

THE ROLE OF THE PRIVATE SECTOR IN THE PROVISION, OPERATION AND MAINTENANCE OF CRITICAL INFRASTRUCTURES IN NIGERIA

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ABSTRACT

The paper examined the role of the private sector in the provision, maintenance and upgrade of basic and critical infrastructure for the growth and development of the Nigerian economy. The paper recognised and discussed three divergent development frameworks within which the development of basic and critical infrastructure in modern states is facilitated. These include the private sector-led framework, the state-centralised framework and the Public-Private Partnership (PPP) model. Methodologically, the paper is essentially a review essay that relied on secondary sources. It thus argues that since independence, Nigeria has adopted some development frameworks (public ownership, privatization and public-private partnerships) with little or no tangible results. This is evident from the massive infrastructural gaps that have continued to undermine the growth and development of the Nigerian economy. The paper argues that whereas the public owned companies and enterprises have failed to provide and maintain the required standards of basic and critical infrastructures, largely on account of corruption and inefficiency of the public sector, the privatization of these enterprises also produced mixed results. The PPP arrangements can also be said to have ended in gridlock and reversals. Accordingly, the paper concludes that for the Nigerian economy to be reinvigorated on the path of sustainable economic growth and development, its basic and critical infrastructures must be revamped to attract the interests of both local and foreign direct investments. As a result, the enabling environment must be created for the private sector to take a lead in this resurgence and transformation

Keywords: Private Sector, Critical Infrastructure, Operations, Maintenance, Nigeria

Introduction

Sustainable economic growth and development, the world over, is infrastructure driven. Thus the development, operation and maintenance of critical infrastructures remain the most strategic component of development administration and planning among states. The provision of and maintenance of infrastructures arguably stimulates economic growth and enhance development prospects

of modern states. Impliedly, therefore, states across the globe commit both human and material resources to infrastructure provisioning and maintenance as the basis for stimulating growth and the realization of their development aspirations. A variety of development frameworks are therefore designed within the context of infrastructure provision, upgrade and maintenance. The

dominant development approaches recognised the instrumental roles of critical infrastructures for the attainment of sustainable economic growth and development. Thus both the market oriented and the state centralised economies recognise the central roles of critical infrastructures in development process. In both developed and developing countries, the most important requirement for economic growth and sustainable development is the provision of efficient, reliable and affordable infrastructure services. These include water and sanitation, power, transport, telecommunications among other critical infrastructures. This is regardless of the ideological orientation of various states. The availability of efficient infrastructure services is an important determinant of the pace of market development and output growth, and, in addition, access to affordable infrastructure services for consumption purposes, serves to improve household welfare, particularly among the poor. In most countries, however, the potential contribution of infrastructure to economic growth and poverty reduction has not been fully realized, and existing infrastructure stock and services fall far short of the requirements (Kirkpatrick, 2006). The provision and upgrade of infrastructures is thus a major preoccupation of governments of both the developed and developing societies.

Given the instrumental roles of infrastructures as catalyst for economic growth and development, states across the globe are faced with options in their approach to ensure provision and maintenance of the necessary and sufficient infrastructures for growth and development. There are two or three strategic choices for states in their quest to provide and develop infrastructures. These notable choices include state monopoly, the private sector as the major actor and the public-private partnership in the provision of critical infrastructures. In the past, the development of infrastructure (its provision

and maintenance) was the exclusive preserve of the state through a public sector dominated economy. This led to the upsurge of large public sector enterprises that are responsible for both investments and service delivery. However, public enterprises proved highly costly and inefficient, particularly in the provision and maintenance of infrastructure. This has been the trend in most developing countries. Given this negative trend, a number of developing countries in the mid-1980s adopted policies that favour the involvement of the private sector in the provision and maintenance of critical infrastructures. This is with the view to reducing waste, corruption and the need for enhancing the efficiency of infrastructure services. This policy shift, which was adopted by many developing countries, is the initiative of some international institutions such as the World Bank and International Monetary Fund (IMF). As part of conditions for support and assistance from World Bank and IMF, many developing countries were required to privatise the provision of some of the important components of their infrastructure services. This development has been part of the economic reforms of many developing countries in the last two decades (Parker and Kirkpatrick, 2004).

Accordingly, privatization, which has been an essential component of economic reforms, among the developing countries, was meant to facilitate more efficient operations, expand service delivery, reduce the financial burden on government and increase the level of foreign and domestic private investment (World Bank, 1995). Initially, privatization measures mainly targeted the manufacturing sector. Recently, however, the reforms extended to other key sectors of the economy. Thus the private sector is being regulated in ways that it can increasingly be involved in the funding and delivery of critical infrastructure services. Accordingly many countries in the developing world have encouraged private participation in the infrastructure industries

and, by the end of 2001, developing countries had received over \$755 billion in private investment flows in nearly 2,500 infrastructure projects (World Bank, 2003a). Ever since the private sector led infrastructure development has come to remain a dominant approach for stimulating growth and facilitating development. This paper thus examined the role of the private sector in infrastructural development in Nigeria.

Accordingly, the paper is structured into five related segments. The first being the introduction provides the context for the discussion. The second segment clarified key concepts: infrastructure; private sector; and economic diversification. The third section examined the role of the private sector in the provision, operation and maintenance of critical infrastructures. The last section concludes the study.

Conceptual Clarifications

In social science discourse, concepts are inconsistent. The meaning of concepts are sometimes context specific and influenced greatly by the disciplinary orientation of various scholars. There is hardly any concept that has universally acceptable meaning in social science discourse. Many scholars define concepts in the specific context for which the concepts are used. It is therefore not strange if many scholarly discussions focus on conceptualization. This is only with the view to adopting certain definitions or meanings that are more appropriate to the context of the discussion. This paper therefore identifies key concepts that need to be conceptualized. These include infrastructure; and the private sector.

Infrastructure

Infrastructure is defined in many contexts. There are various descriptions of what constitute infrastructure. Some certain infrastructures are referred to as 'basic infrastructure' while in the context of other

discussions they are referred to as 'critical infrastructure'. Generally, infrastructure is usually described rather than defined. Many scholars and establishments are rather comfortable describing what constitute basic and critical infrastructure rather than discussing the meanings and definitions. Indeed, infrastructure is often referred to as basic facilities, services, and installations needed for the functioning of a community or society, such as transportation and communications systems, water and power lines, and public institutions including schools, post offices, and prisons. These wide array of facilities and services are usually described as basic and critical infrastructures. In general, infrastructure is defined to mean electricity, gas, telecoms, transport water supply, sanitation and sewerage. However, because data on the physical stocks of these facilities, or their valuation, tends to be scarce, authors have often relied on stocks of public capital or specific subsectors as proxies for infrastructure. Impliedly, therefore, the value of public capital expenditure is used as yardstick to determine those facilities and services that constitute basic or critical infrastructure. Public capital seems to be attractive because it is somewhat easier to identify in many countries. But it is a broader concept that is itself quite unclear. For instance, it can include all public buildings, including hospitals, schools or public housing and office stocks, or police and fire stations. Thus the extent of its relevance to assess the impact of infrastructure on growth is at best unclear. It is in fact worsening since, pointed out by Straub (2011), the relative importance of the private sector in infrastructure has increased a lot more than in other activities.

In a 1983 report, the Congressional Budget Office (CBO) defined "infrastructure" as facilities with "the common characteristics of capital intensiveness and high public investment at all levels of government. They are, moreover, directly critical to activity in

the nation's economy." The CBO included highways, public transit systems, wastewater treatment works, water resources, air traffic control, airports, and municipal water supply in this category. The CBO also noted that the concept of infrastructure could be "applied broadly to include such social facilities as schools, hospitals, and prisons, and it often includes industrial capacity, as well." In a subsequent report, however, CBO narrowed this definition of "infrastructure" to exclude some facilities often thought of as infrastructure—such as public housing, government buildings, private rail service, and schools—and some environmental facilities (such as hazardous or toxic waste sites) where the initial onus of responsibility is on private individuals. The basic systems necessary for survival of an organization or nation is defined and described as critical infrastructure. The U.S. Government states that the country's critical infrastructure is the "infrastructure and assets vital to national security, governance, public health and safety, economy and public confidence." According to the Department of Homeland Security, the following subjects make up the critical infrastructure: Agriculture and Food; Water; Public Health; Emergency Services; Defense Industrial Base; Telecommunications; Energy; Transportation; Banking and Finance; Chemicals; and Hazardous Materials Postal and Shipping. These definitions and descriptions of infrastructures whether basic or critical ignite debate as to who is responsible for the provision of basic or critical infrastructure in a state. From the insights above, it seems that the public sector is solely responsible for the provision of infrastructure. This is because public capital expenditures are used as proxies for infrastructure in some segment of the literature. However, recent developments suggest that the private sector investment in critical infrastructure is gradually surpassing the public sector. This debate of the shift in the role of both public and private sector in

the growth and development of critical infrastructure and particularly the impact on economic diversification in Nigeria constitute the focus of this paper.

Private Sector

Private sector is less complicated concept that is associated with only a few controversies. It is also defined and described in a simple but somewhat multiple related contexts. For instance, According to Bureau of Labor Statistics of the US, the private sector is defined as the segment of a national economy owned, controlled and managed by private individuals, groups or enterprises. The private sector has a goal of making money and employs more workers than the public sector, particularly in an economy that encourages and support private ownership of businesses. A private-sector organization is created by forming a new enterprise or privatizing a public sector organization. A large private-sector corporation may be privately or publicly traded. Businesses in the private sector drive down prices for goods and services as a result of inevitable competition for patronage. Businesses that produce or provide identical goods and services compete for patronage and those who are able to offer good prices to consumers survive. This is so because in theory, customers do not want to pay more for something when they can buy the same item elsewhere at a lower cost. Thus the principle of rationality of consumers guides the operation and survival of private sector organizations.

The private sector encompasses all for-profit businesses that are not owned or operated by the government. Companies and corporations that are being run by government are part of what is known as the public sector, whereas charities and other non-profit organizations are part of the voluntary sector. The private sector employs workers through individual business owners, corporations or other nongovernment

agencies. Jobs include those in financial services, law firms, newspapers, aviation, hospitality or other nongovernment positions. Workers are paid with part of the company's profits. Private-sector workers tend to have more pay increases, more career choices, greater opportunities for promotions, less job security and less-comprehensive benefit plans than public-sector workers. Working in a more competitive marketplace often means longer hours in a more demanding environment than working for the government.

The public sector employs workers through the federal, state or local government. Typical civil service jobs are in health care, teaching, emergency services, armed forces and city council. Workers are paid through a portion of the government's tax money. Public-sector workers tend to have more comprehensive benefit plans and more job security than private-sector workers; once a probationary period concludes, many government positions become permanent appointments. Moving among public-sector positions while retaining the same benefits, holiday entitlements and sick pay is relatively easy while receiving pay increases and promotions is difficult. Working with a public agency provides a more stable work environment free of market pressures, unlike working in the private sector.

The private and public sectors sometimes work together while promoting common interests. Private-sector businesses leverage governmental assets and resources while developing, financing, owning and operating public facilities or services. For example, a private company might pay a state a one-time fee to operate a specific length of freeway for a set time in exchange for revenue from tolls.

Perspectives and Frameworks for Infrastructural Development

Critical infrastructures provide the basis for the growth and development of modern economies. The production and distribution of

goods and services is dependent on the quantity and quality of basic and critical infrastructures in an economy. Infrastructures such as power, transportation, information and communication, water and sanitation, healthcare, housing remain a minimum requirement for the increased productivity and efficiency of the economy. Modern economies are thus infrastructure driven. It implies therefore that the higher the quantity and quality of infrastructures the higher the prospects for sustainable growth and development. Governments' development plans are mostly and largely focused on the provision, upgrade and maintenance of basic and critical infrastructures. The World Bank, for instance, estimates that every one per cent of government funds spent on infrastructure leads to an equivalent of one per cent increase in Gross Domestic Product (GDP), which impliedly means that there is a correlation between any meaningful investments in infrastructure development with economic growth indices. This summarizes the value of infrastructure in development process of a nation. Given the centrality of infrastructures, its provision, upgrade and maintenance, there have been raging debate as to how and who is responsible for infrastructure development in modern states. There are three dominant perspectives in this debate.

The first, which is modelled along the socialist development framework, advocates for the dominant role of the state in the provision, upgrade and maintenance of basic and critical infrastructures. In other words, the advocates of this perspective provide for the centralization of development process and particularly the provision of infrastructures, which is the most strategic aspect of development process. This is assumed under the pretext that the states exist to protect and promote public interest. In this context, public welfare, which is related to economic productivity, wealth creation, employment generation and poverty reduction, can only be

achieved only with a state of art infrastructures. This model has worked in other countries but failed monumentally in some countries, particularly in the third world. Russia and China have both recorded appreciable level of economic growth and development under the regime of state control, ownership and management of basic and critical infrastructures. On the other hand, the centralization of infrastructure provisioning and maintenance drifts most developing economies to large scale public sector corruption. Budgetary allocations for the provision and maintenance of infrastructures are mostly mismanaged, squandered and misappropriated by officials and their collaborators.

Nigeria's infrastructure decay is to be explained mainly in the context of large scale public sector corruption that has led to the mismanagement and misappropriation funds meant for infrastructure provision, upgrade and maintenance. Under both military and democratic dispensations, the state in Nigeria has been inefficient in the provision and maintenance of infrastructures. Thus major infrastructures such as power, transportation (road, rail, inland waters and air), communication and information, healthcare, education and so on are all in bad shape. The state of disrepair and inadequate expansion of the basic and critical infrastructures has been argued to be responsible for the stagnation of the Nigeria's economy. This has also been the case with many developing economies, where the state play central role in infrastructure provisioning, upgrade and maintenance.

The second perspective on the other hand advocates for the active role of the private sector in the provision and maintenance of basic and critical infrastructures. This line of thought has been implemented in many advanced economies of the world. In order to curtail the creeping (personal/group) interests of government officials and political office holders in the mobilization, allocation and

utilization of resources for infrastructural development, governments are only required to set the regulatory framework for the private sector as the leading actor in infrastructure provision, upgrade and maintenance. In other words, private sector organizations are encouraged to mobilize resources and invest in infrastructural development for profit making. In the process, competition ensued and best of goods and services are provided to the people at competitive prices. This logic facilitates wealth creation, employment generation and reduces poverty and inequality in the society. The government in this regard is required to provide incentives to prospective and active investors to guarantee their survival in the market. Thus while the government saves resources from reduced budgetary allocations, it also raise funds from taxation paid by the competing businesses in the economy. This economic logic is the secret behind the level of sophistication in infrastructure in developed capitalist economies of the world.

The proliferation of many businesses competing for market in the provision of basic and critical infrastructural goods and services create gainful employment opportunities leading to increased purchasing power of consumers, which reduced poverty, inequalities and guarantee the increased productive capacity of the economy as a whole. It is argued however, that basic and critical infrastructures are necessary for both domestic and Foreign Direct Investments (FDIs). Thus the government, initially, in a short run, partakes in the provision of infrastructures to attract investors and as stimulus for economic growth and development. This model of infrastructural development has been very rewarding, particularly among advanced capitalist economies that are tax based. Many developing countries with daunting challenges of infrastructural development are tempted to borrow a lead from this model. The model has

been integrated into the policy framework of international financial institutions such as World Bank and International Monetary Fund (IMF). Accordingly, member nations with challenges of infrastructural gaps are encouraged, by these institutions to adopt this model as part of the conditions for financial and technical support and assistance.

The third perspective, which is the most popular among emerging economies in recent time, is the Public-Private Partnership (PPP). This is an emerging and evolving model of infrastructural development. The stark challenges of the two previous models of infrastructural development influenced the evolution of PPP as alternative framework for developing countries. In this case, both the public and private sector play strategic roles that could facilitate the provision of basic and critical infrastructures for the growth and development of the economy. In this regard, resources are drawn from both the public and private sectors in a collaboration to determine and implement infrastructure projects that may serve the welfare needs of the people and create business opportunities for private investors to maximize profit as well. The government may directly partake in direct investment or provide incentives for private sector organizations through concessions, lease, tax holidays or even play the role of co-investor as a support for the private sector to build and increase the confidence of both domestic and foreign investors. This way, investments in different infrastructures may receive the necessary boost to enhance their provision, upgrade and maintenance. This is with the view to achieving the twin objectives of quality service delivery for the public sector and increased profit maximization for the private sector. This model of infrastructure development is also associated with discouraging challenges. The involvement of the public sector directly increases the risks of corruption and public waste. The private sector, which is more professional,

transparent and efficient, is affected as a result of the close interaction with many corruption laden public organizations. This slow down processes, compromise standards and encourages rent seeking and kickbacks in the conception, formulation and implementation of many infrastructural development projects under PPP arrangements. Many PPP projects in Nigeria have collapsed. Federal and state governments had in different sectors such as power; housing, transport etc conceived and implemented PPP projects without tangible results. This therefore raises the concerns as to the suitability of the model for sustainable infrastructural development in Nigeria.

The Private Sector and Critical Infrastructures in Nigeria

Given these perspectives and frameworks, the private sector-led infrastructural development is seen by many as the better and viable option. It is largely on this ground that the private sector is seen as the last hope for the growth and development basic and critical infrastructures in Nigeria. Commonly described as all for-profit businesses that are not owned or operated by the government, the private sector is seen as the panacea for the revitalization of Nigeria's decayed infrastructures. The Nigeria's basic and critical infrastructures have been in a terrible state of disrepair and overtly inadequate to match the growing needs of both the people and the industrial sector in particular. As a profit oriented outfit, the private sector, is, and depends largely on the volume and quality of its production and market for its finished goods and services. Thus the cost of production, which is summed up in the context of financial implications of its overall operations, determine largely its profit margin based on the level of patronage for its end products and services. Thus for it to operate at optimal level and to realize its full industrial

and market potentials, it must minimize its costs of operations to make its products and services affordable to guarantee high return on investments. This can be achieved with the provision, upgrade and maintenance of basic and critical infrastructures necessary for enhanced productivity. Networked infrastructure, such as transportation and communications, boost long-term economic output because they provide benefits to other sectors, such as improved business efficiency, effective mechanisms to coordinate and manage supply chains and product delivery. Resilient and dependable networks enable business confidence which leads to increased business investment and growth and the creation of new economic opportunities.

Investment in infrastructure and how these investments are managed can also have a significant impact on government economic objectives. New investments can make a significant contribution to productivity and economic performance if they have high benefit-cost ratios. Infrastructure investments are essential for the functioning of the economy and contribute to business efficiency, connectivity and business growth which can result in improved confidence in current and future infrastructure. In addition, investing in infrastructure has a real impact on creating and sustaining jobs. The most recent U.S. estimate from the President's Council of Economic Advisors notes that every US\$1 billion in Federal highway and transit investment funding supports 13,000 jobs for one year (The White House, 2014). Analysis of data from the U.S. Bureau of Economic Analysis 2012 annual data as well as from the U.S. Bureau of Labor Statistics (BLS) suggests that "68 percent of the jobs created by investing in infrastructure are in the construction sector, 10 percent in the manufacturing sector, and 6 percent in retail trade (Ontario Government, 2015).

In Nigeria, the crisis of basic and critical infrastructures undermines and discourages

private sector investments in the economy. Major infrastructures such as power, transportation, communication, health, education, water and sanitation etc makes the economic environment unattractive to private investors. Governments in Nigeria overtime have also failed to provide and guarantee the provision of infrastructures to stimulate investments for sustained economic growth and development. For instance, as the most populous Black Country in the world, Nigeria envisioned to be among the top 20 economies in the world by 2020 with a minimum GDP target of \$900 billion and a per capita income of no less than \$4000 per annum. This vision is realisable only with robust infrastructures adequate enough to enhance the productive capacity of the economy. However, major infrastructures in the country are in deficit and the existing ones are barely usable. For instance, the transport sector is one of the most critical infrastructures necessary for the growth and development of any economy. In Nigeria, the basic means of transportation is predominantly by road. As critical as this means of transportation is to the country's economic growth, the sub-sector suffered neglect and decay. According to Gabriel (2014) by 1990, Nigeria had 108,000 kilometres (67,112 miles) of roads. Of this total, 30,000 kilometres (18,642 miles) were paved, 25,000 kilometres (15,535 miles) were gravel, and 53,000 kilometres (32,935 miles) were unimproved earth. Even with the limited coverage of the road infrastructure, significant portion of the facility has been in state of disrepair and part of it barely useable. Even within major cities there are heavy traffic as a result of poor condition of the roads and inadequate networks. This causes unnecessary delays in the movement of people as well as goods. The poor condition of the roads in Nigeria has been one of the major causes of high mortality. Traffic accidents are common, frequent and endemic. This contributed to the pace of Nigeria's economy and often

discourages both domestic and foreign investments into the economy. The poor road infrastructures cripple productivity as a result of high losses recorded by producers that are constrained in the distribution of their products for sales and profit. Most developed nations in the world stimulated their economies by accelerating their infrastructure and building on it; examples being those of India and the United States of America.

It is on account of this that many advocated for the increased roles of the private sector for the revitalization of Nigeria's critical infrastructures and as the basis for reinvigorating the economy. This, according to experts can be achieved with privatization and effective regulatory regimes to guide and supervise private entities in the provision, upgrade and maintenance of infrastructures in Nigeria. There are however, certain constraints in establishing credible and effective infrastructure regulation in developing countries, which are related to resource limitations especially in lower income countries. Many developing countries lack the necessary trained personnel or at best inadequate to create and sustain regulatory commitment and credibility. Regulatory offices in developing countries tend to be small, under-manned for the job they face, and possibly more expensive to run in relation to GDP than in developed countries (Domah, et al., 2003). Mass exodus of Nigerian experts to other developed economies has been one of the major reasons for the challenge of human resources necessary for the growth and development of basic and critical infrastructures in Nigeria. Many Nigerian experts are highly underutilized and sometimes their technical and scientific knowledge undermined by both indigenous and foreign investors in the economy. The decay of the educational and research institutions also contributes to the low profile technicians, engineers and experts that are required to contribute in the provision,

operation and maintenance of infrastructures in Nigeria.

This is aptly the case with Nigeria. Even with the privatization of the power sector, for instance, the limited regulatory capacity of government has even made matters worst. Power generation and distribution has dwindled with privatization. Private companies that took over public assets in the power sector do not have the requisite expertise to guarantee improved productivity and efficient service delivery. The hope of industrial organizations for improved power generation and distribution has soon turned into despair. This is all as a result of limited regulatory capacity to guide and supervise private entities. In Nigeria as in many developing countries, familiarity with the regulatory models and methods of regulatory policy analysis is often limited (Kirkpatrick et al 2004b). The other main difficulties found in many developing countries relate to broader governance problems (Stern and Holder, 1999; Minogue, 2002) or the legal powers and responsibilities of regulators, including their effective independence from regulatory (including political) culture. Most regulatory agencies in Nigeria are politicized. The appointment and recruitment of the management staff and the workforce have been highly politicized. The regulatory agencies also exist and function with weak legal framework. Their capacity and powers to enforce its regulations are limited and weak. The various regulatory agencies in Nigeria are highly constrained, which undermine the efficiency and effectiveness of private investors, particularly in the provision, upgrade and maintenance of basic and critical infrastructures.

Nevertheless, the private sector involvement in infrastructure development in Nigeria is still seen as the panacea to the endemic economic crisis of productivity and efficiency. For instance, aside from the huge

infrastructure gaps and deficits, the existing basic and critical infrastructures in the country are in terrible state of dysfunction, decay and disrepair. Efforts by successive governments to improve, reinvigorate and expand these facilities have over the years degenerated into large scale corruption within the public sector organizations. The power sector is a case in point. From 1999 to date huge investments are made with the view to improving productivity and efficiency of the sector but to no avail. Although there are challenges even with the involvement of the private sector in infrastructural development in Nigeria, these challenges can be addressed with relative ease for the effective revitalization of Nigeria's decayed infrastructures. The fact that government's monopoly has led to monumental infrastructure deficit in Nigeria in the past suggest that the private sector can do better in this regard.

In spite of the enormous challenges undermining the functionality and efficiency of the private sector in the spheres of infrastructure development, the growth and development of Nigeria's economy is hinged on the active and meaningful engagement of the private sector, particularly in infrastructural development. The scandals and abuses that most often characterized the privatization process in Nigeria and the lack of incentives for private investors in the country need to be addressed in order to woo private investments in Nigeria's dilapidated infrastructures. The path of deregulation, which apparently extends competition to the supply side of the market, is likely to bolster private investors to take advantage of the potentials in infrastructure provision, maintenance and upgrade. The competitive credentials of the private investors and their motivation to own and manage different aspects of the economy for profit making, particularly basic and critical infrastructures, rekindle hope for the revitalization and

expansion of Nigeria's basic and critical infrastructures.

Indeed, the hope for the revitalization of Nigeria's basic and critical infrastructures lies squarely with the private sector. The growth and development of the Nigeria's private sector is therefore a function of the capacity and efficiency of the private sector in Nigeria. Thus Nigeria's basic and critical infrastructures are mostly likely to develop only if the capacity and efficiency of the private sector is enhanced. To achieve this, the government is duty bound to create the necessary atmosphere for the private sector to thrive in the provision, upgrade and maintenance of critical infrastructures in Nigeria. The government is required to provide both the legal and regulatory frameworks as well as the necessary incentives for the effective and efficient operation of the private sector organizations in the country. To achieve this, however, the economy need to be diversified as a precondition and incentive for active and meaningful engagement of the private sector in the provision, operation and maintenance of basic and critical infrastructures in Nigeria.

Conclusion: Is the Private Sector the Panacea of Nigeria's Infrastructure Deficits and Decay?

Nigeria's development potentials are enormous and multifaceted. The country has been recognised as one of the most prospective economies of the world. It is rich in human, natural and material resources. At independence, Nigeria's agricultural sector was one of the most productive in the world and contributed the highest for the country's foreign exchange earnings. The country's mining sector also contributed immensely to the country's GDP. The discovery of oil, however affected the structure of the Nigerian economy. The oil boom in the 1970s led to the neglect of agriculture and other major sectors of the economy. Huge earnings from oil sales

encouraged massive public sector corruption. Successive governments both military and democratic mismanaged and misappropriated funds meant for the development of the country's basic and critical infrastructures. The decay in the infrastructures affected grossly the growth and development of the industrial sector. The manufacturing sector appeared to be the most affected by the decay. Many factories and industries both domestic and foreign were forced to shut down operations. The indigenization policy as well as other industrial policies and reforms proved counterproductive. The private sector was ill-motivated to invest in the economy. The dilapidated nature of the basic infrastructures such as power, transport, communication health facilities and education demobilized the private sector. This state of affairs undermined the growth and development of the economy with attendant consequences of increased poverty levels, high unemployment, increased inequality, widespread corruption, crimes and insecurity and general instability.

The return of Nigeria to democratic in 1999 was a turning point in Nigeria's quest for sustainable economic development. Successive governments since 1999 introduced many reforms aimed at revitalising the economy. Some of which include the establishment of the Independent and Corrupt Practices and other related offences Commission (ICPC), The Economic and Financial Crimes Commission (EFCC), the National Economic Empowerment and

Development Strategies (NEEDS), The Seven Point Agenda and series of Public Sector reforms. Sadly, these reforms have not yielded the desired results and Nigerian economy has continued to be on the decline and stagnation. This is largely as a result of widespread corruption which undermines the growth and development of basic and critical infrastructures thereby affecting private sector involvement in various economic activities in the country. Thus while the private sector require a robust and functional infrastructures to operate and contribute meaningfully in economic activities, this paper argues that the private sector can also contribute immensely in the provision, operation and maintenance of basic and critical infrastructures in Nigeria. The government therefore is only required to provide the necessary legal, regulatory and economic frameworks that may certainly attract private sector investments in basic and critical infrastructures. Strong legal and regulatory instruments as well as favourable economic incentives will positively instigate huge private sector investments in infrastructures required for economic growth and development. Accordingly, the paper argues that private sector involvement is the panacea for Nigeria's infrastructure deficits and decay. Economic diversification in Nigeria is thus achievable only with the engagement of private sector in the provision, operation and maintenance of basic and critical infrastructures.

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