Globalisation, Institution and Public Private Partnership: The Nigerian Experience

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Abstract
The tide of globalization through competition has stormed the global world and swept away uncooperative countries. This has therefore reconfigured and reshaped the state in both the activities and powers by transferring powers and activities hitherto held by the state to other actors. This is done at the vertical level (through the supra-nationl organization such as the United Nations) and at the horizontal level (through the society such as the private sector). Thus, state (public) has to partner with the society (private). The success of the partnership between the public and the society depends largely on the availability of strong institutions to regulate the shared understanding and language of partnership. In Nigeria, institutions, which are to regulate human interactions and which allow participants to mitigate obstacles to collective action and commit to cooperative agreements are weak. This has led to the collapse of Public Private Partnership (PPP) because the corollary of PPP, which is development is still lacking. The main objective of the paper is to explore the relationships among globalization, institution and PPP and to anchor the success of PPP in Nigeria on the availability of strong institution. The paper relies on the use of secondary data for data collection while content analysis is used for its analysis. The implications of the paper are to shed more light on the effects of globalization, the need to build strong institutions and pursue rigorously collaboration between the state and society in Nigeria.

Keywords: Globalization, Institution, Public Private Partnership, Nigeria

1. Introduction
The emergence of globalization in the 1990s brought propensities for the state to develop by reconfiguring and reshaping the activities of the state as well as its powers. Consequently, globalization with its reconfiguration and reshaping of the state has bred its own defects. The onus is on state to devise strategy to mitigate these defects. This can be done by the involvement of all the stakeholders – state herein refers as the public and the society which is referred to as the private. This signifies that partnership is needed between the public and the private. Nevertheless, the success of the Public Private Partnership (PPP) is contingent upon strong institutions. In Nigeria, just like any other state, the reconfiguration and reshaping of state become so inevitable that the country would have to key in into the rampaging effect of globalization. In order to respond to the challenges posed by this phenomenon, Nigeria needs to devise strategies to combat its defects. Globalization has been found to have benefitted states in the North (developed countries) while states in the South (developing countries) including Nigeria are at the mercy of the states in the North. Such defects of globalization within the state include increasing inequalities among human individuals, inequalities among groups, the challenge of the state’s peculiar monopoly of use of force and primordial loyalty, among others. Again, globalization has created defects between states. Such defects include the polarization of wealth and poverty, a conceptually revitalized gloracialisation (radical consciousness of racial distinctiveness), increased terrorism, increased migration and nuclearism. Gloracialisation is evidently happening in Africa as Africans continue to see themselves as strangers in the same voyage. An instance of evidence of gloracialisation is witnessed during the violent xenophobic attacks on fellow Africans by the South Africans in April 2015 in South Africa.

All of these occurrences are reshaping and reconfiguring the state. Although state has territorially retained its abstractedly configured name – state. Realistically, it has lost its imprints on the social realities on both the territory as well as the people. The consequence of this is that state is incapable of performing some of its responsibilities to people. This therefore calls for rejuvenating strategies to address this deficiency by transferring some activities and powers of state to other actors. This is with a view to addressing the challenges posed by the impacts of globalization. The reconfiguration of state’s power as a result of the effect of globalization is termed denationalization. According to Jessop (2003:36), denationalization is the transfer of power hitherto held by state upwards to supra-national-organization like the United Nations, downwards to regional or local states and outwards to relatively autonomous cross-national alliances among local, metropolitan or regional states with potentially complementary interests.

More interestingly, the domain of PPP within the context of the challenges posed by globalization is located at what Jessop (2003) invents as destatization. According to him, destatization signifies the redrawing of the boundaries between state and non-state apparatuses and activities within the political system. Destatization is about the public-private relationship as it seeks to modify the relationship between organizations and tasks across this divide. Jessop states further that:
Some of the particular activities (technical, economic, fisco-financial, juridico-political, ideological, etc.) performed by state (on any scale) have been transferred entirely to, or shared with, parastatal, non-governmental, commercial, or not-for-profit actors, institutional arrangements or regimes (Jessop, 2003:36).

2. Globalization and Public Private Partnership

2.1 Globalization

Globalization, as defined by Chesnais (2004), is woven around international economic and political regime and supposed to have emerged out of consensus of national governments and the elites of the world. It therefore tends to align with the ideology of its initiators. In Chesnais’ characterization, globalization is defined thus:

The international economic and political regime, which follows from the adoption by practically all the governments and political elites in the world, of the policies of liberalization, regulation and privatization as well as of the ideology and domestic politics of laissez faire and enrihisses-vous (enrich yourself) (Chesnais, 2004).

The above characterization of globalization as an outcome of practically all the national governments and political elites in the world is not persuasive enough. This is because, according to Tijani (2010), globalization is an economic and political regime brought by the western countries of the North through their political ideology of capitalism and economic ideology of liberalization, privatization and regulation. Globalization tends to see states in the North as having the same characteristics as the states in the South. On the contrary, states in the South including that of Africa are ‘disconnected’ and ‘dislocated’ at the level of the institution. This accounts for lack of proper integration for the partnership. Even the only characteristic that states in the South share with the states in the North, which is international legal sovereignty, as claimed by Mason (2003:8), has been eroded by the rampaging tide of globalization. States specifically, powerful states now invade less powerful states with ease as recorded in the United States invasion of Iraq in 2003, the invasion of Panama by the United States in December 1989, Russian invasion of Georgia in 2008, among others. The consequence of this is that state has not only witnessed transformation by losing effective sovereignty to mere legal sovereignty but also had reduction in both power and activities.

Ironically, as the activities and powers of the state are decreasing, there is increased globalized world economy with corresponding multitude of issues about growth and development. According to Memoire (2002:2) increased globalization of investment and transactions has created the need to incorporate broader national framework for tackling these issues:

Within the increasing globalized world economy, the myriad of issues including economic growth, private sector development, and trade & investment have reinforced the importance of government regulation for a competitive environment for the market forces to thrive. Increased globalization of investments and transactions in product and capital markets has created a consensus on the importance of incorporating economic governance into the broader national framework for economic growth and development (Memoire, 2002:2).

Globalization is an observable fact that has overriding influence on state and people. It has become the dynamics for development and so, its tenets - marketization, liberalization and territorilization – have implications for both state and people. Its defects affect both state and people in the North in addition to that of the South. Surprisingly, states and people in the North are more strengthened to absorb its defects than the states in the South. Globalization serves as a ferocious virus that attacks state and people in both North and South, but leaves the most immune among the states and the people, that is, the North with not so much impact. Conversely, globalization leaves the less immune states and highly vulnerable people, that is, the South with its lethal substance. Consequently, the impacts of globalization are on the public as well as on the private. The antidote for this is for both victims, that is, the state represented by the public and the society represented by the private in the South to collaborate in order to fight the monstrous virus called globalization. The symptoms of the globalization virus – polarization of wealth and poverty, increasing inequalities between the groups in the state and elongation of citizenship gab – can be eradicated by the resolve of the public and private partnering together. This is imperative more so with the decreasing activities and powers of the state but conversely increasing globalised economy. It has become imperative for states have to devise a strategy to solve these problems.

In order to find solution to the myriad of problems, state has to partner with other actors - the non state actors - for it to perform its primary responsibilities of providing basic necessities of life to the people and be responsive to them. This is more imperative if the defects that globalization has brought into the developing states are taken into consideration. Although Memoire (2002) is acquainted with the considerable strides made by states he understands that not all countries have gained from globalization equally due to the presence of marginalization of groups within the country. This development has created the need for effective management through appropriate mix of policies and regulation. This is considered as the panacea for the deficiency in the role of the state. The panacea is for the state to work in partnership with others – involving non-state actors in the
Political conditions and the political environment. They claim that both “political conditions and the political environment” will affect public-private partnership by the way they shape a variety of factors that impinge on the partnership. These obstacles are associated with the shortcomings of globalization as witnessed in transformation of the state in both the activities and powers. It means therefore that the reduced activities and powers of the state are concomitant to reduction in the responsibilities of the state to its people. It therefore implies that the responsibility of the state from the maintenance of law and order, provision of basic necessities of life for the people to the protection of territorial integrity, among others, is left unfulfilled. In order to fill the gap created by these defects of globalization and absorb the state from the consequences of becoming a “collapsed” or “failed”

2.2 Public Private Partnership (PPP)

It is pertinent to understand what PPP signifies as it would enable us to know the direction that analysis on the subject would go. This is because partnership should be properly conceived in order to signify what is public. What is public is peculiarly explained within the purview of the state apparatus in carrying out the activities that are amenable to collaboration with the private. In the same vein, what is private should be explained within the perspective of the activities that can be shared with the government. In the words of Xie and Stough (2001), when clarifying definition on public-private partnership, they contend that the definition will shed light on who the participants in the partnership are. According to them, some misconceptions that are woven around PPP are informed by narrow understanding of what is ‘public’ and what is ‘private’. Xie and Stough attempt to make clarification of the two:

Usually, the “public” sector is only regarded as a synonym for government. In the guidebook for local economic development issued by the government of British Columbia, Canada, public-private partnerships are defined as “arrangements between government and private sector entities for the purpose of providing public infrastructure, community facilities and related services (Xie and Stough, 2001:4).

Public-private partnerships are voluntary and collaborative relationships among various actors in both public (State) and private (non-State) sectors, in which all participants agree to work together to achieve a common goal or undertake specific tasks. Partnerships may serve various purposes, including advancing a cause, to implement normative standards or codes of conduct, or to share and coordinate resources and expertise. They may consist of a specific single activity, or may evolve into a set of actions or even an enduring alliance, building consensus and ownership with each collaborating organization and its stakeholders. While they vary considerably, such partnerships are typically established as structured cooperative efforts with a sharing of responsibilities as well as expertise, resources and other benefits (International Labour Organisation, 2008:1).

The political conditions and the political environment have been identified as key obstacles to successful partnerships (World Economic Forum, 2005). This is observed in a roundtable discussion (World Economic Forum’s Global Institute for Partnership and Governance and the United Nations Department of Economic and Social Affairs, 2005) to determine areas for harnessing public-private partnerships. This is with a view to advancing development objectives and garnering consensus over the conception of PPP. The roundtable, attended by 54 participants, all actors in PPPs, identified key obstacles from a choice of 27 variables in formulating effective development as follows:

- Difficulties in negotiating and reaching agreement between non-traditional parties;
- Achieving political will and public support for the participation of the private sector and business community;
- Agreeing on key performance targets;
- Transparency and accountability within the PPP.

All of these obstacles are regarded as the political environment that will influence the direction of the partnership. These obstacles are associated with the shortcomings of globalization as witnessed in transformation of the state in both the activities and powers. It means therefore that the reduced activities and powers of the state are concomitant to reduction in the responsibilities of the state to its people. It therefore implies that the responsibility of the state from the maintenance of law and order, provision of basic necessities of life for the people to the protection of territorial integrity, among others, is left unfulfilled. In order to fill the gap created by these defects of globalization and absorb the state from the consequences of becoming a ‘collapsed’ or ‘failed’
state, government needs to strengthen its arena of responsibility. This can be achieved through partnering with others in an effort to make the state responsive to the lawful and legitimate yearnings of the people and improve its own organizational capacities. This makes up for the vacuum created by the defects and also constructs government to be effective. The partnership is done at two levels – the levels of service delivery and the level of policy making. The first realm of partnership is done when other actors such as the Civil Society Organizations involve in the delivery of services to the teeming populations.

Another approach is the collaboration of the people in decision making. In Latin America, Argentina especially, PPP takes a form of involvement of other actors like Civil Society Organization in the design and implementation of political decisions. Bifarello (2001) opines that public-private partnerships in Argentina modify traditional ways of designing and implementing public policy through the participation of CSOs in social service delivery and by influencing political decisions. Dossal (2004:2) observes the modifications that have percolated the design and implementation of public policy to accommodate new networks:

...the past 15 years have seen an explosion of civil society organizations worldwide, the globalization of business, the revolutionary force of communications and information technologies - and this has changed the perspective on what governments can and should do. New networks between the public and private sectors have emerged from this revolution, re-defining - and at times clouding - the previously clear roles of government, business and civil society. In light of these developments, private enterprise has an increasingly important role to play (Dossal, 2004:2).

Interestingly, Dossal (2004) puts a caveat of realistic expectations of the partnerships. He discloses that though partners may come with good intentions to partnership, individual needs and requirements may not be easily coordinated. Even when there is cooperation between the public partners and private partners, such cooperation may be at the detriment of the partnership. This is for the reason that the cooperation may be a ploy for political collusion between the partners - public and private operators. Dossal’s caveat on the expectations of the partnership peculiarly describes Nigerian situation where partnership is hindered by lack of strong institution to regulate interactions among various participants. This hindrance is akin to Scribner’s (2011:3) reservations for Public private partnerships saying that it drives rent seeking behaviour:

PPP can also drive rent-seeking behavior, and create significant risk of improper collusion between political actors and politically preferred firms and industries. This harms not only taxpayers, but the economy at large, as critical investment decisions are distorted by political considerations. Such shady dealings also serve to delegitimize and discourage privatization efforts and commercial infrastructure investment in general. Worse still, the errors of the public sector component are often blamed on private parties (Scribner, 2011:3).

3. Public Private Partnership in Nigeria
In the 1960s and 1970s, Nigeria’s developmental approach was state led in which dialogue with private sector was not perceived as critical to the development of the country (Sagagi, 2007). This can be said to have accounted for the seemingly lackluster attitude of the participants especially the public in the current PPP. Sagagi (2007:2) notes that “government was the major actor in the economy up to the 1980s when new reforms were introduced to deal with the dwindling oil revenue”. In Nigeria, the formation of PPP could be traced to 1989 when government established the National Committee on Industrial Development (NCID) as an organ of government to dialogue with the private sector. Thus, we have Public private Dialogue (PPD). PPD could not function properly due to some problems enunciated by Ahmed (1999), which include policy inconsistencies, lack of focus and commitment. This was followed in 1999 by a Presidential Committee to correct the mistakes of the past. Subsequent attempts at piloting PPD for development in Nigeria have not been translated into success for the country as there is little or no infrastructural development in the country. In the same vein, the 10th Nigerian Economic Summit titled “Partnership for Growth and Transformation” was held with the aim of regenerating and invigorating PPP. The 12th Nigerian Economic Summit, also held in June 2006, focused centrally on the institutionalization of dialogue (Sagagi, 2007).

The official recognition of the Public Private partnership (PPP) came into being with the establishment of The Foundation for Public-Private Partnership in 2009. It is a non-profit, non-partisan organization with innovations in the partnership with membership cutting across notable people in the public and in the private sector. The goals of the foundation according to Foundation for Public-Private Partnership (2009) include:

- **Provision of public services**: Operation and maintenance of services, which include Road construction, mass transportation, water, power, education, aviation, waste management, communication, environmental facilities, agriculture, health care and social services.

- **New Infrastructure Development**: Attracting new private capital and in fact developing private sector in Nigeria to implement privatization, concession, joint ventures and other partnership in fields mentioned above.
• Working closely with experts and consultants to provide accurate and timely information to
general public and make formal and informal presentation at Federal, State and Local Government
levels in over-coming the challenge to operate more efficiently and cost-effective manner in
serving the public. Furthermore, close collaboration with similar interest groups such as NGOs, Bi-
lateral and multi-lateral institutions, civic societies, the legislature and all public institutions to
achieve the objective of this our foundation is paramount.

It is for this reason argued that the nature of Nigeria’s political system has been responsible for the
myriad of problems the partnership has encountered. The nature of political system as expressed in the practice
of neo-patrimonialism has made involvement of other non-state actors in PPP not of mutual benefit. In its stead,
the relationship is exploitative in both ends with the public tending to milk away from the partnership. Neo-
patrimonialism is about the relationship between the patrons and clients, the patrons using the resources of the
state to seek for patronage from the people. It supplants bureaucratic structure only with the ‘connections’. In
Nigeria, it is the people who have ‘connections’ that have the real power not those who hold higher positions. So,
it is this form of involvement that permeates the involvement of non-state actors. This explains the failure often
recorded by PPP in infrastructural provisions. For example, Odumosu, et al (2005:216), writing on Public
Private Partnership in Policing for Crime Prevention, concludes that:

In Nigeria, there are elements of existing public-private partnership in crime prevention. These
have been skeletal and to a large extent uncoordinated and poorly harnessed to the benefit of
the citizens in the country (Odumosu, et al., 2005:216).

So, it is important that for infrastructural development in Nigeria, PPP should be effective. But, PPP is a
contingent outcome. A contingent outcome is an event that occurs after every event has happened. In other
words, an event has to occur before PPP can be effective. In light of this, institutions should be strong and
effective before PPP can translate into development in Nigeria.

4. Institutions as a Panacea for effective Public Private Partnership in Nigeria

Institutions play an important role in evolving sustainable and people oriented governance. This is because the
quality of a country’s institutions determines its growth and development (Hall and Jones, 1990; Acemoglu,
Robinson and Jonson, 2001; Gambari, 2008; Acemoglu and Robinson, 2008). Institutions are, according to
World Development Report (2003), rules and organizations, including informal norms that coordinate human
behavior. World Trade Report (2004) sees institutions as also embodying ways and means of enforcing these
rules. Institutions are important for sustainable and effective PPP. It is an instrument for building effective PPP.
This is because the attributes of PPP - type and range of activities, resource commitment, the roles of participants
and time scale - are a function of the institution. Institution is important in managing PPP; it should serve as
a guiding framework for PPP. This becomes imperative when the goal of PPP, which is the provision of
infrastructures to the people, is considered as an indicator for measuring the presence of good governance.

For government to be transformed into governance, institutions play a leading role. This is because,
according to John (1998:38), they are the arena within which policy-making takes place. Policy making is
contingent upon cooperation between the gladiators; the distinctive focus of institution is on cooperation
(Weingast, 2002). In light of this, institutions therefore perform the role of dividing powers and responsibilities
between the public and private in the state; they confer rights on individual and groups; they impose obligations
on state officials to consult and to deliberate; and they can include and exclude political actors such as interest
groups, in public decision-making (Schattschneider, 1960). Institutions, whether economic, political, social,
cultural or even religious should serve as an engine that propels a country’s propensity for development by
conceives institutions as giving a voice to the citizens. It does so by gathering information about their needs and
problems and responding to feedback, which is the building block for the effectiveness of PPP. In Nigeria,
institutions are weak, which leads to failure of development initiatives. The failure is further deepened by the
globalization process. This is so because countries with strong and effective institutions are better able to take
advantage of the opportunities of globalization such as establishment of viable PPP.

Joseph (2010:11) posits that “the most daunting frontier still to be crossed in much of postcolonial
Africa is the creation and maintenance of institutions that will uphold transparency and the rule of law.” The
American President, Barak Obama, as quoted by Joseph (2010:12), laments that that the key principles of good
governance are lacking in Nigeria, saying that institutions required to provide them are constantly being eroded
from within. This has had implication for the growth and economic development of Nigeria. The United Nations
Development Assistance Framework (UNDAF) (2008), reports that more than half of Nigeria, 54.4% or 76
million people are living in abject poverty, thus doubling the poverty rate of 1980. The total number of adult
illiterates is 22 million, which places Nigeria among only 10 countries in the world with more than 10 million
illiterates. The under 5 mortality rate stands at 197/1,000 live births. According to UNADAF, the rate is above
the rates in Kenya, Ghana and South Africa. Maternal mortality rate is 800/100,000 live births, which places it
among the highest in the world. The country has the largest HIV/AIDS epidemic in the West Africa and second largest in the world.

The Fund for Peace in its 2010 Failed States Index (FSI) ranked Nigeria 14th among the countries with the greatest chances of becoming a failed state. The report states that “nearly 70 per cent of Nigerians live below the poverty line, while many government officials have become wealthy by taking bribes and embezzling funds” (The Punch, 22 June 2010:9). The above not-so-well profile of Nigeria is an indication of weak institutions as evident in the high incidence of institutional decay. Such institutional decay in Nigeria is also manifested in endemic corruption by the politicians. Corruption has become so rampant in the country. Hamid Ibrahim, Secretary General of Arewa Consultative Forum, a socio-political group in the northern part of Nigeria, while commenting on the second term of the Fourth Republic, laments that ninety percent of the governors in the Fourth Republic are corrupt (This Day online, June 12, 2006). This view is supported by the American Secretary of State, Hillary Clinton that Nigeria’s key indicators of development are declining. She puts it that corruption in the country was “unbelievable (iwatchobama.com, 2 February 2010). The judicial corruption where court orders are disrespected, according to the former Chief Justice of the Federation, Uwais, as quoted by Suberu (2008), is also a manifestation of institutional decay. Similarly, Delavallade (2011) attributes a country’s level of corruption to its institutional failure. She puts it concisely that:

The corruption level of a country is a reliable indicator of the quality of its institutions. And recent research work aiming at pointing out priority fields in combating corruption emphasizes the necessity of controlling the transparency of rules and regulations about public servants (Delavallade, 2011).

The institutional failure in Nigeria, principally the corruption aspect, is an impediment to strong partnership between public and private. Herzberg and Wright (2005:8) exhibit the nexus between institution and PPP by indicating that institution creates avenue for exposing instances of corruption. The scholars cite copiously similar success stories of the role of institutions on PPP from Botswana’s High Level Consultative Council, which provides a mechanism for monitoring public-sector performance, Uganda’s private sector of National Council, which helps to keep government honest. Likewise, in Senegal, according to them, the Presidential Investors’ Council led to an Act establishing a “Corruption Council” and Mauritius’s creation and ratification of “Code of Conduct by Enterprises” in October 2001.

5. Conclusions and Implications
Globalization is a controversial concept that has had unequal impacts on all the states of the world. Very disturbingly, the states in the South including Nigeria have been affected. Globalization has been an all-inclusive expression for the interconnectedness that exists between all human relations – political, economic, cultural and environmental relations. Since increased interaction is inevitable more so in an era of globalization, the best opportunity available is for the state to collaborate with the society, the collaboration is coined Public Private Partnership (PPP). However, disagreement is a normal ingredient in interactions among human individuals. This makes strong and effective institutions very imperative with a view to regulating these interactions and making participants agree to the partnership. Again, transparency and accountability within PPP are important. It is necessary for both public officials and private representatives to maintain these ethics in the partnership. This would make them agree on key performance targets. Fundamentally, PPP in Nigeria should facilitate the participation of private sector in decision-making. This would further guarantee transparency and accountability.

References


The Punch, Nigeria ranked 14th in the Failed State Index, 22 June 2010, pp.9

This Day, Hamid Ibrahim is the Secretary General of the Arewa Consultative Forum, Monday, 12 June 2006, Lagos.


