

**THE PROBLEM ON PRIVATIZATION OF FEDERAL
PARASTATALS IN NIGERIA, A STUDY OF NIGERIAN
TELECOMMUNICATIONS LIMITED (NITEL) AND ITS
SUBSIDIARY, NIGERIA MOBILE TELECOMMUNICATIONS
LIMITED (M-TEL)**

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ABSTRACT

The research work is aimed at studying the problems of privatization of Federal Parastatals with particular reference to NITEL and its subsidiary M-Tel. Many African countries including Nigeria embarked upon the establishment of Public Enterprises, managed and controlled by the government of each country. However, the problems of insufficient enterprise autonomy, defective capital structures resulting in heavy dependence on the national treasury for operational purposes, and economic depression of the nation, called for privatization of these public enterprises as a measure of reform to avoid total collapse of the system and grounding of the economy. Hence Privatization is a tool or reform for economic management of modern industrial economy. The objective of the study is to examine the reasons and basis for privatization, the effects, the types and problems of privatization of federal parastatals in Nigeria. The population of the study was made up of disengaged and retained staff of both NITEL and M-Tel in Rivers and Enugu States respectively. The sample size was determined using Yamani's formular and Chi-square for testing of hypotheses. The survey research method was adopted in eliciting data from respondents for this study. The major findings are that, privatization exercises in Nigeria are prone to self inflicted complications, lack of transparency due to corruption that has remained the omnipresent obstacle that erodes every exercise in Nigeria. In meeting the above findings, the recommendations proposed for privatization exercise in Nigeria are; The privatization exercise should ensure the evolution and development of a near perfect policy, economic reformation and restructuring of Nigeria's political economy. Finally, the federal government should have a proper labour policy to resolve terminal benefits matters in collective bargaining.