public spending and private health care administration and distribution, is attempting to change how publicly financed health insurance is provided to low-income, elderly, and disabled Americans. In the 1960s, when programmes like Medicare and Medicaid were launched, the government paid medical professionals directly for the treatment they delivered (Christiansen, 2017, p.89). After that, starting in the 1980s, there was a movement towards a model where the government offers enrollees subsidies when they select privately insured options (Geruso & Layton, 2017, p.40).

Thus, the private firms also referred to as the for-profit firms have increasingly dominated healthcare in the U.S (Ericson & Sydnor, 2017, p.60). The promoters of market-based reforms seek productivity and customer responsiveness through competition amongst healthcare workers. The government hereby purchases private health insurance for its staff which includes the military, policemen and teachers (Igiede, 2010, p.292). In the United States, public insurance is presently privately managed. Gruber (2017, p.9) praises this act by noting that spending on private plans continues to be less than spending on directly covered government healthcare. Over the years, Medicare has gone by many different names, but it is currently known as the Medicare Advantage Programme.

The commercialisation of healthcare in the US has increased expenses by switching resources to profits and fostering a massive rise in administrative and fiscal bureaucracy. Extensive research as reviewed by Gruber (2017, p.7) details how for-profit healthcare organisations charge excessive charges for poor medical care. The U.S. experience also shows that market dynamics support dishonest medical firms and destabilize health institutions unable to tailor service to profits.

Himmelstein & Woolhandler (2008, p. 410), believes that dependence on market mechanisms and profitable businesses is directly responsible for the poor performance of the American health care system. The health

policies that were enacted emphasized on market incentives and the profit-oriented firms have eclipsed the charitable outlook of these health firms. Thus, Igiede (2010, p.292) claims that these firms avoid unprofitable locations, patients, and services. Healthcare professionals, on the other hand, have wilted despite their efficiency because they refused to put financial concerns ahead of therapeutic ones.

C. Commercialisation in Belgium

In Belgium, there exists organisations that provide farm advice services to farmers in exchange for monetary profits. For agricultural and rural development, knowledge is essential. Gaining the necessary knowledge enables farmers to take on societal concerns and use new technologies. (Faure, Desjeux, & Gasselien, 2012) believes that a major problem facing policymakers as well as farmers was access to pertinent expertise and information about new technology and production methods, which is frequently supplied by farm consulting services. (Katrin, Pierre, Monica, & Altea, 2016) examined how the nature and calibre of services were affected by the commercialization of farm advice.

The history of decentralisation of public policies, particularly agricultural and rural policies, is reflected in the history of farm advisory services (Vandermeulen & Van Hylenbroeck, 2006). There is currently a system of farm advice services unique to each of the two Belgian regions. Public programmes

continue to (partially) support both the one in Wallonia (Lelong, 2013) and the one in Flanders (Vuylsteke & De Schepper, 2011). One similarity between the two areas is the significance of FBOs (cooperatives, organisations, and unions) in the provision of services. There are two types of commercialization. In one form (mostly in Flanders), it refers to the fee-for-service provision of advice by consultants, such as bookkeeping firms that have expanded to encompass environmental and agronomic issues. On the other hand, FBOs that charge for some of their services clearly exhibit the commercialization trend. According to Labarthe and Moumouni (2014), these are Wallonia's primary suppliers; bookkeeping firms have a lesser influence.

The institutions contacted in Belgium were those recognised under the Farm Advisory System regulation (Lelong, 2013) and those included in an official inventory of the Walloon administration responsible for agriculture (DG03, 2011). After examining various nations, it became clear that Belgium was a good example of how complicated the commercialization tendency actually is in real life. In fact, several farmers' associations, who dominated the market for agricultural assistance, blended state funding with fee-for-services. However, some public subsidies were received by private institutions, which is indicative of the fragmentation of public finance and the great variety of advisory organisations. However, the

significance of fee-for-service initiatives for farmers' groups stayed comparatively low, in line with their goal to recover costs in a restricted range of their operations.

The primary features of commercial advice provided by private organisations, according to Katrin et al. (2016), are individualised advice based on one-to-one interaction and a heavy reliance on peer-to-peer expertise. There are a number of benefits to this kind of advice that, in theory, may be compared to the anticipated profits of commercialization. Commercial counsel can help agricultural systems become more productive because of the highly customised services and frequent communication between advisors and their clients. It cannot, however, be the gold standard of agricultural advice because it favours clients who can "pay the bill" (Harter & Hass, 1992). The goal of sustainable agricultural growth in European countries is framed by agri-environmental and rural policies, to which this applies to an even greater extent.

The diversity of farming structures and systems is a feature of rural development in Europe, thus it is imperative that commercial consulting services be supplemented with other service providers that serve diverse types of farmers (Slee & Pinto-Correia, 2015).

"The push towards commercialization appears to be a threat to the extension capacity of government agencies, as

experienced and skilled extension agents are leaving for the private sector at an unprecedented rate," according to Marsh & Panell (2000). Over time, there might be worries that the government's ability to affect desirable outcomes that aren't related to commerce will be weakened by this loss of extension capacity. Therefore, there is still a need for some kind of coordination in the delivery of agricultural advice. This coordination could also serve as a foundation for evaluating advisory services by offering data and monitoring regarding farmers' access to services.

(Katrin et al., 2016) concluded that while commercialised guidance has many benefits, it primarily benefits wealthy clients. To enhance the flow of knowledge between public research and private enterprises, it is imperative that commercial consulting services be supplemented with additional services that cater to various farmer types and that public support be made available.

D. Commercialisation in China

Since 1949, China has experienced massive changes in its political, socio-economic, and cultural realms (Tsang, 2000, p.582). In a nation where the available resources are quite defined compared to its needs, a programme of fiscal reforms demanding for a spirit of initiatives, efficiency and profitability was bound sooner or later to be used to tackle the issue of education funding (Tri & Brown, 2001, p.27). Educational policies have been characterized by

major shifts, bold moves, and reversals, as there were calls for a reform of the education sector which had the State as the guarantor (Mackenzie, 2006, p.56). Necessary adaptation of the education sector to the needs of the economy for an increase in the cultural level of the population and of the skills of all working people, for diversification and strengthening of specialized tertiary studies (Mackenzie, 2006, p.57). Thus the idea of commercialisation came on board in the mid 1980s so as to relieve the State of the financial burden of education yet without relinquishing control. Hence, private institutions were allowed to establish educational institutions in accordance to the laws of the land. As a result, most secondary schools have been converted into private or semi-private institutions (Haleem, 2011, p.111). The government set up the policy for admitting students into educational institutions. This policy entails that only the best ones with the highest scores in university entrance examinations are eligible to receive scholarships or free education while others have to pay fees whose amount increases proportionately to the scores obtained in the entrance examinations (Tri & Brown, 2001, p.28). The competitive university entrance exams is aimed at selecting the best students and eliminating the excessive number of applicants wishing to go on to tertiary study. This policy has been attributed to increase in literacy of a larger number of masses, the education system was expanded and

some world-class Engineers and Scientists were discovered (Tsang, 2000, p.582).

However, some private institutions have been criticized for accepting without authorisation students whose marks at the entrance examinations were under the levels set by the central bodies in exchange for the payment of high levies, others were criticized for turning away students who were successful in the exams but who were unable to pay the required levies (Mackenzie, 2006, p.59). It was also observed that the students were allowed and encouraged to work in order to pay this ever-rising tuition fees. In addition, it has been noted that parents complain of education taking most of their budget (Haleem, 2011, p.111). The existence of private schools cannot guarantee any solution to the problems in the most disadvantaged regions because they introduce their profit-making mentality into the public sector. Tri & Brown (2001, p.28) reports that in 2001, a school was alleged to have engaged the services of its pupils in the production of raw materials for a company as a means of generating funds. This is improper to use the children entrusted into its care to solve its own financial problems.

Furthermore, Wang & Murie (1996, p.972) affirms that the Chinese State has been the principal in house construction and ownership where housing is considered a 'public good'. The government allocated a significant amount of money to house construction through economic planning. The State provided housing

for its employees under its welfare scheme. Most urban dwellers depended on the State for a 'low fee' flat or the organisation who are their employers to provide 'free' accommodation for them. Thus, each year before the 1980s, the government paid between 5-6bn yuan to subsidize housing maintenance (Wang & Murie, 1999, p.1476).

Xing & Zhu (2018, p.109), opines that an increasing number of decision-makers in China believe that the provision of housing should be determined by the forces of supply and demand in the market. In order to allow market forces and the private sector to play an increasingly active role in the construction and distribution of houses as well as accommodation, a number of new policies were first introduced as early as 1979. These policies were intended to commercialise and reform the housing system, which was dominated by the public sector (Wang & Murie, 1996, p.973). Reasons for the privatisation of the housing system include: increasing public workforce, increasing cost of constructing new houses, high cost of maintaining the old houses, the low number of houses available, insufficient investment, unfair allocation, and low rentage (Feng, 2003, p.123).

Hence, the government introduced new strategies in the provision of houses such as increase in rent, sales of government-owned houses, mandatory housing savings, and commercial development and distribution of houses (Xing & Zhu,

2018, p.110). Housing privatisation has been advanced through the sale of government-owned houses to tenants or private organisations. These schemes as emphasized by Wang & Murie (1996, p.987) to be a gradual process over a considerable amount of time, but have in the long run, resulted in a significant expansion of the urban housing market and diversified housing availability and investment. Housing funds are no longer provided by the government. Organisations-public or private- are contributing more and more in housing provision and construction (Yang, 2003, p.147). Some private and overseas savings have been invested into the development of housing (Feng, 2003, p.123). Better designed houses have been built and the housing conditions of most families have been improved. Many families who live in the cities have moved into new houses with improved living accommodation. However, there have been complaints on the heavy cost of buying these properties from the government (Wang & Murie, 1999, p.1476) ; (Yang, 2003, p.149).

E. Commercialisation in Nigeria

Nigerian commercialisation and privatisation in practice are "the reorganisation of firms which are totally or in part managed by the government in which those firms that have been commercialised shall henceforth operate as profitable businesses without receiving government assistance," according to Decree No. 25 of 1988. The commercialisation of some

institutions, including the postal service and the Nigerian Telecommunication Limited (NITEL) marked the beginning of the privatisation process (Stephen, Odiwo, & Kifordu, 2016). However, the 1999 Privatisation and Commercialisation Act (section 14), emphasized that a commercialised firm must function as a complete commercial institution and is allowed to (a) set prices, rates, and charges for the services and goods it offers to the general public, subject to governmental laws and regulations. Unlike privatised enterprises, the commercialised enterprise would continue to be managed solely by the government., and it would also continue to have a financial interest in such businesses (Oji, Nwachukwu & Eme, 2014).

The International Monetary Fund (IMF) has been advocating for the privatisation/commercialisation of public enterprises in developing nations which includes Nigeria, where the industrial sector and some crucial components of the economy are predominantly controlled by the government (Hemming and Mansor, 1988, p. 32). According to Abdullahi (2014, p.3), the privatisation and commercialisation act of 1988 was introduced by the Nigerian Government which later became the Technical Committee on Privatisation and Commercialisation (TCPC). It was set up with the mandate to privatise some State-owned corporations.

However, in 1993, the TCPC was able to privatise a total of 88 out of the 111

corporations outlined in the decree, completed its task and presented its final report. The then Military Government acted on the propositions of the TCPC by nullifying the 1988 Act and set up the Bureau for Public Enterprises in 1993 (Privatisation and Commercialisation Act), which created the National Council on privatisation (Abdullahi, 2014, p.5). Thus, in November 1989 the enactment procedure for the complete or fractional commercialisation began (Adeyemo & Adeleke, 2008, p.406; Ozioko & Onah, 2022, p.142). On July 20, 1998, the Federal Government declared that it would privatise its holdings in hotels, coal, telecommunications, oil and gas, petroleum, hotels, electricity, and bitumen extraction, and tourism (Alonge, 2005, p.75). He also claims that President Olusegun Obasanjo zealously promoted the privatisation initiative during his administration (Alonge, 2005, p.75).

The most recent enterprise to be commercialized is the Nigerian National Petroleum Corporation (NNPC), which occurred in 2022 as a strategy to enhance its performance. The NNPC is a public enterprise founded in 1977. Through the nation's four refineries, the NNPC is involved in the production and exploration of petroleum. It oversees the country's resources for crude oil, gas, and petrochemicals as well as the joint venture between Nigeria and international oil companies (Abati, 2022).

About 95% of the country's external exchange profits as well as 80% of its

budget income come from the NNPC, making it the country's top foreign exchange earner (Action Aid, 2020) (Boufina & Agbai, (2022)). The Petroleum Industry Act (PIA) was enacted into law on August 16th, 2021 (Nwuke, 2021). The enactment of the PIA ends a 20-year effort aimed at reforming the petroleum sector which is capable of creating a favourable atmosphere for development and addressing lawful injustice meted out to communities impacted by extractive industries. The petroleum industry has witnessed changes domestically and globally, with more indigenous players locally in the last 20 years (Nwuke, 2021). On July 19, 2022, the NNPC was formally announced by the Presidency as a commercial venture; a limited liability company as enshrined in the Petroleum Industry Act (PIA), and therefore to be known as NNPC Limited (Abati, 2022).

F. Commercialisation in Ghana

Mmieh, Owusu-Frimpong, and Mordi (2012), asserts that the majority of developing nations' economies, including Ghana's, were in serious economic instability before the IMF and the World Bank established their support programme for economic improvement in 1983. As an illustration, due to poor economic indicators, Ghana's economy almost crashed. The privatisation of essential services like electricity and water, in reference to Narsiah (2008, p. 25), was a real possibility in the 1990s due to Local Government reorganisation that put cities in a risky position. For

Adams & Mengitsu (2008, p. 82), emerging nations have pushed for the privatisation of public businesses as a solution to the economy's failing situations and the significant budgetary discrepancies brought on by the underperforming public corporations. For Ademola & Afeikhena (1999, p.211), privatisations were designed to lessen resource allocation distortions and decrease budget deficits in the nations that adopted them, such as Ghana's mining industry.

(Drafor, Filson, & Goddard, 2000, p.401) in their article, noted that privatisation and commercialisation have been employed to provide a long-term resolution to the numerous challenges of the country while looking at the instance of Ghana in their paper. The Government of Ghana created and began an adjustment policy in November 1983, with the assistance of the IMF and the World Bank, in an effort to find a remedy to the financial crisis. The adjustment policy developed over three stages (Hilson & Potter, 2005, p.129). The first stage (1983–1986), also known as the stabilization phase, saw efforts made to stop the economic decline. The government focused on price deregulation, exchange rate reforms and the application of monetary policies. It also adopted a programme for the rehabilitation of the export sector and an investment programme for the public sector.

The second stage (June 1987–July 1990), also referred to as the development stage, was aimed at promoting growth and development,

reforms were implemented to address consistent deficiencies in the country. Within the third stage (1993-2000), efforts were made towards economic recovery with the aim of accelerating development (Hutchful, 2002, p.102). Some strategies initiated include: institutional restructuring, fiscal reforms and the intervention on price, as well as debt financing and restructuring. Furthermore, Aidoo et al., (2022, p.1) through their research discovered that the commercialisation of rice production and marketing outlets led to a significant increase in market participation in rural Ghana. Also, it expanded farm size, membership in associations, access to credit, and the production of irrigated rice. Nevertheless, Chalfin (2000, p.1001) recollected that by the middle of the 1990s, there were more private enterprises present in the Bawku District of Northern Ghana, which made the market conditions for traders of nuts less dependable. The privatisation and structural adjustments that occurred in Ghana, in reference to Hilson and Potter (2005, p. 130), fostered the rise of the private sector, increased the poverty rate, and further disadvantaged indigenous people. Yet, they pointed out that despite having beneficial effects on the welfare of rural farmers, commercialisation decreases with household size, education, and distance from the district headquarters.

V. Prospects and Challenges of the Policy of Commercialisation

The merits of commercialisation lie in the fact that it lessens the fiscal load of the governmental organisations. This is because the enterprises stand on their own as profit-oriented ventures (Abu-Shair, 1997, p.93). The proponents of the commercialisation policy had argued that commercialisation has various advantages, including a decrease in the size of the Government bureaucracy, State monopolies, and financial structures, improved competition, higher quality products and services, a decrease in government corruption, better staff quality and supervision as well as improved market analysis (Adjimah, Atiase, & Dzansi, 2022, p.4). According to its proponents, more government funds are made available to address more urgent issues, generating jobs, reviving the local economy, growing local firms, luring direct foreign investment, expanding capital markets, redistributing wealth, improving technology transfer, and strengthening trade regulations (Alhassan, Donkoh, Mabe, & Isaac, 2016, p. 147).

Some problems being faced by the commercialisation programme in Nigeria today as summarized by Onah, (2018, p.152) includes the following: inflation of prices, high retrenchment, limited standard of products and services, the consolidation of public assets in the hands of few elites, servitude of communal policies, corruption, possession of the commercialisation procedure by few individuals with easy access to

finance, lack of clarity, nepotism and foreign domination as well. Despite these issues, Nigeria has excellent prospects and potential in the petroleum sector which if completely utilized will generally increase access to renewable energy and off-grid electricity which is cost-effective and eco-friendly. To ensure economic growth and development, it was recommended that Nigeria change the sector's legal and regulatory framework.

Consequently, Ozioko & Onah, (2022, p.143), noted that in general the commercialisation policy itself is not a terrible notion, but that the issue is more with how it is being implemented and the practical effects it has on the country's economic independence. They argued that effective commercialisation would benefit the country and its citizens while preserving its sovereignty. Shareholders will include employees. Better services will benefit consumers and make them wealthier. Because of expansion, new graduates and other unemployed people will find employment. Subsidies will no longer be a financial burden for the government. Opportunities for investing will be given to investors. In the end, everyone will be allowed to pursue their own economic interests, whether they are citizens or foreigners (Ozioko & Onah, 2022, p.143).

Akinola, (2021, p.43) feels that while government clearance and political decisions are necessary for commercialisation, the execution itself is extremely professional and demands a variety of technical

abilities. The set of skills needed varies from those of Economists, Financial managers, Lawyers, Accountants, Public Relation Officers and Engineers. The ability to utilize these abilities in Nigeria is somewhat limited. The success of some firms' attempts to commercialise themselves is being significantly jeopardized by the Bureau of Public Enterprises' lack of expertise. According to Alhassan et al, (2016, p.149), innovations or public enterprises can produce socioeconomic value when they are successfully monetized. At the business level, successful commercialisation can be assessed using metrics like sales, market shares, employment, productivity, or profitability (Matthias, Dumbach, Danzinger, Bullinger, & Moeslein, 2013, p.179).

VI. Conclusion

This paper gives an insight into the commercialization of public enterprises in the countries situated in the global north and global south. Commercialisation programme is becoming an increasingly important ingredient of economic reform in many countries of the world. The programme recorded immense success in the global north with little yet to be done while in the global south, partial success was achieved and is still considered to be a work in progress. When the commercialisation programme is well analysed, planned and implemented, proper result will be achieved. If implemented effectively and accompanied by strong

governance, regulatory frameworks, and strategic planning, commercialisation has the potential to boost the economy of any country. It can drive efficiency, effectiveness, productivity, and service delivery, leading to increased revenue generation, investment, and improved outcomes for citizens. More so, each country is expected to review its administrative processes to ensure the success of the commercialisation policy.

VII. Conflict of Interest

The authors declare no conflict of interests.

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