



Isomorphism of State and Private Sector Relations in Nigeria

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Abstract

The paper draws our attention to the issues affecting State and Private Sector relations in Nigeria. The objectives of the study are to examine the State and Private sector in recent times, identify the factors affecting the relationships in Nigeria. Qualitative method of analysis of State and Private sector relations was adopted in the study while data for the study were drawn from secondary sources and content analytical method was employed in the analysis of data generated for the study. Meanwhile, the study revealed among other things that there have been significant relationships between State and Private sector organizations in Nigeria. The study recommends building more consensus and synergy on the relationship and strengthening the implementation and coordination mechanisms for the relationship to ensure greater efficiency, productivity and socio-economic transformation in Nigeria.

Keywords: State, Private sector organization, Public Management, Governance, Nigeria.

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Introduction

The understanding of state, state responsibilities and relationship with citizens and other sectors of the society, especially the private sectors has great dependence on the emergence of the state itself and the reasons for which it emerged. Scholars' voyage into the outcome of the state unraveled that the state is an outcome of human decisions to overcome the fear and challenges inherent in what is referred to as the "State of Nature". The state of nature in this perspective reflects primarily on the thesis of Hobbes, Locke and Rousseau. Hobbes asserted that the state of nature is a state of war and brutality where morality and good conscience never existed. To that end, everybody lived in fear



and as a result of the fear, there is no freedom and protection as even the weakest ones had the potentialities of killing the strongest men of the society, which points to the fact that men were not equal and as such, transactions and relationship cannot be equal in the state of nature. This therefore, informed the Hobessian attributions to the state of nature as solitary, poor, nasty and brutish.

To John Locke, the state of nature exists where there is no legitimate political authority capable of dispensing disputes in accordance with the law of reason. To actually stem out the state of nature, Locke consented to the establishment of impartial authority that is voluntarily constituted through the consent of the people themselves. This essentially becomes possible in the state of nature because Locke believed that individuals are relatively peaceful and have rights such as the rights to liberty, life and property. Rousseau described the state of nature as the hypothetical, prehistoric place and time where human beings lived uncorrupted by the society, adding that the state of nature was good, but due to the activities of men on the state of nature, it became evil. Because of the contamination that made the state of nature to go bad according to Rousseau, he argued for a form of association solution in which while men unite together; they may still be allowed with the freedom as they had before the emergence of the modern state.

From the arguments of Hobbes, Locke and Rousseau, it is imperative to deduce that:

1. There was no state capable of solving the problems of the people during the state of nature; hence, there was no organized state.
2. Since there was no organized state in the state of nature, there was no formal relationship between the state and other sectors of the society and as such, there was no public sector.
3. State relationship with other sectors of the society could be said to have emerged at the emergence of the formal or modern state with full accolades of government and it's accompanying economic and political powers.

The modern state is like a living organism composed of various parts and each part interacts with each other to keep the system functional at all times, (Okoli, 2004). Thus, the state is like a system which has parts that cannot effectively function and achieve vital



goals without the total cooperation of the other parts. This therefore presupposes symbolic level of relationship whereby the success or failure of some parts depends on the degree of mutual cooperation of the other parts. In this relationship between the state and the component parts, it attempts to analyze the functional relationship between first; the tiers of government which involves, federal-state relations, federal-state-local relations, federal-local relations, state-state relations, state-local relations and local-local relations.

Secondly, the relationship rests only on the formal apparatus of the state as enumerated above, to touching other aspects of the society such as state-private sector relations, state-organized labour relations, state-civil society organizations relations, state-Non-governmental organizations relations, state-pressure group relations among numerous others. It is on the premise of the forgoing that this work takes a look at state-private sector relations with a view to determining the level of interaction between the state and organized private sectors in attempt to move Nigeria forward. It will adjourn simulations to revealing the distinction between the state and private sector as well as unveiling the nexus or areas of interaction between the state and the private sectors. Detailed treatment of organized private sectors such as Manufacturers Association of Nigeria, (MAN), Small and Medium Scale Enterprises, (SMEs) as well as organized private academic bodies such as National Association of Proprietors of Private Schools, (NAPPS) will be carried out in this work in order to determine their functional relationship and how societal development depend on such relationship. Finally, the work shall discuss the impact of the private sector in economic development of the state.

Historicizing Private Sector

Any voyage into the meaning of the private sector must first begin with the state sector or what is commonly called the public sector. The public sector therefore represents the government itself and takes close look at the federal government, state government and the local government. It also comprises all government ministries; government owned corporations, parastatals and extra-ministerial departments as well as boards, amongst



others. The private sector represents profit-oriented organizations, outfits, companies and factories, etc operating in a particular state or nation for the purposes of solving societal problems and making gains. It also involves organized private sectors, unions or associations which romance with the state in various forms to ensure friendly trade tie and atmosphere for operations.

The major priority of the state is to ensure the welfare of the citizens who depend on her for protection and provision of basic amenities. The private sector on its own is also in the business of ensuring the satisfaction, protection and provision of goods and services to the citizens who depend not only on the state, but on the private sectors for their survival. In this dimension, the state exists for the private sector, just as the private sector exists for the state and minimal success will be recorded if the cooperation or relationship between the state and the private sector is not cordial, (Ajibola, 2008; Nkwede, 2013).

Nwali and Okpata (2012) however enunciate the following as the nature of private sectors:

- (i) **Profit Motive:** While the objective of the state in providing goods and services is mainly to address the problems of the people, the cardinal objective of the private sector in doing that is mainly to make profit.
- (ii) **Profit Goods Provision:** The private sector only embarks on provision of goods and services which has quick profits other than goods which can address the major challenges of the citizens. For example, services such as national security are regarded as public goods and are provided by the state alone. The private sector shies away from providing such goods and services because such goods and services are given to the citizens free of charge as no citizen can be denied the goods for non-payment or could any individual be excluded from receiving the benefits. This is why the private sector cannot go into provision of goods and services of this nature because it is not profit making venture.
- (iii) **Limited Fund/Resources:** A major setback of the private sector is the limited nature of its fund and resources to carry out such projects that will benefit wider society. Unlike the state which ensures equitable distribution of goods and



services to the whole population, the private sector due to limited resources only concentrate provision of goods and services to a particular zone or location because the fund to spread to other zones is lacking.

Distinction between State and Private Sectors

The private sectors differ from the state in the following areas:

- (i) **Ownership:** The state is completely owned and managed by the government, but the private sector is owned and managed by individuals or groups of individuals. An example of the private sector includes, Dangote Cement Industry, Unilever Group of Companies, Grace Court Hotel, Salt Spring Resort, etc.
- (ii) **Objectives:** The aims or objectives of the state or public sector are aimed at providing free goods and services and maximizing the welfare of the citizens, but the private sector aim at primarily maximizing wealth for its owners or shareholders.
- (iii) **Decision Making:** Decision making in the private sectors rests on the managers or board of directors, while politicians and bureaucrats through the executive arm of government and the parliament take responsibility for decision making in the state.
- (iv) **Dividends Decision:** Decision as to what amount of profit should be distributed to providers of capital is a key area of financial management in the private sectors. Decision of this nature is more often than not inconsequential in the state management.
- (v) **Leadership:** Leadership in the private sector is always self made as in sole proprietorship and appointed by board of directors in case of partnership ventures, while leadership in the state administration are elected or appointed politicians and bureaucrats who by virtue of their careers rose to the positions of leadership.
- (vi) **Efficiency of Operations:** Because enterprises in the private sector are faced with keen competition, the efficiency with which projects are managed is greater than that of the state. Greater attention is therefore paid to the work of finance managers in the private sectors than finance officers in the state.



- (vii) **Profit Maximization of Projects:** Private sectors often shy away from projects that are big whose rate of return is lower than the organization's cost of capital. However, such projects may be embarked upon by the state with the government subsidizing the lost. Examples, road construction, free education or free health care.
- (viii) **Cost of Capital:** Financial management in the private sector often rely on the cost of capital as the bench mark for accepting or rejecting any project. In the state administration, computation of cost capital is difficult, if not an impossible task.

Nexus between State and Private Sectors

In spite of the plethora of differences between the state and the private sectors, there still exist several areas where both sectors are similar, they are as follows:

- (i) Both the state and the private sectors use the same or similar resources (man, material, finance, etc) to achieve their individual goals or objectives.
- (ii) Each sectors; the state and private has its own goals and objectives which it seeks to achieve through the utilization of potential resources.
- (iii) Both state and private sectors operate within the same society and therefore draw some of their inputs (resources, especially personnel) from the same environment and as a result, both are influenced by the same society pressures; (demands, economic and political factors, social changes and even external influences). Besides each generates all of its inputs into the same society, hence, each of them performs some important functions for the good and welfare of the society.
- (iv) It is observed that the successful performance of both the state and the private sectors are dependent on the same element of cooperation.
- (v) Both the state and private sectors operate on the basis of the law. While the state is based on Constitution, statutes or decrees, the private sectors operate under a legal charter. Thus, officers of both the state and private sectors are required to carry out their functions within the framework of the law.



- (vi) Both the state and private sectors are goal oriented; hence, efficiency of either of the sectors is the measure of achievement of its goals.
- (vii) Administration of both, whether in the state or in the private sector, are the same because both sectors are concerned with achievements of objectives, which though may differ in organizational structure, but resources used are usually the same.

Relationship between State and some Private Sector Organizations

In any given society where economic viability is the driving force of the state, there is often strong tie for project based collaboration between the state and other sectors of the state, (Abu-Hussan, Essawi and Tilchin, 2014). An (2010) also maintained that state collaboration with other sectors of the society, especially the private sectors has in no small measures pushed society's economy to greater heights and improved on the welfare of the citizens of the state.

In Nigerian society, clear instances abound of the contributions which the private sector has made on the economic development of the country. The private sector which is popularly referred to as that segment of the national economy whose activities both in economic and non economic development have made tremendous impact are said to be under the control of non governmental economic unit, (Ci and Zhai, 2011). Private sector gives room for private ownership and utilization of factors input to produce goods and services with a view to making profit. Essawi and Tilchin (2012) related that the resources used for private goods are allocated through a pricing system in a competitive market based on revealed preferences and income level of the consumers. Avalanche numbers of organized private sectors outfits or associations exist in Nigeria with varied aims, philosophies and objectives inclinations that on daily activities romance with the state to co-exist and survive in their social and economic endeavours. Bearing the above in mind, this work will be limited to taking a close look at one or two of the organized private sector associations for want of space and time.



State-Small and Medium Enterprises (SMEs) Relations

Over the years and across the globe, Micro, Small and Medium Enterprises have been identified as agent of development. The SMEs according to Dipeolu (2017) are very significant as being amongst the highest employers of skilled and unskilled labour and are usually the key service providers to government and large corporations. For many years in Nigeria, SMEs have played vital role in the over all economic growth of the country as they have consistently contributed significantly towards improving capacity, standard of living and bringing about substantial local capital formation, power productivity and capability.

According to the National Bureau of Statistics (2013), there are 37,067, 416 (Thirty seven million, sixty seven thousand, four hundred and sixteen) SMEs operating in Nigeria; out of which 36, 994,578 (Thirty six million, nine hundred and ninety four thousand, five hundred and seventy eight) of them representing 99.8% as micro enterprises. Relatedly, the Bureau uncovered that female entrepreneurs accounted for 43.32% in the ownership of SMEs in Nigeria. In the same year 2013, reports unfolded that these SMEs' businesses contributed about 48.47% to the National GDP of the country and employed 59,741,111 (Fifty nine million, seven hundred and fourty one thousand, one hundred and eleven persons), representing 84.02% of the total labour force of Nigeria as at December, 2013.

In view of the available statistics, Dipeolu (2017) stated that the government of Nigeria has found it imperative to initiate programmes to help reposition SMEs in the country so as to drive inclusive economic growth, regional development, employment generations and poverty reduction as well as promote, broad based equitable development to provide more opportunities for youth participation in economic development of the country.

Challenges Facing SMEs in Nigeria

Despite tremendous achievements made by SMEs in Nigeria, there are various challenges militating against the operations and survival of that sector of the nation's economy. The challenges among others include:



- (i) **Access to Fund:** SMEs in Nigeria have shown enough commitment in social and economic development of the country, but are limited by inability to access fund for operations. Most SMEs have the capacity to grow and expand and even employ more people, contribute more to GDP, but because of the usual lack of financial resources the goal of expansion could not be achieved.
- (ii) **High Interest Rate:** Fund remains the bedrock for economic development and business survival. In the quest of SMEs to overcome its challenges and move higher, the sector is always faced with high interest rates from banks and other financial institutions which they approached for financial aids.
- (iii) **Poor Infrastructure:** Due to lack of financial resources which the SMEs face in Nigeria, it results in the quality of the tools they use in production and trading. Poor infrastructures hamper the operations and productions of SMEs in Nigeria.
- (iv) **Inconsistency in Government Policies:** Policies of government at all levels, especially concerning SMEs have not always been consistent to solve the major problems of the SMEs. Transition from one form of government to another or from regime to another make government policies on SMEs to remain inconsistent and this affects their operations.
- (v) **Multiple Taxation:** Taxation from various levels of government, the federal, state and local has negative effects on the operations and survival of the SMEs. Most times, multiple taxes emanating from these levels of government make them to perform abysmally poor or sometimes pack up.
- (vi) **Poor Technology:** The technical knowledge of most SMEs in Nigeria in carrying out their operations is always very poor in contrast with the current technological move which is tilting towards globalization. Sometimes, due to lack of fund, SMEs will not be able to purchase the current gadgets of production in the market or send staff abroad for training.
- (vii) **Access to Market:** Most SMEs do not have access to the markets where products will be marketed due to the fact that they do not have enough fund to secure space



in standard markets where their goods and services could be sold at considerable price.

- (viii) Poor Technical and Management capacity of Entrepreneurs
- (ix) Poor Book keeping skills or basis of financial knowledge
- (x) Informal Nature of most SMEs.

Theoretical Underpinning

The study is anchored on New Public Management theory. The New Public Management perspective is often associated with positive, action-oriented phrases like; re-inventing government, re-engineering, revitalization of the public service, organizational transformation, total quality management, paradigm shift, entrepreneurship, empowerment, and results over process, earning rather than spending (Butcher, 1997). The NPM is often seen as a body of managerial thought or as an ideological thought based on ideas generated in the private sector and imported into the public sector (Pollitt, 1995).

The major assumption of this theory is that emphasis is shifted from the traditional public administration to public management and pushes the State towards managerialism. The relevance of this theory to the current study could be hinged on the premise that it contains key components of ideas and themes that not only emphasized managerial improvement and public sector relations but also consists of ideas and themes that emphasize how State can relate with the private section organizations within public service and lastly contains ideas and themes that emphasize markets and competition. The theory is therefore a continuum ranging from more managerialism at one end and to more marketization and competition at the other.

Methodology

The design of this study involves a qualitative method of analysis of State and Private sector relations was adopted in the study while data for the study were drawn from



secondary sources and content analytical method was employed in the analysis of data generated for the study.

Major Areas of Interaction between SMEs and the State

As the Nigerian economy continues to grapple with the effect of low prices of crude oil; which has led to the much talked about 'Economic Recession' which the country suffered, the state as a nation has great desire to diversify and build a sustainable economy that is resilient to global price movement. In this political dispensation under the leadership of President Muhammadu Buhari, the office of the Vice President in partnership with the Ministry of Industry, Trade and Investment developed in 2017 the Nationwide Micro, Small and Medium Enterprises Clinics for viable enterprises in the country with the aim of encouraging them to achieve sustainable growth and development, (Dipeolu, 2017).

As a way of creating more conducive environment for the SMEs to survive, ensure a more healthy relationship, Dipeolu further stated that bridging the information gap and encourage SMEs to become more efficient and capable of competing at the international level is a panacea for the growth and viabilities of the SMEs. The government in the current dispensation organized series of clinics or workshops around the country where various ministries, departments and agencies of government were able to handle some issues often quarried by SMEs operators which is a step towards solving the problems facing them in the country.

Information from the office of the Vice President related that the objectives of the nationwide SMEs clinics or workshop organized in 2017 were among others:

- (i) To bring all relevant stakeholders and business operators together to discuss issues affecting setup and operations of SMEs in Nigeria.
- (ii) For government and other stakeholders to share and provide information on all policies and programs that have been initiated in the country to encourage activities of SMEs.



- (iii) To raise awareness and promotion for goods and services produced by SMEs operating in Nigeria.

Apart from the above steps taken by the government to solve the major challenges of SMEs in Nigeria which are right steps in the right directions, there are other areas which the state can have more closer healthy relationship with the SMEs. These areas are as follows:

- (i) **Friendly Economic Policies:** Government policies occupy paramount positions and cut across all sectors of the society. To ensure continuous existence of SMEs in Nigeria, the state needs to be mindful and be minded of the economic policies to make for the country. Harsh economic policies have been identified to have had negative effects on the existence of SMEs.
- (ii) **Grant Access Fund:** Fund remains the vital tool for the development and operations of SMEs across the globe. Therefore, the state in her dire need to ensure economic viability of the country needs to grant SMEs easy access to fund and other financial benefits.
- (iii) **Reduce Interest Rates:** The economic policies of the state can go a long way in ensuing that interest rates from banks and other financial institutions are reduced to enable SMEs get soft loans for business.
- (iv) **Grant Tax Free Regime:** To actually help SMEs to stand and contribute their quota in economic development of the state, the SMEs should be granted free tax regime by the state. Tax or free tax regime in this perspective means that the state may decide to allow SMEs two to three years to operate without tax payment to the government so that the fund that would have been paid as tax be ploughed back into production and operations of the SMEs.

State-SMEs Relations through SMEDAN

The state as an agent of economic development having identified the enormous contributions of small and medium Enterprises, SMEs, created a regulatory body which will from day-to-day see to the over all affairs of the SMEs in the country in 2003. The body known as Small and Medium Enterprises Development Agency of Nigeria



(SMEDAN) came to be as a body that can squarely handle the major challenges which most SMEs in Nigeria face.

SMEDAN as an agency has the statutory power to demand and obtain relevant information, data and reports on activities relating to the promotion and development of micro, small and medium enterprises from banks, research and development institutions and other support organizations. The agency is also empowered to enter into joint-venture agreement and draw up memoranda of understanding and such other agreements with relevant institutions and organizations for the promotions and development of micro, small and medium enterprises and do such other things as are necessary or expedient for the successful performance of its functions under the act establishing it.

Statutory functions of SMEDAN

- (1) Initiating and articulating ideas for small and medium enterprises policy thrust;
- (2) Serving as the vanguard Commission and focal point for rural industrialization, poverty alleviation and eradication, technology acquisition and adaptation, job creation and sustainable livelihood;
- (3) Promoting and facilitating enterprise development programmes, instruments and support services to accelerate development, modernization, networking and linkage of small and medium enterprises;
- (4) Mobilizing internal and external resources, including technical assistance for small and medium enterprises, their support institutions, trade associations and nongovernmental organizations;
- (5) Overseeing, coordinating and monitoring developmental activities in the small and medium enterprises sub-sector;
- (6) Designing, packaging and promoting cottage and micro, small and medium enterprises projects;
- (7) Providing industrial extension services to small and medium enterprises, fabricators of machinery and beneficiaries of micro credit loans;



- (8) Establish and liaise between research institutes, local fabricators and micro, small and medium enterprises;
- (9) Provision of and facilitating technical and managerial training to micro, small and medium enterprises;
- (10) Linking small enterprises to sources of finance, technology, technical skill, development and management;
- (11) Facilitating and promoting the development of standard designs and quality assurance for machinery and equipment, and commercializing them to end-users;
- (12) Promoting and providing access to industrial infrastructure, including estates and layouts, and incubators;
- (13) Providing necessary assistance to small and medium enterprises in the marketing of their products;
- (14) Promoting ancillarization, sub-contracting, clustering and networking relationships;
- (15) Providing and promoting strategic linkages within small and medium enterprises;
- (16) Encouraging and promoting strategic linkages within small and medium enterprises and between small, medium and large enterprises;
- (17) Establishing and coordinating the institutional development and activities of industrial development centers in Nigeria;
- (18) Collaborating with agricultural research and mechanized centres and agro-industrial schemes in Nigeria;
- (19) Liaising with external agencies for support and development of micro, small and medium enterprises in Nigeria;
- (20) Listing products that small and medium enterprises have substantial internal capacities to manufacture to meet domestic demands for Federal Government's patronage and deletion of restriction on the schedule of importable goods;
- (21) Recommending to the Federal Government, from time to time, in consultation with other relevant agencies and organizations, on applicable tax and tariff



- regimes and other financial incentives for promoting the development of small and medium enterprises.
- (22) Monitoring the implementation of and compliance with Federal Government directives, incentives and facilities for the development of Micro, Small and Medium Enterprises in Nigeria;
- (23) Carrying out such other activities connected with or incidental to the other functions of the Commission in order to promote government policies within or outside Nigeria;

Available Programmes/Projects of SMEDAN

The following are some of the programmes/projects of the Agency:

1. National Enterprise Development Programme (NEDEP)/One Local Government One Product (OLOP) Programme
2. Tertiary Institutions Entrepreneurship Development Programme (TINEDEP)
3. Internally Displaced Persons (IDPs) entrepreneurship development programme.
4. Youth Enterprise with Innovation (YouWIN!)
5. Graduate Internship Scheme (GIS)
6. Students for the Advancement of Global Entrepreneurship (SAGE)
7. ENACTUS (Formerly Students in Free Enterprise)
8. Financial Systems Strategy (FSS) 2020
9. UNDP/SMEDAN Partnership for Women Development
10. Implementation of the National Policy on MSMEs
11. National Survey on MSMEs
12. Presidential Amnesty Programme
13. Youth Entrepreneurship Development Programme (YEDP)
14. Women Entrepreneurship Development Programme (WEDP)
15. General Entrepreneurship Development Programme (GEDP)
16. Corpers Entrepreneurship Development Programme (CEDP)
17. Public Service Entrepreneurship Development Programme (PSEDP)
18. Specialized Entrepreneurship Development Programme (SEDP)



19. Vocational and Entrepreneurship Training (VEST) for retirees
20. Implementation of E-Commerce platform for MSMEs
21. Accreditation of Business Development Service Providers (BDSPs)
22. Sub-contracting and Partnership Exchange (SPX)
23. National Assembly Constituency Empowerment programme
24. Promotion of appropriate market oriented inventions-innovations.
25. Promotion of Access of MSMEs to Modern Automotive Services
26. Capacity Enhancement Training for Fabricators (CETF)
27. Promotion of Access to Renewable Energy (PARE).
28. Annual National Summit on MSMEs
29. Upgrade of Industrial Development Centres (IDCs)

State-Manufacturers Association Relations

Manufacturers Association of Nigeria, MAN is a national industrial association serving and representing over 3000 manufacturing companies in the private sector of the Nigerian economy. MAN as an organized private sector organization has become a force to reckon with as a veritable umbrella coordinating the activities of manufacturers through its representatives' members. The association serves and acts as central point of reference for government in a bid to boost economic activities in the country through production of various local goods in Nigeria. This private sector organization which has its national headquarter at Abuja, Nigeria also has branches across some states in the country with vital roles. The roles of the manufacturers association of Nigeria in economic development of Nigeria are enormous and go a long way to unfold that; for manufacturing activities to take place in the country, there are areas of interactions or relationship between the body and the state as a major factor in economic development.

The relationship or interaction stems from the fact the state has it as a responsibility to ensure that members of the Manufacturers Association of Nigeria, MAN operating in a particular place are adequately protected. This role of protection which is the basic responsibilities of the state also extends to the property, gadgets and equipments of the



members of the organization with a view to ensuring social and economic viability. Indeed, the relationship between MAN and the state is intertwined and so knit to the point that MAN cannot exist without the state and the state on her own cannot achieve economic viability in all sectors without MAN. This argument becomes more evident, especially in consideration of the fact that most of the goods, services and products which the state uses for day-to-day activities are the brainchild of the Manufacturers Association of Nigeria, MAN.

The patronage of the state to members of MAN however remains critical for the continued existence of MAN in the world of production. Statistics have shown that the state is the highest customer or client which most members of Manufacturers Association of Nigeria, MAN has the bulk purchases of the goods and services as well as products of MAN members by the state improves on the wealth and economic viability of the organization. In the same vein, while the state makes bulk purchases of MAN products, it is also mandatory that the money which the state spends in patronizing MAN is also recycled back to the state in various forms as every manufacturer in any state has certain financial responsibility which they owe to the state. Thus, the relationship is not only financial as the state can give certain benefits to the association through tax reduction, fee taxation, financial empowerment and free accommodation as well as power and energy.

State Relations with Organized Private Academic Associations

Before independence, almost all academic institutions at all levels of government belonged to the missionaries. The missionaries as part of their policies to empower the people and have hitch free relationship with Africans came with education. Although, there have been argument that the forms of education which the missionaries came with centred on 3Rs, which are reading, writing and Arithmetic. However, despite the criticism against the form of education in those days, it gave the Africans the leverage of exploring their world through the windows of formal education. The educational sector in those days was owned and managed by the missionaries without the state having any hand in them. After independence, the state took over the education sector, pronounced



policies and implemented same with the private sector completely out of the ownership and management of education in the country. But, recently, especially between late 1980s and mid 1990s the private sector made bold step back into the ownership and management of education and have competed very favourably with the state in terms of standard, morality and intellectualism. This therefore gave room to the current upsurge of private school ownership, starting from Nursery, Primary Secondary and Tertiary Institutions of all forms.

To actually protect their aims, philosophies and missions, private schools in Nigeria came under one Umbrella to form what is known as National Association of Proprietors of Private Schools, NAPPS with National Headquarter at Abuja and branches across the states of the federation. As a private sector, the National Association of Proprietors of Private Schools, NAPPS has major areas of interaction with the state. NAPPS depends on the state to make education policies and such policies will be binding on them. Indeed, the beginning of the romance between NAPPS and the state is always very clear at the inception of any private educational institution as the state is always on hand to give approval for the establishment of such school after close evaluation that the proprietor is able to meet the specifications prescribed by the state for the establishment of such.

For Nursery, Primary and Secondary Schools, the state Ministry of Education and relevant education boards take charge of approval for the establishment of such, but for higher institutions; the National Universities Commission, NUC is always on ground to give approval for the establishment of private universities, National Board for Technical Education NABTEB for polytechnics while National Board for Colleges of Education, NBC oversees the approval for colleges of Education, all through the federal ministry of education. Despite the fact that the private schools can claim to be autonomous, yet, they are under the control and regulations of the state as any law or rules made by the state is always binding on them. Again, the private schools contribute their quota in the state to boost the economy of the state.



Impact of the Private Sector on Economic Policies in Nigeria

Ajibola (2008) states that the formulation of the country's economic policies is the sole function of the government, while the organized private sectors have over the years played advisory roles in that regard. He further explained that in the colonial era, the Lagos Chamber of Commerce and Industry was represented in the legislative council during which it influenced commercial legislations and sponsored bills to promote economic development in the entire country. Furthermore, the concerted efforts of the organized private sector and their pressure on government through well articulated memoranda contributed significantly to the promulgation of the Nigerian Enterprises Promotion Decree popularly referred to as the Indigenization Decree 1972. The Indigenization Policy, no doubt, provided the critical impacts to development of the Nigerian economy through the promotion of the latent entrepreneurial spirit and acquisition of the much needed management skills by Nigerians.

In reaction to the complaints by their members in the early 1980s that the overall economic development as being hampered by excessive government regulation, Ajibola continues that the Chambers of Commerce in collaboration with other business associations, pressed for increased economic deregulation and liberalization for an overall economic development. This was exemplified by trade promotion activities of organized private, specialized exhibitions as well as inward and outward trade missions aimed at promoting trade and projecting the country in international communities.

Conclusion and Recommendations

The study concludes that State and Private sector relations in the democratic dispensation in Nigeria is virtually more of partners in progress and development rather than being seen as a cat and dog relationship. The study therefore recommends building more consensus and synergy on the relationship and strengthening the implementation and coordination mechanisms for the relationship to ensure greater efficiency, productivity and socio-economic transformation in Nigeria.



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