Topic:

PRIVATISATION OF THE NIGERIAN RAILWAY CORPORATION: An Evaluation of Critical Choices

By:

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At

London School of Commerce
Declaration

I declare that this work has not previously been accepted in substance for any degree and is not being concurrently submitted for any other degree.

I further declare that this thesis is the result of my own independent work and investigation, except where otherwise stated (a bibliography is appended).

Finally, I hereby give consent for my thesis, if accepted, to be available for photocopying and for inter-library loan, and for the title and abstract to be made available to outside organisations.

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Efficiency Factors that Will Improve if NRC is Privatised

Choice of Privatisation Method that Will Impact

Choice of Privatisation Method that Will Impact

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Choice of Privatisation Method that Will Impact

Productivity Factors that Will Improve if NRC is Privatised

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Current Staff Strength Will be maintained if NRC is Privatised

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Deregulation of Rail Sector Will Increase Competition

Impact Competition Will have on Rail Services if

Improvements Recommended if Rail Transport is Deregulated

Efficient Rail Transport Will Enhance Efficiency in other Sectors

Privatisation of Key Infrastructure Improvements will
## Glossary of Terms

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<tr>
<th>Acronym</th>
<th>Definition</th>
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<tr>
<td>ALSCON</td>
<td>Aluminum Smelter Company of Nigeria</td>
</tr>
<tr>
<td>ATOC</td>
<td>Association of Train Operating Companies</td>
</tr>
<tr>
<td>BPE</td>
<td>Bureau of Public Enterprises</td>
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<tr>
<td>BR</td>
<td>British Rail</td>
</tr>
<tr>
<td>CDE</td>
<td>Chemin de Fer Djibouti-Ethiopien</td>
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<td>CEAR</td>
<td>Central East Africa Rail</td>
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<td>DISCO</td>
<td>Power - Distribution Company</td>
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<tr>
<td>ECQ</td>
<td>Employees of the Corporation Questionnaire</td>
</tr>
<tr>
<td>FCT</td>
<td>Federal Capital Territory</td>
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<tr>
<td>FGN</td>
<td>Federal Government of Nigeria</td>
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<td>FMT</td>
<td>Federal Ministry of Transport</td>
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<tr>
<td>GENCO</td>
<td>Power – Generating Company</td>
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<tr>
<td>G&amp;RBQ</td>
<td>Government and Regulatory Bodies Questionnaire</td>
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<td>IPO</td>
<td>Initial Public Offer</td>
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<td>MCQ</td>
<td>Management of the Corporation Questionnaire</td>
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<td>MEBO</td>
<td>Management Employee Buyouts</td>
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<td>MPQ</td>
<td>Members of the Public Questionnaire</td>
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<td>NCC</td>
<td>Nigerian Communications Commission</td>
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<td>NCP</td>
<td>National Council of Privatisation</td>
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<td>NEPA</td>
<td>National Electric Power Authority</td>
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<td>NGC</td>
<td>Nigerian Gas Company</td>
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<td>NRC</td>
<td>Nigerian Railway Corporation</td>
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<td>NUR</td>
<td>Nigerian Union of Railway Men</td>
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<td>PE</td>
<td>Private Enterprises</td>
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<td>PHCN</td>
<td>Power Holding Companies of Nigeria</td>
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<td>SAP</td>
<td>Structural Adjustment Programme</td>
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<td>SOE</td>
<td>State Owned Enterprise</td>
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<td>TOC</td>
<td>Train Operating Companies</td>
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Dedication

This research is dedicated to the fun, sweet and loving memory of my mother
Alhaja Chief Raliat Bamidele Abioye (1944-1994)
May her soul rest in peace
Abstract

An efficient transport system is a catalyst for economic development the world over, therefore rail transport plays a significant role in the socio-economic activity of any nation. The Nigerian Railway Corporation (NRC) is currently confronted with numerous problems ranging from operational, capacity building, management and customer patronage (Adesanya, 2010; Osborne, 1993). Successive governments at various times have all played a part in an effort to make the service efficient, productive, operate maximally and at best profitable but to no avail. Several billions of dollars have been expended on rail transport at different times to rejuvenate the service and make it operationally viable, but there is little evidence to justify all sums of money invested on the service let alone the impact of government intervention felt in resuscitating the rail transport (Ademiluyi and Dina, 2011; Adeyemo and Salami, 2008; Jerome, 2008).

Research methodology includes a review of relevant theories such as agency theory, property right theory, resource-based theory, and contingency theory, a comparative analysis of the UK privatisation of the national rail system as well as rail privatisation in Africa. Survey questionnaire was used to solicit information from informed consent respondents on four virtual survey samples identified and considered for the study.

The study results and statistical hypothesis tests of counterfactual opinion carried out on the research purpose was inconclusive. The survey indicated that 3 out of 4 samples tested concluded that there was no evidence to suggest a relationship between a choice of privatisation method and NRC performance. However, results of other sample indicated that there is strong relationship between privatisation of NRC and its performance indicators. Although there is no relationship between the choice of privatisation method and NRC performance, there is strong evidence to suggest that there is a relationship between privatisation and improvement of NRC performance indicators.
Chapter One
Introduction and Background

1.1 Introduction

An efficient transport system is a catalyst for economic development the world over. As such railway transport is perceived to play a strategic and important role in the socio-economic activity as well as contributing significantly to social, political and economic activities of any nation. The Nigerian Railway Corporation (NRC) is currently confronted with numerous problems in the areas of operations, capacity building, management and customer patronage (Adesanya (2010; Osborne, 1993). Over the years, successive government administrations have played a part in an effort to make the system efficient, productive, maximally operative and profitable, but to no avail (see Table 2.4, p. 24, & Table 2.6 p. 27). Although several billions of dollars have been expended on rail transport to rejuvenate the system and make it operationally viable, there is little evidence to justify the investment or the government intervention (Ademiluyi & Dina, 2011; Adeyemo & Salami, 2008; Jerome, 2008; Ozoemena & Idonor, 2006).

All of the various government intervention initiatives have failed to achieve the desired results partly due to the motives behind government involvement in the rail service, also partly political as such business reasons were not usually considered. Short term measures were adopted for quick gains as opposed to taking a longer term perspective with the view of sustainability (see Figure 1.1, p. 14). In addition, because it is mainly for gaining popularity and political gains in most cases, business strategies were not usually employed hence the interventions were marred with inconsistencies, policy summersaults and lacking goal congruence (Odeleye, 2000; Gupta & Sathye, 2008). For example, Fatemi & Behmanesh (2012, p. 44) noted in an empirical study that the “New Public Management (NPM) does not emphasise on processes (inputs) but on efficiency (outputs).” This management philosophy expressed in NPM is the bane of NRC problems where there is less emphasis on efficiency in managing the affairs of the NRC. This scenario has continued for decades as a result of massive corruption, government inconsistency, policy summersaults observed to be repeatedly rendering NRC unproductive, is suspected to be responsible for its current situation. Privatisation is hence considered owing to its perceived benefits and the potential impact of the policy on NRC.
Therefore, privatisation option of the NRC was examined to test and ascertain if the management anomalies found in government run rail service can be corrected and improved with the introduction of efficient service oriented, business style, profit-oriented philosophies (Gupta and Sathye, 2008; Mercy, 2011; Omoleke, et al, 2011; Nellis, 1994). For example, Osborne & Gaebler (1993, p. 352), in their catalytic government study in corroborating the earlier studies of inefficiencies rampant in state-owned enterprises also noted that NPM “embraces the idea that government should steer rather than row.” That is in the new world order of the NPM management style, where government is expected to create the infrastructure, provide an enabling environment and in so doing, the private sector will be encouraged and be able to turn unproductive state-owned enterprises, like the NRC, into productive public ventures.

The remainder of this chapter will therefore provide an overview of the research contained in this document. There is a discussion of the research problem and issues, which includes an assessment of the initial behaviour, political manifestoes and policies of successive governments in Nigeria at the inception of new administrations on the NRC. The aims and purpose of the study, a brief description of the research methodology as well as the significance of the research study will also be provided. The chapter will conclude with sections discussing the limitation of the study, the organisation of the research study and the research outline.

The NRC was established in 1955 to serve the colonial master’s economic activities: mainly to aid colonial administration and to provide an effective and efficient evacuation of farm products from the north to the west coast for shipment abroad. The Nigerian railway provided a key function in transporting goods, helps colonial administration operations, and acted as a link between the central seats of power in Lagos and the rest of Nigeria (Elechi, 1998; Odeleye, 2000; Akwara, A.F., Udaw, J.E. & Ezirim, G.E., 2014).

The colonial administration was motivated to construct a railway system as a means of strengthening its strategic, operational, logistical and economic powers in freely reaching across all the nooks, crannies and the vast territory of Nigeria – north to south and east to west. At those times, Nigeria was noted for the production of several agricultural and animal products as well as for the regional specialization of farm produce. The West is known for its cocoa, the East for its palm oil and the North for its groundnut (Odeleye, 2010). The
constructed railway system facilitated the effective and efficient transportation of mineral resources, farm produce and other agricultural products from the hinterland to the seaports, for shipment to overseas markets in Europe and the rest of the world (Jaekel, 1997; Adesanya, 2010).

The establishment of railway transport system in Nigeria was therefore never intended to serve as a social amenity, as it is presently seen, but purely to serve the operational and economic activities of the colonial administrations which is quite in contrast with how the railway system is used as a means of transportation to also convey passengers today. This hence explains the motive behind the poor rail network and the narrow gauge the railway tracks were built in those colonial eras, which was to only facilitate the economic activities of the colonial administration in transporting agricultural products (see Figure 2.1, & Table 2.1 p. 19).

1.2 Background to the Problem/Research Issues

This research investigates the problems, and their causes confronting the NRC. For instance, a high-performing railway system makes significant contributions to the socio-economic development of any nation cheaply, effectively and safely with minimal environmental impact (Jaekel, 1997; Elechi, 1998; Kessides, 2004; Ozoemena & Idonor, 2006; Adesanya, 2010; Agbaeze, 2014). Therefore, understanding the root of the problem and the options available makes it possible to devise a strategic plan of action to improve the railway system and, in turn increase the socio-economic success of Nigeria.

Over the years, successive governments have seen the transport system as a medium for seeking relevance and achieving acceptance, especially when the regime is new. Therefore, use it as one of the cardinal points of their political manifesto for strategic and tactical means of achieving economic development. As such, successive governments in Nigeria, soon after coming to power, use development of the rail transport as a populist agenda to seek relevance by investing heavily in the rail sector at the initial stage of their tenure (see Table 2.4, p.24). As such, from past experience, investments by new government in the NRC are not usually sustained and, once funding from the government stops flowing to the corporation, their debt burden persist and worsen, subsequently operational and business activities are reduced, eventually becoming erratic. This scenario was equally observed by Gupta & Sathye (2008) in the case of the Indian Railway (see Figure 1.1, p. 14).
This lack luster attitude of new government administration toward the NRC is also applicable to the power sector. Although, with the power sector, concerted efforts were made to unbundle the organization; an exercise which was concluded in the fall of 2014 and subsequently sold to successful bidders. As of first quarter of 2016, appreciable improvements are yet to be noticed since the privatisation exercise of the power sector but rather an acute shortage of power supply. The problem of power supply was compounded by vandalism of power installations, scarcity of petroleum products and economic sabotage of the oil and gas installations, thereby reducing the capacity to generate electricity for distribution. On a brighter side however, the telecommunication which was also exposed to a similar situation of deregulation in 1999 witnessed tremendous growth with several private firms running the telephone systems in Nigeria resulting to an increased investment in telecommunication infrastructure, leading to an increase in the number of phone lines now available and an increase in the customer base (Okafor, 2007). This is in line with the expectation of the benefits for opening up the telecom sector to the private operators through increased private sector investments in infrastructure (see Table 3.3, p. 64).

For example, Kessides (2004, p. 270), observed that “in developing and transition economies the main cause of deteriorating infrastructure performance was underinvestment, which was largely due to the failure of governments to prescribe cost-reflective tariffs, especially during periods of high inflation.” It was noted further that, under state ownership, prices fell to levels that could not cover the investment needed to meet growing demand which are for political reasons. This problem was deferred as long as governments were able to provide subsidies and international financial institutions were willing to bail them out. But years of underfunding and failure to address systemic problems have led to a significant infrastructure deficit in the developing world, generating substantial welfare losses. Infrastructure inefficiencies constrained domestic economic growth, impaired international competitiveness and discouraged foreign investment (Kessides, 2004). This is clearly evidenced in the case of the NRC, resulting in its present poor financial position discussed later in Chapters Two and Three.

In a study report by the World Bank (2006, p. 13) it was found that state-owned railways, in most countries are in deep financial trouble. Noting that “Developing Member Countries are most adversely affected because their economies are caught in a vicious cycle: The Government is unable to support railway deficits, leading to the inability of the railways to
maintain assets, which in turn leads to deteriorating services resulting in an adverse impact on the economy. These problems have been exacerbated because of greater demand, changing technology, increasing complexity for financing the infrastructure projects and the budgetary constraints, the public sectors are no longer able to discharge efficiently its role as a provider of infrastructure services.” This scenario aptly describes a similar situation to that of Nigeria, where there is currently an increasing population trend with an increase in the level of economic activities, yet an efficient railway transportation system to complement the growing demands is absent. The attendant effect is a reduction; deterioration and poor quality of rail service as is presently observed in the level of NRC services in Nigeria (see Figure 2.5, p.26).

The inadequate, obsolete and general poor railway infrastructure has affected the NRC’s services and has worsened its financial position, as a result of its serious debt burden. This has equally contributed to its infrastructural decay and deterioration emanating from insufficient budgetary allocation and poor management of limited resources by the NRC management executives (Nigeria Vision 20:2020, 2009). Also, the Federal Government has disproportionately invested in the road infrastructure to the detriment of the NRC which has further worsen its financial fortunes owing to government low enthusiasm or lack of determination and poor approach in addressing the problems confronting the NRC (Adesanya, 2010, p. 5). This has been the situation and pattern of funding of the NRC for the last four decades, which is partly responsible for its near comatose posture and the poor management of the NRC infrastructure. Also lack of strategic direction and meticulous implementation of corporate strategy in spite of the colossal amount of money spent on NRC infrastructure to date is equally responsible for the current performance of the NRC (Gupta & Sathye, 2008).

In addition to its poor funding, there was an increasing operating cost such as the increase in employee salaries and benefits resulting in salary and gratuity arrears for employees, both past and present. For example, Adesanya (2010, p. 5) noted that, “in spite of generating relatively small revenue per annum, its pension bills alone, which rose from ₦577 million in 1991 to ₦2.4 billion in 2009, has eroded into what is generated”. Therefore, making the NRC’’s activities non-sustainable let alone be able to support the increase level of service and infrastructural demands for an efficient service.
The railway system in Nigeria is currently near collapse in spite of the colossal sums of money invested in the system. The return on investment is low, government investment is not sustained, moneys voted to the service is often diverted illegally, contractors are paid for work not done therefore resulting in NRC’s services and operations becoming erratic, which explains its current situation observed today (see Table 2.6, p. 27). Nigeria is endowed with a population of about 167 million with serious problems of rural-urban migration (Sanusi, 2014), yet there is no efficient means of transportation to meet the growing needs of the population of Nigeria. Lagos state, for example, currently accounts for about 10 million people without an adequate and efficient transport system in place. The transport system is grossly inadequate to meet the growing demands of the ever increasing population, severely affecting their social and commercial activities, therefore overstretching the road infrastructure and responsible for the road accidents, gridlocks and an increase in travel times.

Comparing the NRC situation with rail transport systems in other jurisdictions it was observed that in many developing countries the SOE’s particularly in the transport sector suffers from low productivity, deteriorating infrastructure, ineffective equipment resulting to poor service quality which also lead to loss of potential revenue (Kessides, 2004). The above scenario bears a clear resemblance to the current situation in Nigeria and is also very evident in the case of the NRC, which is currently being resuscitated back to its old glory. The corporation is currently saddled with high employment costs and poor productivity, which is also contributing to its operational losses. For example, Osborne (1993, p. 350) noted that “government today consists of a lot of dedicated people trapped in bad systems-budget that provide incentives to waste money, personnel systems and civil service systems that are cumbersome and provide little incentive.” For the NRC to be competitive, all of these anomalies need to be corrected, but the present government ownership is not helping. There is a need to explore critical options with a focus towards private and business oriented management styles, similar to the NPM (Fatemi and Behmanesh, 2012).

1.3 Research Aim
The aim of the research is to conduct a virtual survey to study the perception and predictions of the respondents on NRC performance indicators if privatisation were implemented. Assess privatisation methods (see Table 3.1 p. 50), policies and critically evaluate choices, so as to recommend an appropriate privatisation method for the NRC. The study also examines the
privatisation methods to establish if they have an impact on/or play any role in the outcome of operational performance of the NRC. Analyses of other African countries that have privatised their railway systems were also reviewed to provide empirical evidence as to the impact and outcome of privatisation on the railway’s operation and performance. Finally, the study helps to understand the critical performance yardstick for measuring performance and identifying the critical success factors. Hence the study is an indirect test of a counterfactual on the effect of privatization on NRC performance indicators (see Figure 4.1, p. 77).

1.4 Research Purpose and Scope
This study critically evaluates the gamut of privatisation theories, methods and policies, including an examination of how privatisation will help in solving the current poor position of the NRC. The choice of privatisation implementation method is evaluated with statistical hypotheses (see Tables 8.1 – 8.2, p. 172) by examining the impact of each choice on the NRC’s performance indicators measured by effectiveness, efficiency, sustainable investment drive in the sector, productivity and profitability, leading to an increase in the quality of service, frequency of service and cash flow. There is also an examination of the relationship between privatisation and its impact on the NRC’s operational indicators (effectiveness, efficiency, investment, productivity and profitability). The study correspondingly examines and assesses the empirical evidence of the impact and the effect of privatisation on the NRC.

1.5 Research Methodology
Research methods used to obtain all relevant information necessary to enhance the conduct of the research study included multiple strategies (see Figure 4.2, p. 82). Quantitative and qualitative data was identified to support the research effort in arriving at an analytical conclusion. A review of secondary data from published articles and financial statements was used to gain a full understanding of the NRC’s present state. Primary data were collected through four sets of questionnaires administered through a virtual survey and oral interviews conducted to corroborate the facts obtained from the secondary sources.

This research included the following methodologies:

- **Interviews** – Selected respondents, cutting across the four groups of the target audience, identified below, were invited to participate in an interview (see Section 1.6).
- **Questionnaires** – A questionnaire was completed by four groups identified for their ability to corroborate the oral interviews (see Appendices 11.15A-11.5D, p. 256-270).
• **Enquiry** – Further investigation of the subject matter was conducted with the regulatory bodies and administrators in the industry (Bureau of Public Enterprises).

• **Book and Periodical Reviews** – A review of relevant books, World Bank reports and other periodicals in the area of study (see Chapter 3).

• **Literature Reviews** – An extensive review of literature cutting across various privatisation topics including methods of privatisation, empirical evidence of railway privatisation in Africa and other developing countries, experience from UK privatisation, privatisation performance indicators, and critical success factors. Published academic journals, conference presentations, roundtable discussions and panel interviews of experts (see Chapter 3).

• **Financial Analyses** – Analysis of the financial statements for the NRC and other privatised companies, to assess the pre and post privatisation results and the performance of privatised state owned enterprises (see Table 2.4, p. 24, 2.6, p. 27 & Appendix 11.1, p.232).

1.6 **The Survey Target Audience**

The interview and questionnaire research targets two main types of respondents: external and internal. These main target audiences are further sub-divided into two sub-sets of respondents. In total, four samples are identified and grouped as external and internal respondents, as shown below (see Figure 5.1, p. 85, Figure 5.2, p. 90 & Table 5.2, p. 94).

**External Respondents:** This segment of the target audience represents individuals who are independent users or stakeholders outside the employ of the NRC and includes the following two sub-sets of respondents:

1. The Members of the Public who are the users of the railway system (MPQ).
2. The Government Officials and Regulatory Bodies (G&RBQ).
   (i) The Regulators, through the Bureau of Public Enterprises (BPE) and the National Council of Privatisation (NPC).
   (ii) Government Representatives who are the custodians of the Infrastructure Concession Regulatory Commission and the Federal Ministry of Transport (FMT) that plays a supervisory role in the sector.

**Internal Respondents:** This segment of the target audience represents the survey sample that is in the employ of the NRC. This group provides information from the point of view of
individuals having first-hand knowledge and a deep rooted background on the happenings within the NRC.

3. The Management of the Railway who will represent the railway operators (MCQ).
4. The Employees of the Railway Corporation (ECQ).

The interviews and questionnaire surveys were designed to target these groups and implemented through a virtual survey conducted in Nigeria, designed for and targeted at the identified four groups. The study further separated the responses of the NRC’s employees from the NRC’s management of the corporation for further analysis. The survey responses were further subjected to a series of tests of opinion with the aid of descriptive statistical, non-parametric statistical, chi-squared hypothesis testing and graphical analysis, all discussed in Chapter 4 (Research Methodology and Hypotheses Testing), Chapter 5 (Research Strategy for Data Collection), Chapter 6 (Survey Responses and Findings from External Sub-Group) and Chapter 7 (Survey Responses and Findings from Internal Sub-Group), respectively.

1.7 Significance of the Research Study
The research study demonstrates findings that serve to illustrate the cause as well as provide an invaluable assistance, suitable and feasible solutions to the problems facing NRC. The study also helps in understanding the respective operational performance issues, as well as NRC performance indicators in terms of the operational measures (efficiency, effectiveness, investment, productivity and profitability), effects and impact (see Figure 4.2, p. 82).

The research study examined the role and impact of efficient railway transport on an economy as well as established the gamut of problems currently confronting the NRC and identified their root causes, directly or remotely. An evaluation of ownership impact on operational and performance issues was also examined to ascertain the relationship and what impact it has on the NRC’s operational performance.

The research study, therefore, provides an invaluable document to the Nigerian authority to assist the policy makers with initiatives for corporate strategic, tactical and operational planning and operational platforms and implementation directions for the privatisation of the NRC. This document can also be a policy initiative and planning guide for other infrastructures possibly facing a similar situation.
1.8 Contribution to Knowledge

The expected contribution to knowledge is the identification of a theoretical model for privatisation of the NRC. This research examines and evaluates various privatisation models on the basis of certain yardsticks/indicators, with a view to recommending a sustainable one for the NRC’s situation. An examination of the privatisation theoretical frameworks is considered in relation to agency theory, property right theory, resource based theory, and contingency theory and focusing on their suitability and relevance to the context of Nigeria.

For example, in the NPM, while supporting the idea of reforms in state-owned enterprises through privatisation, favourably consider privatisation policy as a practical and feasible solution to effectively deal with the issues of inefficiencies and bureaucratic pathologies often associated with state-owned enterprises most especially in key industries (Ingraham, 1997 cited in Durant and Legge (2002). Currently, there is limited research done or empirics’ emphasis placed on defining or ascertaining the impact of the haphazard government interventions on the NRC which occur repeatedly and frequently but with limited results. The research study therefore attempts to bridge the following information gaps, with respect to the poor performance of the NRC and its present economic problems:

- Is it really an ownership issue OR management of the enterprise issue?
- Is it a policy issue OR a human made act of sabotage?
- Is it a government supervisory/regulatory issue OR a deliberate action of corruption?
- Is it a problem of ideology OR a lack of goal congruence on the part of the state owned enterprises?
- Is it a lack of policy consistency OR official corruption/nepotism?
- Is it a lack of investment OR poor maintenance culture?

1.9 Limitation of the Study

There were two limitations to the study: logistical and operational. The research, just like any other project, was not expected to scale smoothly. Logistically, Nigeria due to its nature has her inherent challenges including a lack of accurate database appropriate for research work, limited access to the financial data of the state owned enterprises and poor data management to assist in capturing market trends and operational performance necessary in making judgments. As well as limited access to reliable source of information on key performance
indicators or indices required to make informed decisions on the operational performance of the state owned enterprises.

The second limitation was operational. Reaching an agreement with the management of NRC and acquiring the support of the key staff members and officials was initially expected to be difficult, due to the nature and potential outcome of the research. The research was seen as unsettling to some of the management staff and employees of the NRC given the potential of exposing maladministration or fraudulent practices in the corporation. Hence, at the outset of the research there were concerted actions taken by some top management staff to frustrate all of my efforts. In addition, some of the NRC employees were prevented from participating in the survey until I managed to secure the audience of a senior manager who eventually linked me up with another senior manager. All these factors were tactfully considered with a design of workable strategies that effectively dealt with each obstacle as it became a reality. The issue of geographical spread and the research coverage is another impediment discussed in Chapter 5 (Research Strategy for Data Collection).

1.10 Organisation of the Research Study

The research study was divided into three sections. The first sections consist of three parts, detailed as follows; Part one deals with the research background, identification of the research problem, the research purpose, research limitations, a discussion of the significance of the research as well as the contribution of the research study to the greater body of knowledge.

Part two of the research discusses the historical background of the NRC, including its performance and economic significance to the Nigerian economy. A financial analysis of the Nigerian railway is included to identify the various problems confronting it (see Tables 2.6, p. 27). In part three, there was a review of literature on railway privatisation, a discussion of the problems and benefits of privatisation, as well as a critical analysis of the empirical evidence of success or failure of the privatisation of railways in other African countries. In addition, there is a discussion of privatisation performance indicators and the critical success factors.

Section two is divided into three parts. The first part discusses the research methodology and the hypothesis, the research process, including the research epistemology, and the
justification of the researcher’s stance on the research process. The second part discusses the process of data collection and the choice of sampling methods used to obtain the research population sample. It also includes the use of social media in the choice of population sample, the process and the motivation for the method used. The benefits and drawbacks of the use of social media for the research are also discussed in this part of Section Two while part three performs a data analysis and hypothesis testing function.

Section three is in two parts. The first part presents the results of the survey along with the outcomes of the statistical hypothesis testing and other analyses conducted to draw a research conclusion. The final part in this section presents the research conclusion and the exploration of other research interests to move the conversation forward.

1.11 The Research Outline

Chapter One – Introduction and Background. The background to the problem and the research issues are presented. The research aims, purpose, methodology, significance, contribution to knowledge as well as the study limitations are discussed.

Chapter Two – The Economic Role of Railway Transport in the Nigerian Economy. The historical perspective and origin of railway transport in Nigeria are discussed. The distribution of the railway network and its impact on and contribution to Nigerian economic development are likewise considered. Chapter Two also supports a financial and operational analysis of the NRC.

Chapter Four – Research Methodology and Hypothesis. A discussion of the research questions, research hypothesis and the research approach. The research philosophy and paradigm were also justified, as well as an illustration of the research design and conceptual framework of the research.

Chapter Five – Data Collection. The population identification, strategies for selecting the population sample, research sample selection strategy and a discussion on data collection methods and question design.

Chapter Six – Survey Responses and Findings of External Sub-Group. This chapter presents the research findings of the questionnaire survey from the external sub-group carried out in Nigeria. The chapter also presents a narrative analysis of the survey responses.

Chapter Seven – Survey Responses and Findings of Internal Sub-Group. This chapter presents the research findings of the questionnaire survey from the internal sub-group carried out in Nigeria. The chapter also presents a narrative analysis of the survey responses.

Chapter Eight – Analysis of Survey Results and Testing of Hypothesis. A discursive analysis of survey results, evaluation of research data and statistical analysis of research outcomes are presented as well as the hypothesis testing of data collected.

Chapter Nine – Evaluation of Survey Results and Conclusion. A discussion of the research conclusions as well as the consideration of other areas of further research.

1.12 Conclusion
The Nigerian Railway Transport System is a public enterprise that enjoys massive support from the general public. Currently, poor planning is seriously affecting the NRC’s ability to provide adequate services as demand continues to grow, while the cost of public transport is skyrocketing, services are poor, and unable to satisfy the ever growing demand of the population.

For instance, Odeleye (2010, p. 1) noted in the opening remarks of his paper that “discontinuity and incoherence policy implementation by successful governments, policy reversal as well as uncoordinated national transport policy goal and objectives were cited as
clogs in the wheel of progress of railways development in Nigeria.” As shown in Figure 1.1 above, successive Nigerian governments have viewed rail transport as a means for attaining political advantage. In this context, it became customary over past decades for each new administration coming into office to launch a new drive to invest and develop the railway system. However, in practice, the resulting performance has for the most part been meagre, imperfect and unsustainable.

Figure 1.1 Understanding the Research Problems/Background

The respective results of the massive investments on railway transport are usually short lived because the investment are poorly planned, not strategic, inconsistent and lack synergy. However, results show time after time, which improvements in the level of service do occur at the time of these investments, but they are short-lived and not sustained. This scenario also creates low efficiency, poor productivity; gaps in the quality of service and a dearth of infrastructural investment, improvement and development of the NRC (see Figure 1.1).
From the background study and gap analysis, it is the expectation that if the railway transport system is privatised, this strategy might result in improved performance and increased customer satisfaction. These will, in turn lead to increased demand, enhanced control, the provision of performance standards, a strategic direction, a monitoring and supervision system which will ultimately enhance investment, job creation, increased competition, consumer choices, and an increase in the productivity and profitability of the railway service. All of these will lead to an increase in shareholder’s interest, effective corporate governance, shareholder confidence and sustenance while creating economic growth, increased market confidence, increased economic activities and economic prosperity.

Studies shows that State-Owned Enterprises (SOE’s) around the world have proved to be inefficient, primarily because they pursue strategies such as expanding employment or subsidising output, which satisfy political objectives but not proper business practices. A typical example was the Udoji wage review of the 1980s and the upward review of pay (elongation of the pay structures) of civil servants which created more hardship for the economy and indeed resulted in the inefficiency of SOE’s. When revenue from the sale of petroleum products declined, the effect of the excessive wage structure became particularly evident (Bolaji, 2012; Nwude, 2013).

In conclusion, various economic crises have compounded to worsen the financial position of SOE’s, which has led to the development of staff wage and salary arrears. Salary arrears can have a ripple effect on civil servants, who become less productive and inefficient, a situation which almost degenerated into a total collapse of the entire civil service (Onimode, 1988). This in part, explains the NRC’s increased debt burden, which further compounds its problems by affecting its operational performance due to lack of adequate working capital (Babu, 1995).
Chapter Two

Economic Role of Railway Transport in the Nigerian Economy

2.1 Introduction

This chapter examines the contribution of an efficient railway transport on the Nigerian economy. The impact of rail transport is therefore evaluated by how its operational measures (effectiveness, efficiency, productivity, infrastructural investment and profitability) enhance other economic activities. An assessment and discussion of the Nigerian Railway Corporation (NRC) and its relations with other ancillary sectors on the performance of the railway service is also included.

Generally, an efficient transport system, especially railway transport, plays a significant role in any economy through the safe movement of people and goods from one destination to the other (see Table 2.8, p. 30 & Figure 2.9, p. 31). In essence, an efficient and effective transport system aids commerce and helps economic activities of any country. Rail transport therefore plays a significant role in commerce and economic activities of Nigerian economy due to its ability to haul large volumes of cargo and carry large numbers of passengers at a very low cost (see Table 2.7, p. 30).

Nigeria is endowed with a total land mass of 351,649 sq. miles (910,771 sq. km) with a total population of about 170 million. The main source of external revenue for Nigeria is predominantly from crude oil exploration and crude export. The movement of people and goods is currently done inefficiently through road transportation, but in contrast, an efficient rail transport could have provided an efficient distribution that is both cost effective as well as assists in achieving Nigeria’s economic development initiatives. (Jaekel, 1997b, p. 20) argues that “an efficient NRC will act as an aid to the development of other sectors such as agriculture, mineral resources, tourism and manufacturing, through the effective transportation of people and goods throughout the country to and from the seaports, linking companies with the outside world”.

Odeleye (2010, p. 14), in concluding a research paper, noted that, “today, Nigeria’s economy ultimately relies on road mode for sustenance of its economic activities.” Ironically, the road mode is largely constrained due to its limited carrying capacity relative to rail transport. The
total collapse of the roadway infrastructure, due to the lack of infrastructure investment, poor maintenance and the over use of the existing roads, will further restrain the transportation boost required for speedy economic growth. In order for Nigeria to join the league of world developed economies by 2020, as per its projected national plan, it requires a mode of transport, like rail, which not only has a capacity advantage over other land modes, but also enjoys the advantages of energy efficiency and cost-effectiveness. Therefore, a rejuvenation of the existing railway structure and construction of a new rail network, will act as a spring board for sustainable economic development and growth in the country (Oni, 2010).

2.2 Historical Background and Construction of the Railway Transport Network
The railway in Nigeria was originally a government department in 1898 which later metamorphosed to NRC as created by the act of 1955 (amended by 1990 Act). NRC was therefore established to carry on its activities among others including the movement of passengers and haulage of freight in a way that offers full scale transportation services, ensure value for money, adhere to the corporate goals, meet the expectations of passengers, ensure safety of operation with maximum efficiency, meeting the social responsibility of the corporation in the manner that meets and satisfy the needs of the rail users, industry, the general public and other stakeholders (Adesanya, 2010).

Construction of the railway lines started in 1892 and went until 1965. The establishment of the corporation took place in October 1955, by an act of Parliament which also granted the corporation a monopoly power. In total, at the official inauguration, Nigeria had a 3505 kilometer narrow gauge single-track railway network system (Abubakar, 2006; Odeleye, 2010).

As discussed earlier, the perceived benefits of efficiency and a cheaper cost of transportation of farm produce to the European market acted as the motivator for early construction of the rail lines in Nigeria by the colonial administration. This early construction was without foresight and consideration of the full potential social benefits of railway system to the community. Hence, the pursuit of cheaper and modest investments in rail transport meant that geographical terrain that was deemed too costly for construction was avoided. As such deep cuttings, high embankments, long bridge spans, tunnels and viaducts which would have potentially increased the cost of construction were avoided. Even though foresight would have dictated that the increased cost of construction would be off-set by the benefits of service efficiency, effectiveness and the connection of major towns and villages across Nigeria. The line, therefore, runs diagonally from
South-West to North-East and from South-East to North-West with junctions in Kafanchan and Kaduna respectively (Jaekel, 1997b; Okanlawon, 2006).

The short-sighted view of the colonial administration in the establishment of a rail transport led to the construction of a rail system with a narrow gauge rail network that was not favourable for the movement of people and goods on the north-south and north-east corridors while leaving out east-west corridor as well as vast areas of the country unconnected (see Figure 2.1). These areas remained comparatively under-developed until the construction of roads and national highways was started after the country became independent in 1960. In addition, travel times were also elongated and travel speed was slowed to a maximum of 65km/h due to the steep curves, poor track equipment, sharp bends and the narrow gauge of the rail lines (see Table 2.1, p. 19 & Table 2.3, p. 23). Although there is over 100,000km of national highways, there is a dire need for an extension of the present railway system, construction of new lines serving specific industrial project areas and better integration of the country by providing a cheaper means of transportation (Jaekel, 1997; Balogun, 2005; Oni, 2010; Ademiluyi & Dina, 2011).

Ademiluyi & Dina (2011, p. 206) therefore observed that “despite all these inherent defects, the rail mode had, until the 1960s, enjoyed a real monopoly in the transport sector. However, by the middle of the 1970s, the quality of rail service began a fast decline (see Table 2.4 and 2.6). The apparent decline of the corporations’ services observed at the time still persists today as a result of inadequate funding and near neglect by successive administrations of the country.” In addition, the intermittent government interventions have not helped the growth of the NRC. The respective government involvements have been mostly for political propaganda and usually a short-term measure for the new government to achieve acceptance (see Figure 1.1, p. 14). These have resulted in the present state of rail infrastructure deficit and poor performance of the NRC till date (Akwara et al., 2014).
Figure 2.1  The Railway Network in Nigeria

Table 2.1, below, shows the historical phases of development for the railroad in Nigeria.

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>Rail Construction Phases</th>
<th>Gauge Type</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1898 - 1901</td>
<td>Lagos – Ibadan</td>
<td>Narrow</td>
<td>193</td>
</tr>
<tr>
<td>2</td>
<td>1901 - 1909</td>
<td>Ibadan – Jebba</td>
<td>Narrow</td>
<td>295</td>
</tr>
<tr>
<td>3</td>
<td>1907 - 1911</td>
<td>Kano – Baro</td>
<td>Narrow</td>
<td>562</td>
</tr>
<tr>
<td>4</td>
<td>1909 - 1915</td>
<td>Jebba – Minna</td>
<td>Narrow</td>
<td>255</td>
</tr>
<tr>
<td>5</td>
<td>1914 - 1916</td>
<td>Port Harcourt – Enugu</td>
<td>Narrow</td>
<td>243</td>
</tr>
<tr>
<td>6</td>
<td>1916 - 1924</td>
<td>Enugu – Markurdi</td>
<td>Narrow</td>
<td>220</td>
</tr>
<tr>
<td>7</td>
<td>1922 - 1927</td>
<td>Kaduna – Kafancha</td>
<td>Narrow</td>
<td>179</td>
</tr>
<tr>
<td>8</td>
<td>1922 - 1927</td>
<td>Kafancha – Bukuru</td>
<td>Narrow</td>
<td>101</td>
</tr>
<tr>
<td>9</td>
<td>1958 - 1961</td>
<td>Bukuru – Bauchi</td>
<td>Narrow</td>
<td>238</td>
</tr>
<tr>
<td>10</td>
<td>1961 - 1963</td>
<td>Bauchi – Gombe</td>
<td>Narrow</td>
<td>166</td>
</tr>
<tr>
<td>11</td>
<td>1963 - 1964</td>
<td>Gombe – Maiguduri</td>
<td>Narrow</td>
<td>302</td>
</tr>
<tr>
<td>12</td>
<td>1990 - 2003</td>
<td>Itakpe – Ajakuta - Warri</td>
<td>Standard</td>
<td>287</td>
</tr>
<tr>
<td>14</td>
<td>2011 - 2016</td>
<td>Kaduna – Abuja (Under Construction)</td>
<td>Standard</td>
<td>457</td>
</tr>
</tbody>
</table>

**Total Distance (Kilometres)** 3,828

2.3 Distribution of the Railway Network Between States of the Federation in Nigeria

The administration of Nigeria at the time of independence from British rule was regional: The Northern, Eastern, and Western regions, all of which were autonomous. The unification took place after independence in 1960. In 1963, just before the declaration of the civil war in 1966, Nigeria became a Federal Republic and has remained so to date. In order to facilitate the reconstruction, reconciliation and development of the destruction that had taken place during the civil war, in 1970, the regional administrative system of the former colonial administrator was abolished with the introduction of the twelve States of the Federation, all in line with the provision of the first national development plan in Nigeria (Odeleye, 2000; Ademiluyi & Dina, 2011).

In 1976, at the beginning of the transition programme to the Second Republic, seven more states were created to reflect the stages of development and to enhance the phases of change in Nigeria. This was also in line with the objective of bringing the phase of development to the grassroots level, gaining closeness to the rural dwellers in order to discourage rural urban migration, where the necessary amenities are lacking or inadequate (Okanlawon, 2006).

In 1986, just at the start of another transition programme to the Third Republic which was terminated without materialising in June 1993 by the then military head of state, six more states were created with the same objectives as set in the national development plans. And in 1995, prior to the start of another transition programme, five more states were created, also in accordance with the changes and diversity of the economic and political environment in Nigeria. To date the total number of states of the Federation in Nigeria stands at thirty-six plus the Federal Capital Territory, Abuja, the present seat of government. Despite all the divisions and the creation of more states, the railway network still did not reflect the federal government agenda, neither is the railway network equitably distributed nor is there a strategic transport policy to ensure effective intermodal and railway connectivity with all the States of the Federation, airports and seaports (Odeleye, 2010, News Agency of Nigeria, 2016).

Additionally, railway connectivity, and other forms of transportation such as land, air and sea, in all of the states of the Federation is not efficiently distributed to enhance the purported economic development agenda that drove the various state creations. As a result, large areas of the Federation are not connected or serviced by a railway network (see Figure 2.1, p. 19 and Table 2.2, p. 21 & Figure 2.3, p. 23). For example, none of the Nigerian airports are currently
connected by rail; sea ports have limited connections (Okanlawon, 2006; Adesanya, 2010; Odeleye, 2010).

The distribution of the railway system network in Nigeria is as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>State</th>
<th>Capital</th>
<th>Kilometers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Abia</td>
<td>Umuahia</td>
<td>158</td>
</tr>
<tr>
<td>2</td>
<td>Adamawa</td>
<td>Yola</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>Akwa – Ibom</td>
<td>Uyo</td>
<td>57</td>
</tr>
<tr>
<td>4</td>
<td>Anambra</td>
<td>Awka</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Bauchi</td>
<td>Bauchi</td>
<td>272</td>
</tr>
<tr>
<td>6</td>
<td>Bayelsa</td>
<td>Yenagoa</td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td>Benue</td>
<td>Makurdi</td>
<td>58</td>
</tr>
<tr>
<td>8</td>
<td>Borno</td>
<td>Mandugari</td>
<td>201</td>
</tr>
<tr>
<td>9</td>
<td>Cross – River</td>
<td>Calabar</td>
<td>52</td>
</tr>
<tr>
<td>10</td>
<td>Delta</td>
<td>Asaba</td>
<td>0</td>
</tr>
<tr>
<td>11</td>
<td>Ebonyi</td>
<td>Abakaliki</td>
<td>33</td>
</tr>
<tr>
<td>12</td>
<td>Edo</td>
<td>Benin City</td>
<td>0</td>
</tr>
<tr>
<td>13</td>
<td>Ekiti</td>
<td>Ado – Ekiti</td>
<td>0</td>
</tr>
<tr>
<td>14</td>
<td>Enugu</td>
<td>Enugu</td>
<td>160</td>
</tr>
<tr>
<td>15</td>
<td>Gombe</td>
<td>Gombe</td>
<td>117</td>
</tr>
<tr>
<td>16</td>
<td>Ino</td>
<td>Owerri</td>
<td>35</td>
</tr>
<tr>
<td>17</td>
<td>Jigawa</td>
<td>Dutse</td>
<td>137</td>
</tr>
<tr>
<td>18</td>
<td>Kaduna</td>
<td>Kaduna</td>
<td>533</td>
</tr>
<tr>
<td>19</td>
<td>Kano</td>
<td>Kano</td>
<td>140</td>
</tr>
<tr>
<td>20</td>
<td>Katsina</td>
<td>Katsina</td>
<td>64</td>
</tr>
<tr>
<td>21</td>
<td>Kebbi</td>
<td>Birni Kebbi</td>
<td>0</td>
</tr>
<tr>
<td>22</td>
<td>Kogi</td>
<td>Lokoja</td>
<td>0</td>
</tr>
<tr>
<td>23</td>
<td>Kwara</td>
<td>Ilorin</td>
<td>150</td>
</tr>
<tr>
<td>24</td>
<td>Lagos</td>
<td>Ikeja</td>
<td>33</td>
</tr>
<tr>
<td>25</td>
<td>Nasarawa</td>
<td>Lafia</td>
<td>104</td>
</tr>
<tr>
<td>26</td>
<td>Niger</td>
<td>Minna</td>
<td>332</td>
</tr>
<tr>
<td>27</td>
<td>Ogun</td>
<td>Abeokuta</td>
<td>193</td>
</tr>
<tr>
<td>28</td>
<td>Ondo</td>
<td>Akure</td>
<td>0</td>
</tr>
<tr>
<td>29</td>
<td>Osun</td>
<td>Osogbo</td>
<td>97</td>
</tr>
<tr>
<td>30</td>
<td>Oyo</td>
<td>Ibadan</td>
<td>64</td>
</tr>
<tr>
<td>31</td>
<td>Plateau</td>
<td>Jos</td>
<td>255</td>
</tr>
<tr>
<td>32</td>
<td>River</td>
<td>Port – Harcourt</td>
<td>37</td>
</tr>
<tr>
<td>33</td>
<td>Sokoto</td>
<td>Sokoto</td>
<td>0</td>
</tr>
<tr>
<td>34</td>
<td>Taraba</td>
<td>Jalingo</td>
<td>0</td>
</tr>
<tr>
<td>35</td>
<td>Yobe</td>
<td>Damaturu</td>
<td>22</td>
</tr>
<tr>
<td>36</td>
<td>Zamfara</td>
<td>Gusau</td>
<td>110</td>
</tr>
<tr>
<td>37</td>
<td>FCT</td>
<td>Abuja</td>
<td>214</td>
</tr>
</tbody>
</table>

Total 3828


Note: Highlighted states are those currently not connected to the railway network.

2.4 The Current and Future Development of NRC

Jaekel (1997b, p.25) observed that “the opening of the bridges in Jebba and Markudi was a landmark in linking the northern to the southern parts of the country. In the struggle for the country's independence, Nigerian Trade Unions, led by the Nigerian Union of Railway Men (NUR), were a powerful influence, and the Imuodu-led general strike of 1945 was a significant event that gave rise to moves toward independence. The railway system had proven to be a strong unifying factor long before the system of the road network was developed. Nigerian Railway Corporation (NRC) is now seen as an important provider of rail transport services to meet the political, cultural, social and economic needs of the people.” This has led to several initiatives for massive
investments in the rail transport leading to several planned network extensions as shown in figure 2.2. Equally, there have been several other initiatives by state governments for the development of state rail metro lines serving their states and interfaced with the NRC lines to enhance an effective intermodal transport system.

**Figure 2.2  Railway Network in Nigeria: Existing and Proposed Lines**

![Railway Network in Nigeria: Existing and Proposed Lines](http://www.nigeriaexport.com/news/02maptren.jpg)

Hence in support of Jaekel’s study, Gwilliam (1997, p. 325) added that “Nigeria was currently passing through a critical period of national reconstruction of her political, economic and social factors. As part of this viable process of transformation, the Nigerian Railway is undergoing expansion and modernisation. The gauges are being expanded and new coaches acquired.” These efforts will enhance the developmental objectives of successive governments and play a significant role in achieving the success of the strategic developmental plans of the politicians (see Figure 2.3, p. 23). Therefore, enhancing the sustainability of these efforts is part of the focus of this research (note that proposed network are in dotted lines in Figures 2.2 and 2.3).
Part of the government’s current focus is to rehabilitate and improve the railway through the elimination of sharp curves, leveling of steep gradients and installing modern signaling equipment to improve train speed and track safety. It also includes the supply of locomotives, coaches, wagons and rail cars to increase operating capacity, effectiveness, efficiency, customer satisfaction and overall productivity. To enhance the safety of passengers and equipment and a faster train service, a contract for the supply and installation of a comprehensive microwave Digital Backbone Communication network was awarded and is under construction.

At present, the profile of the Nigerian Railway System is as follows:

<table>
<thead>
<tr>
<th>Table 2.3</th>
<th>Nigerian Railway Corporation Profile – 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail Track Infrastructure</td>
<td>Single track, steel/timber, sleepers.</td>
</tr>
<tr>
<td>Gauge</td>
<td>1067mm or 3’6”, 3505 route km, 4332 track km.</td>
</tr>
<tr>
<td>Traction</td>
<td>Conversion of locomotive engines to diesel fuel occurred mid 1950’s and led to a complete withdrawal of steam locomotives in the early 1970s.</td>
</tr>
<tr>
<td>Maintenance</td>
<td>Nigerian Railway Corporation</td>
</tr>
<tr>
<td>Management</td>
<td>Nigerian Railway Corporation</td>
</tr>
<tr>
<td>Technical Support</td>
<td>China Civil Engineering and Construction Corporation (CCECC).</td>
</tr>
</tbody>
</table>

In spite of the government’s desire to give rail transport adequate attention and invest in the system, it is not adequate, consistent or sustained. Results, however, show that there is an appreciable increase in the level of operational activities, as well as an appreciable increase in revenue. However, the improved operational results are usually very short lived as shown in Table 2.4.

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment $'000</th>
<th>Total Revenue $'000</th>
<th>No of Passengers '000</th>
<th>Freight Hauled Tons</th>
<th>Regime</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>32,000</td>
<td>67,969</td>
<td>13,012</td>
<td>1,619</td>
<td>Shagari</td>
</tr>
<tr>
<td>1988</td>
<td>88,000</td>
<td>8,726</td>
<td>3,629</td>
<td>294</td>
<td>Babaginda</td>
</tr>
<tr>
<td>1995</td>
<td>528,000</td>
<td>3,466</td>
<td>1,729</td>
<td>108</td>
<td>Abacha</td>
</tr>
<tr>
<td>2003</td>
<td>52,220</td>
<td>2,238</td>
<td>1,622</td>
<td>58</td>
<td>Obasanjo</td>
</tr>
<tr>
<td>2004</td>
<td>840,000</td>
<td>2,072</td>
<td>1,731</td>
<td>62</td>
<td>Obasanjo</td>
</tr>
<tr>
<td>2006</td>
<td>8,300,000</td>
<td>1,487</td>
<td>708</td>
<td>41</td>
<td>Obasanjo</td>
</tr>
<tr>
<td>2009</td>
<td>81,300</td>
<td>1,769</td>
<td>1,285</td>
<td>52</td>
<td>Yar’Adua</td>
</tr>
<tr>
<td>2012</td>
<td>1,490,000</td>
<td>5,912</td>
<td>4,155</td>
<td>182</td>
<td>Jonathan</td>
</tr>
<tr>
<td>2013</td>
<td>41,019,200</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Jonathan</td>
</tr>
<tr>
<td>2014</td>
<td>25,100,000</td>
<td>10,461</td>
<td>18,178</td>
<td>962</td>
<td>Jonathan</td>
</tr>
<tr>
<td>2015</td>
<td>N/A</td>
<td>6,710</td>
<td>20,759</td>
<td>1,115</td>
<td>Jonathan</td>
</tr>
</tbody>
</table>

Source: Author’s Survey (2016)

From the above, Table 2.4 indicated government spending in respective years of which in spite of the colossal amounts of money spent, it is still inadequate in comparison with other developing or developed countries with a railway system (see Table 2.3 and 2.5). Also, it is clear that government investment is very inconsistent and not sustained. Furthermore, the return on investment is grossly disproportionate to the level of government investment as shown in figure 2.4, below.

**Figure 2.4  Government Investments in NRC**
From the above, investments are implemented at the beginning of each regime’s government just to achieve the peoples’ acceptance. For instance, the Shagari administration invested $32 million in 1983, and then there was no further investment for 5 years until Babangida came to power in 1986, invested $88 million in 1988; Also 8 years after, Abacha came to power in 1994 and invested $528 million in 1995; Similarly, another 4 years passed until Obasanjo came in 1999 and he invested in 2003, 2004 and 2006 respectively, while Yar’Adua began in 2007 and he invested in 2009; and the government of Jonathan started in 2011 and his investment in the system began in 2012 and continues to May 2015 (see Table 2.4). In spite of all these colossal sums of money spent on the rail system, the revenue of NRC continues to decrease except in 2012 when there appears to be an increase in revenue and number of passengers carried.

The Buhari’s new administration (inaugurated on May 29, 2015) is equally looking at a fast moving train as part of fulfilling his election manifestoes. However, despite all the government investments to improve the performance of this public enterprise, its services are still not yet operating optimally, let alone satisfying adequately the service needs of commuters. As shown below (see Table 2.5), in spite of all the various sums of money invested in system the current capacity and total infrastructure at the disposal of the Nigerian Railway is still grossly disproportionate to the total population.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Locomotive engines</td>
<td>257</td>
<td>70</td>
<td>172</td>
<td>172</td>
<td>28</td>
</tr>
<tr>
<td>Passenger vehicles</td>
<td>339</td>
<td>150</td>
<td>601</td>
<td>675</td>
<td>153</td>
</tr>
<tr>
<td>Freight wagons</td>
<td>3,885</td>
<td>1,500</td>
<td>3,483</td>
<td>3,597</td>
<td>635</td>
</tr>
<tr>
<td>Narrow Gauge Track</td>
<td>3,405</td>
<td>3,505</td>
<td>3,505</td>
<td>3,505</td>
<td></td>
</tr>
<tr>
<td>Standard Gauge Track</td>
<td>-</td>
<td>-</td>
<td>287</td>
<td>617 completed 457 under construction</td>
<td></td>
</tr>
<tr>
<td>Population</td>
<td>21,000,000</td>
<td>88,500,000</td>
<td>120,000,000</td>
<td>167,000,000</td>
<td>177,000,000</td>
</tr>
</tbody>
</table>

Comparatively, there is a severe dearth in the infrastructural capacity of the corporation as it is grossly inadequate. For instance, in 1945 with a population of 21 million, the corporation
had 257 serviceable locomotives and 339 passenger vehicles. Meanwhile in 2013, with a total population of 167 million, the corporation has just 28 serviceable locomotives and 153 passenger vehicles. At this level of infrastructure capacity, an improved performance, as well as high return on investment cannot be achieved. The poor level of infrastructure will discourage patronage by making the service unattractive to commuters. This is responsible for the present attitude of commuters, which has led to rooftop free riders shown in Figure 2.5:

**Figure 2.5  Rail Rooftop Riders**


The above photo is evidence of the massive rail patronage, but due to largely inadequate locomotives and the unavailability of passenger coaches to satisfy the demand of commuters, there has been a rise of rooftop free riders. The implication of this scenario is very serious in terms of the number of train accidents, which could result in injuries and even death, in extreme cases. The menace of rooftop free riders is currently being tackled by the management of the corporation in collaboration with the Nigerian Transport Police and the Lagos State Government. Additionally, to deal with the associated risk factors of this menace, extra transport police are deployed on platforms to ensure compliance, mount barriers, building of perimeter fences along the rail lines and impose severe and punitive penalties including jail terms for any member of the public arrested for fare evasion (Akwara et.al. 2014).
Table 2.6 highlights periods which indicate years where there are increases in turnover as a result of an increase in NRC services as a direct result of the government investment programme in the railway system in Nigeria. The reported NRC performance therefore corroborates with the research argument, as well as supports the researcher’s ontology stance (discussed further in Chapter 4), which is premised on the believe that, if the railway system has a continuous and planned approach to investment in its infrastructure, which is sustainable and consistent, this could lead to an improvement in rail performance indicators (effectiveness, efficiency, productivity, infrastructural investment and profitability). Equally, this could also lead to an improvement in the NRC’s operational measures, which will enhance customer satisfaction and increase confidence as well as result in an increase in the NRC’s turnover (see Table 2.6 & Appendix 11.1, p. 232).

2.5 Performance of the NRC: Financial and Operational Analysis

Table 2.6  NRC Financial & Operational Data

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Passengers ('000)</th>
<th>Passengers Total Revenue N(000)</th>
<th>Freight Tonnage ('000)</th>
<th>Freight Revenue N(000)</th>
<th>Total Revenue N(000)</th>
<th>Total Revenue $ (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>8,942</td>
<td>4,676</td>
<td>1,311</td>
<td>18,438</td>
<td>23,114</td>
<td>46,228</td>
</tr>
<tr>
<td>1975</td>
<td>6,755</td>
<td>11,003</td>
<td>1,620</td>
<td>25,727</td>
<td>30,382</td>
<td>55,776</td>
</tr>
<tr>
<td>1980</td>
<td>10,855</td>
<td>25,94</td>
<td>30,882</td>
<td>46,228</td>
<td>83,664</td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td>155,552</td>
<td>33,938</td>
<td>1,458</td>
<td>67,273</td>
<td>87,939</td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>11,709</td>
<td>37,527</td>
<td>1,620</td>
<td>34,247</td>
<td>55,776</td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>9,912</td>
<td>39,088</td>
<td>27,776</td>
<td>66,864</td>
<td>103,101</td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>6,520</td>
<td>24,318</td>
<td>270</td>
<td>18,155</td>
<td>42,473</td>
<td>5,747</td>
</tr>
<tr>
<td>1990</td>
<td>6,345</td>
<td>31,403</td>
<td>319</td>
<td>35,911</td>
<td>67,314</td>
<td>9,109</td>
</tr>
<tr>
<td>1995</td>
<td>1,729</td>
<td>39,402</td>
<td>108</td>
<td>133,915</td>
<td>173,317</td>
<td>7,572</td>
</tr>
<tr>
<td>1996</td>
<td>1,784</td>
<td>39,560</td>
<td>138</td>
<td>161,350</td>
<td>200,910</td>
<td>9,178</td>
</tr>
<tr>
<td>1997</td>
<td>2,974</td>
<td>126,200</td>
<td>270</td>
<td>136,228</td>
<td>262,428</td>
<td>11,909</td>
</tr>
<tr>
<td>1998</td>
<td>3,060</td>
<td>138,200</td>
<td>1,513</td>
<td>375,200</td>
<td>513,400</td>
<td>23,454</td>
</tr>
<tr>
<td>1999</td>
<td>1,788</td>
<td>39,402</td>
<td>319</td>
<td>39,311</td>
<td>78,729</td>
<td>9,178</td>
</tr>
<tr>
<td>2000</td>
<td>2,610</td>
<td>142,920</td>
<td>319</td>
<td>155,865</td>
<td>298,785</td>
<td>9,178</td>
</tr>
<tr>
<td>2004</td>
<td>1,731</td>
<td>206,772</td>
<td>62</td>
<td>62,575</td>
<td>269,347</td>
<td>1,403</td>
</tr>
<tr>
<td>2005</td>
<td>752</td>
<td>87,178</td>
<td>84</td>
<td>110,011</td>
<td>197,189</td>
<td>9,96</td>
</tr>
<tr>
<td>2006</td>
<td>706</td>
<td>84,322</td>
<td>41</td>
<td>108,948</td>
<td>193,270</td>
<td>9,99</td>
</tr>
<tr>
<td>2007</td>
<td>1,478</td>
<td>145,100</td>
<td>36</td>
<td>82,811</td>
<td>227,911</td>
<td>1,249</td>
</tr>
<tr>
<td>2008</td>
<td>1,996</td>
<td>233,513</td>
<td>47</td>
<td>78,600</td>
<td>312,113</td>
<td>1,778</td>
</tr>
<tr>
<td>2009</td>
<td>1,285</td>
<td>233,513</td>
<td>47</td>
<td>78,600</td>
<td>312,113</td>
<td>1,778</td>
</tr>
<tr>
<td>2010</td>
<td>1,514</td>
<td>205,241</td>
<td>138</td>
<td>81,822</td>
<td>287,063</td>
<td>1,268</td>
</tr>
<tr>
<td>2011</td>
<td>3,493</td>
<td>410,482</td>
<td>341</td>
<td>269,691</td>
<td>680,173</td>
<td>2,844</td>
</tr>
<tr>
<td>2012</td>
<td>4,155</td>
<td>615,723</td>
<td>182</td>
<td>318,315</td>
<td>934,036</td>
<td>3,936</td>
</tr>
<tr>
<td>2013</td>
<td>4,329</td>
<td>987,300</td>
<td>99</td>
<td>435,024</td>
<td>1,422,323</td>
<td>8,869</td>
</tr>
<tr>
<td>2014</td>
<td>4,686</td>
<td>1,043,507</td>
<td>210</td>
<td>699,562</td>
<td>1,757,420</td>
<td>10,461</td>
</tr>
<tr>
<td>2015</td>
<td>2,581</td>
<td>947,687</td>
<td>161</td>
<td>388,504</td>
<td>1,336,191</td>
<td>6,710</td>
</tr>
</tbody>
</table>

Source: Nigerian Railway Corporation – Financial Statements (Various Years) and Author’s Survey (2016)
Figure 2.6  NRC - Total Passengers Carried

![Nigerian Railway Corporation Passengers Carried (1970 - 2015)](image)

Source: Nigerian Railway Corporation - Financial Report (Various issues) and Author’s Survey (2016)

Figure 2.6 shows the operational performance of the NRC in terms of passengers carried from 1970-2012. It can be observed that after 1984, the number of passengers carried declined and has been on the decline since, but with a slight increase in 2012 in response to government investment in the rail system.

Figure 2.7  NRC – Total Freight Hauled

![Nigerian Railway Corporation Freight Hauled (1970 - 2015)](image)

Source: Nigerian Railway Corporation - Financial Report (Various issues) and Author’s Survey (2016)

Figure 2.7 shows total freight hauled from 1970 to 2012. It also follows a declining pattern similar to the passenger performance, in spite of the government’s high level of investment in the corporation. Although the operational measures are not proportionate to the amounts
spent on the system however, all the spikes observed are all in relation to injections of funds in the system.

**Figure 2.8  NRC – Total Revenue**

![Nigerian Railway Corporation
Revenues (1970 - 2015)](image)

Source: Nigerian Railway Corporation - Financial Report (Various issues) and Author’s Survey (2016)

2.6 NRC and its Contribution to Economic Development in Nigeria

As mentioned earlier, an efficient transport system will aid trade and commerce, therefore, placing an emphasis on the creation of an efficient rail transportation system should be viewed as an essential transport feature that will aid trade and improve economic activities and development as a whole. Uzondu (2011, p. 1) observed that a strong “rail system of transportation has become a major catalyst in sustainable economic development. For instance, in Britain, USA, Canada, Russia, France and China, railways are playing an important role in these countries’ economies.”

In essence, to achieve the desired and sustainable economic development, a holistic, coherent, integrated, efficient and reliable transportation system is needed. It is equally important that railway development, infrastructural investment is put into proper historical perspective in Nigeria to fully appreciate its importance in social and cultural development as well as the new approach of an effective intermodal transportation system, transportation planning culminate the development of railway transport in Nigeria (Ozoemen & Idonor, 2006). Therefore, an efficient railway could enhance the reduction of the production cost in all the other sectors of the economy. This, in itself, could leverage other production factors in terms of competition with industries outside the country. The railway should therefore be seen and capable of being a catalyst in bringing about so many other factors such as political, social and regional developments in Nigeria.
From table 2.7 above, an efficient railway corporation would encourage freight of passengers and bulky goods. This would bring about a reduction in the prices of local commodities, resulting in a cheaper cost of living. Moreover, travelling time on the roads would be minimized as many more people would be encouraged to use the rail service as opposed to the use of cars, also helping the environment by reducing the poisonous toxic emissions of road transport pollution. This would also lead to a reduction in the cost of road maintenance, resulting in more funds for other social amenity provisions (Oni, 2010; Ademiluyi & Dina, 2011; Akwara et al., 2014). In addition, financial viability depends upon the improvement of operational measures which could lead to attracting more passengers and freight and improving the quality of service which will allow the railway to raise prices toward road pricing levels (see Table 2.7).

Table 2.7 Comparative Cost Analysis (Railway Tariff and Road Transport Fares)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.50</td>
<td>0.00</td>
<td>2.40</td>
<td>0.87</td>
</tr>
<tr>
<td>5</td>
<td>2.90</td>
<td>0.50</td>
<td>1.50</td>
<td>1.35</td>
</tr>
<tr>
<td>10</td>
<td>5.00</td>
<td>0.00</td>
<td>3.20</td>
<td>2.70</td>
</tr>
<tr>
<td>50</td>
<td>25.00</td>
<td>5.00</td>
<td>160.00</td>
<td>43.50</td>
</tr>
<tr>
<td>100</td>
<td>50.00</td>
<td>10.00</td>
<td>320.00</td>
<td>140.00</td>
</tr>
<tr>
<td>500</td>
<td>250.00</td>
<td>50.00</td>
<td>1600.00</td>
<td>135.00</td>
</tr>
</tbody>
</table>


Table 2.8 Accidents Statistics - Comparatives Analysis (Road and Railway Transports Accidents in Nigeria 2000-2012)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Accidents</th>
<th>Deaths</th>
<th>Injuries</th>
<th>Total Accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>16,606</td>
<td>8,473</td>
<td>20,667</td>
<td>107</td>
</tr>
<tr>
<td>2001</td>
<td>20,530</td>
<td>9,946</td>
<td>23,249</td>
<td>89</td>
</tr>
<tr>
<td>2002</td>
<td>14,544</td>
<td>7,407</td>
<td>22,112</td>
<td>84</td>
</tr>
<tr>
<td>2003</td>
<td>14,364</td>
<td>6,452</td>
<td>18,116</td>
<td>84</td>
</tr>
<tr>
<td>2004</td>
<td>14,274</td>
<td>5,351</td>
<td>16,897</td>
<td>89</td>
</tr>
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<td>2005</td>
<td>9,062</td>
<td>4,519</td>
<td>15,779</td>
<td>51</td>
</tr>
<tr>
<td>2006</td>
<td>9,114</td>
<td>9,131</td>
<td>19,200</td>
<td>53</td>
</tr>
<tr>
<td>2007</td>
<td>8,477</td>
<td>4,673</td>
<td>17,794</td>
<td>81</td>
</tr>
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<td>2008</td>
<td>11,341</td>
<td>6,661</td>
<td>27,980</td>
<td>78</td>
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<tr>
<td>2009</td>
<td>10,854</td>
<td>5,693</td>
<td>27,270</td>
<td>44</td>
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<tr>
<td>2010</td>
<td>5,334</td>
<td>5,330</td>
<td>18,095</td>
<td>51</td>
</tr>
<tr>
<td>2011</td>
<td>4,765</td>
<td>4,327</td>
<td>17,464</td>
<td>121</td>
</tr>
<tr>
<td>2012</td>
<td>6,269</td>
<td>5,084</td>
<td>21,721</td>
<td>139</td>
</tr>
<tr>
<td>2013</td>
<td>12,722</td>
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<tr>
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<td>32,063</td>
<td>106</td>
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<tr>
<td>2015</td>
<td>9,734</td>
<td>5,440</td>
<td>30,478</td>
<td>83</td>
</tr>
</tbody>
</table>


1 This was computed based on the USAID/Nigeria report (August 2015, p.6) which stated road transport between Lagos and Kano comparable with the international benchmark at $0.06 per ton-kilometer (tkm) and converted at CBN official rate of $1:99; US$1.00
Furthermore, there is relatively lower accident rates recorded in train operations compared with road transportation, which makes railway transport relatively safer (see Table 2.8 & Figure 2.9).

**Figure 2.9  Accidents Statistics - Comparatives Analysis**

![Accidents Statistics - Comparatives Analysis](image)


Also in justifying government intervention programme in the investment drive in NRC, it was observed that no government have invested in the entire system prior to 1999, hence the Obasanjo administration developed a comprehensive agenda for the re-development, modernisation and expansion of the NRC to meet the socio-economic, political, cultural and integration objectives of his political manifestoes (Ozoemena & Idonor, 2006).

The position described above has been the lack luster nature and the lip service successive governments have adopted on the NRC and have been the trend in the management and the operation of the corporation for a while. This was responsible for the situation of the system until the recent re-launch, in December 2012, of the Lagos-Kano train service. The re-launch signaled the official completion of various rehabilitation projects awarded by successive (previous and present) governments. In particular, the government of President Jonathan also took keen interest in the resuscitation and restoration of the NRC to its past glory of the late 1970s and early 1980s. Reporting on some of the pay offs of the investment drive, the NRC transported 450,000 liters of diesel from Lagos to Offa in December 2012, which also signaled the commencement of cargo transportation through the tracks (Odeleye, 2010; Ademiluyi & Dina, 2011).
2.7 Conclusion

The reasons for the deterioration of equipment and consequent deep decline in productivity are that the first, second, third and fourth development plans gave priority to other modes of transport. The railways were, therefore, neglected despite the fact that they consume comparatively far less energy than other modes of transport (Odeleye, 2000). This neglectful decline was also in contrast to the growing transportation needs of the people in both the urban and rural areas, as a result of an increase in population and economic activities. The urban and regional planners did not take these clear advantages into account in the allocation of developmental resources in the transport sector. All of the major international airports in the country are still not linked by rail and there are currently no plans to connect the rail system with the national and international airports (Odeleye, 2010; Ademiluyi & Dina, 2011).

Nigeria can support a viable railway network to cover a wider area and scope than the existing one. The railway, depending on the choice of locomotive, can use all primary sources of energy: hydraulic, coal and nuclear, through electrification. The railway has a very high safety margin; better space economy; better overall speed, when fully developed; environmental friendliness; and can support national security through the movement of troops (Ademiluyi & Dina, 2011).

Having looked at the various development issues of the NRC, its contribution to the economic development of the country, its distribution among the states and the economic and financial analysis, the effective operation of the railway depends solely on adequate funding, investment in operational machinery and effective management. All of which are of paramount importance for the successful operation of the rail system. From the analysis above, it is apparent that with the injection of cash and capital the Corporation can improve turnover and output. However, Odeleye noted that since 1963 the Corporation has not returned to surplus other than a brief period in 1989-1992 (Odeleye 2000).

The current wide fare differential is a reason to be optimistic that railways in Nigeria can be financially viable (see Table 2.7, p. 30). Therefore, looking at various factors in the country, particularly the issues of political instability, policy inconsistencies, the myopic view of most of the urban and regional planners and insufficient knowledge about the needs of the populace, the only viable option that would guarantee the constant flow of cash and capital necessary for the survival of the NRC is the involvement of private operators through the privatisation of the
entire network. For example, after several years of neglect, the Federal Government, in 1997, contracted the Chinese Government to redevelop the entire structure, including the supply of locomotives, coaches and wagons. In 2004, only 30% of all equipment supplied was operational (see Table 2.5, p. 25). The simplest explanation to this scenario is what explains the issue of ownership, control and responsibility, which also supports the researchers’ ontology stance and can aptly be described as a situation where when government owns, nobody owns; and when nobody owns, nobody cares. This is part of the factors responsible for the current state of neglect of the NRC by the successive governments (Odeleye, 2000; BPE, 2005).

Hence, to achieve a vibrant rail network in Nigeria, there should be an increase in the level of investment and a physical presence in all states of the Federation: An efficient railway network could be achieved through private sector involvement via privatisation. The state distribution of the network could enhance the effective decentralisation of the Corporation, whereby each of the states would own and run the tracks while leasing out the running of the passenger and freight services to private operators. For instance, proceeds from the sale of the network could be used to dualise the networks in each of the states and, subsequently, the maintenance of the tracks could either be held by the state government or leased out to private operators as well. However, private running of the entire network could guarantee the required funding and investments necessary for the success of the railway system in Nigeria.
Chapter Three

Literature Review of Privatisation Models, Theoretical Framework and an Evaluation of Critical Choices for NRC Privatisation

3.1 Introduction

The research background was examined in Chapter One, including an overview of the research problem, which borders on poor funding, poor maintenance and a lack of effective management of the railway transport system in Nigeria. The chapter concludes with a research conceptual framework that acts as further impetus for a better understanding of the problems confronted by NRC as well as an effective conceptualisation of the research problem.

Chapter Two explored the economic benefits of an efficient railway system and its impact on the economy. It examined the historical background of rail transport, including a critical examination of the motives for establishing the railway as a mode of transport, in Nigeria. Secondly, it examined whether the rail transport was designed to act as a catalyst for social and economic development or to assist in reaching the agricultural resource centers for logistical ease of moving farm produce to the seaports for transportation abroad or for multiple motives. Thirdly, to ascertain if the rail transport was established just to satisfy Nigerian colonial administrators’ administrative, operational or logistical needs or for other motives.

The previous chapter examined why the current railway network in Nigeria left vast areas unconnected (see Table 2.2, p. 21). Since its establishment as a corporate entity, the NRC has been without a clear strategic direction, bedeviled by poor funding, lacking good management, devoid of goal congruence and missing clear policy guidance for growth and development. It was also established in Chapter Two that railway transport was seen as a sector that tends to be used as a tactical and populist agenda for achieving public acceptance by incoming governments in Nigeria.

All new governments in Nigeria, as soon as they ascend to power, target rail transport with funding on the premise that if the public has access to an efficient and effective means of publicly run transport, this will enhance the acceptance and support of the new government. Additionally, it is also seen as a sector with a quicker turnaround time in terms of benefits
reaching the masses by contributing to a lower cost of living, creating or contributing to a higher standard of living, reducing service delivery costs and delivering an immediate dividend of good governance. It was also established by the study and equally supported by the previous research that there was usually an improvement in the level of railway service as well as to the productivity and revenue position of the corporation witnessed during the period of government funding. For example, Odeleye (2010, p. 7) corroborated this view and also observed that there is an “increase in the numbers of passengers, during various government interventions in the railways, which evidently shows that Nigerians are willing to travel by rail, if services are stabilized and efficient” (see Figure 2.2, p. 22 & Figure 2.3 p. 23).

It was observed that the intermittent high levels of performance were usually not consistent or sustained. As soon as the new government was well established there would be a diversion of focus, a stoppage of funds and a lack of close monitoring. When the next government took over, the same scenario was rehashed and subsequently produced the same effect as the previous scenario. The resultant effect of this vicious cycle was usually the poor operational performance of the NRC, erratic services and poor productivity, leading to services grinding to a virtual halt, as prominently seen today (Odeleye, 2010).

In addition, prior to the previous government of Jonathan’s administration (which ended on May 29, 2015), the railway was close to extinction due to poor management, sporadic maintenance, high operational costs, inefficiency and heavy losses due to low productivity. It was equally saddled with multiple and conflicting objectives which are usually determined by politicians for political gains and devoid of profit motives amongst others. This was also corroborated by Odeleye (2010, p. 1) who explained that “the remarkable role(s) politics of policies inconsistency and somersault plays, to the detriment of realisation of a vibrant railway system in Nigeria were highlighted accordingly.” These have also contributed to the various operational problems confronting the NRC today.

Firstly, this chapter provides a literature review of the overall background study, theoretical framework of privatisation, options and the theoretical framework of railway development. Secondly, it evaluates the arguments for and against privatisation, the implications and the benefits of privatisation and the performance indicators of a successful privatisation. Thirdly, it reviews the theoretical framework of privatisation including a study of privatisation policy
and a critical evaluation of privatisation arguments. Finally, it examines the performance indicators and the critical success factors of privatisation strategies as well as the issue of informed consent of the general public, the middle class and the employees of the NRC.

3.2 Privatisation: General Overview

Fatemi and Behmanesh (2012, p. 42) observed that “a new paradigm for public management, called ‘New Public Management’ has emerged since the 1980s that is formed to confront the present problems.” In an empirical study, evidence of chronic government overload was observed as well as fiscal stress, hence in view of these situation, the proponents of administrative reforms set up to tackle the pandemic worldwide mismanagement of state-owned enterprises have enthusiastically accepted privatisation as a major component in a new world order of New Public Management (Peters, 1996 as cited in Durrant and Legge, 2002). The NPM hence embraced a radical market reform in the form decreasing government size, the decentralization of management authority, the emphasis on efficiency, effectiveness and economy, which is all encapsulated in the privatisation policy (Fatemi and Behmanesh, 2012).

The theory of privatisation, therefore, strives to enhance efficiency in addition to effectiveness and equity of operation in the delivery of public services. It suggests that unless there is a radical approach to address the current situation, including an adoption of economic models for political and administrative motives. The concept of competition, performance based, service delivery and customer satisfaction, will merely be a far cry without any result the consideration of privatisation economic policy (Kaboolian, 1998 cited in Savas, 2000, p. 1736).

Several schools of thought were considered, defining the term “privatisation” in ways that reflect the different economic and developmental stages of the country as well as the objectives sought from adopting the strategy. Agba, Agba, Ushie & Festus, (2010), in their contribution, see the process of privatisation as a reform mechanism aimed at ensuring an effective and efficient operation of state owned enterprises in the provision of their respective statutory obligation to the Nigerian people.
3.2.1 Privatisation Definitions

"Privatise (vb.) to transfer (the production of goods or services) from the public sector of an economy into private ownership and operation" (Collin English Dictionary, 1995, p. 375). Similarly, Agba et al., (2010, p. 95) described it to “involve the transfer of government owned shares in designed SOEs to private shareholders.” Whereas Cowan,1987 as cited in Agba et al (2010, p. 96) defined privatisation to include “an activity that ranges from selling of state owned enterprises (SOEs) to contracting out of public services to private contractors.”

Taking another view at the policy, privatisation of SOE is seen as the transfer of government equity shares in these ventures to private owners (Ayodele, 1994; Carter, 2014). For commercialised enterprises, the government retains ownership of the relevant infrastructure, but realigns the company toward maximising the return on capital as in private enterprises. Both scenarios are a means of attaining a higher level of performance. However, where privatisation implies commercialization, the reverse is not necessarily true of commercialization (Carter, 2014).

Ramanadham (1996, p. 138), however, defined privatisation as a term that is employed to convey a variety of ideas, noting that “in the UK, the idea that is most prominently suggested is denationalisation, in the sense of transferring the ownership of a public enterprise to private hands. Another idea in vogue is 'liberalisation and deregulation' which unleash forces of competition.” This idea enhances corporate efficiency, effectiveness and, above all, consumer choice. For example, telecomm and power utilities have been privatized by selling off government interests to the private investors. This has resulted in an increase in the number of telephone lines from

Adeyemo and Salami (2008) defined Nigerian commercialisation and privatisation in Decree No 25 of 1988 to include the restructuring or the re-organisation of state-owned enterprises wholly or partly that is solely owned by government such that the state enterprise becomes privately owned and a profit orientated ventures operating without any government financial assistance or subventions as well as operating as a profit oriented private business entities.
From the literature reviewed, and for the purpose of this research, privatisation refers to the transfer of ownership of SOE to private ownership for the primary purpose of an efficient and effective operation leading to better productivity and profitability of the state owned enterprises (Agba et al., (2010); Cowan (1987); Yodeled (1994); Ramanadham (1996); Adeyemo, (2008). The reason for privatisation is as a result of the poor performance of the NRC by measuring its activities against the performance indicators identified above.

3.2.2 Privatisation: Theoretical Framework

In view of the above discussions and in relation to the theme of the study, the theoretical framework for the research examines the privatisation policy in four different dimensions. These theoretical dimensions also informed the research philosophy discussed later. The following are the research theoretical framework lenses considered relevant to the study.

- Property Rights Theory

This theory is concerned with the notion that property is best managed privately especially where there is a strong belief of a perceived threat and risk of bankruptcy if investments are not well managed. That is, if assets are not well managed to bring to bear a commensurate and required return on investment to cover the initial investment cost, bankruptcy could occur. Which implies that, if such assets are in the public domain, otherwise state owned controlled enterprise, because of the perception that if it is government owned, no particular attention is usually paid to this aspect of bankruptcy threats. Therefore returns on investment are usually not pursued with the desired vigour as compared to it being in the private control, so much so that profit motives at best are relegated to the back burner and at worst never a priority and as such. The result is usually poor performance as it is witnessed in most public managed businesses today, which incidentally account for the poor performance of SOE’s (Rowley & Yarrow, 1981 cited in Carter 2013; Kay & Thompson, 1986). However, Nheri (2014, p. 98) in a research study, observed that there was “higher improvements in efficiency and output for firms privatised after financial liberalisation and where the government relinquishes control” which clearly supports the property rights theory approach and quite evident in the telecommunication and power sectors after their deregulation and subsequent privatization (see Figure 3.1-3.2, p.65, Table 3.4, p. 66).
Also, Adeyemo (2008, p. 404) argues that “the character of the traders and that of the sovereign are inconsistent, that public administration was negligent and wasteful because public employees have no direct interest in the outcome of their actions.” This explains the reasons for the SOEs’ abysmal performance in spite of the colossal amounts spent on them and, as such the reason why the NRC is performing so poorly with the various sums of money spent on it at different periods of each government (Omoleke, Salawu, & Hasan, 2011).

- **Agency Theory**
  The agency theory is concerned with the relationships between the principals of a firm, who are owners or shareholders, especially in an incorporated business, and the agents who are the management team of the firm (Omoleke, et al., 2011; Nellis, 1994; Clarke, 2004, cited in Muogbo, 2013). The principals, who are typically the investors, are interested in their return on investment, hence, having a vested interest in the company performance. Whereas, the agents who are the management team, want to protect their employment, on the one hand, as well as other management perks for good performance, on the other hand. Therefore, the profit motive is the only avenue in meeting their respective economic goals as well as increasing shareholder’s wealth. As such, effective control will be put in place to ensure the achievement of overall corporate goals, whereas with a SOE, the motive of profit is usually of less importance, hence not vigorously pursued. For example, Eisenhardt 1989 cited in Carter (2013, p.114) observed that agency theory assumes that individuals are risk averse; “suggesting that privatised firms may assume higher risks or costs for engaging in opportunistic behaviours against their government especially in cases that effective monitoring and control mechanisms are in place” (see Table 8.2, p. 172).

- **Resource-Based View**
  This theory takes a strong view of procuring and sustaining a state of the art infrastructure, which gives the enterprise a competitive advantage. The firm’s infrastructure will enhance the achievement of competitive advantage, performance indicator improvements and simultaneous advancement will be achieved. Whereas, if left in the public sector, this objective of a sustained and effective infrastructure will not be considered as of importance and, hence, the enterprise will become less competitive, as presently observed in the case of Nigerian Railways (Omoleke, et al., 2011).
Wade and Hulland, 2004 cited in Carter (2013, p.114) argued that “resources that are valuable and rare can lead to the creation of competitive advantage, and the competitive advantage can be sustained over longer time periods to the extent that the entity is able to protect against resources being imitated, transferred or substituted”. Whereas, in most SOE, because of the monopoly power advantage and lack of competition or substitutes for a similar service provide little or no motivation for efficient service compared with the private sector’s competitive environment, which enhances competition, efficiency and profitability. For example, Fatemi & Behmanesh (2012, p. 44) noted that “new public management does not emphasize on processes (input) but on efficiency (output)”. A view shared by Adeyemo (2008, p. 404) who also suggested that,” this theory would reap the advantages of the market system and competition, namely effectiveness, productivity, and efficient service.”

- **Contingency Theory**

The contingency theory looks at the position of privatisation in terms of what method is best in implementing the privatisation programme. It considers the cultural background, values and beliefs as important factors that affect the success of the privatisation programme and, hence, posits that all of these factors have bearing and impact on the implementation and success of the policy when the privatisation programme is implemented. For example, according to Smircich & Stunnart, 1985 cited in Carter (2013, p. 112), “every country has its own unique environment that historically constitute a set of forces to be adapted to, co-aligned with, controlled, or uncontrolled.” This is what informed the observation made by Lawrence and Lorch, 1967 cited in Carter (2013, p. 112) who noted that “there is no one best way to privatise” (see Table 8.1, p. 172).

However, on a broader approach, Joseph (2010, p. 145), in a recent empirical study, it saw the process of privatisation as “carrying a wide range of possibilities from decentralisation at one end to market discipline at the other. Whereas Agada, 2002 cited in Joseph (2010, p. 145) looked at the process in a broader sense to also “involve not only the sale or other form of transfer of state assets but also the transfer of the management of state enterprises to the private sector.” From all the above definitions, the main goal of the privatisation process and which is equally shared by all the empirical studies identified, suggests privatisation as the process of relinquishing government control of SOE’s to private control for better performance which also espoused the privatisation theoretical framework discussed above as well as align with the epistemology belief of the research (Ojo & Fajemisin, 2010).
For example, Kouser, Azid & Ali, (2011, p. 36) stated further that the policy of “privatisation is the termination of public programs and separation of state from its manufacturing and other different kind of corporate activities.” This view was also shared by Nellis (1994, p. 1), who described the issue of privatisation as a “neoclassical economic theory which suggests that the relationship between ownership and performance is tenuous; efficiency is seen mainly as a function of market and incentive structures”. Nellis (1994, p. 1) therefore stated further that, “in theory, it makes little difference whether a firm is privately or publicly owned as long as it operates in a competitive or contestable market without barriers to entry or, just as important, barriers to exit”, which clearly espouses the resource based theory discussed earlier.

In addition, Nellis (1994, p. 1) noted that “the owner instructs management to follow the signals provided by the market and gives it the autonomy to do so. Management is rewarded and sanctioned on the basis of performance.” This is typical of a private entrepreneur demonstrated by the agency theory discussed earlier, which also corroborates the fact that reward and punishment is a motivational factor that encourages efficiency, productivity and profitability. This is obviously not normally evident in SOEs which suggests why most SOEs are inefficient, let alone not profitable. Moreover, any hardline actions taken can equally be misconstrued to be politically motivated hence the soft stance sometimes adopted in the running of the SOE’s by the government officials. Another dimension is the employment protection, potential risk or fear of stepping on toes of powerful individuals in government which may also have grievous consequences.

Furthermore, Nellis (1994, p. 1) discussed the empirical study’s “evidence that the theory does indeed apply in practice—with two crucial qualifications. First, the full set of necessary conditions is only rarely met. And second, even when it is met, it tends to stay met for only a while; the necessary conditions cannot be made to endure.” Nellis’ assertions presuppose the reasons why new governments in Nigeria target the railway transport for investment: for the increased performance and efficiency of the rail transport and to act as a catalyst for achieving the public’s acceptance of the new government as discussed earlier.

To buttress the above point further, Gupta & Sathye (2008, p. 4) equally shared the views of Nellis study with the Indian Rail study, and also noted that “the key reason for the IR’s financial performance decline was the politicisation of the decision-making processes that
emphasised taking populist action over hard business decisions”. The above observation by Gupta & Sathye (2008) is quite similar to the NRC’s situation and which the end result is the usual favourable response to the government funding initiatives with an increase in turnover through increased patronage by the helpless teeming population. However, the improved performance is usually not sustained because it was an ad hoc measure in the first place and which is rather political and to fulfil political manifestoes of the government of the day and never a business decision as well as lacking both strategic and long-term views. Hence shortly after diverting attention from the rail sector, performance drops and services become erratic (Gupta & Sathye, 2008; Odeleye, 2010).

As a follow up with another perspective, privatisation is seen as a process of disencumbering the state from the burden of running business enterprises that could better be managed by the private sector. This mobilises the private sector to take the lead in entrepreneurship and industrial investment, leaving the state to play a supportive role (Babangida, 1986). This dimension clearly supports the property right philosophy of the theoretical framework.

Furthermore, in considering the operational indicators of privatisation, another study defined privatisation as a move by the public sector towards the pursuit of efficiency and effectiveness in the attainment of objectives with a dominance of financial considerations through the adoption of management styles that reward good and penalise poor performance (Nheri, 2014; Kayode, 1986). This study corroborates the views of the research theoretical framework, particularly the agency and resource-based theories.

However, Adam, Cavendish, and Mistry (1992, p. 2) argues that “no definition of privatisation is ever likely to be watertight, and in many cases the extent to which privatisation has occurred is a matter of degree and interpretation.” Hence, the research will take the position of the privatisation theoretical framework, discussed earlier, as it describes the direction of the study. In other words, it is a known fact that publicly run enterprises are inefficient, lack clear goals, suffer from chronic political interference, lack goal congruency and, as such, are susceptible to poor performance. They have been seen as a drain on public funds and usually do not merit the motives of their establishment. The Nigerian Railway was profitable during the colonial administrators’ era and, as a matter of fact, Nigeria inherited a very vibrant railway service, pre-independence, but just shortly after independence which also orchestrated a change to an
indigenous management, performance in the system started declining (Durant & Legge, 2002; Odeleye, 2000; Nheri, 2014; Fatemi & Behmanesh, 2012).

In addition, it was observed that Nigerian inherited a flourishing, efficient and effective rail system prior to independence from the colonial administration. Again, notwithstanding the fact that Nigeria inherited a single-track, with narrow-gauge system running diagonally across the country, the railway service was still able to efficiently haul agricultural products harvests from far North to the seaports situated in Lagos and Port Harcourt. For example, the cocoa harvests from the West, groundnut pyramid from the North and palm oil from the East were contributions to the Nigerian economy that were facilitated by the rail service and are a good reminder of the NRC past good old days (Odeleye, 2000).

Therefore, judging from the performance experience of the railway system during the colonial administration, the dilemma for serious consideration appears not to be an issue of ownership problem that is affecting the Nigerian Railway but rather management of the corporation that is the major problem confronting the efficient performance of the system. Where ownership is seen to be the problem, the research therefore explores the critical choices and different forms of ownership that could best be suited for the NRC situation.

3.3 Privatisation: The Theoretical Arguments
Privatisation could induce a market led operation which may also enhance efficiency as observed by Adam et al., (1992, p. 4), who also emphasized that while “deregulation and liberalisation policies may expose state owned enterprises to greater commercial pressures, they do not necessarily either alter control and ownership structures in the economy, or change the source of supply of goods and services.” This may force competition as well as encourage the provision of an efficient infrastructure to obtain competitive advantage which is equally supported by the resource-based ideology (Omoleke, et al., 2011).

While direct public enterprise reform interacts with privatisation, it could also be said that all privatisation might generally involve some reform of public enterprise management structures and state shrinkage, there is also a large class of public enterprise reforms, mainly the adoption of private sector practices, which entail neither privatisation nor state shrinkage. For instance, the adoption of ‘private sector-style’ management systems (commercialisation), employment incentive structures, balance sheet restructuring as well as debt and capital restructuring are all
reforms that will bear directly on the efficiency of the sector, but they are not privatisation, as observed with the situation for the Indian Rail reform (Gupta & Sathye, 2008).

The following are some of the implications of a privatisation programme. Privatisation is expected to act as a turnaround strategy, particularly for turning loss-making corporations into more profitable businesses. Amakon (2003, p. 4), opined that “as a last resort in Nigeria today, privatisation is seen as a means that will guarantee the most rapid and irreversible progress towards solving and surmounting the legion of problems confronting and antagonizing most state-owned enterprises especially the problem of low productivity and inefficiency and at the same time help in reducing the financial burden through government borrowing in order to meet up with its commitments.”

By way of a follow up, Abubakar (1998) equally observed that if a government divestment of 40 per cent of its holdings in public utilities means a withdrawal of subsidies attached to infrastructural facilities, consumers will have to pay for improved services. The populace will have a variety of choices and they are at liberty to decide who to patronise as observed with the previously deregulated and privatised telecommunication sector and the recently deregulated and privatised power sector (see Table 3.3 p. 64, Figure 3.1-3.2, p. 65)

Stating further, Galang (1993) cited the experience of the Philippine Government of 1992 when it formally turned over control of Philippine Airlines (PAL) to a private-sector consortium in the country's biggest privatisation, thereby reducing the government’s holdings in PAL to 13 per cent. The outcome of this process was an efficient and profitable PAL, seen today. Another benefit expected from the programme is a change in the employee morale towards joint action and responsibilities for increased performance of the corporation (Nellis, 1994; Eisenhardt, 1989). This corroborates the agency theory and the research theoretical framework, discussed earlier.

However, Smith (1995, p. 10) viewed the subject by considering the five management buy-outs bidding for British Coal with the two successful bids (i.e., Betws Anthracite and Hatfield). For example, it was observed that “both were already running, and trying to make money out of pits in the latter years of British Coal's stewardship which were previously unprofitable. But Betws Anthracite in 1995 was exceeding its weekly target after taking over in April 1994. Also, instead of the company's reported target of 2,340 tonnes a week it was producing 2500 tonnes. In
addition, their 100 employees were achieving high levels of productivity by returning to traditional mining methods using shovels rather than mechanical coalface shearers.” This is in consonance with the agency theory which emphasise cost control and monitoring for better performance currently lacking in SOE’s (Eisenhardt, 1989 cited in Carter, 2013).

Furthermore, Gawith (1992, p. 5), in a research study, noted that “when the Chiluba government took over power in November 1991 and installed new management at the Zambia Consolidated Copper Mines (ZCCM), the corporation was in serious financial trouble where debts to overseas suppliers had reached a level where these companies had stopped selling to ZCCM. The 1992 annual report was awash with references to plant breakdowns, equipment obsolescence and shortages of spare parts and supplies as a direct result of financial difficulties.” These were as a result of the government’s increasing failure, over a number of years, to invest in the core activity of metals production. However, the government’s stance was to privatise the corporation with a mandate to return it to its core peripheral businesses activities. The benefits of these changes were observed to be filtering through, with increased production and a trimming of the labour force; unit costs also improved dramatically.

3.4 Privatisation and Performance Indicators
Success of the privatisation is measured using the following criteria noted by Berg (1994) in his paper ‘Privatisation: A Pragmatic Approach’, a well-developed financial market, which creates the proper legal, fiscal and institutional framework conducive to increasing the volume and efficiency of the flow of financial resources and as a prerequisite for a successful privatisation. Therefore, the following are the performance indicators of a privatised corporation which also form part of the prime motive for their privatisation are hereby discussed in the sections that follow.

3.4.1 Effectiveness
SOEs in Nigeria are ineffective as a result of several factors, among which are the decades of neglect, decay and lack of maintenance culture which have made them to be less productive Oyedepo & Fagbenle (2011). For example, Kikeri et al., 1994, cited in Salawu (2005, p. 172) noted that “the high costs and poor performance of state-owned enterprises (SOEs) and the modest and fleeting results of reform efforts have turned many governments towards privatisation”. In other words, SOEs have constituted a source of budget drain as opposed to supporting the economic development agenda of government. One of which is by creating
jobs, increasing the disposable income and stimulating economic growth and by extension increasing the economic propensity to consume. This is currently not the case and is the reason for SOE’s clamour for their privatisation.

For example, citing an empirical study by Ayodele (1994, p. 301), who also noted that “in most cases, particularly in the case of NEPA (now Power Distribution Company - DISCO’s), product prices of PEs were subsidized to the tune of between 36% and 52% of the production cost in the pre-Structural Adjustment Programme period. As a result of this situation, Kouser, Azid, & Ali (2011, p. 35) noted that “governments take privatisation stances to reduce their burden in terms of the underutilisation of resources, over and redundant employment, fiscal burden, financial crises, heavy losses and subsidies in order to improve and strengthen competition, public finances, funding to infrastructure, and quality and quantity of services in terms of management.” Hence with the various government reforms initiatives, effectiveness of the SOE is enhanced and achieves the much desired benefit of privatisation.

3.4.2 Efficiency

Efficiency involves the elimination of redundancies and factors which does not add value to the process, therefore according to Ugorji, 1995, cited in Mercy (2011, p. 491), in an empirical study viewed “privatisation to have become an acceptable paradigm in the political economy of states, it was seen as a strategy for reducing the size of government and transferring assets and service functions from public to private ownership and control.” In addition, Jerome (1999 and 2005) further argues that privatisation brings operational efficiency, increases productivity, creates employment, ensures job security and widens the distribution of wealth in society. Also Bishop, Kay & Mayer (1996), equally opined that privatisation as a policy, was designed to improve the operating efficiency of public sector enterprises through increased exposure to competitive market forces, which is also in line with a suggestion in another study by Adeyemo (2008), which is also in line with the resource-based theory approach.

Therefore, the private sector sees a strong correlation between lean structure and an increase in efficiency which also enhances effectiveness, productivity and profitability, which is usually not seen in SOEs (Adeyemo, 2008). Additionally, Salawu & Akinlo (2005, p. 171), also observed that, “privatisation has been recognized as a key element to promote efficiency, reduce fiscal burden and help in developing capital market.” Hence, Omoleke et al., (2011,
P. 77) noted that “in Nigeria, privatisation came as an integral part of economic adjustment program and policy aimed at enhancing the efficiency in the government resource allocation.”

3.4.3 Productivity

Mercy (2011, p. 490), opined that “in assessing the productivity of the privatised state owned enterprises in Nigeria, certain indices were used for analysis, such as profitability, output and employment. Analysis showed that certain factors such as corruption, lack of transparency, etc., have led to low levels of productivity in the goal attainment of the policy. Consequently, suggestions were made for the sustainability of the reform and a better level of productivity in Nigeria.”

Hence, if the public enterprise were privatised and became a public corporation, the corporate governance provisions in place would help to sustain the transparency and integrity of the financial statements. Muogbo (2013, p. 81) defined corporate governance as “a response to the agency problems that arise from the separation of ownership and control in a corporation.” The financial statements of privatised corporations are subjected to an annual audit, which is statutorily required. The statutory requirement to produce a published sets of financial statements will increase and improve accountability and transparency, which is currently absent in SOEs.

For example, in accordance with the provisions of effective corporate governance, internal control is another statutory requirement, which is also the subject of an annual audit and evaluation to assess its effectiveness. All these provisions will assist in corporate transparency and, hence, reduce the incidence of corporate corruption and, ultimately, improve productivity, which is currently not available in virtually all state run state owned enterprises (Omoleke, 2011; Muogbo, 2013).

Also, in an empirical study by Muogbo (2013, p. 81), “the results show that corporate governance has a significant positive relationship with privatisation in terms of setting up sound corporate objectives and maximizing shareholders’ wealth. This indicates that investment in privatised firms will be more profitable than investment in firms with government presence.” Firstly, there will be sound internal control system and secondly, the control system will be monitored with appropriate sanctions to erring company officials.
Also observed in an empirical study by Gupta & Sathye, 2008 discussed earlier appears to be a replica of what is happening to the Nigerian Railway which also explains the cause of its present abysmal performance in spite of the colossal amounts of money spent.

Another argument derives from the property rights theory of Kay & Thompson (1986, p. 20); they perceived the privatisation policy as a “change in ownership; in that by altering the structure of property rights it will improve the incentives for productive efficiency.” This argument presupposes the fact that private firms need to perform efficiently to remain in business. Hence, if privatisation merely converts a public monopoly into a private monopoly, the enterprise will not be compelled by competitive pressures to improve its productive efficiency (Carter, 2013).

It was argued further that the change in ownership may impose the discipline of a private capital market on the enterprise. Which in theory, will ensure that management performs in a manner that is consistent with a profit maximisation goal to maintain its public listing on the stock market or through the threat of take-over or delisting from the stock market, if it is a public quoted company. This argument hence supports the property rights theory philosophy which is the main argument in support for the NRC’s privatization and which is currently not the case with NRC management.

3.4.4 Infrastructural Investment
According to Sarbib Jean-Louis 1997, cited in Amakom (2003, p. 2), “privatisation in Africa is not only bringing about a change of ownership or management control; it is also encouraging much needed new investment in these businesses.” Also noted by Iyoha 2000; Ndebbio 2000, cited in Agba (2010, p. 99), “privatisation of SOEs is expected to attract substantial investment, increased employment and reduce poverty.” Hence as a result of the increase in investment through acceleration effect, it will lead to an increase in productivity which will also warrant an increase in employment. This view is in line with the resource based view which emphasised firm’s competitiveness. This position was also supported by Ndebbio 2000, cited in Agba (2010, p. 99), who stated that “labour demand is directly related to industrial investment; that is, in every 10 percent increase in capital investment, in small and medium enterprise (SME), labour demand (new jobs) would increase by 1.97 percent.”
Furthermore, looking at the process from another angle of positive investment, Mahmoud 2005, cited in Omoleke (2011, p. 74) observed that, “the core objectives of the privatisation policy are to reduce fiscal deficits, building a broader tax base, attracting more investment and growing of the private sector,” this will hence assist in achieving the investor’s goal of wealth creation motives of the private operator which is also in line with the position also taken by the property right theory philosophy.

### 3.4.5 Profitability

According to Adewale 2011, cited in Mercy (2011, p. 493), “the primary drive for the so-called private sector is quick and super profits they could appropriate by cheaply seizing of the formerly state owned enterprises. In reality it was not a desire to contribute to economic development and job creation.” Particularly if this is considered from the agency theory lens, however, when profit is generated, wealth is helped created; it increases the shareholders’ value and as well as a general increases in firm’s value. The new wealth created therefore increases the economic activity and lead to an increase in the propensity to consume which will also assist in achieving economic development.

The profit maximisation actions therefore can also be typically as a result of the firm’s lean structure of the six sigma, which tends to identify areas of waste and duplication that the private sector seeks to identify and eliminated to achieve low cost structure and profit maximisation. The state enterprises were established to aid economic development objectives as opposed to the profitability views of the private sector; the ideology of the lean structure is typically not an agenda of the state run enterprises which is quite the contrary.

### 3.5 Privatisation: Models and Policies – An Evaluation of Critical Choices

Having studied the theoretical arguments for privatisation, it is also important to evaluate the respective methods and the potential success rates. The following presents the tested methods considered (see Table 3.1, p. 50).
Table 3.1 Privatisation Methods – A Comparative Analysis

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<tr>
<th>Management Function</th>
<th>Methods of Privatisation</th>
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<td></td>
<td>Management- Employee Buy-Out</td>
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<tr>
<td>Privatisation type</td>
<td>Full</td>
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<tr>
<td>Management of operation</td>
<td>Private</td>
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<tr>
<td>Commercial Risk</td>
<td>Private</td>
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<td>Operating Risk</td>
<td>Private</td>
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<tr>
<td>Investment Risk</td>
<td>Private</td>
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<tr>
<td>Ownership of Rolling stock</td>
<td>Private</td>
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<tr>
<td>Ownership of Infrastructure</td>
<td>Private</td>
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</tbody>
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Source: World Bank (2003, p. 3), Author’s Survey (2013)

3.5.1 Management-Employee Buyouts (MEBO)

Bennett, Estrin, Urga (2007, p. 662), defined management-employee buyout (MEBO) as privatisation by a market transaction at a positive price, but the buyers are insiders to the firm – managers or workers. From Bennett et al., (2007, p. 662) it was concluded that the method of MEBO privatisation hardly ever has a statistically significant effect on the privatised state owned enterprise. However, using the property rights theory, issues of property protection is achieved (Muogbo, 2013) equally in terms of transparency and accountability which is currently not present in SOEs is corrected (Kay & Thompson, 1986).

3.5.2 Public Offering and Share Issue (Private Ownership)

Bennett et al., (2007, p. 662), defined a public offering “as a sale which includes any method in which ownership in the bulk of enterprises is transferred on the basis of sale at an agreed (market) price of shares to people not previously associated with the firms, including foreigners.” From Bennett’s empirical study, it was concluded that privatisation by sale never exerts a significant independent influence on growth of the SOEs; however, other indices of the benefits of privatisation will be achieved such as profitability, productivity and wealth creation for the new shareholders of the now privatised company.

3.5.3 Management Contract

Galenson and Thompson 1993, cited in Mescht (2005, p. 998), defined a management contract as “the form of technical assistance, where the contractor carries no financial risk, to more complex cases where compensation is based partly on results which could include performance incentives. The contractor assumes responsibility for operations and
maintenance of a particular activity which could include running the entire railway.” This method invokes the method in which the government provides the infrastructure and an enabling environment for the private operator to run the SOE’s as a profit orientated enterprise, this method typically supported the NPM new management style discussed earlier (Osborne & Gaebler, 1993). This method limits the financial risk of the private operator and puts the majority of the financial risk of liability to the government which also makes it less risky method and potentially an attractive method.

3.5.4 Franchising

Preston and Nash 1993, cited in Shires, Preston, Nash and Warden (1994, p. 19), defined franchising as the type of contract in which franchises are required “to provide all the capital assets involved in the production of that good or service prescribed in the contract. Such capital investments constitute 'sunk costs' which prevent 'costless entry and exit'. With an operating contract, capital is provided by either the state or a public body. Whilst overcoming the problems associated with 'owning franchises' 'operating franchises' lead to inefficiencies in the deployment of assets which are not under the control of the operating agents who have the incentives to minimise costs.”

In view of Preston and Nash’s position, Shines et al., (1994, pp. 19-20), suggested that “franchising makes a market more contestable, improving both productive and allocative efficiency. It increases market contestability by allowing firms to bid for the 'rights to supply' before they have committed any resources to the attempted entry. Put another way, franchising reduces the 'sunk cost' element to purely the costs of constructing the bid.” Hence, making the privatisation option much more competitive and clearly in line with the resource based view philosophy of company obtaining competitive advantage with an efficient infrastructure (Carter, 2013).

3.5.5 Leases

Regarding leases, Mescht (2005, p. 998), sees them as the type of contract in which “the contractors could be charged a fee for the use of fixed assets.” Thompson, Budin & Estache (2001, p. 2), similarly, defined “leases as a form of agreement where a railway operator does not own locomotives and/or rolling stock, but leases them from a private entity for a regular fee payment (rent).” This type of leasing is usually an operating lease agreement in which ownership reverts back to the lessor at the end of the fixed lease period. The lessee is
generally responsible for maintenance of the coaches and locomotives, keeping them in top operational performance at all times for the contract period. Bullock (2009, p. 46) also added, “Lease contract, is that in which the private operator assumes only the risks to the operation’s revenue and costs but not the risks to investments.”

3.5.6 Concession
Budin 1997, cited in Metscht (2005, p. 998), defined concessioning in the railway milieu “as a partnership between the state and a private operator (the concessionaire) in which, while maintaining ownership of the rail infrastructure, the state transfers railway operations to the concessionaire as spelt out in a concession agreement. Bullock (2009, p. 44) noted that, “concessionaire under the terms and conditions stipulated in a concession agreement, operates the railway as a business activity at its own risk, cost, and expense.”

In addition to the Budin’s definition, the World Bank (2003, p. 2), defines “a railway concession as a form of public-private partnership under which the operation of railway activities on a network is entrusted to a concessionaire, while the ownership of the railway infrastructure is directly or indirectly retained by the State, the conceding authority.” Typically, in most concession contracts, it is usually for a limited period of about 5-15 years at a time to enable the supervisory agency assess the private sector’s performance and then decide to either renew for a longer period, or re-negotiate the terms of contract, or revoke the license if the performance does not justify contract renewals.

3.5.7 Voucher Privatisation Shares of Ownership
Bennett et al., (2007, p. 662), defined voucher privatisation as a “method which entails the transfer of the enterprise at a zero or nominal price, either to insiders, as was common in Russia, or to outsiders, as occurred in the Czech Republic.” An empirical study by Bennett demonstrated that this method of voucher privatisation is shown to be positively associated with growth of the state owned enterprises.

3.6 Privatisation of Railway Transport: Experience of Other African Countries
The World Bank has been at the fore front of reforms in developing countries including Nigeria. Part of the measure therefore recommended is the privatisation by concession especially in the rail sector as observed in most African countries. This is owing to the intensity and huge capital cost of the rail infrastructure aside the problem of the failure of
accurate valuation of the state own enterprise to ascertain their true value to aid their sale as a going concern, has orchestrated the consideration of concession as a method of privatisation which also serves multiple purposes.

Firstly, assets ownership is not totally lost to the private investor but rather maintained and the operation run as a commercial venture with profit motive. Equally, the state maintained ownership of the infrastructure with the possibility of terminating the contract if there is a breach of contractual agreement or if the terms of agreements were not fully complied within the period of concession.

Secondly, the private operator is mandated to make more investments to enhance operational efficiency, improve productivity and profitability owing to the commercial nature of running the concessioned state enterprise.

Hence since 1993, thirteen concessions have been awarded in Africa, with a further seven in the process of being concessioned (Table 3.2). Bullock (2009, p. 9) observed that the Sub-Saharan railway system shared fairly in the country’s transport partly due to poor road infrastructure or restrictive regulation, but following liberalisation of the transport sector, and coupled with improvements in road infrastructure, had led to much stronger competition, leading to fewer, but much more efficiently functioning, smaller railways. Also noted in a World Bank (2003, p. 3) report which also stated that “traffic is once again on a growth path after a decade of decline, and a portion of the traffic volume that had been lost to road transport is returning to the railways. The customer base recognizes the improvement in quality of the service provided and notes that these railway systems have ceased to be government administrations and are becoming commercial enterprises”.

As such consumers were left with much choices, hence act as catalyst for driving up competition that, in turn, enhance acquisition of better infrastructure (resource based view), which helps in achieving competitive advantage. Equally, competition will encourage better performance and customer service (agency, property right theories) which is lacking in rail transport management in Nigeria today (Rowley & Yarrow, 1981 cited in Carter 2013; Kay & Thompson 1986).

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2 Lagos — Federal Government yesterday cancelled the concession won by Bi-Courtney Aviation Services Limited (BASL) for the construction of hotel and conference centre at the local wing of the Murtala Mohammed International Airport, Lagos for failing to keep to the terms of the agreement.
### Table 3.2  Railway Privatisation by Concession
(A Comparative Analysis of African Countries Experience and Outcome)

<table>
<thead>
<tr>
<th>Concession by Country</th>
<th>Concessionaires</th>
<th>Year Awarded</th>
<th>Year Started</th>
<th>Pre-Qualification</th>
<th>No. of Yrs.</th>
<th>No. of Bidders</th>
<th>Successful bidder</th>
<th>Outcome of Privatisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cameroon</td>
<td>Camrail</td>
<td>1994</td>
<td>1999</td>
<td>Yes</td>
<td>20</td>
<td>3</td>
<td>2</td>
<td>Successful</td>
</tr>
<tr>
<td>Congo Brazzaville</td>
<td>Sizarail</td>
<td>1995</td>
<td>1995</td>
<td>Yes</td>
<td>5</td>
<td>23</td>
<td>5</td>
<td>Cancelled</td>
</tr>
<tr>
<td>Côte d’Ivoire – Burkina Faso</td>
<td>Sitarail</td>
<td>1993</td>
<td>1997</td>
<td>No</td>
<td>15</td>
<td>3</td>
<td>2</td>
<td>Successful</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>CDE</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Gabon</td>
<td>Transgabonais Gabon Rail</td>
<td>1996</td>
<td>2003</td>
<td>Yes</td>
<td>20</td>
<td>15</td>
<td>2</td>
<td>Cancelled</td>
</tr>
<tr>
<td>Ghana</td>
<td>United Rail</td>
<td>2002</td>
<td>2005</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>In process</td>
</tr>
<tr>
<td>Kenya</td>
<td>Tangayika Rail</td>
<td>2002</td>
<td>2004</td>
<td>Yes</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Madagascar (North)</td>
<td>Madarail</td>
<td>2002</td>
<td>2003</td>
<td>Yes</td>
<td>25</td>
<td>2</td>
<td>1</td>
<td>Failure</td>
</tr>
<tr>
<td>Malawi</td>
<td>CEAR</td>
<td>1999</td>
<td>1999</td>
<td>N/A</td>
<td>20</td>
<td>N/A</td>
<td>N/A</td>
<td>Failure</td>
</tr>
<tr>
<td>Maputo/Corridor</td>
<td>NLPI/Spoornet</td>
<td>2002</td>
<td>N/A</td>
<td>N/A</td>
<td>15</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Mozambique-Beira</td>
<td>Beira Rail</td>
<td>2004</td>
<td>2004</td>
<td>N/A</td>
<td>25</td>
<td>N/A</td>
<td>N/A</td>
<td>In Process</td>
</tr>
<tr>
<td>Mozambique-Nacala</td>
<td>CBN</td>
<td>2000</td>
<td>2005</td>
<td>N/A</td>
<td>15</td>
<td>N/A</td>
<td>N/A</td>
<td>In Process</td>
</tr>
<tr>
<td>Namibia</td>
<td>Transnamib Ltd</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Senegal-Mali</td>
<td>Transrail</td>
<td>2003</td>
<td>2003</td>
<td>N/A</td>
<td>25</td>
<td>2</td>
<td>N/A</td>
<td>Failure</td>
</tr>
<tr>
<td>South Africa</td>
<td>Transvaal</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
<td>N/A</td>
<td></td>
<td>Successful</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Tazara Line</td>
<td>1997</td>
<td>2007</td>
<td>Yes</td>
<td>5</td>
<td>7</td>
<td>4</td>
<td>In Process</td>
</tr>
<tr>
<td>Togo</td>
<td>WACEM</td>
<td>1995</td>
<td>2002</td>
<td>N/A</td>
<td>5</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Uganda</td>
<td>Uganda Rail</td>
<td>2002</td>
<td>2004</td>
<td>Yes</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Zambia</td>
<td>RSZ</td>
<td>2002</td>
<td>2003</td>
<td>N/A</td>
<td>20</td>
<td>4</td>
<td>2</td>
<td>In Process</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>BBR</td>
<td>1998</td>
<td>1998</td>
<td>N/A</td>
<td>5</td>
<td>N/A</td>
<td>N/A</td>
<td>In Process</td>
</tr>
</tbody>
</table>

Source: Bullock (2009, p. 49), Author’s Survey (2013) and Literature Reviews

In another study by the World Bank (2003), the research findings saw an improvement in the performance of the railway service privatised by concession in Africa. It reported a very positive outlook for the privatisation exercise of some African country’s railway services (see Table 3.2, above). The World Bank (2003, p. 3) report stated further that “these railway systems have been improved and modernized; they employ fewer people but who are better trained and highly motivated; infrastructure has been rehabilitation and is well maintained; and rolling stock is available and reliable.” As a result of the above reforms, appreciable improvements have been witnessed in terms of efficiency, effectiveness and productivity which ultimately lead to a profitable rail transport operation. Equally, government is relieved of the mundane tasks of running SOEs that could be best operated efficiently and effectively by the private sector.
These clearly support the research epistemology as well as the theoretical frameworks discussed earlier. For example, the reasons for the improved performance can be inferred to be as a result of the commercial orientation structure, clear corporate goals, sound business objectives, and profit motives of the agency theory. Equally, efficient infrastructure of the resource base theory which also enhances competitive advantage and the property rights theory view discussed earlier (Rowley & Yarrow, 1981 cited in Carter 2013; Fatemi & Behmanesh, 2012; Kay & Thompson 1986).

3.6.1 Effectiveness and Experience from Other African Countries

Effectiveness is measured in term of the use of train infrastructure reducing operating cost, while increasing service delivery and ensuring passenger safety. It was observed that concessioning enhances service efficiency which could also lead to resource surplus that can be redeployed to selected users. These benefits large corporation or extractive industries shipping in large quantities or other rail users willing to pay for premium services which enhance economies of scale and ultimately reduce costs and improve operation’s effectiveness (Bullock, 2005).

Bullock (2009, p. 15) noted that “rail travel is still safer than road travel, but the safety record of Sub-Saharan African railways is much worse than that of comparable railways elsewhere due to a combination of obsolete track infrastructure, poorly maintained rolling-stock, and a lack of operational discipline. But, as with productivity, safety has generally improved following concessioning.” This also assists in achieving lower downturn of train operation and improving customer patronage and satisfaction. Bullock (2009, p.60) however noted further that “concessioned railways cannot necessarily improve transit time, but they do generally try to address other aspects of service quality such as safety, security, and reliability.”

3.6.2 Efficiency and Experience from Other African Countries

In an empirical study by Nheri (2014, p. 98), the research “find higher improvements in efficiency and output for firms privatised after financial libralisation and where the government relinquishes control”. In corroborating Nheri’s stance, it was observed that productive efficiency has clearly improved. It was noted that allocative efficiency might be difficult to evaluate directly, however, there was a general positive outcome. Equally, the concessionaires’ constant search for new traffic as well as an improvement in general
business practices have led to an improvement in railway cost structure. Also more importantly is the quality of service which has significantly contributed to the improvements in rail service level and helping in attracting more rail users (Bullock, 2005). It was further noted that technical efficiency in productivity equally increased after railway concessioning which also provide a very positive outlook for some increase improvements.

Additionally, in making concessionaires to be justifiable and in consonance with the profit motive philosophies of the private operator (agency theory), it tends to improve the passenger transport allocative efficiency objectively and by not hesitating to notify government of a loss making passenger services, it enhances exploring other feasible alternative arrangements. Also where it is almost a matter of necessity to run a loss making network, then concessionaires do so in the most efficient manner particularly in the areas of revenue drive and collection. In other words, the private sector runs the concessionaires as a business venture and purely for profit motives as opposed to the government social welfare posture. Hence the private sector will ensure it runs the concessionaires in a very profitable manner (Bullock, 2005).

3.6.3 Productivity and Experience from Other African Countries

On productivity, Bullock (2005, p. 28), observed that “asset productivity has also generally increased and has improved railway productivity.” Another measure of productivity is in terms of labour productivity which is a measure of labour usage per man hours. This has equally increased steadily in all the concessions that were observed to be in operation for a period of five years and with a similar expectation during the life of the concessionaires.

This is made possible owing to the most economic deployment of resources such as using fewer trains’ staff, efficient and tactical asset utilisation which also supports the resource-based views as well as the property rights theorists discussed above (Kay & Thompson, 1986; Carter, 2013). For example, in two African countries railway privatisation by concession experience, Camrail labour productivity sharply increased as traffic grew after concessioning before stabilising and steadily increasing again. CEAR productivity equally grew when it only re-absorbed about two-thirds of the previous workforce after concessioning while growing its traffic level by about 30 percent on an adjusted annual basis (Bullock 2005).
3.6.4 Infrastructural Investment and Experience from Other African Countries

Bullock, (2005), observed that privatisation by concession in most African countries have been associated with significant investments in infrastructure and funded principally by bilateral and multilateral lending agencies while noting that investments in infrastructure maintenance have not been kept up to date. Furthermore, Bullock (2005, p. 20) commented that “infrastructural renewals typically arrived after the damage was done, and in some cases not at all, thus making the continent full of railways that can best be described as walking wounded.”

This situation characterised the railway infrastructure in many African countries and is responsible for the current poor position. For example, this has been the fate of rail transport in Guinea, Sierra Leone, the north-east network in DRC and some of the Angola short lines. In addition, rail transport infrastructure has also suffered during civil wars in some African countries such as in Mozambican Central and Northern Systems, Angola, Ethiopia, Eretria and Ivory Coast which have either damaged the train lines or prevented the rail service as a result of those conflicts. In other cases, the trains have also been unable to operate due to other operational and logistical reasons. Although in most cases it is the desire of the governments of the affected countries to reinstate services to those rail lines, but because they are often too expensive or uneconomical to do so owing to the enormous amounts of financial resources it involved in comparison to the return on investment makes the idea railway resuscitation to be shelved in most cases (Bullock, 2005).

3.6.5 Profitability and Experience from Other African Countries

Bullock (2005) in an empirical study observed, it was that the concession arrangement in rail privatisation in most African countries have been successful, citing CAMRAIL as an example. It was noted that CAMRAIL has been generating significant returns on investments for its operators, also showing improvements in its financial performance and has equally achieved the expected profit margins projected by its concessionaires. However, the main drawback was their inability to fund long-term renewals. Hence if CAMRAIL can generate sufficient return but cannot sustain its ability to fund its long-term renewals, then privatisation policy alone will not result in profitability, but instead a formidable and feasible business processes in terms of cost cutting, efficient application of resources, effective dispensing of all productive factors and backed up with sound management will ensure a
profitable operation. This is further reiterating the property rights and agency theories discussed above (Kay & Thompson, 1986; Carter, 2013).

3.6.6 Critical Evaluation of African Railway Concession Experience

On a critical analysis and a closer look, few of railway privatisation in Africa through concession process appears to be successful as well as their results indicating that the concessionaires are operating more efficiently and achieving increased productivity. Infrastructural investments have equally increased and largely funded through bilateral and multilateral loans at competitive concessional rates although after substantial delays. It is also observed that funding concessions from other sources other than bilateral or multilateral loans has been comparatively smaller; to sustain and ensure long-term survival, further injections of funds from public investments is highly desirable possibly through share option scheme or public sale of equities of privatised rail companies.

Furthermore, concessioned railway shows an improvement, however, it was observed that political interference was a major setback to the performance in most cases. For example, Briceno-Garmendia & Dominguez-Tores (2011, p. 17) “indicated that SITARAIL is one of the strongest performers on a wide range of operational indicators, including labour productivity, traffic volumes, and average tariffs. Strong traffic growth took place during the first five years of the concession, from 1995 to 2000, when the volume of freight almost tripled from 450 million to 700 million tons-km.” This also highlights the need to constantly support the rail system with adequate funding, sound management and congruent corporate goals that support the overall business initiatives (Gupta & Sathye, 2008).

Briceno-Garmendia et al., (2011, p.17-18), commenting further observed that “due to political disruptions that started in 2002, SITARAIL’s traffic volumes dropped dramatically however after the crisis, SITARAIL recovered progressively, and from 2006 onwards it once again reached, and then exceeded, the peak volumes of the early 2000s. As of 2010 SITARAIL was on track to achieve the highest-ever traffic volume of more than 900 million tons-km.” This is similar to the findings of an empirical study by Gupta & Sathye (2008), in the case of the Indian Railway.
3.7 Privatisation of Rail Transport: Empirical Study and Analysis of the UK Experience

Martin, (2002) in his study observed that, British Rail (BR) was previously a single entity and known to be an integrated network bound together in a hierarchical bureaucratic structure. The entity was subsequently re-organised and restructured into more than 100 separate business entities and subsequently privatised as a standalone autonomous entity. This exercise resulted in a few modern concessions to divisional and decentralised strategic business units, interconnected companies that are now accountable to their respective supervisory, regulatory bodies and other stakeholders.

For example, Faulks (1999), cited in Mescht (2005, p.998), noted that the “BR era ended on 1 April 1994 when individual elements of the national rail system were broken up into separate organizational and accountable business units. The process saw train services distributed among 25 operators who leased their rolling stock from individual leasing companies. Rail infrastructure was separated from train operations and came under ownership of a private company call Railtrack.”

3.7.1 Performance Indicator: Effectiveness and BR Privatisation

Effectiveness measures a number of operational measures such as timeliness of the service, quality of the service, customer satisfaction, price of the service and customer safety. The privatisation of the rail transport in the UK saw an increase in investment of new coaches which led to an increase in quality of service, however, in spite of this, safety standards dropped in the quest for high profits. According to a study, Martin (2002) observed that with the increase in the train frequency, it also resulted to an increase in maintenance costs of the rail tracks at a much faster rate. This therefore resulted in an increase in Railtrack’s operating costs which was also disproportional to the revenue it was generating from the operation.

Incidentally, the privatisation terms and conditions also fails to stipulate any maintenance schedule for Railtrack’s, nor were there any investment target requirements as well as failing to empower the Office of Rail Regulators (ORR) for ensuring and enforcement of a strict maintenance regime for rail users and public safety. All these inadvertently resulted in an inevitable growing maintenance backlogs. These put together, was responsible for severe rail track wear and tear leading to the multiple crashes reported within the few years after the privatisation of the rail service (Martin (2002)).
3.7.2 Performance Indicator: Efficiency and BR Privatisation
Sylvester (2011, p. 4), identified a few reasons why the BR privatisation failed among which include an increase in wage costs. This was without commensurate increase in performance to justify the wage increases, which were the result of key BR staff becoming consultants at a very high price. The wage induced frequent strike actions all too often, bringing trains to a halt. Also, the fragmentation of the industry, with costs rising at all the different interfaces between train operating companies (TOCs) and rail network as roles are duplicated and the different parties have to compensate each other for their possessions and other inconveniences (Akwara et al., 2014).

3.7.3 Performance Indicator: Productivity and BR Privatisation
In evaluating the effects of privatisation on productivity, it was observed that between 1996 and 2000, passenger journeys witnessed an increase of about 25 percent of total passengers that use the service in the period. Also the freight services equally observed an increase in activities with a report of about 40 percent increase in freight volumes hauled. To improve labour productivity, concessionaires were observed to have used fewer staff thereby reducing operating costs and improving performance, asset utilisation index which also helps in contributing to a better performance to the bottom line and profitability of the concessionaires in general (Martin, 2002).

3.7.4 Performance Indicator: Infrastructural Investment and BR Privatisation
In assessing the impact of privatisation on the infrastructural investments, the general belief is that privatisation will promote investments in infrastructure particularly in line with the resource-based theoretical framework which suggested the pursuit of competitive advantage and profitability of operation by the private sector (Omoleke et al., 2011; Carter, 2013). It was therefore observed that the resource-based theory belief was evidenced with an increase in infrastructural investment. However, the supposed benefits of competitive advantage were negated by the private sector aggressive pursuit of profitability where safety was then compromised for profitability.

Maintenance of the rail track was therefore not properly carried out and this has contributed to the multiple crashes previously witnessed and with the fourth crash resulting in seven rail user fatality. While carrying out an investigation into the cause of the of the fourth crash in particular, it was observed that there was poor maintenance, while all the necessary checks
and balances as well as safety standards were equally neglected or compromised (Martin, 2002). This is obviously part of the British government failure not ensuring an effective regulatory body to effectively monitor the activities of the concessionaires with appropriate sanctions similar to the punishment meted out at MTN a telecommunication company for violating NCC directives.³

3.7.5 Performance Indicator: Profitability and BR Privatisation

Profitability motive, at the expense of public safety, increased the incidence of crashes with the experience of UK privatisation and this was one of the reasons why it was judged a failure (Eisenhardt, cited in Carter, 2013). For instance, after the Hatfield BR crash, as part of panel of inquiry’s outcome investigating into the accident. It was evident that public and rail user safety were compromised in favour of aggressive pursuit of profitability and improvement to the bottom line. As part of the evidence, the CEO was reported to have submitted that to make profit, Railtrack might have to compromise its safety standard and avoid doing what will make the railways better. Hence, the aggressive pursuit of profits at the expense of public safety led to the train crashes (Martin, 2002; Glaister, 2004).

3.7.6 Critical Evaluation

Glaister (2004, p. 53), concluded: “the fundamental principle driving the British Railways policy of the 1990s was not change of ownership (privatisation). It was the establishment of competition in every aspect of the business in order to achieve cost efficiency and also transparency of policy. The policy was designed so as to maximise the opportunities for effective competition whilst catering for natural monopoly in infrastructure and for the need to continue to pay subsidy in order to preserve the scale of the industry. It was successfully implemented and it started to produce some remarkably good results.”

3.8 Privatisation of Nigerian Railway Corporation – Historical Perspectives

Ogunsanya (2006), cited in Odeleye (2010, p. 5), asserted that “government intervene in transport development because a malfunctioning transport system can affect adversely national and international trade; and consequently retard spatial economic development.

³ Nigerian regulators’ stunning announcement that they had fined MTN $5.2-billion for failing to cut off unregistered SIM cards. Few people doubted that MTN had violated the regulations, but the sheer size of the fine caused uproar. http://www.theglobeandmail.com/report-on-business/international-business/african-and-mideast-business/mtn-nigeria-fined-52-billion/article27094973/
Hence, up till late 19th century the global transport sector- railways inclusive, operated in a monopolised market structure.”

For example, Odeleye (2000) observed that railway transport system just like any other state-owned enterprise has been inefficient let alone effective over the years. It has suffered from neglect from successive governments, poor management from the senior management of the corporation with series of conflicting policies and lack of continuity of company policy usually orchestrated from the frequent changes on top management. In addition to the above, efforts made to reposition the railway are usually seen as a populist agenda, for successive and new governments to achieve acceptance amongst the people. Hence, Odeleye (2000) opined that total ownership of the Nigerian Railway by the federal government has contributed greatly to the neglect the corporation is facing today a position also supported by Carter (2013).

Odeleye (2000) noted further that as a result of the capital intensive nature of railway transport, the Federal government of Nigeria should encourage competition through private participation. This will allow private investors in participating and enhance private sector funding as well as encouraging bilateral and multilateral funding which will increase infrastructural investment requirements, assist in modernising and improving the quality of service of the rail transport sector. This position was also shared by Gupta & Sathye, (2008).

3.8.1 Performance Indicator: Effectiveness and NRC
NRC is presently dogged by lateness, poor customer service and inadequate availability of locomotives and passenger coaches, in spite of the colossal sums of money invested on the network over the years. An improvement in its effectiveness is yet to be appreciably seen in the service. In terms of customer safety, rail transport is generally safe; however, this can only be maintained if the train infrastructures are maintained through a form of regulated schedule.

3.8.2 Performance Indicator: Efficiency and NRC
This is a measure of the capital outlay to asset utilisation. Efficiency drives down cost as well as increases return on investment. Currently, there is high capital cost though the sunk cost of the rail project (Odeleye, 2000). From various experiences observed, concessions by leases will probably be an ideal situation in the Nigerian Railway privatisation. It will encourage
multiple operators, therefore increasing customer choice as well as the asset utilisation factor. With rail concession by leases, the infrastructures and their maintenance will be in public control, whereas the service part will be handled by the private sector (Nheri, 2014; Gupta & Sathye, 2008).

3.8.3 Performance Indicator: Productivity and NRC
This measures the amount of inputs to outputs. Currently, NRC is not productive in relation to the asset cost and the return on investment. Concession will enhance the productive use of the capital assets by increasing the number of rail operators. Therefore, the initial capital outlay invested can be justified.

3.8.4 Performance Indicator: Infrastructural Investment and NRC
Kakumoto (1999), cited in Odeleye (2010, p. 9-10) observed that “politicians influence the direction of growth and development in all modes of transport- railways inclusive, because investment in transportation facilities offers socio-economic benefits.” Additionally, Odeleye (2010, p. 10), stated that “state owned enterprises dictate the direction of investment and day to day running of the railways, while the institution management has little or no say in determining the priority areas of investment.” This single act tends to be counterproductive and has resulted in the several billions of dollars spent on the system, so far, without any appreciable benefit, neither to the corporation nor to the target market the rail transport meant to serve.

3.8.5 Performance Indicator: Profitability and NRC
Odeleye (2010, p. 10) observed that “the railway tariff, among other important issues, cannot be reviewed by the management of the Nigerian railways, without recourse to government Ministry of Transport.” This, therefore, is another factor which affects its profitability and hence the inability of the corporation to sustain its operation and has been a major cause responsible for the corporation being in a perpetual loss making venture (Gupta & Sathye, 2008).

3.8.6 Critical Evaluation of the Success or Failure of Privatisation Policy
To assess the efficacy of the privatisation policy therefore, the foregoing section critically evaluates the success or failure of the policy. Omoleke (2011, p. 78) observed that most public goods cannot be efficiently provided by the market mechanism and hence government
becomes a substitute. This hence explains why SOEs are relevant as well as the reasons for their establishment. As such having noted this drawback, it was suggested that because the individuals and firms are motivated by self-interests for example, individuals maximise utility while the firms maximise profits, the neoclassical price-auction model explains the research theoretical framework particularly the agency theory of profit maximisation. Property right theory which also emphasise the private sector as an efficient property manager and the resource based theory which emphasise on procuring and sustaining the state of the art infrastructure to achieve a competitive advantage. All these therefore invariably assist in profit maximisation motives of the private sector which equally demonstrates the benefits of privatisation. The above hence aptly describe the success of the telecomm and power sector deregulation and the eventual privatization of the Nigerian Telecommunication in 2001 and the recent sell off by share ownership of the Power Holding Corporation on September 20\textsuperscript{th}, 2013.

The sale of the Nigerian Telecommunication (NITEL) was not successful; however, deregulation of the industry by allowing private participation in the telecommunication industry has resulted in a success story of a privatisation in Nigeria as a result of an appreciable growth witnessed in the industry soon after the exercise. It has led to the Nigerian Telecommunication Industry to be dubbed the fastest growing industry in Africa.

Table 3.3  
Success of Privatisation of the Telecommunication Industry  
Active Phone Lines in Nigeria: Pre and Post Privatisation

<table>
<thead>
<tr>
<th>Period of Privatisation</th>
<th>Year</th>
<th>Number of Active Lines</th>
<th>Yearly % Rate of Change</th>
<th>Tele density % Pop=140m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre Privatisation</td>
<td>1990</td>
<td>450,000</td>
<td>-</td>
<td>0.32</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>450,000</td>
<td>0.00</td>
<td>0.32</td>
</tr>
<tr>
<td></td>
<td>2001</td>
<td>450,000</td>
<td>0.00</td>
<td>0.32</td>
</tr>
<tr>
<td>Post Privatisation</td>
<td>2002</td>
<td>2,217,050</td>
<td>392.68</td>
<td>1.58</td>
</tr>
<tr>
<td></td>
<td>2003</td>
<td>4,021,945</td>
<td>81.41</td>
<td>2.87</td>
</tr>
<tr>
<td></td>
<td>2004</td>
<td>10,201,728</td>
<td>206.50</td>
<td>7.29</td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>19,519,154</td>
<td>91.33</td>
<td>13.94</td>
</tr>
<tr>
<td></td>
<td>2006</td>
<td>33,858,022</td>
<td>73.46</td>
<td>24.18</td>
</tr>
<tr>
<td></td>
<td>2007</td>
<td>41,975,275</td>
<td>23.97</td>
<td>29.98</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>64,296,117</td>
<td>53.18</td>
<td>45.93</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>74,518,264</td>
<td>15.90</td>
<td>53.23</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>88,348,026</td>
<td>18.56</td>
<td>63.11</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>95,886,714</td>
<td>8.53</td>
<td>68.49</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>113,195,951</td>
<td>18.05</td>
<td>80.85</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>127,606,629</td>
<td>12.73</td>
<td>91.15</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>134,507,196</td>
<td>5.41</td>
<td>96.08</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>152,003,048</td>
<td>13.01</td>
<td>108.57</td>
</tr>
</tbody>
</table>

Source: Chidozie et al, 2015 p.179-180; NBS 2015, p.13; Author’s Survey (2016)
In spite of the above success story (see Table 3.3, Figures 3.1 & 3.2) reported in the telecomm industry however, most of the failures of the privatisation exercise in Nigeria were as a direct result of continuous government intervention, bending the rules for short-term political gains, the lack of due process and inconsistency of policies among others.

**Figure 3.1** Success of Telecommunication Industry: Pre and Post Privatisation

![Graph showing active phone lines in Nigeria pre and post privatisation](source)

Source: Chidozie et al, 2015 p.179-180; NBS 2015, p.13; Author's Survey (2016)

**Figure 3.2** Success of Telecommunication Industry Percentage: Change and Teledensity (Pre and Post Privatisation)

![Graph showing percentage change and teledensity](source)

Source: Chidozie et al, 2015 p.179-180; NBS 2015, p.13; Author's Survey (2016)

For example, in the most recent privatisation of the power project in Nigeria. Onuorah (2013, p. 5), observed that “there were apprehensions in Abuja and the electricity industry that
government’s interference, which impacted negatively on previous efforts at privatisation, is dogging the current exercise. Stakeholders were worried, but for government’s alleged interference in the process, the privatisation of 15 successor companies of the Power Holding Company of Nigeria (PHCN) would have been concluded earlier than scheduled. The delay in concluding the process adversely affected the scorecard already given by international development partners who funded some aspects of the reforms in the power sector. They had called it ‘a world class model’ because of its openness and adherence to all laid-down rules and agreements.” These also explain the incidences of policy inconsistencies and summersaults discussed earlier which affects most of the SOEs operations. These scenarios are equally applicable to both the developing and developed countries and hence responsible for the results reported in tables 3.4 – 3.6 shown below.

### Table 3.4  Summary of Success/Failure of Privatisation in Nigeria: Other Sectors/Industries

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Method of Privatisation</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ajaokuta Steel Mills</td>
<td>Steel</td>
<td>Concession</td>
<td>Failure</td>
</tr>
<tr>
<td>Aluminum Smelter</td>
<td>Aluminum</td>
<td>Private Sale</td>
<td>Failure</td>
</tr>
<tr>
<td>Ashaka Cement</td>
<td>Manufacturing</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>Flour Mills</td>
<td>Manufacturing</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>Daily Times of Nigeria</td>
<td>Printing</td>
<td>Private Sale</td>
<td>Failure</td>
</tr>
<tr>
<td>NICON</td>
<td>Finance</td>
<td>Private Sale</td>
<td>Failure</td>
</tr>
<tr>
<td>Niger Insurance</td>
<td>Finance</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>Nigerian Re-Insurance</td>
<td>Finance</td>
<td>Private Sale</td>
<td>Failure</td>
</tr>
<tr>
<td>Nigerian Sugar Comp</td>
<td>Manufacturing</td>
<td>Private Sale</td>
<td>Failure</td>
</tr>
<tr>
<td>NITEL</td>
<td>Telecommunication</td>
<td>Private Sale</td>
<td>Completed–Takeover in March 2016</td>
</tr>
<tr>
<td>Oando</td>
<td>Oil &amp; Gas</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>Okomu Oil</td>
<td>Manufacturing</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>Portland Paints</td>
<td>Mining</td>
<td>MEBO</td>
<td>Successful</td>
</tr>
<tr>
<td>PHCN</td>
<td>Power</td>
<td>Private Sale</td>
<td>Recently sold and still in infancy stage.</td>
</tr>
<tr>
<td>UNIC Insurance</td>
<td>Finance</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>Savannah Sugar Comp</td>
<td>Manufacturing</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
</tbody>
</table>

Source: Mercy, 2011 p.493, Author’s Survey (2016) (various sources)

From the table 3.4 above, there are some appreciable successes reported from the SOE’s privatised, where as some reported colossal failure such as the Ajaokuta Steel, NICON and NITEL partly due to political interference in the privatisation process, poor management of the company and poor performance prior to their privatisation. In some cases, suspected act of sabotage for example Nigerian Sugar Company and Savannah Sugar Company were both
sugar companies that flourished as an SOE, but after privatisation, Nigerian Sugar Company folded up while Savannah is still in operation (Mercy, 2011).

Table 3.5 Summary of Success/Failure of Privatisation in Developing Countries: Other Sectors/Industries

<table>
<thead>
<tr>
<th>Country</th>
<th>Industry</th>
<th>Method of Privatisation</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>Transportation - Rail</td>
<td>Private Sale</td>
<td>Failure – reversed 2015</td>
</tr>
<tr>
<td>Argentina</td>
<td>Water</td>
<td>Concession</td>
<td>Successful</td>
</tr>
<tr>
<td>Brazil</td>
<td>Water</td>
<td>Concession</td>
<td>Partial Success</td>
</tr>
<tr>
<td>Brazil</td>
<td>Telecommunication</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>Chile</td>
<td>Water</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>Ghana</td>
<td>Water</td>
<td>Management Contract</td>
<td>Failure – Expired 2011</td>
</tr>
<tr>
<td>Guinea</td>
<td>Water</td>
<td>Lease Contract</td>
<td>Failure – Expired 2000</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Water</td>
<td>Concession</td>
<td>Cancelled by the Court in 2015</td>
</tr>
<tr>
<td>Romania</td>
<td>Telecommunication</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>South Africa</td>
<td>Water</td>
<td>Management Contract/Concession</td>
<td>Partial Success but still in infancy stage.</td>
</tr>
</tbody>
</table>

Source: Author’s Survey (2016) (various sources)

Table 3.6 Summary of Success/Failure of Privatisation in Developed Countries: Other Sectors/Industries

<table>
<thead>
<tr>
<th>Country</th>
<th>Industry</th>
<th>Method of Privatisation</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>Transportation - Rail</td>
<td>Private Sale</td>
<td>Failure</td>
</tr>
<tr>
<td>Canada</td>
<td>Transportation - Rail</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>Canada</td>
<td>Ontario Highway 407</td>
<td>Concession</td>
<td>Successful</td>
</tr>
<tr>
<td>France</td>
<td>Telecommunication</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>Japan</td>
<td>Transportation - Rail</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>UK</td>
<td>Transportation</td>
<td>Concession</td>
<td>Successful</td>
</tr>
<tr>
<td>UK</td>
<td>Banking</td>
<td>Private Sale</td>
<td>Successful</td>
</tr>
<tr>
<td>USA</td>
<td>Health Care</td>
<td>Private Sale</td>
<td>Partial Success – Political</td>
</tr>
<tr>
<td>USA</td>
<td>Water</td>
<td>Private Sale</td>
<td>Partial Success</td>
</tr>
<tr>
<td>USA</td>
<td>Telecommunication</td>
<td>Private Sale</td>
<td>Failure – Low investment</td>
</tr>
<tr>
<td>USA</td>
<td>Transportation</td>
<td>Management Contract</td>
<td>Partial Success</td>
</tr>
<tr>
<td>USA</td>
<td>Banking</td>
<td>Private Sale</td>
<td>Failure – Political interference</td>
</tr>
</tbody>
</table>

Source: Paul Buchheit, 2013, Author’s Survey (2016) (various sources)

3.9 Critical Success Factors for Railway Privatisation in Nigeria

A privatisation programme requires effective, practicable and achievable policies and targets for its successful implementation, an assertion also noted by Hemming & Mansoor (1988). For example, Glaister (2004, p. 48) noted that for a privatised rail transport to work “it manifestly can be in a stable and fairly predictable way, but only on the three crucial provisos mentioned by Hemming & Mansoor (1998) which includes: an effective legal system that is sufficiently
competent, robust and respected; appropriate performance regime; uninterrupted by government or political interference.” In addition, there should be an effective and formidable regulatory body to act as the oversight board with an appropriate rewards and sanctions at erring operators.

3.9.1 Issues Regarding Informed Consent of Respondents
Overall, the starting point of a major policy thrust, such privatisation of the NRC, is the achievement of the agreement and informed consent of the Nigerian people. Many stakeholders will be affected either positively or negatively and, hence, all parties involved, as well as their respective concerns, must be fully addressed before taking a firm stand on the policy decision and implementation. For example, Temperman (2011, p. 43) commented that “privatisation may not only affect the enjoyment of the right to public participation itself, but might also impact other substantive rights.” For this reason, it is quite understandable that a necessarily radical solution might have far reaching consequences, which may be resisted, so there is the need to fully engage the public on the policy direction of any reform initiatives (Temperman, 2011).

The middle class users of the rail transport need to be educated about the various privatisation methods available as well as fully understand the implications of each choice will have on the general public. In other words, a full enlightenment campaign needs to be launched to fully sensitise and inundate the general public. Employers and senior managers need to fully understand the various methods available as well as their implication on the NRC. This will be in terms of various reorganisation efforts such as staff retrenchment exercise, possibly downsizing or right sizing and outsourcing of inefficient operation as part of rationalisation efforts to streamline to achieve efficiency, effectiveness and productivity. In addition, NRC employees need to ascertain the employment security implication of the privatisation method adopted as well as any contractual obligation therein (Temperman, 2011).

3.9.2 Regulation and Legal System
The regulation and legal system must be sufficiently competent, robust and respected to put in place the necessary contractual arrangements. For example, Bathelemy et al., (2004), in Hilary (2004, p. 3), observed that as a result of the absence of an effective regulation equally observed with the experience of the BR privatisation discussed earlier has increasingly led to profit maximisation behaviour of private led sector to keep investment below necessary
levels. This has resulted in the rural area communities and the urban poor to be sidelined and further marginalised in terms of access to electric power and water supplies despite the utilities privatisation.

On the topic of why some African countries’ privatisation policy and implementation may have failed, Bathelemy (2004) suggested that there were failures, particularly in the case of public utilities, when privatisation has not been preceded by the creation of a regulatory framework to ensure that contractors or bidders respect their undertakings made at the time of privatisation and obliges them to maintain a competitive environment. In a study to strengthen the regulatory powers by the World Bank (2003, p. 15) it was recommended that “managers of the national public rail companies should not have a steering authority in preparing for the concessioning operations, should rest preferably with an independent agency.”

Furthermore, Bullock (2005, p. 14), suggested that to increase the success of concessionaires as well as deliver the benefits of privatisation to the public, it was suggested that an extremely strong regulator must be present, which led to the failure of the Rail track discussed above.

3.9.3 Monitoring

Galcier (2004, p. 48) suggested that “monitoring must be possible to specify an appropriate performance regime that will provide the incentives to induce the required behaviour. This is open to question: there are both analytical questions (such as, what are the right financial penalties to use?) and legal questions (such as, can they be successfully drafted into contracts that are enforceable in practice). Finally, once created, these arrangements must be left alone to mature, without the fatally damaging consequences of interventions by government or others that undermine the incentives carefully designed into the ‘fragmented’ structure.”

3.9.4 Formidable Consumer Pressure Group

A formidable consumer pressure group is another factor considered necessary for the effective operation of the privatised rail system. The pressure group will act as a watch dog and advocate, including the monitoring of the service. Any lapses will be reported to the commission in charge and any necessary action taken (Onion, 2014).
3.9.5 Strong Political Commitment and Support

A strong political commitment will enhance a successful privatisation programme in the sense that there will be all necessary checks and balances as well as an established repercussion available to deal with defaulters. As stated by Berthelemy et al., (2004, p. 8), “good governance, at a time of privatisation, the authorities can strengthen their initiatives in the struggle against poverty through transparent, participative and equitable public policy.”

In a study report produced by the World Bank (2003, p. 15), it was identified that as a factor to have “adversely affected the privatisation process and has contributed to the failure of the Railway privatisation. The proposed concessioning project is to have political support which the Gabonese and Senegal-Mali projects lacked for a number of years.”

Batthelemy et al., (2004, p. 102), observed that “the privatisation of the Société Nationale d’Electricité (Sonel) in Cameroon and of the Société Nationale d’Electricité du Sénégal (Sénélec) are relevant examples of privatisations that failed owing to inadequacies in political commitment and the regulatory framework” a stance also shared by Glacier, (2004).

Onuorah (2013, p. 6), cited a similar experience with the privatisation of the Daily Times of Nigeria PLC. It was noted that “the privatisation of Daily Times, a core investor was originally slated to be used but following stories that a former vice president Atiku Abubakar was poised to influence the sale to one of his associates, former President Olusegun Obasanjo opted for the nation’s oldest government-owned newspaper be privatised through an Initial Public Offer (IPO). However, it turned out that Daily Times offering was the least capitalised in the history of Nigeria’s capital market. The Federal Government was forced to revert to the original choice of sale to a core investor. It was sold to a private investor in 2004. Operations were suspended after Folio Communications, which formally took over the media giant on March 14, 2007, was accused of asset-stripping. The fate of the newspaper is still uncertain as it has not restarted production.” This scenario is also witnessed with the sale of Ajaokuta steels in which the buyers were accused of asset stripping.

Onuorah (2013, p. 6) also noted that there was a similar situation with the privatisation exercise of the Aluminum Smelter Company of Nigeria (ALSCON), “The American firm, BFIG, won the bid after the Russian firm, RUSAL, was disqualified for conditional bid. At the airport on their way back to Russia, RUSAL officials were called back and told they could get the bid under the willing buyer, willing seller option. In addition, they were given
concessionary terms for gas, which made ALSCON unattractive and unprofitable for the Nigerian Gas Company (NGC) to supply gas.”

3.10 Conclusion
In summary, Bourguignon et al., (2004, p. 15-16), in their forward statement, opined that “there is a clear discrepancy between scholarly assessments and public perceptions of privatisation. In recent years the alleged failures of privatisation have led to street riots, skeptical press coverage, and mounting criticism of international financial institutions. Concerns are increasingly being expressed about the distributional consequences of privatisation and market liberalisation—especially their effects on basic services for poor households and other disadvantaged groups.”

Bourguignon et al., (2004, p. 16) stated “extensive information is required to analyze the links between specific policy reforms and infrastructure outcomes, including their distributional dimensions. Because comprehensive data on distributional dimensions of costs and benefits are currently unavailable, it is imperative that a systematic cross-country data collection effort be undertaken.”

Furthermore, Nellis (1994, p. 1), in an empirical study, posed a question: “is privatisation necessary?” It was reported that “the answer was a decided ‘yes’. Privatisation is necessary, and not simply to improve the performance of state owned enterprises—though the evidence is striking that it can and does improve performance. Privatisation as a change agent was designed as an essential contribution to ‘lock in the gains’ achieved earlier in reforming public ownership or in preparing a firm for sale, to distance the firm from the political process, and to inoculate it against the recurrence of the common and deadly ailment of state owned enterprises: interference by owners who have more than profit on their minds.”

Odeleye (2010, p. 1) observed that the “discontinuity and incoherence in policy implementation by successive governments, policy reversal as well as uncoordinated national transport policy goal and objectives are clogs in the wheel of progress of railways development in Nigeria,” a stance which was corroborated by Adeyemo (2008). Furthermore, Odeleye (2010, p. 2) stated that ownership change will enhance, “the rapid development of the rail industry in Nigeria on institutional paradigm shift, whereby the rail authority will enjoy a reasonable level of autonomy in decision making, finance and investment in rail
operations, infrastructure supply and technological advancement in Nigeria.” Therefore, it is from a private participation perspective that this can take place and will ensure consistency of policies, which is the major, problems confronting the NRC presently. Tynan 1999, cited in Mescht (2005, p.997) confirms this position while noting: “concessions have been more common than other forms of private participation with most countries turning to the private sector, not only to improve the financial performance of the loss-making rail service, but also to restore deteriorating rail infrastructure.”

Thompson et al., 2001, cited in Mescht (2005, p. 999), in an empirical study, revealed that “traffic has increased after years of decline in most of the previously state-owned railways, labour productivity has improved significantly and tariffs have been reduced to the benefit of rail users.” Typically, this is part of the benefits of privatisation in the sense that all productive inputs will be put to maximum use, infrastructure will be efficiently deployed therefore enhancing competitive advantage (resource based view), while the privatised firm will pursue wealth creation vigorously and profit maximisation in line with the agency theory philosophy (Rowley and Yarrow, 1981 cited in Carter, 2013; Kay & Thompson 1986).

In closing, with regard to informed consent about privatisation policy, Temperman (2011, p. 68) concluded that in spite of the fact that “privatisation affects the enjoyment of the right to public participation itself, but also impacts on other rights. The key to remedying this situation lies largely – though not exclusively or necessarily, as illustrated in the case of the privatisation of education in a critical, renewed discourse concerning participatory rights.” In other words, engaging the public in an open communication, enlightenment campaign as well as allowing the freedom of expression will have a far reaching effect in dousing tension that policies of this nature usually generate. Particularly, where skeptics doubt the success of the policy, for instance Durant & Legge, (2002, p. 318), in an empirical study, noted that “practitioners and researchers should expect citizen’s attitudes toward market-based New Public Management reforms like privatisation of SOEs to be affected by perceptions of what is or is not working in other nations.” This is a normal experience and another form of human resistance to change, however, if the policy is adopted in an atmosphere of open communication, transparency and public participation by policy makers as suggested by Temperman (2011), who also suggested that if all parties including internal, external and connected, affected by the policy are fully involved, they will all accept change and support change initiatives fully.
Chapter Four
Research Methodology and Hypothesis Testing

4.1 Introduction
In the previous chapters, the theoretical and empirical studies as well as an examination of what effect privatisation may have on the performance of the NRC was conducted. There was a review of the results of the performance of the privatised railway transport in the UK and in Africa and a discussion of privatisation outcomes for the NRC. The performance issues, which are known as the research performance indicators after the privatisation (i.e., effectiveness, efficiency, investment, productivity and profitability) were evaluated by the measurable variables, also considered as part of the study, and a critical evaluation of privatisation methods and options was presented. Evidence of the British Rail privatisation experience was explored, together with the lessons learned from the experience. Furthermore, evidence from the African experience of various railway privatisations was presented and compared to the lessons learnt from UK experience.

This chapter details the primary research methodology, the process employed to facilitate an effective data collection, research process and strategies as well as the collection of practical evidence to support the empirical studies in order to prove or disprove empirically the research hypothesis.

Due to the nature of the questionnaire tested for the study, the statistical chi-squared model was chosen to analyse the survey results obtained. A series of categorical statements are made in line with the researchers’ ontological belief, based on personal experience and the literature on the subject. For example, Walker (2012, p. 1) explained that “a chi-square test is used to examine the association between two categorical variables.” The following statistical variables were used in the study:
4.1.1 Categorical variables
These variables are statements that include questions requiring either a “Yes” or “No”; the responses are mutually exclusive (i.e., either a “Yes” or “No” but not both at the same time).

4.1.2 Ordinal variables
These variables are statements that include scales such as a Likert Scale, which elicit responses such as “Strongly agree,” “agree,” “undecided,” “disagree,” and “strongly disagree;” the responses are not ranked.

4.1.3 Continuous variables
These variables are values which take an infinite number of variables in a given range, such as those requiring responses for “age,” “frequency of journey,” “kilometer travelled,” and “annual income.”

In an empirical study by Michael (2001, p. 1), it was suggested that “the type of analysis chosen depends on the research design, characteristics of the variables, shape of distributions, level of measurement and whether the assumptions required for a particular statistical test are met.” He noted, for example, that “a cross tabulation is a joint frequency distribution of cases based on two or more categorical variables.” Michael (2001, p. 2) further suggested that “statistical tests that require the assumption of normalcy cannot be used to analyse such data, hence because the assumption of normalcy is a requirement for T-Test, analysis of variance (ANOVA), correlation and regression, these procedures cannot be used to analyse count data.”

In addition, Michael (2001, p. 2) stated that “the chi-square test of statistical significance, first developed by Karl Pearson assumes that both variables are measured at the nominal level. Hence, suggested that chi-square may also be used with tables containing variables measured at a higher level.” This explains the reason why Chi-Square tests and cross tabulations have been considered to be the most suitable statistical models appropriate for the purpose of this research. Chi-square is a test of (significance) evidence of a relationship or association between dependent and independent variables, as demonstrated in Chapter Eight.
4.2 The Research Objective
The research objective includes, among others, the following issues:
4.2.1 To test if the choice of privatisation method will have a significant impact on effectiveness, efficiency, investment, productivity and profitability of the NRC and contribute to economic development.
4.2.2 To test if privatisation of the NRC will lead to efficiency and significantly reduce lateness of transport service.
4.2.3 To test if the privatisation of the NRC will lead to effectiveness of service and significantly improve the quality of service.
4.2.4 To test if the privatisation of the NRC will lead to an increase in investment and significantly increase cash-flow and infrastructure investment.

4.3 The Research Question
4.3.1 Will a choice of privatisation method have an impact on NRC performance? (Research Purpose)
4.3.2 What impact will the privatisation have on NRC Performance indicators (effectiveness, efficiency, infrastructure investment, productivity and profitability)? (Research Specific)

4.4 The Research Hypotheses
The research tests predictions of the respondents if such a privatisation were implemented, hence it a statistical test of opinion and the effect of privatisation on NRC’s performance indicators. Hence the research hypotheses examine the research problem from two stand points. The first of these examines the impact of privatisation methods on the NRC’s performance as well as evaluates the critical choices open to the NRC (research purpose). While the second theme (research specific), investigates the impact of privatisation on the NRC performance indicators. In other words, to test if there is an association between privatisation and improvements on the NRC’s performance indicators (i.e., effectiveness, efficiency, productivity, infrastructural investments and profitability) discussed in research variables below. The following research hypotheses were therefore tested:
4.4.1 **The Research Purpose – Evaluation of Critical Choices**

**H$_1$:** To test that there is a relationship between the choice of privatisation method and its impact on the NRC’s performance.

4.4.2 **The Research Specific – Effectiveness Performance Indicator**

**H$_1$:** To test that there is a relationship between the NRC’s performance indicator – effectiveness and its privatisation.

4.4.3 **The Research Specific – Efficiency Performance Indicator**

**H$_1$:** To test that there is a relationship between the NRC’s performance indicator – efficiency and its privatisation.

4.4.4 **The Research Specific – Productivity Performance Indicator**

**H$_1$:** To test that there is a relationship between the NRC’s performance indicator – productivity and its privatisation.

4.4.5 **The Research Specific – Infrastructure Investment Performance Indicator**

**H$_1$:** To test that there is a relationship between the NRC’s performance indicator – infrastructural investment and its privatisation.

4.4.6 **The Research Specific – Profitability Performance Indicator**

**H$_1$:** To test that there is a relationship between the NRC’s performance indicator – profitability and its privatisation.

4.5 **The Research Variables**

These are the characteristics and measurable attributes that the research intends to focus on. They are the key ideas the research intends to collect data about. These variables are dependent and independent. A dependent variable is an attribute that is dependent on or influenced by the independent variable.

For instance, the measurable dependent variables in this research are effectiveness (quality of service, the timeliness of train service, the safety of passengers and train accidents), efficiency (cost, number of trains, frequency of operation), productivity (use of train infrastructure, labour usage), investment (number of rolling stock, passenger coaches),
profitability (excess of revenue over cost). Where as an independent variable is an attribute that influences or affects an outcome or dependent variable. The dependent variable is the privatisation policy and the privatisation methods (see Figure 4.1).

Figure 4.1  Defining the Research Data Dependent and Independent Variables

<table>
<thead>
<tr>
<th>CRITICAL CHOICES</th>
<th>PERFORMANCE INDICATORS</th>
<th>OPERATIONAL MEASURES</th>
<th>EFFECT &amp; IMPACT</th>
</tr>
</thead>
</table>
| NRC PRIVATISATION CHOICES | EFFECTIVENESS | • Customer Safety  
• Timeliness  
• Prompt Service  
• Neatness | Customer Satisfaction |
| MANAGEMENT BUY-OUT | EFFICIENCY | • Service Quality  
• Customer Satisfaction  
• Service Frequency  
• Customer Patronage | Customer Loyalty |
| PRIVATE OWNERSHIP | PRODUCTIVITY | • Efficient Operation  
• Efficient Labour Usage  
• Efficient Infrastructure  
• Quality Operation | More Patronage |
| MANAGEMENT CONTRACT | INFRASTRUCTURAL INVESTMENT | • Newer Locomotives/ Carriages  
• Network Dualisation  
• Communication/Signalling Improvement | Expansion |
| FRANCHISING | PROFITABILITY | • Increase Revenue  
• Cost Reduction | Development |

Independent Variables ➔ Dependent Variables

Research Purpose
Source: Author’s Survey (2013)

Research Specific

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4.6 The Research Approach

In order to achieve the research objectives, the research methodology initially evaluated secondary data obtained from published data, the academic literature, other trade journals and other subject matter publications, such as the NRC Financial Statements, the National Bureau of Statistics and the Bureau of Public Enterprises. This method was most ideal and helpful in gaining a thorough understanding of the research problem as well as identifying the research gap.

Another set of data, the primary data, was obtained through survey questionnaire, a structured interview, and inquiries of the identified respondents. The primary data obtained through these methods were subjected to tests of statistical analysis, including a test of hypothesis, non-parametric statistical analysis through a chi-squared test and cross tabulation.

Four groups of respondents were identified in Chapter One; it includes the public users of the railway system and the railway operators. Interviews, questionnaires and the surveys were designed for these target groups. The survey was conducted in Nigeria and targeted towards the four groups identified and contrasted with the responses of the rail operators. The population was further segmented to target audience, the railway employees and from the management of the corporation responses.

4.6.1 The Research Process

Two types of hypotheses were tested using statistical analysis (research purpose and research specific). These are questions that the research addressed and included some predictions about possible relationships between the involvements of the public in the running of the state enterprises. Using the property rights, agency and neoclassical theories respectively, it is postulated that with the private/public involvement in NRC’S operation, will imbibe the discipline and perseverance of the public ownership, hence, resulting in effectiveness, efficiency, investment, productivity and profitability. In order to find answers to these questions, the research involved multiple approaches such as the observation of events, interviews of various stakeholders and the testing of results before making conclusions.
4.6.2 The Research Principles

Quantitative research enhances objectivity; hence, great care was taken to avoid taking a bias position, opinion, behaviour or attitude that affects the results. Extra measures were taken to ensure that the critical variables worth measuring were considered, clearly identifying and defining the critical research variables (independent and dependent). Other external factors, which might mitigate the effect of the result, were avoided and controlled to enhance objectivity of the conclusions drawn.

Additionally, since the population is large and it is obviously impracticable to involve everyone, a good sample was considered (which was largely representative of the population). These efforts significantly enhance the quality of the various deductive reasoning widely moves conclusions from general and to be more specific after narrowing down all the factors that mitigated and likely increase the bias tendencies.

4.7 The Research Philosophy and Paradigm

Saunders and Thornhill (2007, p. 35), defined research philosophy as “the development of the research background, research knowledge and its nature.” To increase the understanding of the subject, it is defined with the help of a research paradigm. In another study by Cohen, Manion & Morrison (2000, p. 40), a research paradigm was defined broadly “as a framework, which comprises perception, beliefs and understanding of several theories and practices that are used to conduct a research. It can also be further characterised as a precise procedure, which involves various steps through which a researcher creates a relationship between the research objectives and questions.”

To gain a deeper understanding of the research and appreciate the various empirical studies of privatisation already conducted, the research study included an observation and reflection on the subject matter. The study was also corroborated with evidence from the privatisation experiences of other jurisdictions, that have implemented privatisation policy methods, as well as hard core evidence of various success points from the implementation of privatisation in another sector to assess a future success claim of privatisation of SOE’s, particularly the railway transport system in Nigeria (see Table 3.6, p. 67).
4.7.1 The Research Epistemology Dimension

This is the nature of knowledge and the process that deals with a common parameters and assumptions associated with investigating the nature of the real world. It accounts for the boundaries of acceptable knowledge related to any inquiry of knowledge and experience about the research. For instance, using the agency and the property rights theories, it is logical to assume that a privately run entity may be profitable due to the vested interests of the public in the affairs of the SOE’s (Carter, 2013; Omoleke, et al., 2011; Nellis, 1994).

It is logical to assume that businesses will aggressively pursue profit in a privately run enterprise to enhance recouping their respective initial investment outlay and maximise their return on investment. This also support a general belief that when the private sector is involved in the running of the SOE’s, profit motives ensure that, such establishments are run efficiently, they are more productive, have lower costs and, in turn, maximise their return on investment, leading to high profitability (Carter, 2013; Kay & Thompson, 1986).

4.7.2 The Research Ontology Dimension

This study identifies two areas under this dimension. Firstly, this is a study of opinion rather than economic efficacy, however, this opinion is also based on what is true and that exists in reality. My firm belief is that based on certain criteria, a privately run enterprise is most likely to be more profitable than SOEs. This is based on the ideology of the agency, property right and resource base theories discussed earlier. As a private business owner, profit motive is of paramount importance above any other motive, and as such, this will be vigorously pursued to avoid bankruptcy or any other financial hardships.

Secondly, regarding objectivity, the study is subjective in some parts hence opinion about an economic issue also includes those of the researcher. For example, using the NPM principles such as objective setting, defining standards and criteria for performance measurements, use of output controls and a greater move towards competition, which are all the private sector ideologies and which in turn enhance corporate performance (Fatemi & Behmanesh, 2012). These are all applicable to SOEs but are not pursued with vigor in the state-owned enterprises, which is currently observed as the major causes responsible for their poor performance as noted with the NRC.
This therefore informed the research design and dictates a quantitative research method adopted by the research, such that, having formed an opinion, data are then collected to test the efficacy of the opinion and judgement can then be made to either prove the body of knowledge and belief or disproof the belief, as discussed in Chapter Eight.

4.7.3 Research Axiology Dimension
This is concerned with the value proposition and the belief in the research topic, in essence, the point at which the researcher’s belief and expectation will be met. For instance, according to the resource-based view, the emphasis is placed on a firms’ infrastructure to gain a competitive edge and competitive advantage above its completion. Hence, privatisation policy proposition is seen as a potential solution to the various infrastructural decay, productivity issues and efficiency. In addition, the maintenance culture is equally needed to ensure the efficient operation and sustenance of the public infrastructure in Nigeria using the case in point of the Nigerian railway (Carter, 2013; Oyedepo & Fagbenle, 2011; Nellis, 1994; Kayode, 1986). The issues discussed above are currently a weakness in the management structure, as well as the infrastructure of the NRC, which also constitutes a major cause in its infrastructural decay, witnessed today.

4.8 Research Design
Firstly, the research design examined the following performance indicators: effectiveness, efficiency, productivity, infrastructural investment, and profitability, adopting a qualitative research design (literature review), which was presented in Chapter Three. It further considers experimental and correlational designs to measure the degree of association between the key indicators identified as critical success factors and, as a measure for the success of the implementation of privatisation of the public enterprise. To achieve these, the research design tends toward quantitative research. It involved data collection, analysis and interpretation. It is mainly a statistical analysis method to solve the research problem objectively.

Survey design is a key procedure in qualitative research to administer a survey questionnaire of selected samples to identify trends in attitude, opinions, behaviours or characteristics of a large group of people identified for the study. This was used extensively in the research study to corroborate all the respective fact findings from other data sources.
4.9 Conceptual Framework for the Research

The conceptual framework provides an important impetus in increasing the understanding of the research project, process and its objectives. It was defined using Jabareen’s idea and approach to the concept. Jabareen (2009), however, redefined the conceptual framework as a network of concepts or ideas interlinked together with the main purpose of providing and enhancing a comprehensive understanding and giving meanings to a research phenomenon. These concepts therefore constitute the framework which support one another, establish a desired framework-specific philosophy as well as articulate their respective phenomena as shown below:

![Figure 4.2 Overview of the Research Methodology](image)

Source: Author's Survey (2012)

4.10 Conclusion

This chapter outlined, defined and explained the objective and the hypotheses of the research test. A discussion of the scope of the study and the research methodology and philosophies were also addressed.

The research conceptual framework outlined the drivers for the respective colossal sums of money invested into the NRC. It identifies the background as well as the root cause and effect of the government spending on the transport system. The concept identifies the gap analysis between
government spending on the Nigeria railway and its performance leading to privatisation initiatives. The potential benefits of the privatisation initiatives were discussed.

The research study and discussions adopted a balanced approach in drawing objective conclusions. It involved the consideration of both qualitative and quantitative analysis as well as the discussion and a choice of the research paradigm appropriate for the study. The research takes the views of epistemology on the quantitative side owing to the nature of study and a comparative study from the axiology approach.
Chapter Five

The Research Strategy for Data Collection

5.1 Introduction

Chapter One and Two set the tone of the research. The literature review was conducted in Chapter Three and the research methodology was discussed in Chapter Four, along with a discussion of the conceptual framework for the research. Chapter Five, however, sets out strategies for data collection as well as the use and benefits of social media in conducting an empirical research study. It also identifies the target population, their characteristics, the choice of data collection, and the reason for choosing the population for the purpose of this research. This chapter therefore discusses the research strategy for data collection. Nigeria is currently divided into six geographical zones, 36 states and the Federal Capital Territory, with a total population of about 167 million. To achieve an efficient and total coverage of the entire geographical area effectively, a snowball approach was adopted to identify the target population and a selection of research samples (Biernacki & Waldorf, 1981).

The LinkedIn professional and social media site was the main vehicle used for population target identification and research sample selection. Two groups were considered: external and internal. These two groups were further subdivided and surveyed to achieve a balanced and objective opinion of the survey responses. There was a detailed discussion of the use of social media and networking for selecting the research sample as well as a discussion of the benefits and drawbacks of the social media for conducting academic research (see Figure 5.1, p. 85 & Figure 5.2, p. 90).

5.2 Defining Geographical and Population Demography

Nigeria is currently divided into six geopolitical zones, 36 states, and the Federal Capital Territory of the Federation. The six geopolitical zones in Nigeria are as follows:

5.2.1 Selecting the Research Population

Nigeria currently has a total population of approximately 167 million (Sanusi, 2014). The research target population was drawn from across the 36 states and the Federal Capital Territory of the six geopolitical zones. The research goal, therefore, is to cover the geographical length and breadth of Nigeria; however, owing to the associated costs, time and practicality of this goal, it is impossible to successfully achieve. This reality was corroborated by Yount, (2006, p. 7-2) who noted that “since it is usually not possible to reach all the members of a target population, one must identify that portion of the population which is accessible. The nature of the accessible population depends on the time and resources of the researcher.”

For the purpose of this study, the research population consists of all subjects of interest and includes the following characteristics: objectivity of opinion and occupations of business consultants, accountants, educators, entrepreneurs, politicians, and students from post-secondary school institutions (Yount, 2006). The population included those predominantly in the 20 to 70 age bracket and both genders (male and female) were favourably considered. Yount (2006, p. 7-2), hence suggested that “regardless of the specific type of sampling used, the steps in sampling are essentially the same i.e. identify the target population, identify the accessible population (study population), determine the size of the sample (sample size) and select the sample.” This further strengthens the knowledge base as well as addresses adequately the issue and concerns of informed consent which also solicits the achievement of objective comments and assists in drawing a reliable conclusion from the study.

5.2.2 The Target Population

The target population for the purpose of the research study includes all parties identified as potential candidates for the purpose of the study. They are the group considered to have adequate knowledge, experience, interest and belief in the research by virtue of their occupation, location, objectivity and exposure in the society. Amoor (2013, p. 515) defined target population “as the entire population in which the researcher is interested.” This involved the consideration of all individuals deemed to be relevant to the study without checking their profile. It is the first phase of general recruitment of individuals for the purpose of the research.
In another study, Ross (2005, p. 3) used the term defined target population to describe the target population as “providing an operational definition which may be used to guide the construction of a list of population elements, or sampling frame, from which the sample may be drawn.” For the purpose of the study, a total of 1,300 potential respondents were considered. This number is an adequate and reasonable representation of the population considered relevant to the study. The geographical coverage of the target population cuts across the 36 states of the Federation and the Federal Capital Territory. The population includes business people, educators (deans of higher institutions, professors, and lecturers), and students, various railway enthusiast and interest groups.

5.2.3 The Study Population

The study population, however, includes virtual respondents that show keen interest and acceptance in participating in the study. Yount (2006, p.7-2), added that “since it is usually not possible to reach all the members of a target population, one must identify that portion of the population which is accessible (study population).” In this scenario, the accessible population includes a total of 1,000 respondents that agree to participate voluntarily in the research study, which represents 76.9% of the target population. This involves checking the respective profiles of the potential respondents and securing their intentions to be part of the survey process. Of the 1,300 target population identified, 1,000 were considered for the research study.

5.2.4 The Research Sample

This involves the final selection of the research sample from the research study population. A total sample size of 300 respondents was considered for the survey. This was the sample size that agreed to participate in the survey, both for the completion of the research questionnaire and the granting of oral interviews to provide additional data to corroborate survey responses. The research sample was drawn from the study population, which represents those that actually responded to the requests made, including their respective e-mail addresses and a phone numbers to reach them, should there be any need for clarifications. A total number of 300 respondents actually provided the information requested to facilitate the distribution of research questionnaires. This represents 30% of the study population which is a very good response rate based on an empirical study by Curry, 1984 cited in Yount (2006, p. 7-4), “provided his research students with the ‘rule of thumb’ on the sample size.” i.e.:
Judging from Table 5.1, the research sample size of 300 is far in excess of the suggested 10% of 1,000 population size (i.e. 100-person sample size). In addition, the sample size covers all the interest groups considered relevant for the purpose of the research. Four different sub-groups were identified, as explained in Chapter One. The identified research sample covers the following in terms of geographical location, research interest, occupation, experience and knowledge.

A total sample size of 300 respondents were drawn from the total research study population of 1,000 identified, representing 30% of the population identified for the research survey. The research sample lists were drawn from the characteristics of the population mentioned above using the methods listed below.

Table 5.1 Survey Sample Size

<table>
<thead>
<tr>
<th>Size of Population</th>
<th>Sampling Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 100</td>
<td>100%</td>
</tr>
<tr>
<td>101 – 1,000</td>
<td>10%</td>
</tr>
<tr>
<td>1,001 – 5,000</td>
<td>5%</td>
</tr>
<tr>
<td>5,001 – 10,000</td>
<td>3%</td>
</tr>
<tr>
<td>10,000+</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Yount, R (2006, p. 7-4)

Figure 5.1 Research Sample Selection Nuclei

Target population = 1,300
Study population = 1,000
Sample size = 300

Source: Author's Survey (2013)
5.3 Defining the Research Samples
For the purpose of this research study, two main groups have been considered which includes the external and internal respondents.

5.3.1 External Respondents
This group was classified as external as a result of their disposition to the NRC i.e. they are stakeholders outside the jurisdiction and control of the NRC.
1. The general public who are the users of the railway system (MPQ).
2. The government officials and regulatory bodies (G&RBQ).
   (i) The regulators through the Bureau of Public Enterprises (BPE) and National Council of Privatisation (NPC).
   (ii) The Government Representatives who are the custodians of the Infrastructure Concession Regulatory Commission and the Federal Ministry of Transport (FMT) that plays a supervisory role in the sector.

However, it might be of interest to question the rationale for classifying G&RBQ as an external party more so when they are policy makers and might have vested interests. The decision to classify them as an external party is the fact that they are not within the NRC and, hence, it is safe to assume that their comments will be to a large extent objective and perhaps critical about the performance of the NRC. For objectivity of opinion and an effective evaluation, the study has classified this group as an external respondent, as discussed further in see Chapter Six – Survey Responses and Findings from External Sub-Group.

5.3.2 Internal Respondents
This group was classified as internal as a result of their connections with the NRC, which means there will be vested interests in the comments and statements that are likely to be made by this group. The issue of subjectivity of opinion cannot be ruled out from this group because of personal or vested interest.
3. The management of the railway who will represent the railway operators (MCQ).
4. The employees of the Railway Corporation (ECQ).
5.4 Research Population Target and Sample Selection Strategy

The entire research target population list was generated through LinkedIn, the professional social media networking site using the following steps. Firstly, the lists of potential respondents were compiled by profile, background, address (state), and occupation. Secondly, requests for connections were then sent to all identified potential survey respondents for connection into their respective networks. Thirdly, once a confirmation of connection was granted, a follow-up email was sent with another request to participate in the research survey (see Appendix 11.2 – Acknowledgement of acceptance of LinkedIn network membership, p. 232). Finally, research survey emails were then sent to all the network connections associated with the contacts in the previous step. This procedure was repeated several times, using a snowball approach as observed by Amoor (2013). With this method, a total population target of 1,300 respondents was identified for the purpose of the research study (see Appendices 11.2-11.13, p. 232).

The sample selection of the participants recruited therefore is non-independent which also assist the robustness of responses obtained, the quality and judgements expressed by the survey participants which enhances the reliability of the statistical results presented in the study.
The research population identification method used was very effective and allowed for follow up with the respective respondents. Emails and phone numbers of some of the identified respondents were obtained, which also enhanced the ability to send out a follow up reminder, (see Appendix 11.4 – Questionnaire survey reminder letter, p. 233) conduct a telephone
interview with those who had declined participation in the survey and clarification of responses from the completed questionnaires received. The population selected was well balanced, adequate and a good representation of the population sample for the purpose of the research. The research population was selected from those who had firsthand knowledge of the Nigerian railway system or who had rail transport experience in Nigeria or abroad.

5.5 Social Network and Sample Selection
The social network, LinkedIn, has greatly helped the research process by creating an easy access to a wide pool of respondents who are also professionals in their own field. It also enhances a wider coverage, follow up, respect, confidentiality and enhanced authenticity of the survey, as observed by Miah (2013).

5.5.1 Benefits of Target Population Selection Method through Social Network
The use of the social network, LinkedIn, was very helpful, cost effective and enhanced inclusion of all potential and relevant survey respondents. It allowed reaching all interested parties and aroused interest in the survey in an unprecedented manner. The entire samples selected were committed to completing the survey on time and offered to give oral interviews, where necessary. The result of the survey was generally overwhelming, with an average response and completion rate of about 80% between the members of the public (MPQ) and the government officials and the regulatory body survey participants (G&RBQ).

5.5.2 Drawbacks of Target Population Selection Method through Social Network
The drawbacks of the selection method were that it lacked or has a limited face to face contact, as well as limitation for potential building of personal or business relationships. Also, the request was sometimes misconstrued to be fictitious, fraudulent, or dubious. In the first instance, in terms of limited face to face scenario, this drawback was overcome with the use of a social media chatting program (i.e., Skype chatting), which enhance the achievement of respondents’ confidence.

In the second scenario of misconceptions, the researcher’s phone number was provided as well as an email address for easy access by any potential respondent who planned to get in touch, also facilitating a prompt response to all requests. However, the time zone difference made the process a bit tedious and clumsy, in that, when respondent requests are made, it may be too late in the night. Although a slight delay in replying to respondents’ requests may
mean a delay in completion, at the end of the day all requests were answered and questionnaires were returned in good time.

5.5.3 Ethical Consideration and Risk Factor Associated with Sample Selection
Selecting the research sample was interesting and fun with opportunity afforded to verify and review potential respondent’s profile before sending out an invitation to join the network. Also, it afforded me the opportunity to build my network on LinkedIn social media. For instance, just as at the start of the recruitment exercise, I had just a little above 300 members in my network and after the exercise, the number bloated to over 2,184 adding far in excess of 1,500 new members to my LinkedIn connections.

This process also exposed my profile to many more of my old school mates and colleagues that I have lost touch with over the years. I was able to reconnect and re-establish a new relationship via the social media tool. However, the drawback of all this was the scams that are generally associated with social media. In one scenario, one of the participants of my research questionnaire who originally claimed to work at the presidency in Nigeria, called and offered to award me a contract to supply 35 units of Nissan Hilux model to the presidency in Nigeria, following this offer, more financial demands were made which gives an indication of the potential scam. The offer was politely turned down. Fortunately, through all of this there was no loss of focus, at any time, and I remained steadfast to the main goal of the exercise and resisted the urge to lose track of the motives behind the exercise all together.

5.6 Techniques for Sample Selection
According to Hummel Brunner et al., (2004, p. 45), “sampling involves selecting a proportion of the population (the entire set of data) that is most representative of the population. The purpose of sampling is to provide sufficient information so that conclusions (inferences) can be drawn about the characteristics of the population.” These sampling techniques have been adopted for the purpose of this primary research study, as discussed below:

5.6.1 The Random Sampling Method
A simple random sampling method was used first to identify the target audience for the research. This was done to enhance the inclusion of all potential survey respondents. Every potential respondent was included using random selection. Also, a simple random sample is a good strategy for sample selection as it generally gives every potential member of the
population an equal chance of being selected. This technique was adopted because it allows for simplicity and it adds a degree of system or procedure into the random selection of research respondents. There was also the assurance that the population would be equally sampled. For example, a simple random sample was used for the management of the corporation (MCQ) and the employees of the corporation (ECQ).

5.6.2 The Cluster Sampling Method
This method involves dividing the study population into clusters of heterogeneous characteristics and then using the simple random sample selection method to select the target audience. Cluster sampling method is best used where the target research sample is scattered across a wider geographical area, like Nigeria with 36 states of the Federation and the Federal Capital. Cluster sampling method was used for selecting the members of the public group (MPQ) by type due to their internal heterogeneous characteristics. This enhances an effective and adequate representation of the population sample for the members of public. In total, 130 samples were selected to cut across the entire 36 states in Nigeria and the Federal Capital, Abuja. The response for participation was overwhelming, and a good response of 101 completed questionnaires was received, representing 78% of the sample size.

5.6.3 The Stratified Sampling Method
Amoor (2013, p. 516) commented that this method “involved dividing the population sample into strata with similar and internal homogenous characteristics, and using a simple random sampling method to select the research sample.” This method was used to select the sample size for the government and regulatory bodies (G&RBQ). This was made possible because the majority of these groups are concentrated in the Federal Capital Territory and major cities of the federation. A total sample size of 100 was identified for the survey. All of the 100 potential respondents identified were surveyed, of which, 82 completed questionnaires were returned, representing an 82% response rate.
5.6.4 Summary of Survey Responses
From the list of the survey questionnaires sent out, the following table represents the outcome of the survey:

<table>
<thead>
<tr>
<th>Group Type</th>
<th>Sample</th>
<th>Responses</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of the Public (MPQ)</td>
<td>130</td>
<td>101</td>
<td>78</td>
</tr>
<tr>
<td>Government Officials and Regulatory Bodies (G&amp;RBQ)</td>
<td>100</td>
<td>82</td>
<td>82</td>
</tr>
<tr>
<td>Management Staff of the NRC (MCQ)</td>
<td>40</td>
<td>21</td>
<td>53</td>
</tr>
<tr>
<td>Employees of the NRC (ECQ)</td>
<td>30</td>
<td>18</td>
<td>60</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>222</strong></td>
<td><strong>74</strong></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

5.7 Data Collection Methods
This involves the methods used to obtain all necessary data, which were considered to be raw facts (including primary and secondary), and information, which is data already processed into a usable or useful mode. The method of data collection was predominantly through a postal survey questionnaire that started in October 2013 and ended in December 2013. All completed questionnaires were received via email. The list below identifies the various data collection methods adopted by the research:

5.7.1 Survey Questionnaires and Design
This involves a list or a set of questions drawn up as a result of background knowledge acquired through literature research and the research gap identified in the course of the background study. The questionnaires were drawn up using a combination of the following methods.

- Close Ended: A close ended question is a question that is answered with a simple and specific answer and leaves no room for interpretation. Siniscalco & Auriat (2005, p. 23) commented that “Closed (or multiple choice) questions ask the respondent to choose, among a possible set of answers, the response that most closely represents his/her viewpoint.” This type of question was used in the survey to solicit specific information and does not give room for personal opinion. This enhances objectivity of the information sourced and avoids subjective opinion.
- **Open Ended**: An open ended question is simply a question that solicits extra information from the respondents. In the open ended questions, if options identified are not consistent with the respondent’s opinion, opportunity is given to identify any other alternatives known to the respondents. This is effective, in that it avoids personal biases of opinion and avoids limiting responses to the researcher’s opinion only (Siniscalco & Auriat, 2005).

- **Likert Scale Approach**: This is a psychometric response scale, primarily used in questionnaires to obtain participants’ preference or degree of agreement with a statement or set of statements. With the Likert Scale approach, a particular statement is made and respondents have up to five options to choose from. It is a very useful technique, as it allows all spectrum of opinion to be expressed in terms of how strongly an opinion statement was supported or not. Likert Scale approach was extensively used in the survey questionnaire (Siniscalco & Auriat, 2005).

5.7.2 **Phone Interviews**

Taylor-Powell (1996, p. 23) stated that “interviews involve information collected by talking with and listening to people. Interviews range on a continuum from those which are tightly structured to those that are free-flowing and conversational.” Phone interviews, as they were used by this research project, involved the use of a set of questions designed to solicit information from the identified research respondents over the phone line. This method is particularly useful where distance is an issue, as is the case with this research. With this method, there is an abridged questionnaire drawn from the original survey questionnaire, and the most important information is asked first while attention is still high. This method also helps a great deal in clarifying any doubts in the completed questionnaires. It was also used for those respondents who had declined the first invitation for participation originally and was used to solicit their oral opinion through a telephone interview.

5.8 **Conclusion**

In conclusion, the efforts of data collection were very creative and methodical, and required extra effort to obtain the useful and necessary information required in record time to avoid any potential delay to the completion of the research project. Responses were very encouraging, with enthusiasm expressed by the respondents and the full cooperation of the management staff of the NRC, with the corporation’s Director of Corporate Planning as the contact person for the purpose of this research project.
In addition, the research targeted educated individuals, mostly educators in the tertiary institutions, financial industry, professionals, subject matter experts and business owners. The caliber of people, therefore, considered was grossly enriched in knowledge and understood the main motive of the study perfectly well. This has also enhanced the informed consent of individual participating in the study as well as being able to evaluate various factors considered in the research study, such as the characteristics and different methods of privatisation, as expressed in the questionnaire survey. The next chapter will explore all responses obtained through all completed questionnaires to date.
Chapter Six

Survey Responses and Findings from External Sub-Group

6.1 Introduction

This chapter presents the research findings of the questionnaire survey from the virtual external sub-group carried out in Nigeria from October through December 2013. Techniques used for the presentation of the survey responses were descriptive statistics and graphical models. This method was used to fully present and display the entire research outcome as far as possible in the most effective and efficient manner to aid adequate assimilation and understanding. The presentation of the research survey was divided into four sections according to the two sub-samples identified in Chapter Five. This chapter also presents a narrative analysis of the survey responses.

This chapter, therefore, details the responses of the external respondents from the targeted group identified in Chapter Four (Research Methodology) for the purpose of the research. This group provides an independent and unbiased opinion about the services of the NRC. A summary of the responses to the questionnaire survey conducted is hereby presented. The methodology for presenting the results of the survey was purely a descriptive statistical method, with the use of statistical tables and bar charts. Two sub-groups were identified and the results of the survey were presented in several sections in line with the respective group responses obtained. The following are the target sub-groups surveyed (Survey Samples).

6.1.1 The Members of the Public (MPQ)

The Members of the Public are individuals who were approached via LinkedIn (as discussed in Chapter Five) and who represent the public users of the rail transport and are not related to the NRC in any capacity, hence considered external stakeholders. With this group, the studies generally ensure that all informed consent details were provided without prejudice in a clear and open communication. Participation was voluntary: identity, confidentiality and integrity of opinion expressed were all protected. Equally the caliber of individuals included were professionals, business people, financial experts, service professionals and very well educated. All these factors enhance the expression of objective opinion on the performance of the NRC.
6.1.2 The Government Officials and Regulatory Bodies (G&RBQ)
The Government Officials and Regulatory Bodies are the second group identified and classified as part of the external group. This group, although may be seen as government representatives, is not part of the NRC by way of employment, so they are classified as external. Equally, they may be seen to have a vested interest in a policy thrust of government towards reforms in the NRC; however, they still considered giving an objective assessment about the operational performance of the NRC. Additionally, members of this group are well experienced in assessing a performing state-owned enterprise compared to the non performing ones, and are well disposed to give an accurate assessment as it relates to the NRC as discussed in Chapter Five – Research Strategy for Data Collection.

6.2 Survey Responses: External Sub-Group
The questionnaire was designed to elicit responses of the informed audience on the issue of privatisation as well as to seek their views on the privatisation of the NRC and perform a critical evaluation of various privatisation options. Also, the questionnaire will obtain views of the respondents on the NRC performance indicators and their perception of the NRC performance measures that are expected to improve as a result of privatisation. Therefore, respondents were organized in accordance with the responses from respective survey group. For ease of understanding, there has been an extensive use of tables and bar graphs to display the results with the respective research question phrased as the headings. Below are the responses of the research questionnaire sent to respective respondents and outlined in different sections with regard to each respective target group identified.

The Questionnaire set was divided into six different sections and includes the following:

1. Demographic information.
2. Choice of transportation mode, purpose and frequency of rail transport usage.
3. Railway service satisfaction evaluation.
5. Rail transport fare evaluation, fare regulation and competition.
6.2.1 Responses of the Members of the Public Group (MPQ)

A total sample size of 130 respondents were identified and surveyed with the aid of a postal questionnaire mailed to them via e-mail messaging service. A total number of 36 questions were in each survey questionnaire set and a total number of 101 completed questionnaires were returned, representing 78% response rate (see Appendix 11.15A for a sample of returned questionnaire, p. 256).

6.2.1.1 Demographic Information

<table>
<thead>
<tr>
<th>Table 6.1 Age Distribution of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents Age Distribution</td>
</tr>
<tr>
<td>------------------------------------------</td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>16-20yrs</td>
</tr>
<tr>
<td>21-25yrs</td>
</tr>
<tr>
<td>26-30yrs</td>
</tr>
<tr>
<td>31-35yrs</td>
</tr>
<tr>
<td>36 and over</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

Demographic data is important to the survey in order to identify the typology of the age bracket that make up the Nigerian workforce as well as the characteristics of the group that make up the informed consent in the research study. It also identifies the characteristics of the group of respondents considered for the survey who use the transport service very frequently (see Table 6.1)

<table>
<thead>
<tr>
<th>Table 6.2 Occupation of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents Occupation</td>
</tr>
<tr>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>Accountant</td>
</tr>
<tr>
<td>Banker</td>
</tr>
<tr>
<td>Entrepreneur</td>
</tr>
<tr>
<td>Engineer</td>
</tr>
<tr>
<td>Educator</td>
</tr>
<tr>
<td>Others</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

This demographic information is relevant to the study to identify the caliber, type and characteristics of the class of the middle class that makes up the informed consent who also
use the rail transport system. This also enhances their expression of objective views and the disclosure of reliable information as frequent travelers (see Table 6.2, p. 99).

Table 6.3  Income Distribution of Respondents

<table>
<thead>
<tr>
<th>Income Distribution</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>₦100k-₦200k</td>
<td>3</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>₦201k-₦250k</td>
<td>9</td>
<td>8.9</td>
<td>11.9</td>
</tr>
<tr>
<td>₦251k-₦500k</td>
<td>9</td>
<td>8.9</td>
<td>20.8</td>
</tr>
<tr>
<td>₦501k-₦750k</td>
<td>13</td>
<td>12.9</td>
<td>33.7</td>
</tr>
<tr>
<td>Over ₦750k</td>
<td>60</td>
<td>59.4</td>
<td>93.1</td>
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<tr>
<td>Missing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>₦99.00</td>
<td>7</td>
<td>6.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

The income level of the survey sample is relevant to identify the level of affordability and equally, to ascertain if income plays an important role in the choice of mode of transport by the travellers. From the survey, it was observed that the majority of the respondents are well off, earning over ₦750,000 per annum and can afford the choice of transportation mode conveniently as opposed to being a condition of necessity (see Table 6.3).

6.2.1.2 Choice of Transport Mode, Purpose and Frequency of Rail Transport usage

In terms of the “choice of transportation mode used for the daily travels,” 101 responses were obtained and the results are as follows: 77 (77%) by car, 17 (17%) by bus and 6 (6%) by air. Also in responding to the “purpose of the journey” question, the following are the reasons identified: 13 (13%) business (this includes the reasons of business transactions as a business owner or business managers), 13 (13%) visiting and 76 (75%) employment (as an employee in government or private firms). Furthermore, on the “frequency of rail transport usage,” the result shows the following: 2 (2%) very frequently, 1 (1%) frequently, 11 (11%) occasionally, 19 (19%) rarely, while 66 (65%) never used the rail transport.
6.2.1.3 Railway Service Satisfaction Evaluation

In assessing “the service satisfaction level of the rail transport,” 101 responses were collated and the NRC services were rated as follows: 4 (4%) excellent, 1 (1%) good, 1 (1%) adequate, 62 (61%) poor and 32 (32%) don’t know. In terms of the “factors responsible for the current level of railway transport service delivery,” the following were the factors identified: 62 (62%) poor management, 16 (16%) government involvement, 9 (9%) lack of clear objective, 3 (3%) lack of competition and 7 (7%) all of the above.

6.2.1.4 Government Reform Policy – An Evaluation of Privatisation Options

For the question on “whether to run the NRC as a commercial venture is a good strategy,” 96 responses were collated: 32 (34%) strongly agree, 52 (54%) agree, 9 (6%) undecided, 2 (5%) disagree and 1 (1%) strongly disagrees. Additionally, “whether to privatisethe NRC is a good strategy,” the results indicated the following: 32 (33%) strongly agree, 52 (54%) agree, 6 (6%) undecided, 5 (5%) disagree and 2 (2%) strongly disagree. This outcome also corroborates with an empirical study by Megginson & Netter cited in Bennett et al. (2007, p. 662) who also noted that “privately-owned firms are more efficient, more profitable, financially healthier and make more capital investment.” This hence emphasise the research epistemology as discussed in Chapter Four.

On the “type of the privatisation methods known to the respondents,” 98 responses were collated and the following were the privatisation methods identified: 25 (26%) management buy-out, 14 (14%) management contract, 8 (8%) franchising, 25 (26%) concession, 10 (10%) share issues and 14 (14%) all of the above. In “recommending a privatisation method for the NRC,” out of the 98 responses obtained; 23 (24%) management buy-out, 19 (20%) management contract, 6 (6%) franchising, 32 (33%) concession, 8 (8%) share issues and 1 (1%) leases.

Regarding if the “choice of privatisation method will have an impact on NRC service performance,” 96 responses were obtained and the following were the results; 32 (33%) strongly agree, 52 (54%) agree, 9 (9%) undecided, 2 (2%) disagree and 1 (1%) strongly disagree (see Figure 6.1). In addition, Megginson & Netter cited in Bennett et al. (2007, p. 662) noted further that “a variety of factors may cause different methods of privatisation to impact on growth in different ways.”
Furthermore, in terms of the question eliciting information on which “performance indicator factors and operational measures will a choice of privatisation method affect if Nigerian Railway is privatised,” 95 responses were collated. Of the responses obtained: 20 (21%) effectiveness, 42 (44%) efficiency, 10 (11%) infrastructure investment, 4 (4%) profitability and 9 (9%) all of the above (see Figure 6.2). This outcome is in line with the study by Guba & Lincoln (1994) on the research epistemology question which attempts to provide an answer to the “real” reality assumed and how things are really are. Hence, the above survey is in line with the researchers assumed knowledge.

**Figure 6.2 Performance Indicators Affected by Privatisation Methods**
In assessing the likely impact of privatisation on NRC performance indicator, “effectiveness” hence asking “if privatisation of NRC will enhance its service effectiveness,” 96 responses were received and the outcomes are as follows: 39 (41%) strongly agree, 52 (54%) agree, 2 (2%) undecided, 2 (2%) disagree and 9 (9%) strongly disagrees. Also, by way of a follow up question regarding “effectiveness factors and operational measures that will improve if NRC is privatised,” 98 responses were obtained. The following operational measures were identified: 22 (22%) wants customer safety, 15 (15%) timeliness, 46 (47%) prompt service, 4 (4%) neatness, 3 (3%) customer complaint and 8 (8%) all of the above.

In assessing “if privatisation of NRC will enhance its service efficiency,” 100 responses were obtained. Out of the number of responses obtained, 35 (35%) strongly agree, 62 (62%) agree, 2 (2%) were undecided, 1 (1%) disagrees. As a follow up question, respondents were asked about “efficiency factors and operational measures that will improve if NRC is privatised. The results of survey show that: 54 (54%) wants service quality, 17 (17%) customer satisfaction, 12 (12%) service frequency, 1 (1%) cost reduction, 4 (4%) customer patronage and 8 (8%) all of the above, as observed by Salawu & Akinlo (2005, p. 171) who also noted “that privatisation has been recognised as a key element to promote efficiency, reduce fiscal burden and help in developing capital market,” which is also in line with the research ontology.

Furthermore, on the question, “if privatisation of NRC will enhance its productivity,” 92 responses were obtained. Out of the responses, 32 (35%) strongly agree, 55 (60%) agree, 4 (4%) were undecided and 1 (1%) strongly disagree. Also, of the “productivity factors and operational measures that will improve if NRC is privatised,” the survey showed that: 51 (55%) wants efficient operation, 12 (13%) labour usage, 11 (12%) efficient infrastructure, 12 (13%) quality operation and 8 (9%) all of the above. For example, Amakon (2003, p. 4) also noted that “privatisation is seen as a means that will guarantee the most rapid and irreversible progress towards solving and surmounting the legion of problems confronting and antagonizing most public enterprises especially the problem of low productivity and inefficiency and at the same time help in reducing the financial burden through government borrowing in order to meet up with its commitments,” which also in line with the survey outcome as well as in agreement with the research ontology and epistemology.
6.2.1.5 Rail Transport Fare Evaluation, Fare Regulation and Competition

Concerning the issue with rail fares, regulation and competition, respondents were asked about “the current rail fare charges of the Nigerian Rail.” 81 responses were obtained and out of the responses received, 9 (11%) high, 46 (57%) moderate, 20 (25%) low and 6 (7%) very low. However, in “comparing the rail fare charges of NRC to the other mode of transportation” the survey results revealed the following results on the fares for the NRC: 2 (3%) rated NRC fares to be very high, 6 (7%) high, 26 (32%) moderate, 35 (43%) low and 12 (15%) very low.

In addition, to ascertain if “government should regulate NRC fares and schedules” the results indicated that: 13 (16%) strongly agree, 42 (52%) agree, 6 (7%) undecided, 27 (33%) disagree and 5 (6%) strongly disagree. Consequently, in terms of perceived fare increases as a direct result of privatisation, respondents were asked if “rail fares will increase if NRC is privatised.” The survey outcome shows that: 11 (13%) strongly agree, 46 (57%) agree, 17 (21%) undecided, 16 (20%) disagree and 3 (4%) strongly disagree. This position is not farfetched, for example Adeyemo, 2005 cited in Muogbo (2013, p. 83) commented that “much of private sector profits are not always the result of efficient operation and increased productivity but rather often represent money that private contractors make through inflated contracts, patronage and corruption,” which is very highly likely for this scenario to play out in Nigeria.

Furthermore, regarding whether “privatisation of NRC will improve efficiency thereby resulting in a fare reduction,” 94 respondents were received. Out of the results received, the survey shows that: 1 (1%) strongly agree, 25 (27%) agree, 27 (29%) were undecided, 34 (37%) disagree and 7 (7%) strongly disagree. Also concerning, “if there will be more operators if rail transport sector is deregulated,” the survey reveals the following results: 21 (22%) strongly agree, 64 (68%) agree, 12 (13%) were undecided and 3 (3%) disagree. Consequently, on the issue concerning competition, the question was asked to ascertain “if deregulation of rail transport will encourage competition,” the survey results indicated that: 29 (31%) strongly agree, 59 (63%) agree 8 (9%) undecided and 3 (3%) disagree.
By way of a follow up, there was a question on the “impact of competition on services of Nigerian rail if deregulated,” 98 responses were obtained. Out of the responses received, the survey results identified the following: 31 (32%) high quality, 14 (14%) low price, 21 (21%) efficiency, 17 (17%) many choices and 15 (15%) all of the above.

6.2.1.6 Improvement Suggestions
Regarding a question soliciting “improvements to the Nigerian Rail System,” 99 responses were obtained. From the responses obtained, the survey identified the following improvements; 10 (10%) staff training, 44 (44%) more investment, 13 (13%) network dualisation, 20 (20%) efficiency and 12 (12%) all of the above. In addition to the above, the survey also asked a question to ascertain “if privatisation will encourage the creation of regulatory body units,” the survey reveals the following results; 26 (26%) strongly agree, 56 (56%) agree, 8 (8%) undecided and 7 (7%) disagree.

As a follow up, regarding “if efficient rail service will enhance efficiency in other sectors” 101 responses were obtained. Results show the following, 41 (40%) strongly agree, 56 (55%) agree, 2 (2%) undecided, 2 (2%) strongly disagree. Also, “if privatisation of key infrastructure will contribute to economic development” 42 (42%) strongly agree, 46 (46%) agree, 6 (6%) undecided, 4 (4%) disagree and 2 (2%) strongly disagree.

6.2.2 Responses of the Government Officials and Regulatory Bodies Group (GRBQ)
A total sample size of 100 respondents were identified and surveyed with the aid of an electronic mail of questionnaire via e-mail messaging which contained a total number of 49 questions per the survey questionnaire set. In total, 82 completed questionnaires were returned which represents 82% of the response rate (see Appendix 11.15B for a sample of a returned questionnaire).

6.2.2.1 Demographic Information

<table>
<thead>
<tr>
<th>Age Distribution</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21-25 yrs.</td>
<td>8</td>
<td>9.8</td>
<td>9.8</td>
</tr>
<tr>
<td>26-30 yrs.</td>
<td>12</td>
<td>14.6</td>
<td>24.4</td>
</tr>
<tr>
<td>31-35 yrs.</td>
<td>17</td>
<td>20.7</td>
<td>45.1</td>
</tr>
<tr>
<td>36 and over</td>
<td>45</td>
<td>54.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)
The demographic data is important to the survey in order to identify the typical age brackets that make up the Nigerian workforce as well as the age brackets of the informed consent considered for the purpose of this study. It also identifies the characteristics of the group of respondents considered for the survey who use the transport service very frequently (see Table 6.4).

### Table 6.5 Occupation of Respondents

<table>
<thead>
<tr>
<th>Respondents Occupation</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountants</td>
<td>6</td>
<td>7.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Economists</td>
<td>10</td>
<td>12.2</td>
<td>19.5</td>
</tr>
<tr>
<td>Consultants</td>
<td>23</td>
<td>28.0</td>
<td>47.6</td>
</tr>
<tr>
<td>Engineer</td>
<td>6</td>
<td>7.3</td>
<td>54.9</td>
</tr>
<tr>
<td>Lawyer</td>
<td>3</td>
<td>3.7</td>
<td>58.5</td>
</tr>
<tr>
<td>Others</td>
<td>34</td>
<td>41.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

This demographic information is relevant to the study to identify the caliber, type and characteristics of people that use the rail system as well as demonstrate the caliber of individuals that make up the informed consent targeted for the study. This enhances an expression of objective views of the frequent travelers to be able to evaluate the level and quality of service delivery by the NRC (see Table 6.5).

### Table 6.6 Income Distribution of Respondents

<table>
<thead>
<tr>
<th>Salary Range</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>N50 - N100K</td>
<td>4</td>
<td>4.9</td>
<td>4.9</td>
</tr>
<tr>
<td>N101 - N250K</td>
<td>15</td>
<td>18.3</td>
<td>23.2</td>
</tr>
<tr>
<td>N251 - N500K</td>
<td>6</td>
<td>7.3</td>
<td>30.5</td>
</tr>
<tr>
<td>N501 - N750K</td>
<td>11</td>
<td>13.4</td>
<td>43.9</td>
</tr>
<tr>
<td>Over N750K</td>
<td>42</td>
<td>51.2</td>
<td>95.1</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

The income level of the survey sample is equally important and relevant in identifying the level of affordability as well as observing if income is a factor in making buying decisions or if it plays an important role in the choice of mode of transport by the travellers. From the survey, it was observed that the majority of the respondents are well off, earning over N750,000 per annum and can afford the choice of transportation mode hence the informed
consent is well-off as to the choice of the transportation mode rather than a case of necessity (see Table 6.6).

6.2.2.2 Choice of Transport Mode, Purpose and Frequency of Rail Transport Usage

The survey attempts to identify what prompted the choice of transportation mode used for the daily travels, and from the survey, 82 responses were obtained out of which; 57 (70%) of the respondents commute by car and 24 (29%) travels by bus. Also, in responding to the purpose of the journey question, the survey reveals the following purposes: 8 (10%) business, 10 (12%) visiting, 62 (76%) employments and 2 (2%) for sightseeing. Furthermore, regarding the reasons for the choice of mode of transportation, the following reasons were identified; 3 (4%) speed, 18 (22%) efficiency, 21 (26%) cost, 3 (4%) safety, 26 (32%) convenience and 11 (13%) for all of the above reasons.

<table>
<thead>
<tr>
<th>Length of Journey</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 10Kms</td>
<td>20</td>
<td>24.4</td>
<td>24.4</td>
</tr>
<tr>
<td>11 – 20Kms</td>
<td>15</td>
<td>18.3</td>
<td>42.7</td>
</tr>
<tr>
<td>21 – 30Kms</td>
<td>11</td>
<td>13.4</td>
<td>56.1</td>
</tr>
<tr>
<td>31 – 100Kms</td>
<td>18</td>
<td>22.0</td>
<td>78.0</td>
</tr>
<tr>
<td>Over 100Kms</td>
<td>17</td>
<td>20.7</td>
<td>98.8</td>
</tr>
<tr>
<td>Missing</td>
<td>1</td>
<td>0.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

This table identified the average length of journey undertaken by survey respondents. This is important to assess the size of the market as well as evaluate the importance of choice of transportation mode to undertake their journeys.

Furthermore, on the “frequency of rail transport usage,” 81 responses were obtained out of which the survey results show that 2 (2%) very frequent travellers, 5 (6%) occasionally, 18 (22%) rarely while 56 (68%) never use the rail service (see Figure 6.3). Judging by the large number who are identified as none users of the rail transport, one can deduce that the service quality is probably not meeting up to the service level expected in meeting their travel needs, hence the reason for the poor patronage.
6.2.2.3  Railway Service Satisfaction Evaluation

To assess “the service efficiency satisfaction level of the rail transport,” 71 responses were obtained, out of which; respondents rated the service as follows: 2 (2%) very efficient, 2 (2%) efficient, 13 (16%) moderate, 27 (33%) inefficient and 27 (33%) very inefficient. Regarding the “volume of passenger patronage of the rail service,” respondents rated it as 2 (2%) very high, 2 (2%) high, 11 (13%) moderate, 18 (34%) low and 34 (41%) very low. The above responses therefore confirm the reason for the low patronage, which borders on poor quality of service in meeting their travel requirements.

Concerning the “factors responsible for the current level of railway transport service delivery,” research findings reveals; 11 (13%) lack of investment, 7 (9%) government involvement, 31 (38%) corruption, 24 (29%) corporation neglect and 9 (11%) all of the above (see Figure 6.4).
6.2.2.4 Government Reform Policy Evaluation

In assessing government reform policy initiatives, respondents were asked “whether government ownership was responsible for the current performance of the NRC.” 78 responses were received. Out of the responses, the survey shows that; 30 (39%) strongly agree, 28 (36%) agree, 6 (8%) were undecided, 11 (14%) disagree and 3 (4%) strongly disagree. Furthermore, in assessing whether “a good management structure of NRC will enhance its financial viability” respondents’ answered, 39 (50%) strongly agree, 22 (28%) agree, 5 (6%) were undecided, 2 (2%) disagree and 9 (11%) strongly disagrees. Additionally, regarding whether “to privatise the Nigerian Railway is a good strategy,” the results showed the following; 30 (39%) strongly agree, 28 (36%) agree, 6 (8%) were undecided, 11 (14%) disagree and 3 (4%) strongly disagree (see Figure 6.5), this supports the empirical results of Kouser (2011, p. 35) who also noted that “governments take privatization stance to reduce its burden in terms of underutilization of resources, over and redundant employment, fiscal burden, financial crises, heavy losses and subsidies in order to improve and strengthen competition, public finances, funding to infrastructure, and quality and quantity of services in terms of management.”

![Figure 6.5](image)

**Figure 6.5** NRC Privatisation As A Good Strategy

Source: Researcher’s Field Survey (2013)

Furthermore, to assess respondents’ level of exposure to the privatisation policy, questions were asked to elicit information regarding the type of “the privatisation methods known to the respondents,” 78 responses were received and the survey revealed the following results: 12 (15%) management buy-out, 14 (18%) management contract, 9 (12%) franchising, 13 (16%) concession, 9 (12%) share issues, 5 (6%) leases and 16 (21%) all of the above. Additionally, in terms of recommending “a privatisation method for the Nigerian Railway Corporation,”
also 78 responses were received and the survey reveals that; 14 (17%) management buy-out, 21 (26%) management contract, 10 (12%) franchising, 21 (26%) concession, 8 (10%) share issues and 4 (5%) leases.

Also, in ascertaining “if choice of privatisation method will have an impact on Nigerian rail service performance,” 78 responses were received. The results show that; 24 (31%) strongly agree, 39 (50%) agree, 7 (9%) undecided, 6 (8%) disagree and 2 (3%) strongly disagree (see Figure 6.6).

![Figure 6.6 A Choice of Privatisation Method Will Impact NRC Service Performance](image)

Source: Researcher’s Field Survey (2013)

In evaluating and assessing “if privatisation of NRC will enhance its service effectiveness,” 77 responses were received. The study shows that, 46 (61%) strongly agree, 21 (28%) agree, 8 (11%) undecided, and 2 (3%) strongly disagrees (see Figure 6.7), which also supports an empirical study carried out by Kouser (2011, p. 38) who also commented that government “is likely to give major positive effects in those areas where the government sector’s role in decreasing market failure is the weakest, like government ownership in the non-competitive market that can easily be competitive.” Hence with the private sector participation, it will enhance effectiveness and assist the NRC in achieving service effectiveness due to the introduction of market induced competition.
Furthermore, in evaluating and assessing “the performance indicator factors which choice of privatisation method will impact NRC effectiveness if privatised,” 80 responses were received. The responses were; 19 (24%) management buy-out, 20 (25%) management contract, 11 (18%) franchising, 16 (20%) concession, 10 (13%) share issues and 4 (5%) leases (see Figure 6.8).

Assessing the “effectiveness factors and operational measures that will improve if NRC is privatised” 79 responses were received. The survey identified the following; 16 (20%)
customer safety, 11 (14%) timeliness, 30 (38%) prompt service, 1 (1%) neatness, 2 (3%) customer complaint and 19 (24%) the entire above (see Figure 6.9) this is closely in line with the empirical study by Muogbo (2013), who also observed that with the privatisation, this effort will improve investments in the infrastructures, and will it will enhance the operational measures of NRC invariably.

**Figure 6.9  Effectiveness Factors that Will Improve if NRC is privatised**

Additionally, in evaluating “if privatisation of the NRC will enhance its service efficiency” 76 responses were received and the study showed; 46 (60%) strongly agree, 26 (34%) agree, 3 (4%) were undecided, 1 (1%) strongly disagrees (see Figure 6.10) this is also in line with the observation made by the MPQ sample discussed above.

**Figure 6.10  Privatisation of NRC Will Improve its Service Efficiency**
Examining whether “the choice of privatisation method will impact NRC service efficiency,” 79 responses were received. The survey shows the following results; 18 (23%) management buy-out, 23 (29%) management contract, 9 (11%) franchising, 15 (19%) concession, 10 (13%) share issues and 4 (5%) leases (see Figure 6.11).

**Figure 6.11  Choice of Privatisation Method Impacting NRC Service Efficiency**

As a follow up question, regarding the “efficiency factors and operational measures that will improve if the NRC is privatised” 80 responses were received, indicating the following: 38 (48%) service quality, 14 (18%) customer satisfaction, 8 (10%) service frequency, 1 (1%) cost reduction, 5 (6%) customer patronage and 14 (18%) all of the above (see Figure 6.12). Overall, this can be concluded that the survey draws a direct correlation between the method of privatisation and NRC service efficiency which is equally espoused by the empirical study of Bennett et al., (2007).

**Figure 6.12  Efficiency Factors that Will Improve if NRC is privatised**
Respondents were asked “if privatisation of the NRC will enhance its productivity” 77 responses were received with the following results: 40 (52%) strongly agree, 29 (38%) agree, 5 (7%) undecided, 1 (1%) disagrees and 2 (3%) strongly disagree (see Figure 6.13). The reason for this is not farfetched, it was noted in a study that since government will reduce its size, as well as transfer assets and service function to the private, with profit motive of the privately run enterprise, productivity is enhanced as such increase profitability (Muogbo, 2013).

When asked about “the choice of privatisation method that will impact NRC productivity,” 76 responses were received, survey indicating the following results 16 (21%) management buy-out, 28 (37%) management contract, 5 (7%) franchising, 14 (18%) concession, 8 (11%) share issues and 5 (7%) leases (see Figure 6.14). This result is in tandem with the results obtained from the MPQ sample and in agreement with a study by Bennett, (2007) discussed earlier. This means that the survey recognises privatisation method as a factor in achieving service productivity.
In evaluating which is “the choice of privatisation method that will impact NRC infrastructural investment,” the research study received 77 responses. The results were 15 (19%) management buy-out, 21 (27%) management contract, 5 (7%) franchising, 19 (25%) concession, 14 (18%) share issues and 3 (4%) leases (see Figure 6.15).

**Figure 6.15 Choice of Privatisation Method that Will Impact NRC Infrastructural Investment**

Source: Researcher’s Field Survey (2013)

For the above question about “the choice of privatisation method that will impact NRC productivity,” 79 responses were received and indicated the following outcomes; 15 (19%) management buy-out, 22 (28%) management contract, 9 (11%) franchising, 14 (18%) concession, 15 (19%) share issues and 4 (5%) leases (see Figure 6.16).

**Figure 6.16 Choice of Privatisation Method that Will Impact NRC Profitability**

Source: Researcher’s Field Survey (2013)
In considering the option of “privatising NRC as a single unit,” 79 responses were received and the study shows the following results: “9 (12%) strongly agree, 17 (22%) agree, 13 (16%) undecided, 32 (40%) disagree and 7 (9%) strongly disagree.

When asked whether to “privatise NRC as a multiple strategic business unit,” the study, with 79 responses showed the following results; “25 (32%) strongly agree, 24 (30%) agree, 10 (12%) undecided, 13 (17%) disagree and 2 (2%) strongly disagree. Additionally, in assessing the “strategic business unit recommended for privatisation,” 77 responses were received. The following were the research results: 28 (36%) rail track, 9 (12%) communication, 7 (9%) passengers, 7 (9%) goods and cargo, 3 (4%) station services and 23 (30%) all the above (see Figure 6.17).

Figure 6.17 NRC Strategic Business Unit Recommended For Privatisation

In evaluating critically “if NRC network should be divided into multiple lines,” 77 responses were received. The study shows the following, 31 (40%) strongly agree, 25 (33%) agree, 9 (12%) undecided, 5 (7%) disagree and 3 (4%) strongly disagree. Evaluating the “number of operators recommended for NRC if privatised,” 78 responses were received, showing the following result; 25 (32%) four lines, 23 (29%) six lines, 8 (10%) eight lines, 9 (12%) ten lines and 7 (9%) more than ten lines.

To assess the risk of perceived threat of a staff reduction, respondents were asked if “current NRC staff strength will be maintained if the corporation is privatised,” 81 responses were received. The following were the survey results; 10 (12%) strongly agree, 10 (12%) agree, 9 (11%) were undecided, 36 (44%) disagree and 16 (20%) strongly disagree.
Furthermore, assessing “if privatisation of NRC will not lead to workforce reduction,” 81 responses were received. Survey results show the following: 13 (16%) strongly agree, 17 (21%) agree, 18 (22%) undecided, 17 (21%) disagree and 16 (20%) strongly disagree (see Figure 6.18), the survey results however, shows a divergent opinion which is also in contrary to the Muogbo (2013) study who noted that privatisation will lead to the reduction in government, this hence will directly translate to high efficiency and ultimately profitability.

**Figure 6.18 NRC Privatisation and Workforce Reduction**

Source: Researcher’s Field Survey (2013)

6.2.2.5 Rail Transport Fare Evaluation, Fare Regulation and Competition

To assess transport fare, regulation and competition, respondents were asked for their perception of “the current fare charges of NRC,” 71 responses were received. The following were the survey results: 3 (4%) very high, 3 (4%) high, 38 (46%) moderate, 22 (27%) low and 5 (6%) very low (see Figure 6.19) this result is closely related to the MPQ results discussed above and it is in line with the research epistemology which is what is expected to be the outcome as discussed in Chapter Four.
Also on fare charges, respondents were asked to compare “NRC fare charges to the other mode of transportation in Nigeria,” 74 responses were received. The results show the following; 3 (4%) very high, 8 (11%) high, 22 (30%) moderate, 26 (35%) low and 15 (20%) very low (see Figure 6.20).

![Figure 6.20 Comparing NRC Fares with other Transport Modes](image)

Assessing the appropriateness of the “government regulating NRC fares,” 80 responses were received, with the results indicating, 19 (24%) strongly agree, 30 (38%) agree, 12 (15%) undecided, 12 (15%) disagree and 7 (9%) strongly disagree (see Figure 6.21).
Furthermore, in “anticipating if rail fares will increase if NRC is privatised,” 82 responses were received. The following were the survey results; 19 (23%) strongly agree, 30 (49%) agree, 12 (16%) were undecided and 10 (12%) disagree (see Figure 6.22).

Also in assessing “if the quality of services will increase if NRC is privatised,” 82 responses were received. The following were survey results; 43(52%) strongly agree, 37 (45%) agree and 2 (2%) undecided (see Figure 6.23). This is the reality expressed in the research ontology which is clearly supported by the outcome of the survey; hence the outcome matches the research objective.
Furthermore, in examining and assessing “if there will be more operators if rail transport sector is deregulated,” 76 responses were received. Research findings indicated the following results; 30 (40%) strongly agree, 41 (54%) agree and 5 (7%) were undecided (see Figure 6.24).

In evaluating the perceived risk “that deregulation of the rail sector will increase competition,” 81 responses were received. Survey results show the following: 37 (46%) strongly agree, 34 (42%) agree, 5 (6%) undecided, 3 (4%) disagree and 2 (3%) strongly disagree (see Figure 6.25), this is in consonance with the outcome of Muogbo (2013, p. 83) study who also noted that “this theory could reap the advantages of the market system and competition, namely effectiveness, productivity and efficient service.”
In assessing “the impact of competition and measurable indicators on rail transport services if the sector and is deregulated,” 80 responses were received. Research results show the following 18 (23%) high quality, 10 (13%) low price, 23 (29%) efficiency and 15 (19%) many choices (see Figure 6.26).

Source: Researcher’s Field Survey (2013)
6.2.2.6 Improvement Suggestions

Regarding “improvements recommended for the rail transport sector,” 80 responses were received. The survey indicated the following results; 11 (14%) staff training, 26 (33%) more investments, 15 (19%) dualising rail network, 12 (15%) efficiency and 16 (20%) all of the above (see Figure 6.27).

![Figure 6.27 Improvements Recommended for the Rail Transport](source)

Source: Researcher’s Field Survey (2013)

Respondents were asked to identify “the areas for improvement if NRC is privatised,” 79 responses were received. Survey findings show 15% investment 45% efficiency, 18% competition and 15% productivity (see Figure 6.28).

![Figure 6.28 Areas of Improvement if NRC is Privatised](source)

Source: Researcher’s Field Survey (2013)
Then they were asked “if rail transport deregulation will enhance the creation of regulatory bodies,” 82 responses were received. Results of the survey shows the following; 34 (41%) strongly agree, 39 (48%) agree, 5 (7%) were undecided, 1 (1%) disagree and 3 (4%) strongly disagree (see Figure 6.29).

![Figure 6.29 Rail Transport Deregulation Will Enhance Creation of Regulatory Bodies](image)

Source: Researcher's Field Survey (2013)

The next question was concerning “if efficient rail transport will enhance efficiency in other sectors,” 81 responses were received. Survey findings show the following results; 54 (67%) strongly agree, 24 (30%) agree and 3 (4%) undecided (see Figure 6.30).

![Figure 6.30 Efficiency NRC Will Enhance Efficiency in Other Service Sectors](image)

Source: Researcher’s Field Survey (2013)
Finally, it was asked “if privatisation of key infrastructure will contribute to economic development,” 82 responses were received. Research findings show the following results; 55 (67%) strongly agree, 22 (27%) agree, 2 (3%) undecided and 3 (4%) disagree (see Figure 6.31).

Figure 6.31  Privatisation of Key Infrastructures Will Contribute to Economic Development

Source: Researcher’s Field Survey (2013)

6.3 Conclusion

This chapter presented the outcome of an empirical study carried out in October through December 2013 on virtual respondents. The target audience was selected from the group of people who are of a very high caliber; well informed professionals in their respective fields of service, hence constitute a formidable and credible informed consent, also information provided are objective and voluntary. The virtual survey was conducted on the external subgroup identified and discussed previously in Chapters One and Five respectively. A total number of 230 (130 MPQ and 100 G&RBQ) questionnaires were sent out to the identified target audience out of which 183 completed questionnaires were returned (101 MPQ and 82 G&RBQ) representing 78% and 82% respectively of the targeted audience. The external group was surveyed to obtain an independent and unbiased opinion about the activities of the NRC. The outcomes will further be corroborated with the responses from the internal subgroup discussed in the next chapter (Chapter Seven) as well as the findings from the literature reviews carried out in Chapter Three.
The questionnaire covered the following issues: demographic, choice of transportation mode, purpose and frequency of rail travel, an evaluation of service delivery, satisfaction and government reform policy on the NRC. Also included was an assessment of NRC fare charges, fare regulation, competition and suggestions for improvement.

The results of the survey were presented using descriptive statistics with the aid of tables and charts. This method was used because it aids a comprehensive representation of results as well as an accurate demonstration of the results of the empirical study. The survey outcome is further analysed and corroborated with the empirical studies as well as literatures supporting the outcome as well as discussing divergent opinions. The survey result is further subjected to statistical hypothesis testing using a non-parametric chi-squared statistical model in Chapter Eight.
Chapter Seven

Survey Responses and Findings from Internal Sub-Group

7.1 Introduction

The research findings of the questionnaire survey from the virtual internal sub-group carried out in Nigeria in October through to December 2013 are presented in this chapter. The techniques used for the presentation of the survey responses were descriptive statistics with the use of tables, charts and graphical models. This method was used to fully represent and enhance the understanding of the outcome of research results as efficiently and effectively as possible.

This chapter details the responses the internal respondents from the targeted group identified in Chapter Four (Research Methodology) for the purpose of the research. These groups were classified as internal as a result of their respective connection with the NRC by way of employment. Generally, to enhance an expression of objective opinion, the study ensured that all informed consent details were provided in terms of voluntary participation, protection of their identity and confidentiality of information provided for the studies which all were done in an open and clear communication without ambiguity or deception.

This group provided a broad spectrum of objective opinions concerning the services of the NRC from the perspective of their closeness to the NRC operations. A summary of the responses of the questionnaire survey conducted is hereby presented. The methodology for presenting the results of the survey was similar to the external respondents and is descriptive statistical method with the use of statistical tables and bar charts. Two sub-groups were identified and results of the survey are presented in several sections in line with the respective group responses obtained. The following are the internal sub-groups surveyed (Survey Samples)

7.1.1 Management Staff of Nigerian Railways Corporation Group (MCQ)

This group represents middle to senior management and director cadre of the NRC, the majority of whom have put in an upward of 21-25 years of service to the NRC, hence are well informed, experienced, knowledgeable and well-rounded to express an objective opinion about the performance of the NRC. In addition, majority of the participants are members of the Railway Union and are mostly Engineers. Their selection was through the snowball
approach discussed earlier, which also explains the figures shown in Tables 7.2 and 7.3 respectively. Because of the numbers of years of service, majority are in the director level as shown in Table 7.1. These factors contributed to the objectivity of opinion or views expressed as well as the fact that their views are well informed due to the years of experience, length of service, their position or management level they have attained in NRC.

7.1.2 Employees of Nigerian Railways Corporation Group (ECQ)
This group represents all other persons connected to the NRC by way of employment and are generally well informed and consented to voluntarily participate in the study. Assurances were given in terms of confidentiality and security of all information given. They are well experienced by way of their exposure to and length of service at the NRC, also well informed and disposed to adequately express their opinion objectively.

7.2 Survey Responses: Internal Sub-Group
Similar to the external respondents, survey responses from the internal participants were organised in accordance with the responses from the respective survey sub-group. For ease of understanding there has been an extensive use of tables and bar graphs to display the results with the respective research question phrased as headings. Below are the responses of the research questionnaire sent to respective respondents and outlined in different sections with regard to each respective target group identified.

The questionnaire set was divided into six different sections and includes the following:

1. Demographic information.
2. Choice of transportation mode, purpose and frequency of rail transport usage.
3. Railway service satisfaction evaluation.
5. Rail transport fare evaluation, fare regulation and competition.
7.2.1 Responses of the Management Staff of NRC Group (MCQ)

A total sample size of 40 respondents was identified and surveyed with the aid of a questionnaire sent to them via e-mail messaging, out of which 21 completed questionnaires were returned, representing a 53% response rate. In addition, 54 questions were in the survey questionnaire set (see Appendix 11.15C for a sample of a returned questionnaire).

7.2.1.1 Demographic Information

<table>
<thead>
<tr>
<th>Table 7.1</th>
<th>Distribution of The NRC Management Survey Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Level</td>
<td>Frequency</td>
</tr>
<tr>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>Middle</td>
<td>1</td>
</tr>
<tr>
<td>Senior</td>
<td>8</td>
</tr>
<tr>
<td>Management</td>
<td>2</td>
</tr>
<tr>
<td>Director</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

The table above identifies the number of management staff at each level of management at the NRC that participated in the survey. It is important for the survey to assess their level of exposure, responsibility and the quality of responses obtained. Furthermore, it helps the research to assess respondents buying power and patronage of the NRC services as its fortune changes, as that will open up another market frontier for the executive rail riders. Additionally, the management level participation in the study will also enhance the quality of outcome of the survey (see Table 7.1).

Table 7.2, below, is the demographic information relating to the management level considered for the study. It is relevant to the study to clearly define the level, caliber, type and characteristics of management staff included in the survey. This will assist in assessing the quality of survey responses as well as enhancing the objective views of the frequent travelers (see Table 7.2).
Table 7.2  Distribution of The NRC Management Survey Respondents by Occupation

<table>
<thead>
<tr>
<th>Functional Level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountancy</td>
<td>1</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Engineering</td>
<td>12</td>
<td>54.5</td>
<td>59.1</td>
</tr>
<tr>
<td>Administration</td>
<td>9</td>
<td>40.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

Table 7.3  Distribution of Length of The NRC Management Employment

<table>
<thead>
<tr>
<th>Length of Employment</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 5 years</td>
<td>1</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>11 – 15 years</td>
<td>1</td>
<td>4.5</td>
<td>9.1</td>
</tr>
<tr>
<td>16 – 20 years</td>
<td>3</td>
<td>13.6</td>
<td>22.7</td>
</tr>
<tr>
<td>21 – 25 years</td>
<td>17</td>
<td>77.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

This information is relevant to the study as it included management staff with long periods of service with the NRC, which also enhances their exposure, knowledge, responsibility and professionalism as railway men employed at the NRC. This will, therefore, contribute to objectivity, accurate and reliable information as well as the quality of responses required for an objective and unbiased findings and conclusion for the research (see Table 7.3).

Table 7.4  Income Distribution of The NRC Management Survey Respondents

<table>
<thead>
<tr>
<th>Income Levels</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤₦50 - ≤₦100K</td>
<td>1</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>≤₦101 - ≤₦250K</td>
<td>1</td>
<td>4.5</td>
<td>9.1</td>
</tr>
<tr>
<td>Over ≤₦751K</td>
<td>20</td>
<td>90.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)
The income level of the survey sample is relevant to identify the level of buying power, affordability as well as observe if income plays an impact in the choice of mode of transport by the travellers. From the survey, it was observed that the majority of the respondents are well off, earning over ₦750,000 per annum and can afford the choice of transportation mode (see Table 7.4).

7.2.1.2 Choice of Transport Mode, Purpose and Frequency of Rail Transport Usage
Responding to “the choice of transportation mode used for the daily travels,” 22 responses were received. Research findings indicated the following results: 17 (76%) of the respondents commute by car and 6 (29%) use other methods (i.e., by bus). In terms of “respondent’s rail travel usage frequency” 22 responses were received. Survey results indicated the following outcome: 5 (23%) frequent, 13 (59%) occasionally and 4 (18%) rarely.

![Relative Rail Travel Frequencies of Respondents](source: Researcher's Field Survey (2013))

7.2.1.3 Railway Service Satisfaction Evaluation
In assessing “the service efficiency satisfaction level of rail transport,” 22 responses were received. Out of the responses received, research findings show the following results: 17 (77%) moderate, and 5 (23%) inefficient (see Figure 7.2).
Respondents were asked about “rating the volume of passenger patronage of the rail service.” 22 responses were received. Research findings show the following results: 4 (18%) high, 10 (45%) moderate, 7 (32%) low and 1 (5%) very low (see Figure 7.3). This means that the opinion polls expected a moderate patronage of the NRC services.

Concerning “assessing extenuating factors responsible for NRC current performance,” 22 responses were received. Survey findings show; 10 (46%) lack of investment, 4 (18%) government involvement, 3 (14%) corruption, 1 (5%) corporation neglect and 4 (18%) all of the above (see Figure 7.4), this is evidenced in Adesanya’s (2010) study who also
corroborated his findings with the survey results, stating further that the NRC poor performance is partly due to government policy inconsistency, interference and neglect which is also in tandem with the research background discussed earlier in Chapter One. In addition, this survey outcome is in agreement with empirical study by Gupta & Sathye (2008) using the study of the Indian Railway which has a similar situation and outcome with the study result.

Figure 7.4  Assessing Factors Responsible for The NRC Current Performance

![Bar chart showing frequency of responses for various factors affecting NRC performance]

Source: Researcher’s Field Survey (2013)

7.2.1.4  Government Reform Policy Evaluation

Regarding the question of whether “government ownership was responsible for the current performance,” 22 responses were received. The survey shows the following results, 6 (27%) strongly agree, 5 (27%) agree, 3 (14%) undecided, 7 (32%) disagree and 1 (5%) strongly disagree (see Figure 7.5). This response is a bit surprising, despite the fact that some empirics have commented that government interference and policy summersaults were responsible as well as the major causes of the poor performance of NRC (Adeyemo, 2008; Odeleye, 2000), yet the survey results indicated to the contrary.
Concerning whether the “good management structure of NRC will enhance its financial viability,” 22 responses were received. Research findings show the following results; 8 (36%) strongly agree, 6 (27%) agree, 3 (14%) undecided, 4 (18%) disagree and 1 (5%) strongly disagrees (see Figure 7.6). This result is in tandem with the last question on whether government ownership of NRC is responsible for the poor operational performance.

When asked whether “privatising Nigerian Railway is a good government strategy,” 22 responses were received. Survey findings, however, show the following results; 4 (18%)
strongly agree, 13 (59%) agree, 3 (14%) were undecided, and 2 (9%) disagree (see Figure 7.7). Although this result is at variance with the last results the responses are well expected, however, this is supported by the majority of the research study which all indicated that privatisation is indeed a good strategy for NRC to achieve its operational performance Bennett (2007).

**Figure 7.7 Privatising The NRC is a Good Government Strategy**

![Privatisation The NRC is a Good Government Strategy](image)

Source: Researcher’s Field Survey (2013)

In terms of the question regarding the type of “privatisation methods known to the respondents,” 22 responses were received. The results of the survey reveal the following: 1 (5%) management buy-out, 1 (5%) management contract, 19 (86%) concession and 1 (5%) all of the above (see Figure 7.8).

**Figure 7.8 Privatisation Methods Known to the Respondents**

![Privatisation Methods Known to the Respondents](image)

Source: Researcher’s Field Survey (2013)
By way of a follow up, they are asked which “privatisation method recommended for NRC,” 22 responses were received. The survey finding shows the following results; 1 (5%) management buy-out, 2 (10%) management contract, 1 (5%) franchising, 17 (77%) concession and 1 (5%) all of the above (see Figure 7.9).

**Figure 7.9  Privatisation Methods Recommended for NRC**

In assessing and critically evaluating if “a choice of privatisation method will have an impact on Nigerian rail service performance,” 22 responses were received. The research findings show: 10 (45%) strongly agree and 12 (55%) agree (see Figure 7.10). The result is also in agreement with the previous responses discussed in Chapter Six; however, it runs contrary to some literatures discussed which suggests that a privatisation method has no direct relationship to the performance indicators of the privatised company (Bennett, 2007).

**Figure 7.10  Choice of Privatisation Method Will Impact NRC Performance**
In assessing if “privatisation of NRC will enhance its service effectiveness,” 22 responses were received. The survey findings indicated: 5 (23%) strongly agree, 16 (73%) agree and 1 (5%) disagrees (see Figure 7.11). This result is similar to the results from other samples discussed earlier and is in line with the research epistemology discussed in Chapter Four.

**Figure 7.11  Privatisation of The NRC Will Enhance its Service Effectiveness**

![Diagram showing distribution of responses](image)

Source: Researcher’s Field Survey (2013)

Furthermore, concerning “the choice of privatisation method that will impact NRC effectiveness,” 22 responses were received. The survey findings show; 1 (5%) management buy-out, 1 (5%) management contract, 1 (5%) franchising, 18 (80%) concession and 1 (5%) all of the above (see Figure 7.12). This result is in line with the results of the survey discussed so far, hence the general consensuses of the respondents have identified concession as the privatisation choice method which will impact the performance indicators.
Regarding the “effectiveness factors that will improve if NRC is privatised,” 22 responses were received. Research findings show the following results; 5 (23%) customer safety, 2 (9%) timeliness, 10 (45%) prompt service and 5 (23%) all of the above (see Figure 7.13). In addition, this result in agreement with the research expectations, hence the effectiveness performance indicator of NRC measured by the respective effectiveness measures (performance measures) are expected to improve.

Concerning the question of whether “privatisation of NRC will enhance its service efficiency,” 22 responses were received. Survey results show the following; 12 (55%)
strongly agree, 8 (36%) agree and 1 (5%) disagree (see Figure 7.14), this also reinforce the earlier survey results discussed above.

**Figure 7.14  Privatisation of The NRC Will Enhance Its Service Efficiency**

![Bar chart showing responses to the statement about privatization enhancing service efficiency]

Source: Researcher's Field Survey (2013)

Regarding which, “choice of privatization method that will enhance efficiency,” 22 responses were received. The research findings show the following results: 1 (5%) management buy-out, 2 (10%) management contract, 1 (5%) franchising, 17 (77%) concession and 1 (5%) all of the above (see Figure 7.15).

**Figure 7.15  Choice of Privatisation Method that Will Enhance The NRC Service Efficiency**

![Bar chart showing the choice of privatization methods]

Source: Researcher’s Field Survey (2013)
Following up was a question about the “efficiency factors that will improve if NRC is privatised,” 22 responses were received. The survey findings show the following results: 15 (73%) service quality, 3 (14%) customer satisfaction and 4 (18%) all of the above (see Figure 7.16). This result is in agreement with the Kessides (2004, p. 12) study who noted that “restructuring, privatisation, and deregulation have made network utilities much more efficient in developing and transition economies.” This therefore is in agreement with the research expectation based on reality and hence in support of the research ontology.

**Figure 7.16 Efficiency Factors that Will Improve if NRC is Privatised**

[Diagram showing frequency distribution for efficiency factors]

Source: Researcher's Field Survey (2013)

On the question of “choice of privatisation method that will enhance NRC infrastructure investment,” 22 responses were received. The survey result indicated the following findings: 1 (5%) management buy-out, 1 (5%) management contract, 4 (18%) franchising, 14 (64%) concession and 2 (10%) leases (see Figure 7.17).
Regarding the question about the “choice of privatisation method that will enhance NRC profitability,” 22 responses were received. The research findings show the following results: 1 (5%) management buy-out, 6 (27%) management contract, 1 (5%) franchising, 12 (55%) concession and 2 (10%) share issues (see Figure 7.18).

Furthermore, concerning whether “privatisation of NRC will enhance its productivity,” 22 responses were received. The survey results show the following outcome; 10 (46%) strongly agree, 8 (36%) agree, 2 (10%) were undecided, and 2 (10%) disagree (see Figure 7.19). The reason is not farfetched, because as a private business with profit motives, management,
employees and all stakeholders who runs the organisation does so on a well spelt out rules and procedures which provides the structure for corporate performance management and structure through which corporate goals are met as well as monitoring performance (Muogbo, 2013). This hence assists in achieving the desired company productivity as observed by the survey outcomes discussed above.

**Figure 7.19 Privatisation of NRC Will Improve its Productivity**

![Image](source: Researcher’s Field Survey (2013))

Regarding the question “choice of privatisation method that will enhance NRC productivity,” 22 responses were received. The research findings show the following; 2 (10%) management buy-out, 8 (36%) management contract, 1 (5%) franchising, and 11 (50%) concession (see Figure 7.20), equally this outcome is in line with the results discussed above.

**Figure 7.20 Choice of Privatisation method that Will Enhance The NRC Productivity**

![Image](source: Researcher’s Field Survey (2013))
In terms of the survey question regarding “productivity factors that will improve if NRC is privatised,” 22 responses were received. The survey findings indicated the following results: 9 (41%) efficient operation, 2 (10%) labour usage, 5 (23%) efficient infrastructure and 4 (18%) all of the above (see Figure 7.21).

**Figure 7.21   Productivity Factors that Will Improve if NRC is Privatised**

Regarding the policy of “privatising NRC as a single entity,” 22 responses were received. The research findings show the following results; 1 (5%) agree, 1 (5%) undecided, 17 (77%) disagree and 3 (14%) strongly disagree. By way of a follow up question, they were asked about, “privatising NRC as a multiple strategic business units,” 22 responses were received. The survey findings show the following results; 9 (41%) strongly agree, 5 (23%) agree, 1 (5%) were undecided and 3 (14%) disagree. Furthermore, when asked which “NRC strategic business unit recommended to be privatised,” 22 responses were received. The research findings indicated; 1 (5%) communication/signal, 3 (14%) passengers, 3 (14%) goods/cargo, 4 (18%) station services and 8 (36%) all of the above.

On the question requesting if “NRC network should be divided into multiple lines,” 22 responses were received. Survey findings show the following results; 4 (18%) strongly agree, 5 (23%) agree, 1 (5%) were undecided, 8 (36%) disagree and 1 (5%) strongly disagree. Additionally, in terms of the “number of operators for NRC if privatised,” 22 responses were received. The research findings show the following results; 8 (36%) four, 6 (27%) six, 1 (5%) ten and 7 (32%) more than ten.
Concerning the question regarding whether, “the current staff strength will be maintained if NRC is privatised,” 22 responses were received. The survey shows the following results; 3 (14%) strongly agree, 1 (5%) agree, 3 (14%) were undecided, 13 (59%) disagree and 2 (9%) strongly disagree. On the final analysis, when assessing if “privatisation of NRC will not lead to workforce reduction”, the survey indicated that; 1 (5%) strongly agree, 3 (14%) agree, 4 (18%) undecided, 11 (50%) disagree and 3 (14%) strongly disagree.

7.2.1.5 Rail Transport Fare Evaluation, Fare Regulation and Competition

Regarding, “evaluating NRC fares to other mode of transportation” 22 responses were received. Research findings show the following results: 7 (32%) moderate, 12 (55%) low and 3 (14%) very low (see Figure 7.22).

**Figure 7.22 Rating The NRC Fares to other Mode of Transportation**

![Diagram showing frequency distribution of NRC fare evaluation](source)

Source: Researcher's Field Survey (2013)

Additionally, when “comparing NRC fares to other mode of transportation” survey results indicated the following: 3 (14%) moderate, 16 (73%) low and 3 (14%) very low (see Figure 7.23).
Concerning the question of whether “government should regulate fares,” the survey findings indicated the following results; 4 (18%) strongly agree, 2 (10%) agree, 2 (10%) undecided, 11 (50%) disagree and 3 (14%) strongly disagree (see Figure 7.24).

In assessing the perceived risk and if “rail fares will increase if NRC is privatised,” survey findings reveals that; 4 (18%) strongly agree, 13 (59%) agree, 1 (5%) were undecided and 4 (18%) disagree (see Figure 7.25).
Examining if “service efficiency gained from privatisation will lead to rail fare reduction,” survey findings indicated that; 4 (18%) agree, 4 (18%) were undecided, 13 (59%) disagree and 1 (5%) strongly disagree (see Figure 7.26). This result is similar to the other responses discussed above as well as in line with the literature equally discussed. This also corroborates with the research theoretical framework (the agency theory) which lay much emphasis on profit maximisation, and by implication therefore price reduction is expected to be highly unlikely as it might potentially reduce company profits.

Source: Researcher’s Field Survey (2013)
In evaluating if, “the quality of rail service will improve if NRC is privatised,” research findings indicated the following results; 7 (32%) strongly agree, 12 (55%) agree and 3 (14%) disagree (see Figure 7.27). This result clearly supports the resource based theory which also emphasised efficient service achieved through effective company infrastructure as a direct result of an increase in investment the private sector brings in with privatisation.

**Figure 7.27  Quality of Rail Service Will Improve if NRC is Privatised**

![Bar chart showing frequency of responses to the question: Quality of Rail Service Will Improve if NRC is Privatised. 7 (32%) strongly agree, 12 (55%) agree, and 3 (14%) disagree.]

Source: Researcher’s Field Survey (2013)

Regarding the question examining whether “there will be more operators if rail transport sector is deregulated,” research findings indicated the following results: 1 (5%) strongly agree, 17 (77%) agree, 1 (5%) were undecided and 3 (14%) disagree (see Figure 7.28).

**Figure 7.28  There Will Be Multiple Operators if Rail Transport is Deregulated**

![Bar chart showing frequency of responses to the question: There Will Be Multiple Operators if Rail Transport is Deregulated. 1 (5%) strongly agree, 17 (77%) agree, 1 (5%) were undecided, and 3 (14%) disagree.]

Source: Researcher’s Field Survey (2013)
Assessing if “deregulation of the rail sector will encourage competition,” research findings indicates that; 3 (14%) strongly agree, 17 (77%) agree, 1 (5%) were undecided and 1 (5%) disagree (see Figure 7.29).

**Figure 7.29  Deregulation of the Rail Sector Will Encourage Competition**

By way of a follow up to the above question, and examining “the impact competition will have on rail service if NRC is privatised,” survey indicates that; 3 (14%) high quality, 3 (14%) low price, 12 (55%) efficiency, 3 (14%) many choices and 1 (5%) all of the above (see Figure 7.30).

**Figure 7.30  Impact Competition Will have on NRC Services if Privatised**

Source: Researcher's Field Survey (2013)
7.2.1.6 Improvement Suggestions

To learn about what “improvements are recommended if the rail sector is privatised,” 22 responses were received. The research findings show the following results: 3 (14%) investment, 9 (41%) efficiency, 2 (10%) frequency, 5 (23%) competition and 3 (14%) productivity (see Figure 7.31).

Figure 7.31 Improvements Recommended if NRC is Privatised

Also on what other “improvements are recommended if the rail sector is deregulated,” the survey shows these results: 2 (10%) staff training, 8 (36%) more investments, 3 (14%) dualising network, 5 (23%) efficiency and 4 (18%) all of the above (see Figure 7.32).

Figure 7.32 Improvements Recommended if Rail Sector is Deregulated

Source: Researcher’s Field Survey (2013)
For the question regarding whether “deregulating rail transport sector will encourage the creation of regulatory bodies,” the research findings indicate: 5 (27%) strongly agree, 13 (59%) agree, 2 (10%) were undecided and 2 (10%) disagree (see Figure 7.33).

**Figure 7.33** Deregulating Rail Transport Will Encourage the Creation of Regulatory Bodies

![Bar chart showing the distribution of responses to the question about deregulating rail transport sector to encourage the creation of regulatory bodies.]

Source: Researcher's Field Survey (2013)

Furthermore, when asked to examine whether “efficient rail transport will enhance efficiency in other sectors,” the survey results show that: 4 (18%) strongly agree, 14 (64%) agree, 1 (5%) disagree and 3 (14%) strongly agree (see Figure 7.34). This result is in line with the expectation of the benefits expected to be derived from the privatisation of NRC.

**Figure 7.34** Efficient NRC Will Enhance Other Sectors Service Efficiency

![Bar chart showing the distribution of responses to the question about efficient rail transport enhancing efficiency in other sectors.]

Source: Researcher's Field Survey (2013)
Overall, in assessing whether “privatisation of key infrastructure will contribute to economic development” research findings indicated that: 11 (50%) strongly agree, 9 (41%) agree, 1 (5%) undecided, and 1 (5%) disagree (see Figure 7.35).

**Figure 7.35 Privatisation of Key Infrastructure Will Contribute to Economic Development**

Source: Researcher’s Field Survey (2013)

### 7.2.2 Responses of the Employees of NRC Group (ECQ)

A total sample size of 30 respondents were identified and surveyed with the aid of a questionnaire sent to them via e-mail messaging, which includes a total number of 47 questions. A total number of 20 completed questionnaires were returned, representing a 67% response rate (see Appendix 11.15D for a sample of a returned questionnaire, p. 270).

#### 7.2.2.1 Demographic Information

<table>
<thead>
<tr>
<th>Respondents’ Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 – 25 years</td>
<td>1</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>26 – 30 years</td>
<td>2</td>
<td>10.0</td>
<td>15.0</td>
</tr>
<tr>
<td>31 – 35 years</td>
<td>1</td>
<td>5.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Over 36 years</td>
<td>16</td>
<td>80.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)
The demographic data is important to the survey in order to identify the typical age brackets that make up the railway men work force. Data of this kind can also be used to identify the characteristics of the group of respondents consider for the survey who use the transport service very frequently (see Table 7.5, p 150) as well as ascertain their level of maturity. This is equally important to assess the informed consent factor for voluntary disclosure of information, the quality and objectivity of an expression of opinion.

Table 7.6  Occupation of Respondents

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer</td>
<td>13</td>
<td>65.0</td>
<td>65.0</td>
</tr>
<tr>
<td>Clerk</td>
<td>6</td>
<td>30.0</td>
<td>95.0</td>
</tr>
<tr>
<td>Signal/Communication</td>
<td>1</td>
<td>5.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher's Field Survey (2013)

Table 7.6 on demographic information is relevant to the study to identify and assess the caliber and characteristics of people that use the rail system among the employees of the NRC on the one hand as well as the quality of responses obtained on the other hand. This enhances an expression of objective opinion and views among the frequent travelers and rail users represented by the NRC employee group (see Table 7.6). The occupation of respondents in terms of the number that participated in the survey is quite similar to the management respondents due to the union activities. Hence recruitment of the respondents is also done through a snowball approach, explained in Chapter Four.

Table 7.7  Income Distribution of Respondents

<table>
<thead>
<tr>
<th>Level of Income</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>N50 – N100K</td>
<td>1</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>N101 – N250K</td>
<td>1</td>
<td>5.0</td>
<td>10.0</td>
</tr>
<tr>
<td>N251 – N500K</td>
<td>3</td>
<td>15.0</td>
<td>25.0</td>
</tr>
<tr>
<td>N501 – N750K</td>
<td>2</td>
<td>10.0</td>
<td>35.0</td>
</tr>
<tr>
<td>Over – N751K</td>
<td>13</td>
<td>65.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher's Field Survey (2013)

The income level of the survey sample is relevant to identify the level of affordability, assess the respondents’ buying power as well as evaluate if income plays a significant role in arriving at the choice of mode of transport as well as making buying decisions by the
travellers. From the survey, it was observed that the majority of the respondents are well off, earning over ₦750,000 per annum and can afford the choice of transportation mode (see Table 7.7), as opposed to being a matter of necessity for the choice of transportation mode.

### 7.2.2.2 Choice of Transportation Mode, Purpose and Frequency of Rail Transport Usage

<table>
<thead>
<tr>
<th>Journey Distance</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 10KM</td>
<td>15</td>
<td>75.0</td>
<td>75.0</td>
</tr>
<tr>
<td>11 – 20KM</td>
<td>2</td>
<td>10.0</td>
<td>85.0</td>
</tr>
<tr>
<td>21 – 30KM</td>
<td>1</td>
<td>5.0</td>
<td>90.0</td>
</tr>
<tr>
<td>Over 100KM</td>
<td>2</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher's Field Survey (2013)

Examining the survey respondents “choice of transportation mode for daily commuting,” 17 responses were received. The research findings show the following results: 4 (23%) rail, 9 (53%) car and 4 (23%) bus/coach (see Figure 7.36).

**Figure 7.36 Distribution of Respondents Mode of Transportation**

Assessing the “respondents’ rail transport usage frequency,” 20 responses were received. The research findings indicate the following results: 4 (20%) very frequent, 8 (40%) frequent, 4 (20%) occasionally and 4 (20%) rarely (see Figure 7.37).
### 7.2.2.3 Railway Service Satisfaction Evaluation

Evaluating “NRC service efficiency,” 20 responses were received. The survey results show the following outcome: 1 (5%) very efficient, 9 (45%) efficient, 7 (35%) undecided and 3 (15%) inefficient (see Figure 7.38).

![Figure 7.38 Evaluating NRC Service Efficiency](image)

Source: Researcher’s Field Survey (2013)

In terms of “assessing extenuating factors responsible for NRC current performance,” 19 responses were received. The survey findings reveal the following results: 4 (20%) poor management, 1 (5%) government involvement, 7 (35%) lack of clear objectives, 3 (15%) lack of competition and 4 (20%) all of the above (see Figure 7.39). This is in tandem with the outcome of an empirical study carried out by Gupta & Sathye (2008) on the Indian Railway.
Hence the outcome is not surprising and it therefore explains what is responsible for the current performance of NRC today.

**Figure 7.39  Assessing Factors Responsible for NRC Current Performance**

![Graph showing frequency distribution of factors responsible for NRC performance.]

Source: Researcher’s Field Survey (2013)

### 7.2.2.4 Government Reform Policy Evaluation

Regarding the question of whether “running NRC as a commercial operation is a good strategy” 20 responses were received. Out of the number of responses obtained, the following findings were revealed: 11 (55%) strongly agree, 8 (40%) agree and 1 (5%) disagree (see Figure 7.40).

**Figure 7.40  Running NRC as a Commercial Enterprise is a Good Strategy**

![Graph showing frequency distribution of responses to the question about running NRC as a commercial operation.]

Source: Researcher’s Field Survey (2013)

As a follow up of the above question, assessing whether “privatising NRC is a good government strategy,” 20 responses were received. The research findings show the following results: 8 (40%) strongly agree, 8 (40%) agree, 3 (15%) disagree and 1 (5%) strongly disagree (see Figure 7.41).
Furthermore, when assessing the “privatisation method known to the respondents,” the survey results reveal the following findings; 2 (10%) management buy-out, 2 (10%) management contract, 1 (5%) franchising, 13 (65%) concession, 1 (5%) shares issues and 1 (5%) all of the above (see Figure 7.42).

In addition to the above, concerning the “privatisation method recommended for NRC,” the research findings revealed: 2 (10%) management buy-out, 1 (5%) management contract, 1 (5%) franchising, 14 (70%) concession and 2 (10%) all of the above (see Figure 7.43).
Also in assessing if “a choice of privatisation method will have an impact on Nigerian rail service performance,” the survey findings reveals: 6 (30%) strongly agree, 9 (45%) agree, and 5 (25%) disagree (see Figure 7.44) which also in line with the other results discussed previously as well as in agreement with the benefits of privatisation discussed in Chapter Three.

Respondents were then asked about “performance indicator a choice of privatisation method will impact” the survey findings reveal the following results: 1 (5%) effectiveness, 5 (30%) efficiency, 2 (10%) NRC infrastructure, 3 (15%) productivity, 3 (15%) profitability and 6
(30%) all of the above (see Figure 7.45) which is also in line with the theoretical framework as well as the benefits of privatisation discussed in Chapter Three.

Figure 7.45  The Performance Indicator Choice of Privatisation Method Will Impact

Furthermore, when assessing whether “privatisation of NRC will enhance its service effectiveness,” 19 responses were received. The research findings show the following results; 9 (45%) strongly agree, 7 (35%) agree and 3 (15%) disagrees (see Figure 7.46). This equally agrees with the literature as well as the other responses discussed previously.

Figure 7.46  Privatisation of The NRC Will Enhance its Service Effectiveness

Concerning “the choice of privatisation method that will impact NRC effectiveness,” 20 responses were received. The following are the survey results; 4 (20%) management buy-out,
3 (15%) management contract, 10 (50%) concession 2 (10%) share issues and 1 (5%) all of the above (see Figure 7.47).

**Figure 7.47  Choice of Privatisation Method that Will Impact NRC Effectiveness**

When examining the “effectiveness performance indicator (performance measures factors) that will improve if NRC is privatised,” the research findings reveal the following: 2 (10%) customer safety, 7 (35%) timeliness, 7 (35%) prompt service, 2 (10%) neatness and 2 (10%) all of the above (see Figure 7.48). All these conform with the service quality expectations of the respondents from the private service providers, who are for the profit maximisation.

**Figure 7.48  Effectiveness Factors that Will Improve if NRC is Privatised**

Concerning the question to examine “if privatisation of NRC will enhance its service efficiency,” 18 responses were received. The survey findings show the following results; 4
(20%) strongly agree, 12 (60%) agree 1 (5%) undecided and 5% disagree (see Figure 7.49). Equally expected result hence not at all surprising and is very similar to the previous results discussed earlier.

Figure 7.49 Privatisation of NRC Will Enhance its Service Efficiency

As a follow up to the previous question, in evaluating “the choice of privatisation method that will enhance efficiency,” 19 responses were received. The findings reveal the following outcome; 1 (5%) management buy-out, 13 (15%) management contract, 14 (70%) concession and 1 (5%) all of the above (see Figure 7.50).

Figure 7.50 Choice of Privatisation Method that Will Impact NRC Efficiency

In determining the “efficiency factors that will improve if NRC is privatised,” 20 responses were received. The research findings show the following results; 3 (15%) service quality, 11
(55%) customer satisfaction, 1 (5%) service frequency, 1 (5%) cost reduction, 1 (5%) customer patronage and 3 (15%) all of the above (see Figure 7.51).

**Figure 7.51  Efficiency Factors that Will Improve if NRC is Privatised**

![Diagram showing efficiency factors](image)

Source: Researcher’s Field Survey (2013)

Respondents assessed “the choice of privatisation method that will enhance NRC infrastructure investment,” 18 responses were received. The results of the research findings reveal the following: 1 (5%) management buy-out, 3 (17%) management contract 10 (56%) concession, 1 (5%) share issue, 2 (11%) leases and 1 (5%) all of the above (see Figure 7.52).

**Figure 7.52  Choice of Privatisation Method that Will Impact The NRC Infrastructural Investment**

![Diagram showing impact on NRC infrastructure](image)

Source: Researcher’s Field Survey (2013)

Regarding the question of “the choice of privatisation method that will enhance NRC profitability,” 19 responses were received. The research findings show the following results: 1 (5%) management buy-out, 3 (16%) management contract, 2 (11%) franchising, 11 (58%)
concession, 1 (5%) share issues and 1 (5%) all of the above (see Figure 7.53). Although Muogbo’s (2013, p. 81) study did not specify a method, but the empirical study which was also statistically tested shows that “investment in privatised firms will be more profitable than firms with government presence,” which is supported by the survey.

**Figure 7.53  Choice of Privatisation Method that Will Impact The NRC Profitability**

![Graph showing the frequency of different privatisation methods impacting NRC profitability.](image)

Source: Researcher’s Field Survey (2013)

Additionally, in evaluating the extent to which “privatisation of NRC will enhance its productivity,” 20 responses were received. The survey outcome shows the following results: 3 (15%) strongly agree, 11 (55%) agree, 4 (20%) disagrees and 2 (10%) strongly disagree (see Figure 7.54).

**Figure 7.54  Privatisation of NRC Will Enhance its Productivity**

![Bar chart showing the distribution of responses on privatization enhancing productivity.](image)

Source: Researcher’s Field Survey (2013)

A question evaluating “the choice of privatisation method that will enhance NRC productivity,” received 19 responses. The finding shows the following results: 2 (11%) management buy-out, 5 (26%) management contract, 1 (5%) franchising, 10 (53%)
concession and 1 (5%) leases (see Figure 7.55). This response is also in line with the literature as well as the other responses discussed above.

**Figure 7.55  Choice of Privatisation Method that Will Impact The NRC’s Productivity**

Source: Researcher’s Field Survey (2013)

Additionally, a total number of 20 responses were received for the research question asking which “productivity factors will improve if NRC is privatised.” The research found: 7 (35%) efficient operation, 4 (20%) labour usage, 4 (20%) efficient infrastructure, 4 (20%) quality operation and 1 (5%) all of the above (see Figure 7.56).

**Figure 7.56  Productivity Factors that Will Improve if NRC is Privatised**

Source: Researcher’s Field Survey (2013)

Examining if the “current staff strength will be maintained if NRC is privatised,” the survey identified 19 responses. The survey findings reveal the following results: 3 (16%) strongly agree, 8 (42%) agree, 3 (16%) were undecided and 5 (26%) disagree (see Figure 7.57).
result is not farfetched, for example using the agency theory framework, the main motive of being in business is profit, and hence the private sector will cut all costs to ensure that the profit maximisation motive is achieved. This is responsible for the expression of the expectation of a reduction in staff strength of NRC if privatised by the respondents.

**Figure 7.57  Assessing if current NRC Staff Strength Will Be Maintained if NRC is Privatised**

![Bar Chart](source: research field survey (2013))

By way of a follow up to the previous question to examine whether “privatisation of NRC will not lead to workforce reduction,” 20 responses were received. The research findings show the following results: 2 (10%) strongly agree, 4 (20%) agree, 8 (40%) were undecided and 6 (30%) disagree (see Figure 7.58), this is also in line with the result discussed above which also confirm the perceived imminent risk of redundancies with NRC privatisation.

**Figure 7.58  Current Staff Strength Will be maintained if NRC is Privatised**

![Bar Chart](source: research field survey (2013))
7.2.2.5 Rail Transport Fare Evaluation, Fare Regulation and Competition

When asked to rate the “NRC fare charges,” 20 responses were received. The survey findings show the following results as the ratings of NRC fare charges: 1 (5%) very high, 2 (10%) high, 10 (50%) moderate, 6 (30%) low and 1 (5%) missing value (see Figure 7.59).

Figure 7.59 Rating NRC Rail Fares Charges

When “comparing NRC fares to other modes of transportation,” 20 responses reveal that they were: “4 (20%) very high, 2 (10%) high, 6 (30%) moderate, 4 (20%) low and 4 (20%) very low (see Figure 7.60).

Figure 7.60 Comparing NRC Fares to Other Mode of Transportation

Source: Researcher’s Field Survey (2013)
Furthermore, in assessing whether “government should regulate fares,” 20 responses were received. The following results were obtained: 4 (20%) strongly agree, 6 (30%) agree, 2 (10%) were undecided, 7 (35%) disagree and 1 (5%) strongly disagree, (see Figure 7.61).

**Figure 7.61  Evaluating if Government Should Regulate NRC Fares**

![Chart showing evaluation results]

Source: Researcher’s Field Survey (2013)

In evaluating the extent of a perceived risk of a fare hike and to ascertain if “privatisation of NRC will cause rail fare increases,” 20 responses were received. The research findings reveal the following results: 1 (5%) strongly agree, 14 (70%) agree, 1 (5%) were undecided and 4 (20%) disagree (see Figure 7.62) this also in line with the agency theory which is in line with the profit maximisation principle of the private sector.

**Figure 7.62  Privatisation of NRC Will Cause Rail Fare Increases**

![Chart showing perception results]

Source: Researcher’s Field Survey (2013)
The research questionnaire also examined if “the quality of rail service will improve if NRC is privatised,” 20 responses were received. The research findings reveal the following outcomes; 3 (15%) strongly agree, 15 (75%) agree, 1 (5%) were undecided and 1 (5%) disagree (see Figure 7.63).

**Figure 7.63 Privatisation Will Enhance Service Quality**

![Graph showing the distribution of responses](image)

Source: Researcher’s Field Survey (2013)

In order to ascertain whether “there will be more operators if rail transport sector is deregulated,” 20 responses were received. The survey findings reveal the following results; 4 (20%) strongly agree, 12 (60%) agree, 1 (5%) were undecided, 2 (10%) disagree and 1 (5%) strongly disagree (see Figure 7.64).

**Figure 7.64 There will be Multiple Rail Operators if Rail Transport is Deregulated**

![Graph showing the distribution of responses](image)

Source: Researcher’s Field Survey (2013)
Respondents were asked if, “deregulation of the rail sector will increase competition,” 20 responses were received. The study shows the following results: 5 (25%) strongly agree, 8 (40%) agree, 2 (10%) undecided, 3 (15%) disagree and 2 (10%) strongly disagree (see Figure 7.65).

Figure 7.65 Deregulation of Rail Sector Will Increase Competition

To determine “the impact competition will have on rail service if NRC is privatised,” 18 responses were received. The research findings show the following results: 6 (33%) high quality, 2 (11%) low price, 6 (33%) efficiency, and 4 (22%) many choices (see Figure 7.66).

Figure 7.66 Impact Competition Will have on Rail Services if The NRC is Privatised

Source: Researcher’s Field Survey (2013)
7.2.2.6 Improvement Suggestions

Examining the “improvements recommended if the rail sector is privatised,” 19 responses were received. The research findings show the following results: 4 (21%) staff training, 10 (53%) investment, 3 (16%) network dualisation and 2 (11%) efficiency (see Figure 7.67).

Figure 7.67 Improvements Recommended if Rail Transport is Deregulated

![Improvements Recommended if Rail Transport is Deregulated](image)

Source: Researcher’s Field Survey (2013)

Do respondents believe “efficient rail transport will enhance efficiency in other sectors,” 20 responses were received. The survey findings reveal the following outcome: 11 (55%) strongly agree, 8 (40%) agree and 1 (5%) disagree (see Figure 7.68).

Figure 7.68 Efficient Rail Transport Will Enhance Efficiency in other Sectors

![Efficient Rail Transport Will Enhance Efficiency in other Sectors](image)

Source: Researcher’s Field Survey (2013)
Finally, in assessing whether “privatisation of key infrastructure will contribute to economic development”, 20 responses were received. The survey results reveal the following outcome: 8 (40%) strongly agree, and 12 (60%) agree (see Figure 7.69).

![Figure 7.69 Privatisation of Key Infrastructure Improvements will Contribute to Economic Development](image)

Source: Researcher’s Field Survey (2013)

### 7.3 Conclusion

This chapter presented the outcomes of an empirical study carried out in October through to December 2013 on virtual respondents. The survey was conducted on the internal sub-group identified and discussed in Chapters One and Five. A total number of 70 questionnaires (40 MCQ and 30 ECQ) were sent out to the targeted audience. In total, 39 completed questionnaires were returned (21 MCQ and 18 ECQ) representing 56% of the targeted audience. The questionnaire covers pertinent information regarding sample demographics, choice of transportation mode, purpose and frequency. As well as an evaluation of service delivery, satisfaction and government reform policy on the NRC. Also an assessment of the NRC’s fare charges, fare regulation, competition and suggestions for improvements were examined.

The results of the virtual survey were presented with the aid of a descriptive statistics. This method was used because it aids a comprehensive representation of results as well as an accurate demonstration of the results of the empirical study. Tables and charts have been used extensively to effectively present the results of the survey.
Some of the results are quite surprising, for example the management group was asked if government control of the NRC was responsible for its current performance, the result indicated to the contrary. However, they were still of the opinion that privatisation will impact positively on the performance indicators of the NRC. It is also interesting to observe that all groups agree on concession as a choice method of privatisation of NRC.

The empirical study results presented above have been subjected to statistical hypothesis testing using a non-parametric chi-squared statistical model in Chapter Eight, to follow. The chi-squared statistical model was used due to nature of the questionnaire tested for the study. The statistical model aids an assessment of the research hypothesis and test of validity of the research assumptions.
Chapter Eight

Analysis of Survey Results and Testing of Hypotheses

8.1 Introduction
This chapter presents the empirical research findings of counterfactual results of a test of opinion, perception and belief with respect to an expected outcome of privatisation of NRC on its respective performance indicators, an analysis of study findings, and an evaluation of findings and critical evidence to support the research study. It also answers research questions posited, as well as the hypothetical statements developed in Chapter Four are now tested in section 8.5 with summary results in Section 8.6, aided by categorical statistical analysis using a chi-squared test model.

This chapter details an analysis and discussion of the empirical research study of a virtual survey results presented in Chapters Six and Seven. The chapter also interrogates research hypotheses for all the four samples identified as well as an explanation of the statistical chi-squared test carried out on the research findings. A cross tabulation was used to test the degree of association between the research variables previously outlined. Conclusions drawn from the hypothesis test results are presented for each respective sample.

8.2 Target Audience
The research targeted four different groups of respondents. The identified target audience includes the following samples:

1. The Members of the Public (MPQ)  
2. The Government Officials and Regulatory Bodies (G&RBQ)  
3. The Management of the Corporation (MCQ)  
4. The Employees of the Corporation (ECQ)

For objectivity of opinion and reliability of conclusion of the study, the external respondents group was dropped from the questionnaire that tested the respondent’s opinion on the impact of privatisation on the infrastructural investment performance indicator post privatisation of NRC. Similarly, the employee’s respondents group of the NRC was dropped for the same reason from the questionnaire that tested opinion on the profitability of NRC post privatisation performance indicator. Below is therefore the summary of the test results of the research purpose from all the four samples identified (see Table 8.1 Survey Summary Results of Research Purpose – All Samples).
Table 8.1 Summary of Survey Results of the Research Purpose for all Samples

<table>
<thead>
<tr>
<th>Statistical Model</th>
<th>Test Type</th>
<th>MPQ</th>
<th>G&amp;RBQ</th>
<th>MCQ</th>
<th>ECQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Squared Test: Purpose - Test of Association</td>
<td>( H_1 )</td>
<td>There is relationship between the Choice of privatisation method and its impact on the performance of NRC.</td>
<td>Asymp. Sig. (2-sided)</td>
<td>Decision</td>
<td>.078</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

Table 8.2 details the hypothesis test results of the survey for the research specific variables from all the samples identified above.

Table 8.2 Summary of Survey Results of the Research Specific for all Samples

<table>
<thead>
<tr>
<th>Statistical Model</th>
<th>Test Type</th>
<th>MPQ</th>
<th>G&amp;RBQ</th>
<th>MCQ</th>
<th>ECQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Squared Test: Specific – Effectiveness</td>
<td>( H_1 )</td>
<td>There is relationship between NRC performance indicator – effectiveness and its privatisation.</td>
<td>Asymp. Sig. (2-sided)</td>
<td>Decision</td>
<td>.000</td>
</tr>
</tbody>
</table>

| Chi-Squared Test: Specific - Efficiency | \( H_1 \) | There is relationship between NRC performance indicator – efficiency and its privatisation. | Asymp. Sig. (2-sided) | Decision | .000 | .002 | .018 | .003 |

| Chi-Squared Test: Specific - Productivity | \( H_1 \) | There is relationship between NRC performance indicator – productivity and its privatisation. | Asymp. Sig. (2-sided) | Decision | .304 | .000 | .005 | .049 |

| Chi-Squared Test: Specific - Infrastructural Investment | \( H_1 \) | There is relationship between NRC performance indicator – infrastructural investment and its privatisation. | Asymp. Sig. (2-sided) | Decision | N/A | N/A | .376 | .030 |

| Chi-Squared Test: Specific - Profitability | \( H_1 \) | There is relationship between NRC performance indicator – profitability and its privatisation. | Asymp. Sig. (2-sided) | Decision | .000 | .024 | .016 | N/A |

Source: Researcher’s Field Survey (2013)
8.3 Research Hypothesis Testing – Individual Group Results

A series of hypothetical tests were conducted on the responses obtained from the completed questionnaire collected from the four groups identified for the purpose of this research study.

8.3.1 The Research Purpose – An Evaluation of Critical Choices (MPQ Group)

To test that:

**H₁:** There is relationship between the **Choice of privatisation method** and its impact on the performance of NRC.

### Table 8.3 NRC Choice of Privatisation Method and Performance Cross tabulation

<table>
<thead>
<tr>
<th>Privatisation Critical Choices</th>
<th>Choice of Privatisation method will impact NRC Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Management Buy-Out</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
</tr>
<tr>
<td>Management Contract</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
</tr>
<tr>
<td>Franchising</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
</tr>
<tr>
<td>Concession</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
</tr>
<tr>
<td>Share Issues</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
</tr>
<tr>
<td>Leases</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
</tr>
</tbody>
</table>

Source: Researcher's Field Survey (2013)

### Table 8.4 Chi-Square Tests: Privatisation Method and Performance

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>35.605*</td>
<td>25</td>
<td>.078</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>37.637</td>
<td>25</td>
<td>.050</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>8.818</td>
<td>1</td>
<td>.003</td>
</tr>
<tr>
<td>No. of Valid Cases</td>
<td>91</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 30 cells (83.3%) have expected count less than 5. The minimum expected count is .01.

Source: Researcher's Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between the choice of privatisation method and its impact on the performance indicators if the NRC is privatised. The result concluded that there is no relationship between the choice of privatisation method and its impact on performance indicators ($\chi^2 = 35.605$, degrees of freedom $= 25$, Asymp $= .078$, p>.05). Given the choice of privatisation method that will improve the NRC performance, 20% strongly agree and made a choice of management buy-
out as a privatisation option, while 18% strongly agree and choose management contract, and 30% strongly agree and choose concession.

8.3.1.1 The Research Specific – Effectiveness Performance Indicator

To test that:

H₁: There is relationship between NRC performance indicator – effectiveness and its privatisation.

Table 8.5 Privatisation of NRC Will Enhance Effectiveness Cross tabulation

<table>
<thead>
<tr>
<th>Likert Scale</th>
<th>Privatisation Enhance Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Strongly Agree Count</td>
<td>22</td>
</tr>
<tr>
<td>Agree Count</td>
<td>16</td>
</tr>
<tr>
<td>Agree Count</td>
<td>21.7</td>
</tr>
<tr>
<td>Undecided Count</td>
<td>0</td>
</tr>
<tr>
<td>Expected Count</td>
<td>2.4</td>
</tr>
<tr>
<td>Disagree Count</td>
<td>1</td>
</tr>
<tr>
<td>Expected Count</td>
<td>.8</td>
</tr>
<tr>
<td>Strongly Disagree Count</td>
<td>0</td>
</tr>
<tr>
<td>Expected Count</td>
<td>.4</td>
</tr>
<tr>
<td>Disagree Count</td>
<td>0</td>
</tr>
<tr>
<td>Expected Count</td>
<td>.4</td>
</tr>
<tr>
<td>Total Count</td>
<td>39</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

Table 8.6 Chi-Square Tests: NRC Privatisation and Effectiveness

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>146.642 *</td>
<td>25</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>44.296</td>
<td>25</td>
<td>.010</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>26.256</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>97</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 32 cells (88.9%) have expected count less than 5. The minimum expected count is .01.

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – effectiveness and its privatisation. The result concluded that there is a very strong evidence to suggest that there is a strong relationship between NRC performance indicator – effectiveness and its privatisation ($\chi^2=146.642$, degrees of freedom = 25, Asymp = .000, p<.05). Given the choice for NRC privatisation, its performance indicator – “effectiveness” will probably improve, and hence; 23% strongly agree, 37% agree.
8.3.1.2 The Research Specific – Efficiency Performance Indicator

To test that:

**H₁:** There is relationship between NRC performance indicator – efficiency and its privatisation.

<table>
<thead>
<tr>
<th>NRC Privatisation</th>
<th>Count</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Missing Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>20</td>
<td>12</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>33</td>
</tr>
<tr>
<td>Agree</td>
<td>11.5</td>
<td>20.1</td>
<td>.7</td>
<td>.3</td>
<td>.3</td>
<td>0</td>
<td>52</td>
</tr>
<tr>
<td>Undecided</td>
<td>18.1</td>
<td>31.7</td>
<td>1.1</td>
<td>.5</td>
<td>.5</td>
<td>0</td>
<td>52.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>0</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>2</td>
<td>3.7</td>
<td>.1</td>
<td>.1</td>
<td>.1</td>
<td>0</td>
<td>6.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>.7</td>
<td>1.2</td>
<td>.0</td>
<td>.0</td>
<td>.0</td>
<td>0</td>
<td>2.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Missing Value</td>
<td>.3</td>
<td>.6</td>
<td>.0</td>
<td>.0</td>
<td>.0</td>
<td>0</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>58</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>95</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>75.602</td>
<td>20</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>38.136</td>
<td>20</td>
<td>.009</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>4.206</td>
<td>1</td>
<td>.040</td>
</tr>
</tbody>
</table>

**Table 8.8 Chi-Square Tests: NRC Privatisation and Efficiency**

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – efficiency and its privatisation. There is a very strong evidence to suggest that there is a relationship between NRC performance indicator – efficiency and its privatisation ($\chi^2 = 75.602$, degrees of freedom = 20, Asymp = .000, p<.05). Given the choice for NRC privatisation, there is a strong evidence of an association between its privatisation and performance improvement. Therefore, there is a likelihood of an improvement in its efficiency if NRC is privatised which the survey results indicates: 21% strongly agree while 41% agree.
8.3.1.3 The Research Specific – Productivity Performance Indicator

To test that:

\( \textbf{H}_1: \text{ There is relationship between NRC performance indicator – productivity and its privatisation.} \)

Table 8.9 Privatisation of NRC Will Enhance Productivity Cross tabulation

<table>
<thead>
<tr>
<th>NRC Privatisation</th>
<th>Likert Scale</th>
<th>Privatisation Enhance Productivity</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>Count</td>
<td>18</td>
<td>13</td>
<td>1</td>
<td>1</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>11.5</td>
<td>19.7</td>
<td>1.4</td>
<td>.4</td>
<td>33.0</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>Count</td>
<td>13</td>
<td>36</td>
<td>2</td>
<td>0</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>17.7</td>
<td>30.5</td>
<td>2.2</td>
<td>.6</td>
<td>51.0</td>
<td></td>
</tr>
<tr>
<td>Undecided</td>
<td>Count</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>1.4</td>
<td>2.4</td>
<td>.2</td>
<td>.0</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>Count</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>.7</td>
<td>1.2</td>
<td>.1</td>
<td>.0</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>Count</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>.3</td>
<td>.6</td>
<td>.0</td>
<td>.0</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Missing Value</td>
<td>Count</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>.3</td>
<td>.6</td>
<td>.0</td>
<td>.0</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>32</td>
<td>55</td>
<td>4</td>
<td>1</td>
<td>92</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>32.0</td>
<td>55.0</td>
<td>4.0</td>
<td>1.0</td>
<td>92.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – productivity and its privatisation. There is no evidence to suggest that there is a relationship between NRC performance indicator – productivity and its privatisation \((\chi^2 = 17.249, \text{ degrees of freedom} = 15, \text{ Asymp} = .304 \ p>.05)\). Given the choice for NRC privatisation, its performance indicator – “productivity” will probably improve: 20% strongly agree, 37% agree.

Table 8.10 Chi-Square Tests: NRC Privatisation and Productivity

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>17.249</td>
<td>15</td>
<td>.304</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>17.435</td>
<td>15</td>
<td>.294</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>2.205</td>
<td>1</td>
<td>.138</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>92</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 20 cells (83.3%) have expected count less than 5. The minimum expected count is .01.

Source: Researcher’s Field Survey (2013)
8.3.1.4 The Research Specific – Profitability Performance Indicator

To test that:

**H₁:** There is relationship between NRC performance indicator – profitability and its privatisation

Table 8.11 Privatisation of NRC Will Enhance NRC Profitability Cross tabulation

<table>
<thead>
<tr>
<th>NRC Privatisation</th>
<th>Likert Scale</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Missing Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>18</td>
<td>12</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>10.9</td>
<td>17.7</td>
<td>3.1</td>
<td>.7</td>
<td>.3</td>
<td>.3</td>
<td>33.0</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>14</td>
<td>35</td>
<td>1</td>
<td>2</td>
<td>0</td>
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<td>17.2</td>
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<td>4.8</td>
<td>1.1</td>
<td>.5</td>
<td>.5</td>
<td>52.0</td>
</tr>
<tr>
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<td>Undecided</td>
<td>0</td>
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<td>3</td>
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<td>0</td>
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<td>3.2</td>
<td>.6</td>
<td>.1</td>
<td>.1</td>
<td>.1</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
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<td></td>
<td>Expected</td>
<td>1.6</td>
<td>2.7</td>
<td>.5</td>
<td>.1</td>
<td>.1</td>
<td>.1</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td>Missing Value</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>Expected</td>
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<td>.5</td>
<td>.1</td>
<td>.0</td>
<td>.0</td>
<td>.0</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>32</td>
<td>52</td>
<td>9</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>97</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

Table 8.12 Chi-Square Tests: NRC Privatisation and Profitability

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>141.312</td>
<td>20</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>47.692</td>
<td>20</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>26.336</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>97</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* a. 26 cells (86.7%) have expected count less than 5. The minimum expected count is 0.1.

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – profitability and its privatisation. There is a very strong evidence to suggest that there is a relationship between NRC performance indicator – profitability and its privatisation ($\chi^2 = 141.312$, degrees of freedom = 20, Asymp. = .000, p<.05). Given the choice for NRC privatisation, its performance indicator – “profitability” will probably improve: 19% strongly agree, 36% agree.
8.3.2 The Research Purpose – An Evaluation of Critical Choices (G &RBQ Group)

To Test that:

\[ H_1: \quad \text{There is relationship between the Choice of privatisation method and its impact on the performance of NRC.} \]

Table 8.13 NRC Choice of Privatisation Method and Impact on Performance Cross-tabulation

<table>
<thead>
<tr>
<th>Privatisation Critical Choices</th>
<th>Choice Impact on NRC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
</tr>
<tr>
<td>Management Buy-Out</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Expected Count</td>
<td>3.6</td>
<td>5.9</td>
</tr>
<tr>
<td>Management Contract</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Expected Count</td>
<td>6.3</td>
<td>10.2</td>
</tr>
<tr>
<td>Franchising</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Expected Count</td>
<td>3.0</td>
<td>4.9</td>
</tr>
<tr>
<td>Count</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Expected Count</td>
<td>6.3</td>
<td>10.2</td>
</tr>
<tr>
<td>Concession</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Expected Count</td>
<td>2.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Share Issues</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Expected Count</td>
<td>1.2</td>
<td>2.0</td>
</tr>
<tr>
<td>Concession</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Expected Count</td>
<td>1.2</td>
<td>2.0</td>
</tr>
<tr>
<td>All of the Above</td>
<td>24</td>
<td>39</td>
</tr>
<tr>
<td>Expected Count</td>
<td>24.0</td>
<td>39.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between the choice of privatisation method and its impact on the performance indicators if the NRC is privatised. There is a very strong significant relationship between the choice of privatisation method and its impact on performance indicators ($\chi^2 = 57.145$, degrees of freedom= 30, Asymp = .002, p<.05). Given the choice of privatisation method, 10% strongly agree choose management buy-out, 18% strongly agree and choose management contract, 15% strongly agree and choose concession.
8.3.2.1 The Research Specific – Effectiveness Performance Indicator

To test that:

\( H_1: \) There is relationship between NRC performance indicator – effectiveness and its privatisation.

### Table 8.15 Privatisation of NRC Will Enhance Effectiveness Cross tabulation

<table>
<thead>
<tr>
<th>Likert Scale</th>
<th>Privatisation Enhance Effectiveness</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
</tr>
<tr>
<td>Privatising NRC</td>
<td>Count</td>
<td>Expected</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>20</td>
<td>16.7</td>
</tr>
<tr>
<td>Agree</td>
<td>17</td>
<td>15.6</td>
</tr>
<tr>
<td>Undecided</td>
<td>3</td>
<td>3.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>5.6</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>2</td>
<td>1.7</td>
</tr>
<tr>
<td>Missing Value</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>44.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

### Table 8.16 Chi-Square Tests: NRC Privatisation and Effectiveness

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>72.143*</td>
<td>20</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>41.620</td>
<td>20</td>
<td>.003</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>15.016</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>79</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 25 cells (83.3%) have expected count less than 5. The minimum expected count is .05.

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – effectiveness and its privatisation. There is a very strong evidence to suggest that there is a relationship between NRC performance indicator – effectiveness and its privatisation ($\chi^2 = 41.620$, degrees of freedom = 30, Asymp = .002, p<.05). Given the choice for NRC privatisation, its performance indicator – “effectiveness” will probably improve, as supported by the responses: 25% strongly agree, 12% agree.
8.3.2.2 The Research Specific – Efficiency Performance Indicator

To test that:

**H₁: There is relationship between NRC performance indicator – efficiency and its privatisation.**

### Table 8.17 Privatisation of NRC Will Enhance Efficiency Cross tabulation

<table>
<thead>
<tr>
<th>Privatisation Enhance Efficiency</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Strongly Disagree</th>
<th>Missing Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>22</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td>Expected</td>
<td>16.7</td>
<td>9.9</td>
<td>1.1</td>
<td>1.1</td>
<td>.8</td>
<td>30.0</td>
</tr>
<tr>
<td>Agree</td>
<td>12</td>
<td>15</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>28</td>
</tr>
<tr>
<td>Expected</td>
<td>15.6</td>
<td>9.2</td>
<td>1.1</td>
<td>1.1</td>
<td>.7</td>
<td>28.0</td>
</tr>
<tr>
<td>Undecided</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Expected</td>
<td>3.3</td>
<td>2.0</td>
<td>.2</td>
<td>.1</td>
<td>.2</td>
<td>2.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Expected</td>
<td>5.6</td>
<td>3.3</td>
<td>.4</td>
<td>.1</td>
<td>.3</td>
<td>10.0</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Expected</td>
<td>1.7</td>
<td>1.0</td>
<td>.1</td>
<td>.1</td>
<td>.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Missing Value</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Expected</td>
<td>1.1</td>
<td>.7</td>
<td>.1</td>
<td>.1</td>
<td>.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>26</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>79</td>
</tr>
</tbody>
</table>

**Source:** Researcher’s Field Survey (2013)

### Table 8.18 Chi-Square Tests: NRC Privatisation and Efficiency

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>87.025*</td>
<td>25</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>46.060</td>
<td>25</td>
<td>.006</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>4.230</td>
<td>1</td>
<td>.040</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>79</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* a. 31 cells (86.1%) have expected count less than 5. The minimum expected count is .03.
** Source:** Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – efficiency and its privatisation. There is a very strong evidence to suggest that there is a relationship between NRC performance indicator – efficiency and its privatisation ($\chi^2 = 87.025$ degrees of freedom = 25, Asymp = .000, p<.05). Given the choice for NRC privatisation, its performance indicator – “efficiency” will probably improve hence; 28% strongly agree, 19% agree.
8.3.2.3 The Research Specific – Productivity Performance Indicator

To test that:

**H1:** There is a relationship between NRC performance indicator – productivity and its privatisation.

### Table 8.19 Privatisation of NRC Will Enhance Productivity Cross tabulation

<table>
<thead>
<tr>
<th>Privatising NRC</th>
<th>Likert Scale</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Missing Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>Count</td>
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<td>2</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>Expected</td>
<td>14.1</td>
<td>10.8</td>
<td>1.9</td>
<td>.4</td>
<td>.7</td>
<td>1.1</td>
<td>28.0</td>
</tr>
<tr>
<td>Agree</td>
<td>Count</td>
<td>7</td>
<td>21</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>28</td>
</tr>
<tr>
<td>Agree</td>
<td>Expected</td>
<td>13.6</td>
<td>10.4</td>
<td>1.8</td>
<td>.4</td>
<td>.7</td>
<td>1.1</td>
<td>28.0</td>
</tr>
<tr>
<td>Undecided</td>
<td>Count</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Undecided</td>
<td>Expected</td>
<td>2.9</td>
<td>2.2</td>
<td>.4</td>
<td>.1</td>
<td>.2</td>
<td>.2</td>
<td>6.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>Count</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>Expected</td>
<td>4.9</td>
<td>3.7</td>
<td>.6</td>
<td>.1</td>
<td>.3</td>
<td>.4</td>
<td>10.0</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>Count</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>Expected</td>
<td>1.5</td>
<td>1.1</td>
<td>.2</td>
<td>.0</td>
<td>.1</td>
<td>.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Missing Value</td>
<td>Count</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Missing Value</td>
<td>Expected</td>
<td>1.0</td>
<td>.7</td>
<td>.1</td>
<td>.0</td>
<td>.1</td>
<td>.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>38</td>
<td>29</td>
<td>5</td>
<td>1</td>
<td>2</td>
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<td>5.0</td>
<td>1.0</td>
<td>2.0</td>
<td>3.0</td>
<td>78.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

### Table 8.20 Chi-Square Tests NRC Privatisation and Productivity

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>129.648</td>
<td>25</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>67.678</td>
<td>25</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>11.064</td>
<td>1</td>
<td>.001</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>78</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 32 cells (88.9%) have expected count less than 5. The minimum expected count is .03.

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to inquire as to whether there is no relationship between NRC performance indicator – productivity and its privatisation. There is a very strong evidence to suggest that there is a relationship between NRC performance indicator – productivity and its privatisation ($\chi^2 = 129.648$, degrees of freedom = 25, Asymp = .000, p<.05). Given the choice for NRC privatisation, its performance indicator – “productivity” will probably improve and hence; 30% strongly agree, 27% agree.
8.3.2.4 The Research Specific – Profitability Performance Indicator

To test that:

**H₁:** There is relationship between NRC performance indicator – profitability and its privatisation.

Table 8.21 Privatisation of NRC Will Enhance its Financial Viability

<table>
<thead>
<tr>
<th>Privatising NRC</th>
<th>Likert Scale</th>
<th>Financial Viability (Profitability)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>Count</td>
<td>18</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>14.7</td>
<td>7.5</td>
</tr>
<tr>
<td>Agree</td>
<td>Count</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>14.7</td>
<td>7.5</td>
</tr>
<tr>
<td>Undecided</td>
<td>Count</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>3.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Disagree</td>
<td>Count</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>5.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Strongly</td>
<td>Count</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Disagree</td>
<td>Expected</td>
<td>1.6</td>
<td>.8</td>
</tr>
<tr>
<td>Missing Value</td>
<td>Count</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>1.1</td>
<td>.5</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>41</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>41.0</td>
<td>21.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

Table 8.22 Chi-Square Tests NRC Privatisation and Financial Viability

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>34.385</td>
<td>20</td>
<td>.024</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>38.526</td>
<td>20</td>
<td>.008</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.104</td>
<td>1</td>
<td>.748</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>76</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 25 cells (83.3%) have expected count less than 5. The minimum expected count is .05.

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to inquire as to whether there is no relationship between NRC performance indicator – profitability and its privatisation. There is no evidence to suggest that there is a relationship between NRC performance indicator – profitability and its privatisation ($\chi^2 = 34.385$, degrees of freedom = 20, Asymp = .024, p> .05). Given the choice for NRC privatisation, its performance indicator – “profitability” will probably improve and hence; 23% strongly agree, 17% agree.
8.3.3 The Research Purpose – An Evaluation of Critical Choices (MCQ Group)

To test that:

**H₁:** There is a relationship between the Choice of privatisation method and its impact on the performance of NRC.

### Table 8.23 NRC Choice of Privatisation Method and Impact on Performance Cross-tabulation

<table>
<thead>
<tr>
<th>NRC Privatisation Method</th>
<th>Choice Impact on NRC</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Buy-Out</td>
<td>Count</td>
<td>0ₐ</td>
<td>1ₐ</td>
<td>1</td>
</tr>
<tr>
<td>Management Contract</td>
<td>Count</td>
<td>2ₐ</td>
<td>0ₐ</td>
<td>2</td>
</tr>
<tr>
<td>Franchising</td>
<td>Count</td>
<td>0ₐ</td>
<td>1ₐ</td>
<td>1</td>
</tr>
<tr>
<td>Concession</td>
<td>Count</td>
<td>8ₐ</td>
<td>9ₐ</td>
<td>17</td>
</tr>
<tr>
<td>All of the Above</td>
<td>Count</td>
<td>0ₐ</td>
<td>1ₐ</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
<td>.5</td>
<td>.5</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
<td>1.1</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
<td>.5</td>
<td>.5</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Each subscript letter denotes a subset of Choice Impact on NRC categories whose column proportions do not differ significantly from each other at the .05 level.

Source: Researcher’s Field Survey (2013)

### Table 8.24 Chi-Square Tests: Privatisation Method and Performance

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>4.918ₐ</td>
<td>4</td>
<td>.296</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>6.808ₐ</td>
<td>4</td>
<td>.146</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.444</td>
<td>1</td>
<td>.505</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>22</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 8 cells (80.0%) have expected count less than 5. The minimum expected count is .45.

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between the choice of privatisation method and its impact on the performance indicators if the NRC is privatised. There is no significant relationship between the choice of privatisation method and its impact on performance indicators ($\chi^2 = 4.918$, degrees of freedom = 25, Asymp = .296, p>.05). Given the choice of privatisation method, 1% strongly agrees and chooses management buy-out as a privatisation method, while 2% strongly agree and choose management contract and 17% strongly agree and choose concession.
8.3.3.1 The Research Specific – Effectiveness Performance Indicator

To test that:

\( H_1: \) There is relationship between NRC performance indicator – effectiveness and its privatisation.

Table 8.25 Privatisation of NRC Will Enhance Effectiveness Cross tabulation

<table>
<thead>
<tr>
<th>NRC Privatisation</th>
<th>Likert Scale</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>Expected</td>
<td>.9</td>
<td>2.9</td>
<td>.2</td>
<td>4.0</td>
</tr>
<tr>
<td>Agree</td>
<td>Count</td>
<td>3</td>
<td>10</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>3.0</td>
<td>9.5</td>
<td>.6</td>
<td>13.0</td>
</tr>
<tr>
<td>Undecided</td>
<td>Count</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>.7</td>
<td>2.2</td>
<td>.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>Count</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>.5</td>
<td>1.5</td>
<td>.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>5</td>
<td>16</td>
<td>1</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>5.0</td>
<td>16.0</td>
<td>1.0</td>
<td>22.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

Table 8.26 Chi-Square Tests: NRC Privatisation and Effectiveness

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>13.211*</td>
<td>6</td>
<td>.040</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>8.826</td>
<td>6</td>
<td>.184</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>6.882</td>
<td>1</td>
<td>.009</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>22</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 11 cells (91.7%) have expected count less than 5. The minimum expected count is .09.
Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – effectiveness and its privatisation. There is no evidence to suggest that there is a relationship between NRC performance indicator – effectiveness and its privatisation \( (\chi^2 = 13.211, \text{degrees of freedom} = 6, \text{Asymp} = .040, p>05) \). Given the choice for NRC privatisation will improve its effectiveness, 9% strongly agree, 46% strongly agree.
8.3.3.2 The Research Specific – Efficiency Performance Indicator

To test that:

\( H_1: \) There is relationship between NRC performance indicator – efficiency and its privatisation.

Table 8.27 Privatisation of NRC Efficiency with Privatisation Cross tabulation

<table>
<thead>
<tr>
<th>Likert Scale</th>
<th>NRC Efficiency with Privatization</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Missing Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRC Privatisation</td>
<td>Count</td>
<td>Strongly Agree</td>
<td>Agree</td>
<td>Disagree</td>
<td>Missing Value</td>
<td>Total</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>Expected 2.2, 1.5, .2, .2, 4.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>8</td>
<td>4</td>
<td>0</td>
<td>1</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>Expected 7.1, 4.7, .6, .6, 13.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undecided</td>
<td>Count 0</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Expected 1.6, 1.1, .1, .1, 3.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>Count 0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Expected 1.1, .7, .1, .1, 2.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Count 12</td>
<td>8</td>
<td>1</td>
<td>1</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Expected 12.0, 8.0, 1.0, 1.0, 22.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

Table 8.28 Chi-Square Tests: NRC Privatisation and Efficiency

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>20.061a</td>
<td>9</td>
<td>.018</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>17.997</td>
<td>9</td>
<td>.035</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>3.686</td>
<td>1</td>
<td>.055</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>22</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 15 cells (93.8%) have expected count less than 5. The minimum expected count is .09.
Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to identify whether there is no relationship between NRC performance indicator – efficiency and its privatisation. The test results indicated that there is a strong evidence to suggest that there is a relationship between NRC performance indicator – efficiency and its privatisation (\( \chi^2 = 20.061 \), degrees of freedom = 9, Asymp = .018, p<.05). Therefore, given the choice for NRC privatisation, its performance indicator – “efficiency” will probably improve, hence 18% strongly agree, 18% agree.
### 8.3.3.3 The Research Specific – Productivity Performance Indicator

To test that:

**H$_1$**: There is relationship between NRC performance indicator – productivity and its privatisation.

#### Table 8.29 Privatisation of NRC Will Enhance Productivity Cross tabulation

<table>
<thead>
<tr>
<th>Likert Scale</th>
<th>NRC Productivity with Privatisation</th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
<td>Undecided</td>
<td>Disagree</td>
<td></td>
</tr>
<tr>
<td>NRC Privatisation</td>
<td>Count</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Agree</td>
<td>1.8</td>
<td>1.5</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Privatisation</td>
<td>Count</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Undecided</td>
<td>5.9</td>
<td>4.7</td>
<td>1.2</td>
<td>1.2</td>
<td>13.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td>22</td>
</tr>
</tbody>
</table>

#### Table 8.30 Chi-Square Tests: NRC Privatisation and Productivity

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>23.812</td>
<td>9</td>
<td>.005</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>20.860</td>
<td>9</td>
<td>.013</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>8.305</td>
<td>1</td>
<td>.004</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>22</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – productivity and its privatisation. There is an evidence to suggest that there is a relationship between NRC performance indicator – productivity and its privatisation ($\chi^2 = 23.812$, degrees of freedom = 9, Asymp = .005, p = .05). Given the choice for NRC privatisation will improve its productivity, 18% strongly agree, 27% agree.
8.3.3.4 The Research Specific – Infrastructural Investment Performance Indicator

To test that:

\( \text{H}_1: \) There is relationship between NRC performance indicator – infrastructural investment and its privatisation.

### Table 8.31 Privatisation of NRC Will Enhance Infrastructural Investment

<table>
<thead>
<tr>
<th>Likert Scale</th>
<th>Privatisation Enhance Infrastructure</th>
<th>Count</th>
<th></th>
<th>Count</th>
<th></th>
<th>Count</th>
<th></th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Agree</td>
<td></td>
<td></td>
<td></td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Expected</td>
<td></td>
<td></td>
<td></td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undecided</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Agree</td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Expected</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Agree</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Expected</td>
<td></td>
<td></td>
<td></td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td>7</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

### Table 8.32 Chi-Square Tests: NRC Privatisation and Infrastructural Investment

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>6.437</td>
<td>6</td>
<td>.376</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>7.895</td>
<td>6</td>
<td>.246</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>2.859</td>
<td>1</td>
<td>.091</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>22</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 11 cells (91.7%) have expected count less than 5. The minimum expected count is .27.

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – infrastructural investment and its privatisation. There is no evidence to suggest that there is a relationship between NRC performance indicator – infrastructural investment and its privatisation \( (\chi^2 = 6.437, \text{degrees of freedom} = 6, \text{Asymp} = .376, p>.05)\). Given the choice for NRC privatisation will improve its infrastructural investment, 10% strongly agree, 27% agree.
8.3.3.5 The Research Specific – Profitability Performance Indicator

To test that:

**H\textsubscript{1}:** There is relationship between NRC performance indicator – profitability and its privatisation.

Table 8.33 Privatisation of NRC Will Enhance Financial Viability Cross tabulation

<table>
<thead>
<tr>
<th>NRC Privatisation</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Expected</td>
<td>1.5</td>
<td>1.1</td>
<td>.5</td>
<td>.7</td>
<td>.2</td>
<td>4.0</td>
</tr>
<tr>
<td>Agree</td>
<td>5</td>
<td>6</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Expected</td>
<td>4.7</td>
<td>3.5</td>
<td>1.8</td>
<td>2.4</td>
<td>.6</td>
<td>13.0</td>
</tr>
<tr>
<td>Undecided</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Expected</td>
<td>1.1</td>
<td>.8</td>
<td>.4</td>
<td>.5</td>
<td>.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Expected</td>
<td>.7</td>
<td>.5</td>
<td>.3</td>
<td>.4</td>
<td>.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>6</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to inquire whether there is no relationship between NRC performance indicator – profitability and its privatisation. Test results indicated that there is no evidence to suggest that there is a relationship between NRC performance indicator – profitability and its privatisation ($\chi^2 = 24.850$, degrees of freedom = 12, Asymp = .016, p>.05). Given the choice for NRC privatisation, its performance indicator – “profitability” will improve and hence, 14% strongly agree, 27% agree.
8.3.4 The Research Purpose – An Evaluation of Critical Choices (ECQ Group)

To test that:

**H₁:** There is relationship between the Choice of privatisation method and its impact on the performance of NRC.

### Table 8.35 NRC Choice of Privatisation Method and Impact on NRC Performance

<table>
<thead>
<tr>
<th>Privatisation Critical Choices</th>
<th>Count</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Buy-Out</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Management Contract</td>
<td>0.6</td>
<td>.9</td>
<td>.5</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>Franchising</td>
<td>.3</td>
<td>.5</td>
<td>.3</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Concession</td>
<td>5</td>
<td>6</td>
<td>3</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>All of the Above</td>
<td>4.2</td>
<td>6.3</td>
<td>3.5</td>
<td>14.0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NRC Privatisation Method</th>
<th>Expected Count</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Buy-Out</td>
<td>.6</td>
<td>.9</td>
<td>.5</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>Management Contract</td>
<td>6.0</td>
<td>9.0</td>
<td>5.0</td>
<td>20.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

### Table 8.36 Chi-Square Tests: Privatisation Method and Performance

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>8.571</td>
<td>8</td>
<td>.380</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>10.205</td>
<td>8</td>
<td>.251</td>
</tr>
<tr>
<td>Linear-by-Linear Assoc.</td>
<td>.360</td>
<td>1</td>
<td>.549</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 14 cells (93.3%) have expected count less than 5. The minimum expected count is .25.

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between the choice of privatisation method and its impact on the performance indicators if the NRC is privatised. There is no significant relationship between the choice of privatisation method and its impact on performance indicators ($\chi^2 = 8.571$, degrees of freedom = 8, Asymp = .380, $p>.05$). Given the choice of privatisation method, 1% strongly agrees choose management buy-out, 1% strongly agree and choose management contract, 11% strongly agree and choose concession.
8.3.4.1 The Research Specific – Effectiveness Performance Indicator

To test that:

H₁: There is relationship between NRC performance indicator – effectiveness and its privatisation.

Table 8.37 Privatisation of NRC Will Enhance Effectiveness Cross tabulation

<table>
<thead>
<tr>
<th>Privatisation of NRC</th>
<th>Likert Scale</th>
<th>Count</th>
<th>Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>6</td>
<td>3.6</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>2</td>
<td>2.8</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>0</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td>Missing Values</td>
<td>0</td>
<td>.4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>8</td>
<td>8.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Privatisation of NRC</th>
<th>Likert Scale</th>
<th>Count</th>
<th>Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>3</td>
<td>3.6</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>4</td>
<td>2.8</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Missing Values</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>8</td>
<td>8.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Privatisation of NRC</th>
<th>Likert Scale</th>
<th>Count</th>
<th>Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>0</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>1</td>
<td>.5</td>
</tr>
<tr>
<td></td>
<td>Missing Values</td>
<td>0</td>
<td>.2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3</td>
<td>3.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Privatisation of NRC</th>
<th>Likert Scale</th>
<th>Count</th>
<th>Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>0</td>
<td>.5</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>1</td>
<td>.4</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>2</td>
<td>.2</td>
</tr>
<tr>
<td></td>
<td>Missing Values</td>
<td>0</td>
<td>.1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1</td>
<td>1.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Privatisation of NRC</th>
<th>Likert Scale</th>
<th>Count</th>
<th>Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>9</td>
<td>9.0</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>7</td>
<td>7.0</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>Missing Values</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>20</td>
<td>20.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

Table 8.38 Chi-Square Tests: NRC Privatisation and Effectiveness

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>18.651</td>
<td>9</td>
<td>.028</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>18.039</td>
<td>9</td>
<td>.035</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>7.069</td>
<td>1</td>
<td>.008</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 16 cells (100.0%) have expected count less than 5. The minimum expected count is .05.

Source: Researcher’s Field Survey 2013

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – effectiveness and its privatisation. There is no evidence to suggest that there is a relationship between NRC performance indicator – effectiveness and its privatisation ($\chi^2 = 18.651$, degrees of freedom = 9, Asymp = .028, p>05). Given the choice for NRC privatisation will improve its effectiveness, 30% strongly agree, 20% agree.
8.3.4.2 The Research Specific – Efficiency Performance Indicator

To test that:

**H₁:** There is relationship between NRC performance indicator – efficiency and its privatisation.

### Table 8.39 Privatisation of NRC Will Enhance Efficiency Cross tabulation

<table>
<thead>
<tr>
<th>Privatisation of NRC</th>
<th>Likert Scale</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Missing Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>Count</td>
<td>2</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Expected</td>
<td></td>
<td>1.6</td>
<td>4.8</td>
<td>.4</td>
<td>.4</td>
<td>.4</td>
<td>8.0</td>
</tr>
<tr>
<td>Agree</td>
<td>Count</td>
<td>2</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Expected</td>
<td></td>
<td>1.6</td>
<td>4.8</td>
<td>.4</td>
<td>.4</td>
<td>.4</td>
<td>8.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>Count</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Expected</td>
<td></td>
<td>.6</td>
<td>1.8</td>
<td>.2</td>
<td>.2</td>
<td>.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>Count</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Expected</td>
<td></td>
<td>.2</td>
<td>.6</td>
<td>.1</td>
<td>.1</td>
<td>.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>4</td>
<td>12</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>Expected</td>
<td></td>
<td>4.0</td>
<td>12.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>20.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

### Table 8.40 Chi-Square Tests: NRC Privatisation and Efficiency

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>34.097</td>
<td>15</td>
<td>.003</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>19.108</td>
<td>15</td>
<td>.209</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>7.163</td>
<td>1</td>
<td>.007</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 24 cells (100.0%) have expected count less than 5. The minimum expected count is .05.

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – efficiency and its privatisation. There is a very strong evidence to suggest that there is a relationship between NRC performance indicator – efficiency and its privatisation ($\chi^2 = 34.097$, degrees of freedom = 15, Asymp = .003, p<.05). Given the choice for NRC privatisation will improve its efficiency, 10% strongly agree, 25% agree.
8.3.4.3 The Research Specific – Productivity Performance Indicator

To test that:

**H₁:** There is relationship between NRC performance indicator – productivity and its privatisation.

### Table 8.41 Privatisation of NRC Will Enhance Productivity Cross tabulation

<table>
<thead>
<tr>
<th>Likert Scale</th>
<th>Privatisation of NRC</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>Count</td>
<td>2</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>1.2</td>
<td>4.4</td>
<td>1.6</td>
<td>.8</td>
<td>8.0</td>
</tr>
<tr>
<td>Agree</td>
<td>Count</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>1.2</td>
<td>4.4</td>
<td>1.6</td>
<td>.8</td>
<td>8.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>Count</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>.5</td>
<td>1.7</td>
<td>.6</td>
<td>.3</td>
<td>3.0</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>Count</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>.2</td>
<td>.6</td>
<td>.2</td>
<td>.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>3</td>
<td>11</td>
<td>4</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>3.0</td>
<td>11.0</td>
<td>4.0</td>
<td>2.0</td>
<td>20.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

### Table 8.42 Chi-Square Tests: NRC Privatisation and Productivity

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>17.008*</td>
<td>9</td>
<td>.049</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>14.396</td>
<td>9</td>
<td>.109</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>7.218</td>
<td>1</td>
<td>.007</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* 16 cells (100.0%) have expected count less than 5. The minimum expected count is .10.

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – productivity and its privatisation. There is no evidence to suggest that there is a relationship between NRC performance indicator – productivity and its privatisation ($\chi^2 = 17.008$, degrees of freedom $= 9$, Asymp $= .049$, p>.05). Given the choice for NRC privatisation will improve its productivity, 10% strongly agree, 20% agree.
8.3.4.4 The Research Specific – Infrastructural Investment Performance Indicator

To test that:

\[ H_1: \text{There is a relationship between NRC performance indicator – infrastructural investment and its privatisation.} \]

Table 8.43 Privatisation of NRC Will Enhance Infrastructural Investment
Cross tabulation

<table>
<thead>
<tr>
<th>Privatisation of NRC</th>
<th>Likert Scale</th>
<th>Privatisation Enhance Infrastructure</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
<td>Undecided</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>Count</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
<td>1.2</td>
<td>6.0</td>
</tr>
<tr>
<td>Agree</td>
<td>Count</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
<td>1.2</td>
<td>6.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>Count</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
<td>.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>Count</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
<td>.2</td>
<td>.8</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
<td>3.0</td>
<td>15.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2013)

A non-parametric chi-squared test was used to test if there is no relationship between NRC performance indicator – infrastructural investment and its privatisation. There is no evidence to suggest that there is a relationship between NRC performance indicator – infrastructural investment and its privatisation (\( \chi^2 = 18.444 \), degrees of freedom = 9, Asymp = .030, p>.05).

Given the choice for NRC privatisation will improve its infrastructural investment, 10% strongly agree, 35% agree.
8.4 Conclusion

This chapter carried out an analysis of the empirical research findings of counterfactual results of a test of opinion, perception and belief with respect to the expected outcome of post privatisation of NRC on its respective performance indicators with the detailed findings shown in Chapter Six and Seven. The analysis of the research data was carried out with the aid of statistical models suitable for the data analysis. A categorical data analysis model was used as it is the most suitable for the nature of the data obtained from the respective survey samples. The majority of the data collected were ordinate data, and hence, a categorical data analysis was most suitable. The statistical models used for the tests conducted included cross-tabulation and chi-squared tests for all of the four group samples for both the purpose test and for the specific tests.

Overall, the various hypotheses testing carried out on the research data appears to be indifferent to some of the research questions posed in Chapter Four, whereas, in others the findings support the research hypothesis. Therefore, we can conclude that privatisation, be what it may, will not be a panacea to the various operational issues confronting the NRC as opined. Take for instance, the hypothesis test of research purpose using the chi-squared test on all four samples. Out of the four samples, three groups accepted the alternative hypothesis and therefore concluded that there is significant evidence to suggest that, “a choice of privatisation method will have an impact on the performance indicators of NRC”. Whereas, only one sample rejected the alternative hypothesis and hence concluded that there was no evidence to suggest that a privatisation method will have a significant influence on the performance indicators of NRC if privatised.

The reason for this decision by the Government and Regulatory Bodies (GB&B sample) is not farfetched. The individuals in this group are regulators, hence there may be bias in their opinion to support or it could be a case of conflict of interest because of their own vested interest in the privatisation process. A critical and detailed evaluation of the test results is discussed in Chapter Nine with further evidence drawn from the study of various literatures on the subject conducted in Chapter Three to corroborate the respective test results obtained.
Chapter Nine

Evaluation of Survey Results and Conclusion

9.1 Introduction

This chapter concludes the research project and presents an evaluation of the survey results. There is an overview of the research as well as the research gaps as well as a critical evaluation and discussion of the results of the empirical research findings from all samples and corroborates the findings with the literature study conducted in Chapter Three. As stated in Chapter Three, the virtual respondents were carefully selected based on their education, age and profession. Equally, the motive of the research was clearly communicated to the respondents as well as solicits voluntary participation and disclosure of relevant information to support the research (see Appendices 11.2, 11.4, 11.5, 11.10, 11.11 & 11.12, p. 232 - 253). All these due diligences were followed to achieve an informed consent of the respondents and therefore bolster the integrity and reliability of the research study.

The research findings from the test of opinion of NRC privatisation from three of the four samples concluded that there is no evidence to suggest that there is a relationship between choice of privatisation method and NRC performance indicators, whereas only one sample concluded that, there is a relationship between the choice of privatisation method and NRC performance. However, the individual results of the survey actually show a relationship between a privatisation method and the performance indicators of NRC which is very surprising. In addition, the external group samples concluded that there is an improvement in the performance indicators as a result of privatisation, while the internal group concluded that, there is no evidence to suggest an improvement in performance indicators as a result of privatisation.

This chapter presents an evaluation of the survey results, a critical evaluation and discussion of research findings from all samples, as well as a test of opinion from the previous literature search conducted in Chapter Three. The research conclusion is drawn from the survey conducted and provides answers to the research questions and hypotheses formulated in Chapter Four. Finally, it provides recommendations and an examination of areas of further research studies.
9.2 An Overview of the Research Gap

The research study attempts to find answers through an empirical study for the following questions identified in Chapter One, which were also described as the research gaps:

- Is it really an ownership issue or a management of the enterprise issue?
- Is it a government supervisory/regulatory issue or a deliberate act of corruption?
- Is it a problem of insistence of government intervention or a lack of goal congruence on the part of the state owned enterprises?
- Is it a lack of policy consistency or official corruption or nepotism?
- Is it a lack of investment or a poor maintenance culture?

9.3 Summary of Research Findings

The tables below detailed the summaries of the empirical study findings also corroborated with the respective literature search and independent empirical studies already carried out to corroborate the respective research findings. (See Tables 9.1 – 9.4)

<table>
<thead>
<tr>
<th>Research Study</th>
<th>Description of Research Test</th>
<th>Research Hypotheses Tested</th>
<th>Empirical Study Results and Findings</th>
<th>Degree of Support and Empirical Literatures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research purpose - Choice of Privatisation</td>
<td>Test impact of choice of privatisation method on NRC performance.</td>
<td>There is no relationship between the Choice of privatisation method and its impact on the performance of NRC.</td>
<td>There is no evidence to suggest any relationship between choice of privatisation method and NRC performance.</td>
<td>Degree of support - None (Glaister (2004), Sachs, Zinnes &amp; Eliat (2000), in Amakon (2003))</td>
</tr>
<tr>
<td>Research Specific - Effectiveness</td>
<td>Test if there is relationship between NRC performance indicator – effectiveness and its privatisation.</td>
<td>Test if there is no relationship between NRC performance indicator – effectiveness and its privatisation.</td>
<td>There is very strong evidence to suggest an improvement in the effectiveness performance indicator as a result of privatisation.</td>
<td>Degree of support - High (Bullock (2009), Kikeri et al. (1994) in Salawu (2005), Kopicki &amp; Thompson (1995))</td>
</tr>
<tr>
<td>Research Specific - Efficiency</td>
<td>Test if there is relationship between NRC performance indicator – efficiency and its privatisation.</td>
<td>There is no relationship between NRC performance indicator – efficiency and its privatisation.</td>
<td>There is very strong evidence to suggest an improvement in the efficiency performance indicator as a result of privatisation.</td>
<td>Degree of support - High (Bishop, Kay &amp; Mayer, (1996), Kikeris, Nellis &amp; Shirley, 1992; Boycko, Shlefer &amp; Vishny, 1996; Jerome (1999, 2005))</td>
</tr>
<tr>
<td>Research Specific - Productivity</td>
<td>Test if there is relationship between NRC performance indicator – productivity and its privatisation.</td>
<td>There is no relationship between NRC performance indicator – productivity and its privatisation.</td>
<td>There is no evidence to suggest an improvement in the productivity performance indicator as a result of privatisation.</td>
<td>Degree of support - None</td>
</tr>
<tr>
<td>Research Specific - Profitability</td>
<td>Test if there is relationship between NRC performance indicator – profitability and its privatisation.</td>
<td>There is no relationship between NRC performance indicator – profitability and its privatisation.</td>
<td>There is very strong evidence to suggest an improvement in the profitability performance indicator as a result of privatisation.</td>
<td>Degree of support - High (Bullock (2005), Jerome (2008), Muogbo (2013), Kopicki &amp; Thompson (1995))</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2014)
### Table 9.2 Summary of Findings: Government and Regulatory Bodies Sample (G&RBQ)

<table>
<thead>
<tr>
<th>Research Study</th>
<th>Description of Research Test</th>
<th>Research Hypotheses Tested</th>
<th>Empirical Study Results and Findings</th>
<th>Degree of Support and Empirical Literatures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choice of Privatisation</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Research Specific -</td>
<td>Test if there is relationship between NRC performance indicator – effectiveness and its privatisation</td>
<td>There is no relationship between NRC performance indicator – effectiveness and its privatisation</td>
<td>There is very strong evidence to suggest an improvement in the effectiveness performance indicator as a result of privatisation.</td>
<td>Degree of support - High Bullock (2009), Kikeri et al. (1994) in Salawu (2005), Kopicki &amp; Thompson (1995).</td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Specific -</td>
<td>Test if there is relationship between NRC performance indicator – efficiency and its privatisation</td>
<td>There is no relationship between NRC performance indicator – efficiency and its privatisation</td>
<td>There is very strong evidence to suggest an improvement in the efficiency performance indicator as a result of privatisation.</td>
<td>Degree of support - High Bullock (2009), Kikeri et al. (1994) in Salawu (2005), Kopicki &amp; Thompson (1995).</td>
</tr>
<tr>
<td>Efficiency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Specific -</td>
<td>Test if there is relationship between NRC performance indicator – productivity and its privatisation</td>
<td>There is no relationship between NRC performance indicator – productivity and its privatisation</td>
<td>There is very strong evidence to suggest an improvement in the productivity performance indicator as a result of privatisation.</td>
<td>Degree of support - High Bullock (2009), Kikeri et al. (1994) in Salawu (2005), Kopicki &amp; Thompson (1995).</td>
</tr>
<tr>
<td>Productivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Specific -</td>
<td>Test if there is relationship between NRC performance indicator – profitability and its privatisation</td>
<td>There is no relationship between NRC performance indicator – profitability and its privatisation</td>
<td>There is no evidence to suggest an improvement in the profitability performance indicator as a result of privatisation.</td>
<td>Degree of support - None</td>
</tr>
<tr>
<td>Profitability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2014)

### Table 9.3 Summary of Findings: Management of The NRC Sample (MCQ)

<table>
<thead>
<tr>
<th>Research Study</th>
<th>Description of Research Test</th>
<th>Research Hypotheses Tested</th>
<th>Empirical Study Results and Findings</th>
<th>Degree of Support and Empirical Literatures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research purpose-</td>
<td>Test impact of choice of privatisation method on NRC performance.</td>
<td>There is no relationship between the Choice of privatisation method and its impact on the performance of NRC.</td>
<td>There is no evidence to suggest any relationship between choice of privatisation method and NRC performance.</td>
<td>Degree of support - None</td>
</tr>
<tr>
<td>Choice of Privatisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Specific -</td>
<td>Test if there is relationship between NRC performance indicator – effectiveness and its privatisation</td>
<td>There is no relationship between NRC performance indicator – effectiveness and its privatisation</td>
<td>There is no evidence to suggest an improvement in the effectiveness performance indicator as a result of privatisation.</td>
<td>Degree of support - None</td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Research Specific -</td>
<td>Test if there is relationship between NRC performance indicator – efficiency and its privatisation</td>
<td>There is no relationship between NRC performance indicator – efficiency and its privatisation</td>
<td>There is no evidence to suggest an improvement in the efficiency performance indicator as a result of privatisation.</td>
<td>Degree of support - None</td>
</tr>
<tr>
<td>Efficiency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Specific -</td>
<td>Test if there is relationship between NRC performance indicator – productivity and its privatisation</td>
<td>There is no relationship between NRC performance indicator – productivity and its privatisation</td>
<td>There is no evidence to suggest an improvement in the productivity performance indicator as a result of privatisation.</td>
<td>Degree of support - None</td>
</tr>
<tr>
<td>Productivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Specific –</td>
<td>Test if there is relationship between NRC performance indicator – infrastructural investment and its privatisation</td>
<td>There is no relationship between NRC performance indicator – infrastructural investment and its privatisation</td>
<td>There is no evidence to suggest an improvement in the infrastructural investment performance indicator as a result of privatisation.</td>
<td>Degree of support - None</td>
</tr>
<tr>
<td>Infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Research Specific -</td>
<td>Test if there is relationship between NRC performance indicator – profitability and its privatisation</td>
<td>There is no relationship between NRC performance indicator – profitability and its privatisation</td>
<td>There is no evidence to suggest an improvement in the profitability performance indicator as a result of privatisation.</td>
<td>Degree of support - None</td>
</tr>
<tr>
<td>Profitability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2014)
### Table 9.4 Summary of Findings: Employees of The NRC Sample (ECQ)

<table>
<thead>
<tr>
<th>Research Study</th>
<th>Description of Research Test</th>
<th>Research Hypotheses Tested</th>
<th>Empirical Study Results and Findings</th>
<th>Degree of Support and Empirical Literatures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research purpose-Choice of Privatisation</td>
<td>Test impact of choice of privatisation method on NRC performance.</td>
<td>There is no relationship between the Choice of privatisation method and its impact on the performance of NRC.</td>
<td>There is no evidence to suggest any relationship between choice of privatisation method and NRC performance.</td>
<td>Degree of support - None</td>
</tr>
<tr>
<td>Research Specific - Effectiveness</td>
<td>Test if there is relationship between NRC performance indicator – effectiveness and its privatisation.</td>
<td>There is no relationship between NRC performance indicator – effectiveness and its privatisation.</td>
<td>There is no evidence to suggest an improvement in the effectiveness performance indicator as a result of privatisation.</td>
<td>Degree of support - None</td>
</tr>
<tr>
<td>Research Specific - Efficiency</td>
<td>Test if there is relationship between NRC performance indicator – efficiency and its privatisation.</td>
<td>There is no relationship between NRC performance indicator – efficiency and its privatisation.</td>
<td>There is evidence to suggest an improvement in the efficiency performance indicator as a result of privatisation.</td>
<td>Degree of support - None</td>
</tr>
<tr>
<td>Research Specific - Productivity</td>
<td>Test if there is relationship between NRC performance indicator – productivity and its privatisation.</td>
<td>There is no relationship between NRC performance indicator – productivity and its privatisation.</td>
<td>There is no evidence to suggest an improvement in the productivity performance indicator as a result of privatisation.</td>
<td>Degree of support - None</td>
</tr>
<tr>
<td>Research Specific – Infrastructure Investment</td>
<td>Test if there is relationship between NRC performance indicator – infrastructural investment and its privatisation.</td>
<td>There is no relationship between NRC performance indicator – infrastructural investment and its privatisation.</td>
<td>There is no evidence to suggest an improvement in the infrastructural investment performance indicator as a result of privatisation.</td>
<td>Degree of support - None</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Survey (2014)

### 9.4 Critical Evaluation and Discussion of Research Findings from all Samples

Based on all the statistical tests, the following may be concluded from the respective test statistics carried out.

#### 9.4.1 The Research Purpose – Evaluation of Critical Choices

The result of the survey from the members of the public (MPQ) concluded that there was no evidence of a relationship between the choice of privatisation method and its impact on performance indicators (effectiveness, efficiency, investment, productivity and profitability) if the NRC is privatised. However, there was an opposing view with the results from the government officials and regulatory bodies (G&RB), which concluded that there was very strong evidence of a relationship between the choice of privatisation method and its impact on the performance indicators (effectiveness, efficiency, investment, productivity and profitability) of the NRC. The test result was very surprising in that, all the respondents all supported the privatisation policy, however, a choice does not matter according to the test results.

Results from another sample surveyed, the management of NRC (MCQ) concluded that there was no evidence of a relationship between the choice of privatisation method and its impact on the performance indicators (effectiveness, efficiency, investment, productivity and profitability) of the NRC. Finally, the results of the employees of the NRC (ECQ) also
concluded that there was no evidence of a relationship between the choice of privatisation method and its impact on the performance indicators (effectiveness, efficiency, investment, productivity and profitability) of the NRC.

From the sample results and the statistical hypotheses therefore, three of the samples (MPQ, MCQ and ECQ) all indicated no relationship between the choice of privatisation method and the performance indicators of the NRC, if privatised. However, one sample (G&RBQ) demonstrated a different outcome concluding that there is significant evidence to establish a high degree of correlation between privatisation type and company growth (Bennett 2007). In addition, Nheri (2012, p. 98) supported Bennett’s view stating that “the use of share issue privatisations as divestment method are, also, associated with higher efficiency and output.”

Although the majority of the samples suggested that there is no relationship between ownership and company growth which is quite surprising, although this result is not farfetched considering the position of the literature study, especially the work of Glaister (2004, p. 53), who concluded that “the fundamental principle driving the British Railways policy of the 1990s was not change of ownership (Privatisation). It noted an establishment of competition in every aspect of the business in order to achieve cost efficiency and also transparency of policy.” This can also be deduced as the reason behind the conclusion and the divergent opinion expressed by the respondents.

Additionally, Sachs, Zinnes & Eilat (2000), cited in Amakon (2003, p. 2), also corroborated this by stating, in an empirical study, that “change of title alone is not sufficient to generate economic performance gains, the real gains of privatisation come from combining change of title reforms with other structural reforms.” Both of these studies support the contingency theory discussed earlier in Chapter Three, hence in spite of the divergent opinion from the researchers’ ontology’s believe, this position might be true in that NRC particularly if made to be much more productive by merely re-organising it and make management much more proactive, accountable and transparent as suggested by Gupta & Sathye (2008).
9.4.2 The Research Specific – Effectiveness Performance Indicator

Based on the results from the members of the public (MPQ), it was concluded that there was an evidence to suggest that there is a strong relationship between NRC performance indicator – effectiveness and its privatisation. The results of the government officials and regulatory bodies (G&RBQ) also concluded that there is an evidence to suggest a strong relationship between NRC performance indicator – effectiveness and its privatisation.

On the other hand, and contrary to the above conclusions by the external sample group, the management of the NRC (MCQ) and the employees of the corporation (ECQ) concluded that there is no relationship between NRC performance indicator – effectiveness and its privatisation which indicated a divergent opinion between the two sample groups. The statistical tests of opinion results from the two samples is quite surprising from the original research believe as well as the responses obtained from the survey. As such it is safe to therefore suggest that the empirical study, therefore, does not prove convincingly a direct link nor establish a strong association between corporation effectiveness and the ownership structure through privatisation. However, theoretically it can be assumed that effectiveness might change if there is a change of ownership, particularly in a privatised environment. For instance, this position was espoused by Nellis (1994, p. 1), when it was argued that the issue of privatisation is a “neoclassical economic theory which suggests that the relationship between ownership and performance is tenuous; efficiency is therefore seen mainly as a function of market and innovative structures.”

However, Bullock, (2009, p. 15) noted that “rail travel is still safer than road travel, but the safety record of Sub-Saharan African railways is much worse than that of comparable railways elsewhere due to a combination of obsolete track infrastructure, poorly maintained rolling-stock, and a lack of operational discipline.” Bullock (2009, p. 16) concluded that “Concessioned railways cannot necessarily improve transit time, but they do generally try to address other aspects of service quality, such as safety, security, and reliability” which is paramount and as well, an important operational measures of corporate effectiveness.

Furthermore, privatisation may not lead to corporation effectiveness as opined by Salawu & Akinlo (2005, p. 171), who also disclosed the findings of the Onosode Commission (1984), “where government blamed the poor physical and financial performances of State owned enterprises in Nigeria on managerial inefficiency and incompetence,” which partly explains
the divergent opinion of the survey result indicating that there is no relationship between the change of ownership and NRC performance.

9.4.3 The Research Specific – Efficiency Performance Indicator

Regarding the efficiency performance indicator, test results for the members of the public (MPQ), the management of NRC (MCQ) and the employees of the corporation (ECQ), concluded that there is an evidence to suggest a strong relationship between NRC performance indicator – efficiency and its privatisation. The results of the government and regulatory bodies (G&RB), however, also supported the same view and also concluded that there was a strong evidence to suggest a significant change in the level of company efficiency as a result of privatisation.

The above empirical study results suggest that privatisation can be seen as an important impetus for corporations’ efficient operation. A point also noted by Bishop, Kay & Mayer (1996, p. 55), in their research opined that, ‘privatisation’ as a policy was “designed to improve the operating efficiency of public sector enterprises through increased exposure to competitive market forces. Hence, deregulating the rail sector is another form of reform which allows private participation, will enhance competition and improve operational efficiency.”

Amakon (2003, p. 4) suggested that “efficiency gains are always expected from the change in ownership structure in competitive sectors. Following privatisation, firms should employ their human, financial and technological resources more efficiently because of a greater stress on profit goals and a reduction of government subsidies,” this point was also shared by Kikeris, Nellis & Shirley, 1992; Boycko, Shlefer & Vishny, 1996. Also as a result of new investment, new technology and improved governance, privatisation is expected to lead to increase in efficiency.

In concluding this aspect, Adam et al., (1992, p. 2), emphasised that while “deregulation” and “liberalization” policies may expose state owned enterprises to greater commercial pressures, the adoption of ‘private sector-style’ management systems (commercialisation), employment incentive structures, balance sheet restructuring, debt and capital restructuring are all reforms that will bear directly on the efficiency of the sector, but they are not privatisation. Hence the
success or failure of sector reform through privatisation will depend on certain critical success factors discussed later.

9.4.4 The Research Specific – Productivity Performance Indicator

In terms of productivity performance indicator, the results from the members of the public (MPQ) concluded that there is no evidence to suggest a relationship between NRC performance indicator – productivity and its privatisation. The results from the government and regulatory bodies (G&RB), however, concluded that there is an evidence to suggest a strong relationship exist between NRC performance indicator – productivity and its privatisation. This corroborates Gawith’s (1992) stance with the Zambia Consolidated Copper Minnes (ZCCM) inherited by the Chiluba government in 1991. The benefits of privatisation were observed with an increase in production and a trimming of the labour force, unit costs improved.

Additionally, the results of the management of the NRC and the employees of the corporation also corroborated the results of the government officials and regulatory bodies, and therefore, indicated that the null hypothesis was rejected and concluded that there was strong evidence to suggest that there was significant change in the level of company productivity as a result of Privatisation.

The empirical study results are strengthened with the literature study which holds a contrasting view from the results of the members of the public and very strongly supported the views of management of the corporation, the employees of the corporation and government and regulatory bodies’ respectively stance. Concessioned railway in the UK operated with fewer staff, thereby reducing cost and improving performance as well as contributing to the bottom line in terms of profitability, which was expected as a result of privatisation (Martin 2002).

Kopicki & Thompson (1995, p. 9), cited in a World Bank study, observed that “with private railways the process of restructuring is equally essential to regaining competitive advantage, but the gap between customer expectations and the ability of the carrier to productively respond is typically not as great.” Kopicki & Thompson (1995, p. 9) noted further that “private railways usually maintain closer links with their customers and markets, competitive
pressures compel private railways to use their assets and work forces more productively and also force them to refocus their strategies.”

Thompson et al., (2001) and Mescht (2005) both revealed that traffic has increased after years of decline in most of the previously state-owned railways, labour productivity has improved significantly, and tariffs have been reduced to the benefit of rail users. Bullock (2005, p. 30) noted that “allocative efficiency is difficult to measure directly but concluded that the productivity of the railways after concessioning is significantly improved and there is every reason to think this improvement will continue.”

9.4.5 The Research Specific – Infrastructural Investment Performance Indicator
Regarding the infrastructural investment performance indicator, the results of the management of the NRC (MCQ) concluded that there is no evidence to suggest a relationship between NRC performance indicator – infrastructural investment and its privatisation However, the results of the employees of the corporation had a contrasting view and concluded that there is an evidence to suggest a strong relationship exist between NRC performance indicator – infrastructural investment and its privatisation

ECQ’s sample response stance appears to be in agreement with Odeleye’s view. Odeleye (2010), in an empirical study, observed that there were improvements since privatisation increased investment in new passenger trains, which are gradually replacing the old rolling stock. However, inferring from the UK rail Privatisation experience, part of the failure of the privatised BR rail privatisation was a low level of investment of infrastructure maintenance. Martin (2002, p. 5) explained that “the fourth fatal train crash since privatisation brought the role of maintenance work sub-contracting to the top of the agenda of problems caused by privatisation.”

In addition, Sarbib Jean-Louis (1997), cited in Amakom (2003, p. 2), observed that “privatisation in Africa is not only bringing about a change of ownership or management control; it is also encouraging much needed new investment in these businesses.” Also noted by Iyoha (2000); and Ndebbio, (2000), cited in Agba (2010, p. 96), was that, “privatisation of SOEs is expected to attract substantial investment, increased employment and reduce poverty.”
However, in corroborating the management of corporation stance, another study by Kakumoto (1999), and Odeleye (2010, p.7), observed that “Politicians influence the direction of growth and development in all modes of transport, railways inclusive, because investment in transportation facilities offers socio-economic benefits. Odeleye (2010, p.7), stated further that “publicly-owned institution government (politicians) dictates the direction of investment and day-to-day running of the railways, while the institution management has little or no say in determining the priority areas of investment.” This stance might have an impact on the NRC, which could be the reason why the management of the corporation was not supporting the idea of privatisation.

9.4.6 The Research Specific – Profitability Performance Indicator

In terms of the profitability performance indicator, the results from the members of the public (MPQ) concluded that there is an evidence to suggest a strong relationship exist between NRC performance indicator – profitability and its privatisation. However, the results from the government and regulatory bodies (G&RBQ) concluded that there is no evidence to suggest a relationship between NRC performance indicator – profitability and its privatisation.

Additionally, the result of the management of the NRC (MCQ) concluded that there is no evidence to suggest a relationship between the NRC performance indicator – profitability and its privatisation. Again the statistical test result is not in line with my expectation moreover the statistical test result is contributing to the divergent opinion held prior to the study and is quite surprising. This is despite the fact that the general public believes that because NRC is a state-owned enterprise, profit motive may not be pursued as it should, whereas if run privately it is likely to be profitable because of the business ideology and the vested interest that must be satisfied. However, the results prove this to be on the contrary which is quite surprising.

From the literature reviewed, it was indicated that privatisation may increase company profitability which is further strengthened by an empirical study by Bullock (2005), whose study indicated evidence of the concessions generating significant profits for their operators. Jerome (2008, p.49), in an empirical study, concluded that “privatization brings with it private owners who place greater emphasis on profit goals and also carry out new investments that lead to increased output and employment.”
In another study, Tynan (1999), cited in Mescht (2005, p.997) confirmed that “concessions have been more common than other form of private participation with most countries turning to the private sector, not only to improve the financial performance of the loss-making rail service, but also to restore deteriorating rail infrastructure.”

9.5 Railway Privatisation in Nigeria: Model Framework and Regulation

TERA International group Inc. (2006, p. 88), defined regulation as “a broad term for institutional rules governing market economies, in which governments intervene to modify the market to achieve socially desirable ends. Two broad categories of regulation can be distinguished: First, economic regulation defines the market environment within which industries operate and often establishes government agencies that authorize particular business operations. Second, social regulation bounds the market, establishes limits to competition and provides social accountability for economic externalities created by the forces of private competition.”

The regulatory framework will, therefore, enhance compliance, consistency and act as a checklist of events. It will assist compliance with standard operation settings, a performance measurement yardstick as well as act as a feedback and control mechanism. Regulation will assist in identifying areas of service delivery failures as well as recommending methodical corrective courses of action to remedy service operational deficiency and an appropriate sanction meted to the erring operators, a position espoused by Kopicki & Thompson (1995).

In essence, efficient implementation of railway privatisation in Nigeria will depend on the effectiveness of regulation which TERA Group (2006, p. 88) identified as Institutional Endowment. The group suggested that “institutional endowment of an economy is now recognized to be a critical factor in the economic success of the nation” hence to ensure privatisation success, there must be government regulation. The regulation should adequately deal with the following areas: pricing of rail service, customer services, customer complaints and dispute procedure and operational transparency.
9.5.1 Pricing of Rail Services
Regulation will establish parameters for setting rail prices. It will also establish a price cap regulation, such that prices are annually adjusted according to inflation plus or minus a fixed amount that is not related to the company returns. A price cap will indicate how prices should be set as well as establishing an indicative of rule of how these prices will change over time. This allays the fear of the survey respondents who expressed an opinion of an increase in rail fare if the Nigerian Railway is privatised.

9.5.2 Customer Services
Customer satisfaction is a product of good customer service which leads to an increase in consumer confidence in the service as well as an increase in patronage. The multiplier effects of an increase in patronage are an increase in demand and consequently an increase in revenue. All these measures will lead to an overall profitability of the privatised company. Regulation will establish certain customer service standards against which the industry watchdogs and the pressure groups can use as a yardstick for service quality measurement, management, control and corrective actions, where necessary. This aspect was clearly indicated in the survey, expecting an increase in the level of customer service as well as an improvement in services delivery. The training of rail staff members was also suggested for better service provision.

9.5.3 Customer Complaints and Dispute Resolution Procedure
Customer complaints and dispute resolution procedures must be clearly spelt out to ensure that the operator will make a reasonable decision between the requirements of the public authorities as determined in the contract, those of the users and the cost of corrective measures. Regulation will clearly ensure that proper complaint and dispute resolution procedures are in place to deal any case of customer complaints. This ensures that customers are getting value for their hard earned income and operators are providing services for the fees earned in as equitably as possible.

9.5.4 Operational Transparency
This is paramount for achieving consumer confidence especially where the safety of commuters is at stake. Regulation will enhance operational transparency and where the private operator runs a natural monopoly, provisions should be made to ensure that it does not
abuse this dominant position, also espoused by Kopicki & Thompson, 1995; Gupta & Sathye 2008.

9.6 Conclusion

From the research findings, although it is concluded that there is no relationship between the choice of privatisation method and NRC’s performance. There is evidence to suggest a strong relationship exist between NRC privatisation and its performance indicators (effectiveness, efficiency, productivity, infrastructural investment and profitability) which is also in line with the research ontology. In addition, given the right environment, privatisation of the NRC would enhance aggregate demand through the provision of efficient and effective services which equally support the research epistemology. The following are the researchers’ beliefs, that:

1. Privatisation of the NRC will enhance its effectiveness. With improved effectiveness, the following operational measures will be significantly improved; customer safety, timeliness and prompt service, which leads to customer satisfaction.

2. Privatisation of the NRC will enhance its efficiency. This efficiency improvement will lead to better quality of service, customer satisfaction, and customer patronage and service frequency.

3. Privatisation of the NRC will enhance its productivity. The productivity improvement of the corporation will yield an efficient operation, efficient labour usage, efficient infrastructure and quality operation.

4. Privatisation of the NRC will enhance its infrastructural investment. By encouraging private operators in the sector, competition will be created and will lead to more investments in the sector: improvements and modernization of the rail service will be encouraged. Odeleye (2010, p. 15) corroborated when he noted an, “increase in numbers of passengers, during various government interventions in the railways, which evidently shows that Nigerians are willing to travel by rail, if its services are stabilised.”

5. Privatisation of the NRC will yield company profitability. Increased patronage, customer satisfaction and customer loyalty will lead to an increase in the corporation’s revenues and, ultimately, higher profitability.
6. Privatisation would encourage the creation of regulatory bodies. A regulatory agency or framework should be put in place before privatisation. Failure to do so can harm consumers and erode popular support. However, this raises questions about state capabilities and motivations, similar to those which surround its ownership of state owned enterprises.

7. Privatisation would encourage competition in terms of quality, price and efficiency. State owned enterprises that operate in competitive markets or in markets that can be made more competitive are, therefore, prime candidates for privatisation and these should require little or no public-interest regulation.

8. Privatisation of the NRC would enhance productivity, infrastructural investment, and efficiency of operation, competition and profitability. This would also bring about increased efficiency service leading to the price reduction of services.

9. An efficient NRC would contribute to the development of other sectors that relied on its services, (i.e., postal services, freight haulage). An ill-functioning infrastructure works against the goal of creating a functioning market economy. It introduces distortions in production and hinders the adoption of new technologies. The worsening cost situation would make it difficult for local firms to compete in the international market. The lack of services has been attributed, in part, to inadequate cost recovery measures on most public services. Efficient NRC services, would contribute to the development of the Nigerian economy in general.

10. Deregulation of the rail sector would encourage more private participants, which would also encourage competition, efficiency, productivity and lower prices. Lee & Jouralev (1992) suggested that there should be changes in existing regulations in order to increase the capacity for private provision. The private sector could be encouraged via taxation allowances, for example, to pool resources for the supply of certain services. This would be most useful for firms located in the same area or those that are forced to depend on the same defective source for their service provision. To remedy public sector inaction, it might be necessary to introduce direct private participation in the provision of services. In this way, the market for infrastructure becomes contestable (Baumol & Lee, 1988), thus increasing the overall efficiency in service delivery and supply.
9.7 Paradigm

The field of study comprises various literature surveys, extensive interviews, and questionnaire surveys. Although “privatisation” may not mean better service to customers, through the involvement of the private sector, however, there may be response to demands of the public.

With privatisation, there might be a complete overhaul of the system as enumerated above in terms of regulations that monitor monopoly powers and pricing policies. What are needed are price controls that will keep the NRC affordable for commuters; investment maintenance through the provision of adequate and state of the art locomotives and passenger coaches; and faster trains, enabling a reduction in travel times. Presently, a journey of about 900km takes about 27 hours to be completed this is far too long.

Part of the privatisation problem stems from the economic problems facing Nigeria, which has already been discussed earlier. Solutions to these problems will put the privatisation program on a sound footing for a successful implementation. Furthermore, all the various test statistics conducted here were too inconclusive to categorically conclude that there is a significant level of association between the choice of privatisation method and the performance of the NRC if privatised. However, other tests of variables conducted on the performance indicators (effectiveness, efficiency, productivity, infrastructural investment and productivity) from all samples of the NRC and performance were very conclusive and show a strong evidence to suggest that there are significant changes in the level of research outcomes as a result of privatisation.

It is the belief of this study that unless the internal and external constraints are well dealt with, privatisation in Nigeria would only be a case of just another economic strategy failure, as with the case of the recent privatisation of the power distribution company (DISCO’s). In addition, a cohesive national transport policy is urgently needed to harmonise all mode of transportation in the country and enhance intermodal transport network. Therefore, if privatisation does not have its own reserves, as is the situation, then it must have an anchor, a prop to hook on the boat of development. Progress monitoring mechanism and a realistic yardstick to measure performance are important in order to form the basis for performance evaluation. Equally, this is needed to justify privatisation as a strategy for economic development in Nigeria, against which the hypotheses were tested.
9.8 Recommendations

Based on the research findings enumerated above, the following are recommended for successful privatisation implementation of the NRC, as well as acting as the critical success factors:

- **National Transport Policy:** There is an urgent need for an effective national transport policy\(^4\) with respective policy statements for all transport modes. The policy should be robust enough to recognise intermodal transport structure which is very comprehensive and enhance synergy. The national transport policy is expected to adequately support all socio-economic activities of government at all levels as well as support the national economic plan (News Agency of Nigeria, 2016).

- **Regulation:** The regulation and legal system must be sufficiently competent, robust and respected to put in place the necessary contractual arrangements. Currently, Act 1955, which established the NRC, needs to be repealed to allow for market participation and enhance competition. Wegner (2005, p. 3), commented that, “privatisation does not imply the withdrawal of the state, but requires strong institutional capacity to ensure that the privatisation contract is binding on the private investor and enforceable” (Bullock, 2005; Hemming, 1988; Glacier, 2004).

- **Monitoring:** There must be performance standards and an appropriate monitoring unit to specify a performance regime that will provide the incentives to induce the required behaviour. This will ensure a performance standard, maintenance of standard, and a prescribed sanction for violation. A point made by Wegner (2005, p. 3), suggested that there must be a “strong commitment and ownership by the state to ensure the credibility of the reform to the private investor” (Glacier, 2004; Berthelemy, 2004).

- **Pressure group:** A formidable pressure group is another factor which is considered necessary for the effective operation of the privatised rail system. This group will ensure service charters are maintained in terms of quality, efficiency, safety, pricing, and infrastructure investment. For example, Kopicki & Thompson (1995, p. 9) observed that “when the pressure for reorganization reaches the point at which politicians accept the need to restructure, state-owned railways have often lost touch completely with the customers that they were organized to serve.” This pressure group will hence act as the public watchdog that will assist in maintaining good practice (Onions, 2014).

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\(^4\) General Usman (current National President of CITL-Nigeria), noted that an effective integrated transportation system was critical to the nation’s economic prosperity, saying such a policy would help to drive the economy in line with the change mantra of President Muhammadu Buhari-led government.
• **Strong political will and support:** A strong political commitment will enhance a successful privatisation program in the sense that there will be all necessary checks and balances, as well as established repercussions available to deal with defaulters. Berthélemy (2004, p. 8) noted that the “successful privatisation of Côte d’Ivoire’s power company CIE presents an interesting case of strong political commitment engendering full local ownership of the reform.” Additionally, Lawrence & Lorsch (1967) in Carter (2013, p. 112) also suggested that, “government needs to make strong political commitment to lead its privatisation programmes and to effectively resolve conflicts arising from the programmes”.

• **Functional organization structure:** A functional organization structure which will identify the respective operational functions and ensure a synergic coordination of activities within respective departments. Currently, NRC does not have a functional marketing department responsible for revenue generation. A commercial department is instead currently in place. There is no clear-cut responsibility in terms of job functions and responsibility for revenue generation as it is currently set up (Gupta & Sathye, 2008; Glacier, 2004).

• **Functional Internal Control System:** Part of the problem of NRC is poor internal control systems. The weak internal control affects NRC accurate and up-to-date accounting records, effective accounting system, control over revenue collections, and control over the disbursements of cash. Presently, NRC has poor and timely financial system to assist senior management’s corporate strategic planning, let alone real timely report for taking corrective actions where necessary.

**9.9 Other Research Areas**

Other areas of vital importance to move the research forward should have been in the areas of testing peoples’ perceptions after the privatisation has taken place. Testing should also include some of the factors expected to improve, such as effectiveness, efficiency, productivity, infrastructural investment, and profitability.

Furthermore, results were drawn from quantitative factors based only on the facts obtained and from the time constraint of the research. Other qualitative factors need to be taken into consideration. If more work were to be carried out, it will be in the form of another interview survey to actually test peoples’ perceptions of satisfaction with the privatisation of the NRC,
if it is eventually implemented. Also, most of the effects the research predicted should have been tested to ascertain if indeed all the factors considered would hold, and in fact, support the whole philosophies of privatisation or just another good economic policy. As noted by Bourguignon et al., (2004, p. 13), in their forward statement, it was opined that “there is a clear discrepancy between scholarly assessments and public perceptions of privatisation, and therefore, extensive information is required to analyze the links between specific policy reforms and infrastructure outcomes, including their distributional dimensions.”

With privatisation and commercialisation, despite the government’s satisfaction with the program by both the old and the current civilian governments in Nigeria, further research can address the question of what factors to use to measure success. For example, Nigeria is currently a country with extremely uneven income distribution. How will the interests of the poor, who cannot compete successfully in the marketplace for goods and services in short supply, be protected?

Would regional balance in the acquisition of equity shares of privatised enterprises be a consideration? How viable and efficient will privatised enterprises be, especially in the absence of any protection? What is the guarantee that commercialised enterprises will generate positive returns on public sector investments? What would be the actual short and long term costs (economic and social) of the programme?

How effectively and efficiently can the government use billions of Naira proceed from privatisation? These are questions the Bureau of State owned enterprises, the agency charged with the privatisation functions, did not fully address, but that are critical to the public’s eventual perception of success. The time constraint did not allow adequate research work to be carried out.

With every passing day the urgent need for a functioning and efficient railway in Nigeria continues to assert itself. The country’s transportation system is currently in a state of chaos. The national airline now exists in name only, the road network is inadequate and overcrowded, and commuters are suffering in stuffy buses or on motorcycles that are decidedly dangerous. With slacked channels, inland waterways can no longer be relied upon as a significant mode of transport. The railway, which in virtually all countries is the common man’s vessel of first choice, is gradually withering away as successive administrations toy with it. The Nigerian railway, a prime colonial investment, is one of the major building
blocks for the Federation of Nigeria. It has done more than any other organization in fostering unity, development and commerce throughout the country (Omoleke, 2011).

The railway has opened up countless communities along its route that could have remained unknown and inaccessible. The railway was a major employer of labour, and by its nature, created avenues for diverse occupations from the unskilled to the highly skilled. It encouraged agriculture by moving produce from where it was grown to where it was needed. It encouraged coal for both industrial and domestic use. It transported petroleum products straight from the main depots (Apapa, Lagos) to the hinterland of Nigeria in specifically designed tanks that are now rotting away at their Lagos siding. When the railways ferried fuel, there were few instances of shortages in the North of the country (Odeleye, 2000).

The railway is not in competition with other forms of transportation and is not an alternative to road transportation, rather complementary to all transport modal. The building and running of railways should be deregulated and made an item of concurrent legislation so that states, local councils, and private investors can be involved in the railway business as can be seen and currently practiced by the present state of Osun government. Since his inception in 2011 to date 2016, the state government administration of Rauf Aregbesola, partners with the NRC and at major festival periods (Muslim and Christian festivities) the state government offers free train service to the indigenes of Osun state for journeys to the home state at festival times from NRC terminus in Lagos to Osogbo, Osun state capital.

Furthermore, other areas of research are the attendant drawback of privatisation strategy as clearly indicated in the survey result samples obtained. Such as the area of cost control, productivity, profitability drives leading to cost cutting exercise such as reduction in employment capacity. This is one of the grey areas that need careful consideration as this will potentially negate the benefits sought especially if privatisation is viewed as a measure that will create hardships through potential job losses from job cuts and retrenchment exercises. It will surely be resisted as seen in other privatisation process recently carried in the power sector.

Also in the areas of non-viable railway lines, what will be the contribution from the government, should those lines be closed or subsidised to compliment the social responsibility efforts of government. These areas are important for further research to assist
policy makers conceptualise, model and develop an effective and efficient rail transport system administration in Nigeria (Ozoemena & Idonor, 2006).
10 List of References


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11 List of Appendices

Appendix 11.1 Nigerian Railway Corporation Financial Information

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Source: Nigerian Railway Corporation – Financial Statements (Various Years), & NRC (2016)
11.2 Acknowledgement of Acceptance of LinkedIn Network Membership.

Dear LinkedIn member:

Many thanks for accepting my invitation to be part of your network on LinkedIn. I sincerely hope this professional connection will be mutually beneficial to both of us.

Meanwhile, please be advised that I am currently conducting a research on the services of the Nigeria Railway. I have a survey prepared to solicit information for this purpose.

I am writing to ask if you would like to participate in the survey. If you are interested in participating in the survey, please send me your email address to enable me send the questionnaire to you for completion.

I sincerely look forward to your response.

Warm Regards

Oye Abioye
Oyekanabioye@hotmail.com
Cell: +1 416 731 2930

11.3 Research Questionnaire Completion Instructions

Dear Respondent:

Many thanks for your interest for participation in the survey.

Attached, please find my survey questionnaire for your perusal and completion.

For ease of completion, please download as a word document, highlight your selections and bold in black or use the key stroke "x" beside your selections.

Upon completion, please save it, open your email browser and send it as an attachment.

Warm Regards

Oye Abioye
Oyekanabioye@hotmail.com
Cell: +1 416 731 2930
Dated 2013

Dear Respondent:

Many thanks for your interest in participating in my survey. Your interest, time and effort are very highly appreciated.

However, I will like to remind you to please complete the form as soon as possible to enable me continue with the next big process, "the data analysis".

I thank you immensely if you have returned your completed form, please accept my apologies and disregard this mail. If however, you are yet to return it please respond today without further delays.

Warm Regards

Oye Abioye

Oyekanabiyo@hotmail.com

Cell: +1 416 731 2930
11.5 Questionnaire Cover letter

Oye ABIOYE MBA, C. Mgr., ACIM. AMABE

London School of Commerce (Associate College of)
Cardiff Metropolitan University, Wales, England Tel : 1 416 731 2930
Email: oyekanabioye@hotmail.com

October 2013.

Dear respondent:


Thank you for your interest and participation in this research study. The study was conceived as a result of the current state of transport infrastructure in Nigeria especially the Nigerian Railway Corporation (NRC) in spite of the colossal sums of money already spent on the system. It is important to note that all successive government in Nigeria at inception, have attempted to resuscitate the NRC. They have all invested huge sums of money on the railway transport with the sole aim of restoring it back to the glories of its colonial days but without any appreciable or critical evidence of such spending. To date, close to ₦1 trillion had been spent but the situation of NRC does not justify the total amounts already spent by the respective governments’ in their quest to achieve a high performance, efficient, effective and suitable railway transportation system in Nigeria.

The attached questionnaire was prepared to solicit information, comments and your contribution to enhance an informed policy direction as to the most feasible and suitable reform for the Nigerian Railway Corporation.

Although your participation is voluntary, it is highly appreciated and as such it will be used solely for an academic purpose only. Any information provided will be treated with utmost confidentiality and your identity will be kept secret.

I thank you for your time and support for this noble project.

Yours Sincerely

Oye Abioye.

Encl: Questionnaire
11.6 Sample Research Questionnaire – Members of the Public

Please select the appropriate box(s) most relevant to your choice(s).

**DEMOGRAPHIC INFORMATION**

1. How old are you?

   (a) 16 – 20 years [ ] (b) 21 – 25 years [ ] (c) 26 – 30 years [ ] (d) 31 – 35 years [ ] (e) 36 years or over
   Please specify age if over 36.........................................................................................................................

2. What is your current occupation?

   (a) Accountant [ ] (b) Banker [ ] (c) Entrepreneur [ ] (d) Engineer [ ] (e) Educator [ ]
   (f) Other [ ] Please specify any other:

3. What is your average income per annum?

   (a)₦50 – ₦100k [ ] (b)₦101 – ₦250k [ ] (c)₦251 – ₦500k [ ] (d)₦501 – ₦750k [ ] (e)₦751k and over
   Please specify amount if over ₦751k......................................................................................................

**CHOICE OF TRANSPORTATION MODE AND FREQUENCY**

4. By what mode of transportation do you normally undertake your journey? (Please select all applicable options)

   (a) Rail [ ] (b) Car [ ] (c) Bus/Coach [ ] (d) Air [ ] (e) Any other [ ]
   Please specify ‘any other’ ..........................................................................................................................

5. How frequently do you make this journey?

   (a) Daily [ ] (b) Weekly [ ] (c) Bi-weekly [ ] (d) Monthly [ ] (e) Semi-Annually [ ] (f) Annually [ ]
   Please specify any other ............................................................................................................................

6. What is the main purpose of your journey? (Please select all applicable options)

   (a) Business [ ] (b) Visiting [ ] (c) Work Related [ ] (d) Sight Seeing [ ] (e) Excursion [ ]
   Please specify any other.............................................................................................................................

7. What makes you choose the above mode of transportation? (Please select all applicable options)

   (a) Speed [ ] (b) Efficiency [ ] (c) Cost [ ] (d) Safety [ ] (e) Convenience [ ]
   Please specify any other............................................................................................................................

8. What is the average length of your journeys in kilometers?

   (a) 1 - 10km [ ] (b) 11 - 20km [ ] (c) 21-30km [ ] (d) 31-100km [ ] (e) Over 100km [ ]
   Please specify if over 100km......................................................................................................................

9. How frequent do you travel on the Railway?

   (a) Very Frequent [ ] (b) Frequent [ ] (c) Occasionally [ ] (d) Rarely [ ] (e) Never [ ]

**RAILWAY SERVICE SATISFACTION EVALUATION**

10. How would you evaluate the services of the Nigerian Railway Corporation presently?

    (a) Excellent [ ] (b) Good [ ] (c) Adequate [ ] (d) Poor [ ] (e) Don’t Know [ ]

11. Which of the following do you consider to be main cause(s) for the present state of the Nigerian Railway Corporation? Poor management [ ] (b) Government involvement [ ] (c) Lack of clear objectives [ ].
12. Running the Nigerian Railway Corporation purely as a commercial operation is a good strategy for the corporation's growth and development.

(a) Strongly Agree □  (b) Agree □  (c) Undecided □ (d) Disagree □ (e) Strongly Disagree □

POLICY OPINION EVALUATION


(a) Strongly Agree □  (b) Agree □  (c) Undecided □ (d) Disagree □ (e) Strongly Disagree □

14. Which privatisation method out of the following are you familiar with? (Please select all applicable options)

(a) Management Buy-Out □  (b) Management Contract □  (c) Franchising □  (d) Concession □  
(e) Share issues □  (f) Leases □  Please specify others.................................................................

15. Which one out of the following privatisation methods do you recommend for the Nigerian Railway Corporation? (a) Management Buy-Out □  (b) Management Contract □  (c) Franchising □  (d) Concession □  
(e) Share issues □  (f) Leases □  Please specify others.................................................................

16. A particular choice of privatisation method will have an impact on the performance of NRC.

(a) Strongly Agree □  (b) Agree □  (c) Undecided □ (d) Disagree □ (e) Strongly Disagree □

17. Which factors out of the following do you think a choice of privatisation method will affect?

(a) Effectiveness □  (b) Efficiency □  (c) NRC Infrastructure Investment □  (d) Productivity □  
(e) Profitability □

18. Privatisation of Nigerian Railway Corporation will enhance the effectiveness of its rail services.

(a) Strongly Agree □  (b) Agree □  (c) Undecided □ (d) Disagree □ (e) Strongly Disagree □

19. Which of the following effectiveness factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Customer Safety □  (b) Timeliness □  (c) Prompt Service □  (d) Neatness □  
(e) Customer Complaint □  (f) None of the above □

20. Privatisation of Nigerian Railway Corporation will enhance the efficiency of its rail services.

(a) Strongly Agree □  (b) Agree □  (c) Undecided □ (d) Disagree □ (e) Strongly Disagree □

21. Which of the following efficiency factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Service Quality □  (b) Customer Satisfaction □  (c) Service Frequency □  
(d) Cost reduction □  (e) Customer patronage □  (f) None of the above □

22. Privatisation of Nigerian Railway Corporation will enhance its productivity.

(a) Strongly Agree □  (b) Agree □  (c) Undecided □ (d) Disagree □ (e) Strongly Disagree □

23. Which of the following productivity factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Efficient operation □  (b) Labour usage □  (c) Efficient Infrastructure □  
(d) Quality Operation □  (e) None of the above □

24. How would you rate the rail fare charges of the Nigerian Railway Corporation?

(a) Very high □  (b) High □  (c) Moderate □  (d) Low □  (e) Very low □
RAIL TRANSPORT FARE EVALUATION

25. How would you compare the NRC rail fares to other modes of transportation in the country?
(a) Very high  (b) High  (c) Moderate  (d) Low  (e) Very low

26. Government should regulate rail fares and time-tables if Nigerian Railway Corporation is privatised.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

27. The Privatisation of NRC will lead to an increase in rail fares.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

28. The service efficiency gained from NRC privatisation will lead to rail fares reduction.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

29. The quality of services of the Nigerian Railway Corporation will improve if privatised.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

30. There will be more private operators in the sector if the railway industry is deregulated.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

31. An increase in the number of rail operators will promote competition if the rail industry is deregulated.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

32. What impact do you think competition would have on the railway services? (Please tick all applicable boxes)
(a) High quality  (b) Low price  (c) Efficiency  (d) Many choices  (e) Any other
Please specify ‘any other’ .................................................................

IMPROVEMENT SUGGESTIONS

33. What main improvement features do you recommend should be introduced to the railway system?
(a) Staff training  (b) More investment  (c) Dualising the rail network  (d) Efficiency
Please specify ‘any other’ ........................................................................................................................................

34. Privatisation will encourage creation of regulatory bodies to protect consumer interests in the face of private monopoly. (a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

35. An efficient railway network will enhance efficiency of other sector that relies on the services of the Nigerian railway. (a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

36. The privatisation of the key infrastructure in Nigeria will lead to an improvement and contribute to economic development in Nigeria. (a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

Please provide brief comments on any issue not covered by the survey in the space provided below:

Thank you for your time.
11.7 Sample Research Questionnaire – Government Officials and Regulatory Bodies

Please select the appropriate box(s) most relevant to your choice(s).

DEMOGRAPHIC INFORMATION

1. How old are you?
   (a) 16 – 20 years (b) 21 – 25 years (c) 26 – 30 years (d) 31 – 35 years (e) 36 years or over
   Please specify age if over 36.

2. What is your current occupation?
   (a) Accountant (b) Economist (c) Consultant (d) Engineer (e) Lawyer
   (f) Other
   Please specify.

3. What is your average income per annum?
   (a) N50 – N100k (b) N101 – N250k (c) N251 – N500k (d) N501 – N750k (e) N751k and over
   Please specify amount if over N751k.

4. What transportation mode do you use for your journey?
   (a) Rail (b) Car (c) Bus/Coach (d) Air (e) Any other
   Please specify ‘any other’.

5. How frequent do you make this journey?
   (a) Daily (b) Weekly (c) Bi-weekly (d) Monthly (e) Semi-Annually (f) Annually
   Please specify any other.

6. What is the main purpose of your journey?
   (a) Business (b) Visiting (c) Work Related (d) Sight Seeing (e) Excursion
   Please specify any other.

7. What makes you choose the above mode of transportation? (Please select all applicable options)
   (a) Speed (b) Efficiency (c) Cost (d) Safety (e) Convenience
   Please specify any other.

8. What is the average length of your journeys (in kilometers)?
   (a) 1 - 10km (b) 11 - 20km (c) 21 - 30km (d) 31 - 100km (e) Over 100km
   Please specify if over 100km.

ABOUT NRC SERVICES

9. How frequent do you travel on the Railway?
   (a) Very Frequent (b) Frequent (c) Occasionally (d) Rarely (e) Never

10. How would you rate the services of the corporation at this present time?
    (a) Very efficient (b) Efficient (c) Moderate (d) Inefficient (e) Very Inefficient

11. How would you rate the volume of passengers using the rail service as a mode of transportation currently?
    (a) Very High (b) High (c) Moderate (d) Low (e) Very Low
12. What would you say are the main factors responsible for the current state of service of the Nigerian Railway?
(a) Lack of investment ☐ (b) Government intervention ☐ (c) Corruption ☐
(d) Neglect of the Corporation ☐ (e) Any other ☐ Please specify.................................................................

13. Ownership is the main factor responsible for the current condition of the Corporation?
(a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Agree ☐

14. The corporation will be financially viable under a suitable and formidable management structure?
(a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Agree ☐

**STRATEGIES FOR REFORMING NRC**

15. Government policy of privatisation is a good strategy for the Nigerian Railway Corporation.
(a)  Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Disagree ☐

16. Which method of privatisation out of the following are you familiar with?
(a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐
(e) Share issues ☐ (f) Leases ☐ Please specify others.................................................................

17. Which one out of the following privatisation method do you recommend for the Nigerian Railway Corporation? (a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐ (e) Share issues ☐ (f) Leases ☐ Please specify others.................................................................

18. A particular choice of privatisation method will have an impact on the performance of NRC.
(a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Disagree ☐

**MEASURING THE IMPACT AND OUTCOME OF NRC REFORM**

19. Which privatisation method/s do you think will have an impact on NRC’s effectiveness?
(a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐
(e) Share issues ☐ (f) Leases ☐ Please specify others.................................................................

20. Which privatisation method/s do you think will have an impact on NRC’s efficiency?
(a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐
(e) Share issues ☐ (f) Leases ☐ Please specify others.................................................................

21. Which privatisation method/s do you think will have an impact on NRC’s Infrastructure Investment?
(a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐
(e) Share issues ☐ (f) Leases ☐ Please specify others.................................................................

22. Which privatisation method/s do you think will have an impact on NRC’s Profitability?
(a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐
(e) Share issues ☐ (f) Leases ☐ Please specify others.................................................................

23. Which privatisation method/s do you think will have an impact on Productivity?
(a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐
(e) Share issues ☐ (f) Leases ☐ Please specify others.................................................................

24. If the corporation is privatised, which of the following do you expect to likely improve?
(a) Investment □ (b) Efficiency □ (c) Frequency □ (d) Competition □ (d) Productivity □
Please specify ‘Any other’ ..........................................................

25. The Nigerian Railway Corporation should be privatised as a single unit.
(a) Strongly Agree □ (b) Agree □ (c) Undecided □ (d) Disagree □ (e) Strongly Agree □

26. NRC network should be broken into different strategic business units (i.e. rail track, communications, stations etc.) before privatisation.
(a) Strongly Agree □ (b) Agree □ (c) Undecided □ (d) Disagree □ (e) Strongly Agree □

27. Which of the following would you then suggest should be privatised?
(a) Rail track □ (b) Communication/signaling □ (c) Passengers □ (d) Goods/Cargoes □
(e) Station Services □ Please specify others.. ..........................................................

28. The Corporation network should be divided into different lines (i.e. East, North, West and South lines)
(a) Strongly Agree □ (b) Agree □ (c) Undecided □ (d) Disagree □ (e) Strongly Agree □

29. How many operators do you suggest the network should have if it is privatised?
(a) Four □ (b) Six □ (c) Eight □ (d) Ten □ (e) More than Ten □
Please specify if more than ten ..............................................................................

30. Privatisation of the Nigerian Railway Corporation will enhance the effectiveness of its rail services.
(a) Strongly Agree □ (b) Agree □ (c) Undecided □ (d) Disagree □ (e) Strongly Disagree □

31. Which of the following effectiveness factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Customer Safety □ (b) Timeliness □ (c) Prompt Service □ (d) Neatness □
(e) Customer Complaint □ (f) None of the above □

32. Privatisation of the Nigerian Railway Corporation will enhance the efficiency of its rail services.
(a) Strongly Agree □ (b) Agree □ (c) Undecided □ (d) Disagree □ (e) Strongly Disagree □

33. Which of the following efficiency factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Service Quality □ (b) Customer Satisfaction □ (c) Service Frequency □
(d) Cost reduction □ (e) Customer patronage □ (f) None of the above □

34. Privatisation of the Nigerian Railway Corporation will enhance its productivity.
(a) Strongly Agree □ (b) Agree □ (c) Undecided □ (d) Disagree □ (e) Strongly Disagree □

35. Which of the following productivity factors do you think will improve if Nigerian Railway Corporation is privatised? (a) Efficient operation □ (b) Labour usage □ (c) Efficient Infrastructure □
(d) Quality Operation □ (e) None of the above □

36. The current level of employment will be maintained if the Nigerian Railway Corporation is privatised.
(a) Strongly Agree □ (b) Agree □ (c) Undecided □ (d) Disagree □ (e) Strongly Disagree □

37. Privatisation of the Nigerian Railway Corporation will not lead to reduction in its workforce.
(a) Strongly Agree □ (b) Agree □ (c) Undecided □ (d) Disagree □ (e) Strongly Disagree □

38. How would you rate the rail fare charges of the Nigerian Railway Corporation?

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39. How would you compare the NRC rail fares to other modes of transportation in the country?
(a) Very high  (b) High  (c) Moderate  (d) Low  (e) Very low

40. Government should regulate fares and time-tables if the Nigerian Railway Corporation is privatised.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

41. Privatisation of the NRC will lead to an increase in rail fares.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

42. The quality of services of the Nigerian Railway Corporation will improve if privatised.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

43. There will be more private operators in the sector if the railway industry is deregulated.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

44. Deregulation of the rail industry will encourage more private operators’ therefore increasing competition.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

45. What impact do you think competition would have on the railway services?
(a) High quality  (b) Low price  (c) Efficiency  (d) Many choices  (e) Any other
Please specify ‘any other’ ...........................................................................................................

46. What main improvement features do you recommend should be introduced to the railway system?
(a) Staff training  (b) More investment  (c) Dualising the rail network  (d) Efficiency
Please specify ‘any other’ ...........................................................................................................

47. Privatisation will encourage creation of regulatory bodies to protect consumer interests in the face of private monopoly.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

48. An efficient railway network will enhance efficiency of other sector that relies on the services of the Nigerian railway.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

49. The privatisation of the key infrastructure in Nigeria will lead to an improvement and contribute to economic development in Nigeria.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

Please provide brief comments on any issue not covered by the survey in the space provided below:

Thank you for your time.
11.8 Sample Research Questionnaire – Management Staff of the NRC

Please select the appropriate box(s) most relevant to your choice(s).

DEMOGRAPHIC INFORMATION

1. What is your current management level at NRC?
   (a) Supervisor  (b) Middle  (c) Senior  (d) Management  (e) Director

   Please specify ...........................................................................................................

2. What is your current management function with NRC?
   (a) Accountancy  (b) Engineering  (c) Operation  (d) Marketing  (e) Administration

   Please specify ‘any other’ ...................................................................................................

3. How long have you been in NRC employment?
   (a) 0-5yrs  (b) 6-10yrs  (c) 11-15yrs  (d) 16-20yrs  (e) 21 - 25yrs

   Please specify if over 25 years ...................................................................................................

4. What is your average income per annum (in thousands)?
   (a) £50 - £100k  (b) £101 - £250k  (c) £251 - £500k  (d) £501 - £750k  (e) £751k and over

   Please specify if over £751k ...................................................................................................

WORKING WITH NRC

5. How would you evaluate the general level of satisfaction of your current employment with the NRC?
   (a) Very satisfied  (b) Satisfied  (c) Undecided  (d) Unsatisfied  (e) Very Unsatisfied

6. How would you evaluate the level of satisfaction of your current wages/salary paid by NRC?
   (a) Very satisfied  (b) Satisfied  (c) Undecided  (d) Unsatisfied  (e) Very Unsatisfied

7. What type of employment contract do you currently have with NRC?
   (a) Casual  (b) Contract  (c) Part-Time  (d) Permanent Part-Time  (e) Full-Time

8. Does your current contract of employment include a pension scheme?
   (a) Yes  (b) No  (c) Don't know

9. Do you currently contribute to an NRC pension scheme?
   (a) Yes  (b) No  (c) Don't know

10. Do you contribute to any other occupational or private pension plan?
    (a) Yes  (b) No  (c) Don't know

11. How many kilometers do you travel to work each day?
    (a) 1 - 10km  (b) 11 - 20km  (c) 21-30km  (d) 31-100km  (e) Over 100km

    Please specify if over 100km .................................................................................................

12. By what mode of transportation do you normally undertake your journeys?
    (a) Rail  (b) Car  (c) Bus/Coach  (d) Air  (e) Any other

    Please specify ‘any other’ .......................................................................................................
ABOUT NRC SERVICES

13. How frequent do you travel on the Railway?
(a) Very Frequent ☐ (b) Frequent ☐ (c) Occasionally ☐ (d) Rarely ☐ (e) Never ☐

14. How would you rate the services of the corporation at this present time?
(a) Very efficient ☐ (b) Efficient ☐ (c) Moderate ☐ (d) Inefficient ☐ (e) Very Inefficient ☐

15. How would you rate the volume of passengers using the rail service as a mode of transportation currently?
(a) Very High ☐ (b) High ☐ (c) Moderate ☐ (d) Low ☐ (e) Very Low ☐

16. What would you say are the main factors responsible for the current state of service of the Nigerian Railway? (a) Lack of investment ☐ (b) Government intervention ☐ (c) Corruption ☐
(d) Neglect of the Corporation ☐ (e) Any other ☐ Please specify............................................................

17. Ownership is the main factor responsible for the current condition of the Corporation?
(a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Agree ☐

18. The corporation will be financially viable under a suitable and formidable management structure?
(a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Agree ☐

STRATEGIES FOR REFORMING NRC

19. Government policy of privatisation is a good strategy for the Nigerian Railway Corporation.
(a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Disagree ☐

20. Which method of privatisation out of the following are you familiar with?
(a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐
(e) Share issues ☐ (f) Leases ☐ Please specify others...........................................................

21. Which one out of the following privatisation method do you recommend for the Nigerian Railway Corporation? (a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐
(e) Share issues ☐ (f) Leases ☐ Please specify others...........................................................

22. A particular choice of privatisation method will have an impact on the performance of NRC.
(a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Disagree ☐

MEASURING THE IMPACT AND OUTCOME OF NRC REFORM

23. Which privatisation method/s do you think will have an impact on NRC’s effectiveness?
(a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐
(e) Share issues ☐ (f) Leases ☐ Please specify others...........................................................

24. Which privatisation method/s do you think will have an impact on NRC’s efficiency?
(a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐
(e) Share issues ☐ (f) Leases ☐ Please specify others...........................................................

25. Which privatisation method/s do you think will have an impact on NRC’s Infrastructure Investment?
(a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐
(e) Share issues ☐ (f) Leases ☐ Please specify others...........................................................
26. Which privatisation method/s do you think will have an impact on NRC’s Profitability?
(a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession
(e) Share issues (f) Leases Please specify others.................................................................

27. Which privatisation method/s do you think will have an impact on Productivity?
(a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession
(e) Share issues (f) Leases Please specify others.................................................................

28. If the corporation is privatised, which of the following do you expect to likely improve?
(a) Investment (b) Efficiency (c) Frequency (d) Competition (e) Productivity
Please specify ‘Any other’ .................................................................................................................................

29. The Nigerian Railway Corporation should be privatised as a single unit.
(a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Agree

30. NRC network should be broken into different strategic business units (i.e. rail track, communications, stations etc.) before privatisation. (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree
(e) Strongly Agree

31. Which of the following would you then suggest should be privatised?
(a) Rail track (b) Communication/signaling (c) Passengers (d) Goods/Cargoes
(e) Station Services Please specify others........................................................................................................

32. The Corporation network should be divided into different lines (i.e. East, North, West and South lines)
(a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Agree

33. How many operators do you suggest the network should have if it is privatised?
(a) Four (b) Six (c) Eight (d) Ten (e) More than Ten
Please specify if more than ten ............................................................................................................................

34. Privatisation of the Nigerian Railway Corporation will enhance the effectiveness of its rail services.
(a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

35. Which of the following effectiveness factors do you think will improve if the Nigerian Railway Corporation is privatised? (a)Customer Safety (b) Timeliness (c) Prompt Service (d) Neatness
(e) Customer Complaint (f) None of the above

36. Privatisation of the Nigerian Railway Corporation will enhance the efficiency of its rail services.
(a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

37. Which of the following efficiency factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Service Quality (b) Customer Satisfaction (c) Service Frequency
(d) Cost reduction (e) Customer patronage (f) None of the above

38. Privatisation of the Nigerian Railway Corporation will enhance its productivity.
(a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree
39. Which of the following productivity factors do you think will improve if Nigerian Railway Corporation is privatised? (a) Efficient operation  (b) Labour usage  (c) Efficient Infrastructure  (d) Quality Operation  (e) None of the above
40. The current level of employment will be maintained if the Nigerian Railway Corporation is privatised. 
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree
41. Privatisation of the Nigerian Railway Corporation will not lead to reduction in its workforce. 
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree
42. How would you rate the rail fare charges of the Nigerian Railway Corporation? 
(a) Very high  (b) High  (c) Moderate  (d) Low  (e) Very low
43. How would you compare the NRC rail fares to other modes of transportation in the country? 
(a) Very high  (b) High  (c) Moderate  (d) Low  (e) Very low
44. Government should regulate fares and time-tables if the Nigerian Railway Corporation is privatised. 
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree
45. Privatisation of the NRC will lead to an increase in rail fares. 
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree
46. Service efficiency gained from its privatisation will lead to rail fares reduction. 
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree
47. The quality of services of the Nigerian Railway Corporation will improve if privatised. 
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree
48. There will be more private operators in the sector if the railway industry is deregulated. 
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree
49. Deregulation of the rail industry will encourage more private operators’ therefore increasing competition. 
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree
50. What impact do you think competition would have on the railway services? 
(a) High quality  (b) Low price  (c) Efficiency  (d) Many choices  (e) Any other
Please specify ‘any other’ ...........................................................................................................
51. What main improvement features do you recommend should be introduced to the railway system? 
(a) Staff training  (b) More investment  (c) Dualising the rail network  (d) Efficiency  
Please specify ‘any other’ ...........................................................................................................
52. Privatisation will encourage creation of regulatory bodies to protect consumer interests in the face of private monopoly. 
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree
53. An efficient railway network will enhance efficiency of other sector that relies on the services of the Nigerian railway. 
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

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54. The privatisation of the key infrastructure in Nigeria will lead to an improvement and contribute to economic development in Nigeria. (a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Disagree ☐

Please provide brief comments on any issue not covered by the survey in the space provided below:
11.9 Sample Research Questionnaire – Employees of the NRC
Please select the appropriate box(s) most relevant to your choice(s).

DEMOGRAPHIC DATA

1. How old are you?
(a) 16 – 20 years   (b) 21 – 25 years   (c) 26 – 30 years   (d) 31 – 35 years   (e) over 36 years

Please specify if over 36 years .................................................................................................................................

2. What is your current occupation with NRC?
(a) Workshop maintenance   (b) Engineer   (c) Clerk   (d) Driver   (e) Signal

Please specify ‘any other’ ........................................................................................................................................

3. What is your average income per annum (in thousands i.e. k)?
(a) ₦50 – ₦100k   (b) ₦101 – ₦250k   (c) ₦251 – ₦500k   (d) ₦501– ₦750k  (e) ₦751k and over

Please specify if ₦751k or over ..............................................................................................................................

4. How long have you been in employment of the Nigerian Railway Corporation?
(a) 0-5yrs   (b) 6-10yrs   (c) 11-15yrs   (d) 16-20yrs   (e) over 25yrs

Please specify if over 25 years .................................................................................................................................

WORKING WITH NRC

5. How would you evaluate the general level of satisfaction of your current employment with the NRC?
(a) Very satisfied   (b) Satisfied   (c) Undecided   (d) Unsatisfied   (e) Very Unsatisfied

6. How would you evaluate the level of satisfaction of your current wages/salary paid by NRC?
(a) Very satisfied   (b) Satisfied   (c) Undecided   (d) Unsatisfied   (e) Very Unsatisfied

7. What type of employment contract do you currently have with NRC?
(a) Casual   (b) Contract   (c) Part-Time   (d) Permanent Part-Time   (e) Full-Time

8. Does your current contract of employment include a pension scheme?
(a) Yes   (b) No   (c) Don’t know

9. Do you currently contribute to an NRC pension scheme?
(a) Yes   (b) No   (c) Don’t know

10. Do you contribute to any other occupational or private pension plan?
(a) Yes   (b) No   (c) Don’t know

11. How many kilometers do you travel to work each day?
(a) 1 - 10km   (b) 11 - 20km   (c) 21-30km   (d) 31-100km   (e) Over 100km

Please specify if over 100km .................................................................................................................................

12. By what mode of transportation do you normally undertake your journeys?
(a) Rail   (b) Car   (c) Bus/Coach   (d) Air   (e) Any other

Please specify ‘any other’ ........................................................................................................................................

ABOUT NRC SERVICES

13. How frequent do you travel on the Railway?
(a) Very Frequent   (b) Frequent   (c) Occasionally   (d) Rarely   (e) Never
14. How would you evaluate the services of the Nigerian Railway Corporation?
(a) Very efficient  (b) Efficient  (c) Undecided  (d) Inefficient  (e) Very Inefficient

15. What do you think are the main causes of the present state of service of the Nigerian Railway Corporation?
(a) Poor management  (b) Government involvement  (c) Lack of clear objectives  
(d) Lack of competition  (e) Any other  Please specify

16. Running the Nigerian Railway Corporation purely as a commercial operation is a good strategy for the corporation's growth and development.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

17. Government policy of privatisation is a good strategy for the Nigerian Railway Corporation.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

18. Which method of privatisation out of the following are you familiar with?
(a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession  
(e) Share issues  (f) Leases  Please specify others

19. Which one out of the following privatisation method do you recommend for the Nigerian Railway Corporation? (a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession  
(e) Share issues  (f) Leases  Please specify others

20. A particular choice of privatisation method will have an impact on the performance of NRC.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

21. Which privatisation method do you think will have an impact on the performance of NRC?
(a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession  
(e) Share issues  (f) Leases  Please specify others

22. Which privatisation method/s do you think will have an impact on NRC’s effectiveness?
(a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession  
(e) Share issues  (f) Leases  Please specify others

23. Which privatisation method/s do you think will have an impact on NRC’s efficiency?
(a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession  
(e) Share issues  (f) Leases  Please specify others

24. Which privatisation method/s do you think will have an impact on NRC’s Infrastructure Investment?
(a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession  
(e) Share issues  (f) Leases  Please specify others

25. Which privatisation method/s do you think will have an impact on NRC’s Profitability?
(a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession  
(e) Share issues  (f) Leases  Please specify others
26. Which privatisation method/s do you think will have an impact on NRC’s Productivity?
   (a) Management Buy-Out ☐ (b) Management Contract ☐ (c) Franchising ☐ (d) Concession ☐
   (e) Share issues ☐ (f) Leases ☐ Please specify others.........................................................
27. Which ones out of the following do you think a choice of privatisation method will affect?
   (a) Effectiveness ☐ (b) Efficiency ☐ (c) NRC Infrastructure Investment ☐ (d) Productivity ☐ (e) Profitability ☐
28. Privatisation of Nigerian Railway Corporation will enhance the effectiveness of its rail services.
   (a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Disagree ☐
29. Which of the following effectiveness factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Customer Safety ☐ (b) Timeliness ☐ (c) Prompt Service ☐ (d) Neatness ☐
   (e) Customer Complaint ☐ (f) None of the above ☐
30. Privatisation of Nigerian Railway Corporation will enhance the efficiency of its rail services.
   (a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Disagree ☐
31. Which of the following efficiency factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Service Quality ☐ (b) Customer Satisfaction ☐ (c) Service Frequency ☐
   (d) Cost reduction ☐ (e) Customer patronage ☐ (f) None of the above ☐
32. Privatisation of Nigerian Railway Corporation will enhance its productivity.
   (a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Disagree ☐
33. Which of the following productivity factors do you think will improve if Nigerian Railway Corporation is privatised? (a) Efficient operation ☐ (b) Labour usage ☐ (c) Efficient Infrastructure ☐
   (d) Quality Operation ☐ (e) None of the above ☐
34. The current level of employment will be maintained if the Nigerian Railway Corporation is privatised.
   (a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Disagree ☐
35. Privatisation of the Nigerian Railway Corporation will not lead to a reduction in its total workforce.
   (a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Disagree ☐
36. How would you rate the rail fare charges of the Nigerian Railway Corporation?
   (a) Very high ☐ (b) High ☐ (c) Moderate ☐ (d) Low ☐ (e) Very low ☐
37. How would you compare the NRC rail fares to other modes of transportation in the country?
   (a) Very high ☐ (b) High ☐ (c) Moderate ☐ (d) Low ☐ (e) Very low ☐
38. Government should regulate fares and time-tables if Nigerian Railway Corporation is privatised.
   (a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Disagree ☐
39. The Privatisation of NRC will lead to an increase in rail fares.
   (a) Strongly Agree ☐ (b) Agree ☐ (c) Undecided ☐ (d) Disagree ☐ (e) Strongly Disagree ☐
40. The quality of services of the Nigerian Railway Corporation will improve if privatised.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

41. There will be more private operators in the sector if the railway industry is deregulated.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

42. Deregulation of the rail industry will encourage more private operator’s therefore increasing competition.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

43. What impact do you think competition would have on the railway services?
(a) High quality  (b) Low price  (c) Efficiency  (d) Many choices  (e) Any other
Please specify ‘any other’........................................................................................................

44. What main improvement features do you recommend should be introduced to the railway system?
(a) Staff training  (b) More investment  (c) Dualising the rail network  (d) Efficiency
Please specify ‘any other’........................................................................................................

45. Privatisation will encourage creation of regulatory bodies to protect consumer interests in the face of private monopoly. (a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

46. An efficient railway network will enhance efficiency of other sector that relies on the services of the Nigerian railway. (a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

47. The privatisation of the key infrastructure in Nigeria will lead to an improvement and contribute to economic development in Nigeria. (a)Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

Please provide brief comments on any issue not covered by the survey in the space provided below:

Thank you for your time.
11.10 Letter of Introduction to the Managing Director of the NRC

Subject: Academic Study of NRC
From: oyekanabioye@hotmail.com
Date: Sun, 8 Dec 2013 08:30:26 -0500
To: seyisiju@hotmail.com

Dear Sir:

Re: Privatisation of the Nigerian Railway Corporation: An Evaluation of Critical Choices

Thank you for your interest in my research study. The study was conceived as a result of the current state of transport infrastructure in Nigeria especially the Nigerian Railway Corporation (NRC) in spite of the colossal sums of money already spent on the system. It is important to note that all successive government in Nigeria at inception had attempted to resuscitate the NRC. They have all invested huge sums of money on the railway transport with the sole aim of restoring it back to the glories of its colonial days but without any appreciable or critical evidence of such spending. To date, close to ₦1 trillion had been spent but the situation of NRC does not justify the total amounts already spent by the respective governments’ in their quest to achieve a high performance, efficient, effective and suitable railway transportation system in Nigeria.

To this end, I have studied the UK Privatisation process, evaluated its performance, the critical success factors (CSF) and as well as their key performance indicators (KPI).

I have also investigated the privatisation of rail transport in all of the 53 African countries also noting the CSF and the KPI. All these were corroborated with the academic research findings already done and documented. An observation of asset utilization of tracks, cargo and passenger operations in Canada has also been made as well as observing their key success elements.

I have equally studied, NRC based on the published information posted on the official website, reports from CBN, National Bureau of Statistics, reports from the presidential aid project on rail transport and many other studies. An aspect of high importance is the current Organisation structure. I observed that there is a commercial department and not a marketing department. This is a serious weakness on the organisation structure. If you give me your audience, I will help you set up a working marketing department. That is the main revenue generating department that is not there. How do you then generate revenue? Yes commercial department is there but they lack a strategic focus for revenue drive and responsibility.

Based on my preliminary study, four groups have been identified for my study. Hence from the Nigeria side, I have surveyed the length and breadth of Nigeria based on the identified group. Attached, please find questionnaire for each identified group.

I have covered all the 36 states of the Federation with overwhelming responses. Attached are the questionnaires for the four groups for your perusal.
I want to provide you with a very clear strategic goal and a simple process that will enhance its successful implementation. I am not asking for any monetary reward other than your audience and support for my project.

I look forward to your response.

Warm Regards

Oye Abioye
Oyekanabioye@hotmail.com
+1 416 731 2930

11.11 Letter of Support for my Research Project by Management of NRC

Adeseyi Sijuwade
09/12/2013

Documents
To: oyekanabioye@hotmail.com, timothy Zalanga

Outlook.com Active View

4 attachments (total 1024.3 KB)

Dear Mr Abioye
Thanks for your email below and interest shown in development of Nigerian Railways. I have forwarded it to NRC Director Corporate Planning, Mr Timothy Zalanga who is also our Project Manager for PPP initiatives. Please liaise directly with Mr Zalanga (via email above) as he will be representing us on your project.

Regards
Adeseyi Sijuwade
11.12  Letter of support for my Research Project

Muzakari Abdu
21/09/2013
To: Oyekanabiyo@yahoo.com

Re-railway survey
Dear Prof,

I am very interested in your survey. I worked in the Transport Department of the BPE before my retirement in March this year. I believe I can even provide you with some information on the subject matter should you require so.

Have a good day.

Muzakari A. Fagge
Sent from my iPad

11.13(A)  Developing Survey Sample Population using Snowball Approach -

PhD Research Survey Questionnaire for my Friend
'Sola Omoju (shollc@yahoo.co.uk)
20/10/2013
To: godscourt24@yahoo.com, ehiuyikizexcel@yahoo.com, lorenzcurve@yahoo.com, agiboy2000@yahoo.com, patrickudefuna@yahoo.com, fjumare@gmail.com, saba.akongwale@gmail.com, charlesobutte@yahoo.com, alisani78@yahoo.com, yemmy_lad@yahoo.co.uk, qozeemalasinrin@yahoo.com, adesanyaolumide10@yahoo.com, alli_yinka@yahoo.com, ologbonyofelix@yahoo.com, Emmanuel.omoju@ng.kpmg.com, joshfigo@yahoo.co.uk, daltonoke@yahoo.com, francisadebayo31@yahoo.com, iadaora@yahoo.com
Cc: oyekanabiyo@yahoo.com

1 attachment (242.6 KB)

PhD Research Questionnaire 2013 G & RBQ.docx
View online
Download as zip

Hi Guys,

Please find attached a PhD research survey questionnaire from a friend. He is currently working on his PhD Dissertation and will appreciate your assistance in responding to these questions as soon as possible.

For ease of completion, please download as a word document, highlight your selections and bold in black or use the key stroke "x" beside your selections. Send the completed questionnaire directly to his email (oyekanabiyo@yahoo.com).

Trust you guys to assist in this regard. Will really appreciate it.

'Sola.
11.13(B) Developing Survey Sample Population using Snowball Approach - Dec17, 2013

Dear Sir:

Re: Survey Questionnaire - MCQ & ECQ Samples

Please be advised that you were referred to me by NRC Engr. Bayo Adeniran Elijah

Attached, please find my survey questionnaire for your perusal and completion.

For ease of completion, please download as a word document, highlight your selections and bold in black or use the key stroke "x" beside your selections.

Upon completion, please save it, open your email and send it as an attachment.

Yours truly

Oye Abioye

Warm Regards

Oye Abioye
Oyekanabioye@hotmail.com
Cell: +1 416 731 2930

11.13(C) Developing Survey Sample Population using Snowball Approach -

On 10/28/13 5:04 AM, Oye Abioye wrote:

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Dear Prof:

Many thanks for accepting my invitation to be part of your network on LinkedIn. I sincerely hope this professional connection will be mutually beneficial to both of us.

Meanwhile, please be advised that I am currently conducting a research on the services of the Nigeria Railway. I have a survey prepared to solicit information for this purpose.

I am writing to ask if you would like to participate in the survey. If you are interested in participating in the survey, please send me your email address to enable me send the questionnaire to you for completion.

I sincerely look forward to your response.

Warm regards.

Oye Abioye
Oyekanabioye@hotmail.com
Cell: +1 416 731 2930
**11.14 NRC Passengers & Cargo Train Schedule**

The following passenger train services are currently running across the Country.

Lagos - Ilorin (Tuesdays, Fridays & Saturdays)

Departs Iddo 09.00hrs  
Arrives Ilorin 18.34hrs of same day.

Ilorin - Lagos (Wednesdays, Saturdays & Sundays)

Departs Ilorin 11.00hrs of Wednesday  
Arrives Lagos 20.59hrs of same day.
Departs Ilorin 09.00hrs on Saturdays and Sundays  
Arrives Lagos 20.59hrs.

Lagos - Kano (Every Friday)

Departs Iddo 12.00hrs  
Arrives Kano 17.01hrs on Saturday.

Kano - Lagos (Every Monday)

Departs Kano 09.00hrs  
Arrives Lagos 14.24hrs on Tuesday.

Offa - Kano (Every Tuesday)

Departs Offa 22.00hrs  
Arrives Kano 18.05hrs on Wednesday.

Kano - Offa (Every Friday)

Departs Kano 08.30hrs  
Arrives 05.35hrs on Saturday.

Minna - Kaduna - Minna (Every Sunday, Monday & Thursday)

Nguru - Kano (Every Tuesday and Friday)

Kaduna Inter-City [Commuter Service] (Mondays - Saturdays)

Lagos Inter-City [Commuter Service] (Monday s - Saturdays)

Services  
Passenger Trains  
Freight Trains  
Goods and Parcels  
Wagons  
Passenger Train Schedule
RESEARCH QUESTIONNAIRE

Please select the appropriate box(s) most relevant to your choice(s).

DEMOGRAPHIC INFORMATION

1. How old are you?
   (a) 16 – 20 years  (b) 21 – 25 years  (c) 26 – 30 years  (d) 31 – 35 years  (e) 36 years or over
   Please specify age if over 36

2. What is your current occupation?
   (a) Accountant  (b) Banker  (c) Entrepreneur  (d) Engineer  (e) Educator  (f) Other
   Please specify any other: HR Professional

3. What is your average income per annum?
   (a)₦50 – ₦100k  (b) ₦101 – ₦250k  (c) ₦251 – ₦500k  (d) ₦501 – ₦750k  (e) ₦751k and over
   Please specify amount if over ₦751k

CHOICE OF TRANSPORTATION MODE AND FREQUENCY

4. By what mode of transportation do you normally undertake your journey? (Please select all applicable options)
   (a) Rail  (b) Car  (c) Bus/Coach  (d) Air  (e) Any other
   Please specify ‘any other’

5. How frequently do you make this journey?
   (a) Daily  (b) Weekly  (c) Bi-weekly  (d) Monthly  (e) Semi-Annually  (f) Annually
   Please specify any other

6. What is the main purpose of your journey? (Please select all applicable options)
   (a) Business  (b) Visiting  (c) Work Related  (d) Sight Seeing  (e) Excursion
   Please specify any other

7. What makes you choose the above mode of transportation? (Please select all applicable options)
   (a) Speed  (b) Efficiency  (c) Cost  (d) Safety  (e) Convenience
   Please specify any other

8. What is the average length of your journeys in kilometres?
   (a) 1 - 10km  (b) 11 - 20km  (c) 21-30km  (d) 31-100km  (e) Over 100km
   Please specify if over 100km

9. How frequent do you travel on the Railway?
   (a) Very Frequent  (b) Frequent  (c) Occasionally  (d) Rarely  (e) Never

RAILWAY SERVICE SATISFACTION EVALUATION

10. How would you evaluate the services of the Nigerian Railway Corporation presently?
    (a) Excellent  (b) Good  (c) Adequate  (d) Poor  (e) Don’t Know
11. Which of the following do you consider to be main cause(s) for the present state of the Nigerian Railway Corporation? Poor management [ ] (b) Government involvement [ ] (c) Lack of clear objectives [ ]
   (d) Lack of competition [ ] (e) any other [ ] Please specify ..............................................................
12. Running the Nigerian Railway Corporation purely as a commercial operation is a good strategy for the corporation's growth and development.
   (a) Strongly Agree [ ] (b) Agree [ ] (c) Undecided [ ] (d) Disagree [ ] (e) Strongly Disagree [ ]

POLICY OPINION EVALUATION

   (a) Strongly Agree [ ] (b) Agree [ ] (c) Undecided [ ] (d) Disagree [ ] (e) Strongly Disagree [ ]
14. Which privatisation method out of the following are you familiar with? (Please select all applicable options)
   (a) Management Buy-Out [ ] (b) Management Contract [ ] (c) Franchising [ ] (d) Concession [ ]
   (e) Share issues [ ] (f) Leases [ ] Please specify others ........................................................................................................
15. Which one out of the following privatisation methods do you recommend for the Nigerian Railway Corporation?
   (a) Management Buy-Out [ ] (b) Management Contract [ ] (c) Franchising [ ] (d) Concession [ ]
   (e) Share issues [ ] (f) Leases [ ] Please specify others ........................................................................................................
16. A particular choice of privatisation method will have an impact on the performance of NRC.
   (a) Strongly Agree [ ] (b) Agree [ ] (c) Undecided [ ] (d) Disagree [ ] (e) Strongly Disagree [ ]
17. Which factors out of the following do you think a choice of privatisation method will affect?
   (a) Effectiveness [ ] (b) Efficiency [ ] (c) NRC Infrastructure Investment [ ] (d) Productivity [ ] (e) Profitability [ ]
18. Privatisation of Nigerian Railway Corporation will enhance the effectiveness of its rail services.
   (a) Strongly Agree [ ] (b) Agree [ ] (c) Undecided [ ] (d) Disagree [ ] (e) Strongly Disagree [ ]
19. Which of the following effectiveness factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Customer Safety [ ] (b) Timeliness [ ] (c) Prompt Service [ ] (d) Neatness [ ]
   (e) Customer Complaint [ ] (f) None of the above [ ]
20. Privatisation of Nigerian Railway Corporation will enhance the efficiency of its rail services.
   (a) Strongly Agree [ ] (b) Agree [ ] (c) Undecided [ ] (d) Disagree [ ] (e) Strongly Disagree [ ]
21. Which of the following efficiency factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Service Quality [ ] (b) Customer Satisfaction [ ] (c) Service Frequency [ ]
   (d) Cost reduction [ ] (e) Customer patronage [ ] (f) none of the above [ ]
22. Privatisation of Nigerian Railway Corporation will enhance its productivity.
   (a) Strongly Agree [ ] (b) Agree [ ] (c) Undecided [ ] (d) Disagree [ ] (e) Strongly Disagree [ ]
23. Which of the following productivity factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Efficient operation (b) Labour usage (c) Efficient Infrastructure (d) Quality Operation (e) None of the above

24. How would you rate the rail fare charges of the Nigerian Railway Corporation? (a) Very high (b) High (c) Moderate (d) Low (e) Very low

RAIL TRANSPORT FARE EVALUATION
25. How would you compare the NRC rail fares to other modes of transportation in the country? (a) Very high (b) High (c) Moderate (d) Low (e) Very low

26. Government should regulate rail fares and time-tables if Nigerian Railway Corporation is privatised. (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

27. The Privatisation of NRC will lead to an increase in rail fares. (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

28. The service efficiency gained from NRC privatisation will lead to rail fares reduction. (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

29. The quality of services of the Nigerian Railway Corporation will improve if privatised. (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

30. There will be more private operators in the sector if the railway industry is deregulated. (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

31. An increase in the number of rail operators will promote competition if the rail industry is deregulated. (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

32. What impact do you think competition would have on the railway services? (Please tick all applicable boxes) (a) High quality (b) Low price (c) Efficiency (d) Many choices (e) Any other

IMPROVEMENT SUGGESTIONS
33. What main improvement features do you recommend should be introduced to the railway system? (a) Staff training (b) More investment (c) Dualising the rail network (d) Efficiency

34. Privatisation will encourage creation of regulatory bodies to protect consumer interests in the face of private monopoly. (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

35. An efficient railway network will enhance efficiency of other sector that relies on the services of the Nigerian railway. (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

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36. The privatisation of the key infrastructure in Nigeria will lead to an improvement and contribute to economic development in Nigeria.

(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

Please provide brief comments on any issue not covered by the survey in the space provided below:

Thank you for your time.
RESEARCH QUESTIONNAIRE

Please select the appropriate box(s) most relevant to your choice(s).

DEMOGRAPHIC INFORMATION

1. How old are you? (a) 16 – 20 years (b) 21 – 25 years (c) 26 – 30 years (d) 31 – 35 years (e) 36 years or over Please specify age if over 36

2. What is your current occupation?
(a) Accountant (b) Economist (c) Consultant (d) Engineer (e) Lawyer (f) Other Please specify

3. What is your average income per annum?
(a) N50 – N100k (b) N101 – N250k (c) N251 – N500k (d) N501 – N750k (e) N751k and over Please specify amount if over N751

4. What transportation mode do you use for your journey?
(a) Rail (b) Car (c) Bus/Coach (d) Air (e) Any other Please specify

5. How frequent do you make this journey?
(a) Daily (b) Weekly (c) Bi-weekly (d) Monthly (e) Semi-Annually (f) Annually Please specify any other

6. What is the main purpose of your journey?
(a) Business (b) Visiting (c) Work Related (d) Sight Seeing (e) Excursion Please specify any other

7. What makes you choose the above mode of transportation? (Please select all applicable options)
(a) Speed (b) Efficiency (c) Cost (d) Safety (e) Convenience Please specify any other

8. What is the average length of your journeys (in kilometers)?
(a) 1 - 10km (b) 11 - 20km (c) 21-30km (d) 31-100km (e) Over 100km Please specify if over 100km

ABOUT NRC SERVICES

9. How frequent do you travel on the Railway?
(a) Very Frequent (b) Frequent (c) Occasionally (d) Rarely (e) Never

10. How would you rate the services of the corporation at this present time?
(a) Very efficient (b) Efficient (c) Moderate (d) Inefficient (e) Very Inefficient

11. How would you rate the volume of passengers using the rail service as a mode of transportation currently?
(a) Very High (b) High (c) Moderate (d) Low (e) Very Low
12. What would you say are the main factors responsible for the current state of service of the Nigerian Railway?
   (a) Lack of investment (b) Government intervention (c) Corruption (d) Neglect of the Corporation (e) Any other Please specify........................................................................................................

13. Ownership is the main factor responsible for the current condition of the Corporation?
   (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Agree

14. The corporation will be financially viable under a suitable and formidable management structure?
   (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Agree

STRATEGIES FOR REFORMING NRC

15. Government policy of privatisation is a good strategy for the Nigerian Railway Corporation.
   (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

16. Which method of privatisation out of the following are you familiar with?
   (a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession (e) Share issues (f) Leases Please specify others........................................................................................................

17. Which one out of the following privatisation method do you recommend for the Nigerian Railway Corporation? (a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession (e) Share issues (f) Leases Please specify others...............................................................

18. A particular choice of privatisation method will have an impact on the performance of NRC.
   (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

MEASURING THE IMPACT AND OUTCOME OF NRC REFORM

19. Which privatisation method/s do you think will have an impact on NRC’s effectiveness?
   (a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession (e) Share issues (f) Leases Please specify others........................................................................................................

20. Which privatisation method/s do you think will have an impact on NRC’s efficiency?
   (a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession (e) Share issues (f) Leases Please specify others........................................................................................................

21. Which privatisation method/s do you think will have an impact on NRC’s Infrastructure Investment?
   (a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession (e) Share issues (f) Leases Please specify others........................................................................................................

22. Which privatisation method/s do you think will have an impact on NRC’s Profitability?
   (a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession (e) Share issues (f) Leases Please specify others........................................................................................................

23. Which privatisation method/s do you think will have an impact on Productivity?
   (a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession (e) Share issues (f) Leases Please specify others........................................................................................................
24. If the corporation is privatised, which of the following do you expect to likely improve?
(a) Investment ( ) (b) Efficiency ( ) (c) Frequency ( ) (d) Competition ( ) (d) Productivity ( )
Please specify ‘Any other’ .................................................................

25. The Nigerian Railway Corporation should be privatised as a single unit.
(a) Strongly Agree ( ) (b) Agree ( ) (c) Undecided ( ) (d) Disagree ( ) (e) Strongly Agree ( )

26. NRC network should be broken into different strategic business units (i.e. rail track, communications, stations etc.) before privatisation.
(a) Strongly Agree ( ) (b) Agree ( ) (c) Undecided ( ) (d) Disagree ( ) (e) Strongly Agree ( )

27. Which of the following would you then suggest should be privatised?
(a) Rail track ( ) (b) Communication/signaling ( ) (c) Passengers ( ) (d) Goods/Cargoes ( )
(e) Station Services ( ) Please specify others........Both.................................................................

28. The Corporation network should be divided into different lines (i.e. East, North, West and South lines)
(a) Strongly Agree ( ) (b) Agree ( ) (c) Undecided ( ) (d) Disagree ( ) (e) Strongly Agree ( )

29. How many operators do you suggest the network should have if it is privatised?
(a) Four ( ) (b) Six ( ) (c) Eight ( ) (d) Ten ( ) (e) More than Ten ( )
Please specify if more than ten .................................................................

30. Privatisation of the Nigerian Railway Corporation will enhance the effectiveness of its rail services.
(a) Strongly Agree ( ) (b) Agree ( ) (c) Undecided ( ) (d) Disagree ( ) (e) Strongly Disagree ( )

31. Which of the following effectiveness factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Customer Safety ( ) (b) Timeliness ( ) (c) Prompt Service ( ) (d) Neatness ( )
(e) Customer Complaint ( ) (f) None of the above ( )

32. Privatisation of the Nigerian Railway Corporation will enhance the efficiency of its rail services.
(a) Strongly Agree ( ) (b) Agree ( ) (c) Undecided ( ) (d) Disagree ( ) (e) Strongly Disagree ( )

33. Which of the following efficiency factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Service Quality ( ) (b) Customer Satisfaction ( ) (c) Service Frequency ( )
(d) Cost reduction ( ) (e) Customer patronage ( ) (f) None of the above ( )

34. Privatisation of the Nigerian Railway Corporation will enhance its productivity.
(a) Strongly Agree ( ) (b) Agree ( ) (c) Undecided ( ) (d) Disagree ( ) (e) Strongly Disagree ( )

35. Which of the following productivity factors do you think will improve if Nigerian Railway Corporation is privatised? (a) Efficient operation ( ) (b) Labour usage ( ) (c) Efficient Infrastructure ( )
(d) Quality Operation ( ) (e) None of the above ( )

36. The current level of employment will be maintained if the Nigerian Railway Corporation is privatised.
(a) Strongly Agree ( ) (b) Agree ( ) (c) Undecided ( ) (d) Disagree ( ) (e) Strongly Disagree ( )

37. Privatisation of the Nigerian Railway Corporation will not lead to reduction in its workforce. (a) Strongly Agree ( ) (b) Agree ( ) (c) Undecided ( ) (d) Disagree ( ) (e) Strongly Disagree ( )
38. How would you rate the rail fare charges of the Nigerian Railway Corporation?
(a) Very high  (b) High  (c) Moderate  (d) Low  (e) Very low

39. How would you compare the NRC rail fares to other modes of transportation in the country?
(a) Very high  (b) High  (c) Moderate  (d) Low  (e) Very low

40. Government should regulate fares and time-tables if the Nigerian Railway Corporation is privatised.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

41. Privatisation of the NRC will lead to an increase in rail fares.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

42. The quality of services of the Nigerian Railway Corporation will improve if privatised.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

43. There will be more private operators in the sector if the railway industry is deregulated.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

44. Deregulation of the rail industry will encourage more private operators’ therefore increasing competition.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

45. What impact do you think competition would have on the railway services?
(a) High quality  (b) Low price  (c) Efficiency  (d) Many choices  (e) Any other
Please specify ‘any other’ ...........................................................................................................................

46. What main improvement features do you recommend should be introduced to the railway system?
(a) Staff training  (b) More investment  (c) Dualising the rail network  (d) Efficiency  Please specify ‘any other’ ...........................................................................................................................

47. Privatisation will encourage creation of regulatory bodies to protect consumer interests in the face of private monopoly.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

48. An efficient railway network will enhance efficiency of other sector that rely on the services of the Nigerian railway.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

49. The privatisation of the key infrastructure in Nigeria will lead to an improvement and contribute to economic development in Nigeria.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

Please provide brief comments on any issue not covered by the survey in the space provided below:

Thank you for your time.
Sample of Completed Questionnaire by Management of the NRC (MCQ)

RESEARCH QUESTIONNAIRE

Please select the appropriate box(s) most relevant to your choice(s).

DEMOGRAPHIC INFORMATION

1. What is your current management level at NRC?
   (a) Supervisor □ (b) Middle □ (c) Senior □ (d) Management □ (e) Director □
   Please specify ..........d (management).................... Railway District Manager .................

2. What is your current management function with NRC? C (Administration)
   (a) Accountancy □ (b) Engineering □ (c) Operation □ (d) Marketing □ (e) Administration □
   Please specify ‘any other’ ............................................. ......................................

3. How long have you been in NRC employment?
   (a) 0-5yrs □ (b) 6-10yrs □ (c) 11-15yrs □ (d) 16-20yrs □ (e) 21 - 25yrs □
   Please specify if over 25 years .................................................................

4. What is your average income per annum (in thousands)?
   (a) $50 – $100k □ (b) $101 – $250k □ (c) $251 – $500k □ (d) $501 – $750k □ (e) $751k and over □
   Please specify if over $751k about $1500k..............................................

WORKING WITH NRC

5. How would you evaluate the general level of satisfaction of your current employment with the NRC?
   (a) Very satisfied □ (b) Satisfied □ (c) Undecided □ (d) Unsatisfied □ (e) Very Unsatisfied □

6. How would you evaluate the level of satisfaction of your current wages/salary paid by NRC?
   (a) Very satisfied □ (b) Satisfied □ (c) Undecided □ (d) Unsatisfied □ (e) Very Unsatisfied □

7. What type of employment contract do you currently have with NRC?
   (a) Casual □ (b) Contract □ (c) Part-Time □ (d) Permanent Part-Time □ (e) Full-Time □

8. Does your current contract of employment include a pension scheme?
   (a) Yes □ (b) No □ (c) Don't know □

9. Do you currently contribute to an NRC pension scheme?
   (a) Yes □ (b) No □ (c) Don't know □

10. Do you contribute to any other occupational or private pension plan?
    (a) Yes □ (b) No □ (c) Don't know □

11. How many kilometres do you travel to work each day?
    (a) 1 - 10km □ (b) 11 - 20km □ (c) 21-30km □ (d) 31-100km □ (e) Over 100km □
    Please specify if over 100km..........................................................................................

12. By what mode of transportation do you normally undertake your journeys?
    (a) Rail □ (b) Car □ (c) Bus/Coach □ (d) Air □ (e) Any other □
    Please specify ‘any other’..............................................................................................
ABOUT NRC SERVICES

13. How frequent do you travel on the Railway?
   (a) Very Frequent  (b) Frequent  (c) Occasionally  (d) Rarely  (e) Never

14. How would you rate the services of the corporation at this present time?
   (a) Very efficient  (b) Efficient  (c) Moderate  (d) Inefficient  (e) Very Inefficient

15. How would you rate the volume of passengers using the rail service as a mode of transportation currently?
   (a) Very High  (b) High  (c) Moderate  (d) Low  (e) Very Low

16. What would you say are the main factors responsible for the current state of service of the Nigerian Railway?
   (a) Lack of investment  (b) Government intervention  (c) Corruption  
   (d) Neglect of the Corporation  (e) Any other Please specify

17. Ownership is the main factor responsible for the current condition of the Corporation?
   (a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Agree

18. The corporation will be financially viable under a suitable and formidable management structure?
   (a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Agree

STRATEGIES FOR REFORMING NRC

19. Government policy of privatisation is a good strategy for the Nigerian Railway Corporation.
   (a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

20. Which method of privatisation out of the following are you familiar with?
   (a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession
   (e) Share issues  (f) Leases  Please specify others

21. Which one out of the following privatisation method do you recommend for the Nigerian Railway Corporation?
   (a) Management Buy-Out  (b) Management Contract  (c) Franchising
   (d) Concession  (e) Share issues  (f) Leases  Please specify others

22. A particular choice of privatisation method will have an impact on the performance of NRC.
   (a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

MEASURING THE IMPACT AND OUTCOME OF NRC REFORM

23. Which privatisation method/s do you think will have an impact on NRC’s effectiveness?
   (a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession
   (e) Share issues  (f) Leases  Please specify others

24. Which privatisation method/s do you think will have an impact on NRC’s efficiency?
   (a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession
   (e) Share issues  (f) Leases  Please specify others

5. Which privatisation method/s do you think will have an impact on NRC’s Infrastructure Investment?
   (a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession
   Share issues  (f) Leases  Please specify others
26. Which privatisation method/s do you think will have an impact on NRC’s Profitability?
(a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession
(e) Share issues  (f) Leases  Please specify others.................................................................
27. Which privatisation method/s do you think will have an impact on Productivity?
(a) Management Buy-Out  (b) Management Contract  (c) Franchising  (d) Concession
(e) Share issues  (f) Leases  Please specify others.................................................................
28. If the corporation is privatised, which of the following do you expect to likely improve?
(a) Investment  (b) Efficiency  (c) Frequency  (d) Competition  (d) Productivity
Please specify ‘Any other’. ALL OF THE ABOVE.................................................................
29. The Nigerian Railway Corporation should be privatised as a single unit.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Agree
30. NRC network should be broken into different strategic business units (i.e. rail track, communications, stations etc.) before privatisation. (a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree
(e) Strongly Agree
31. Which of the following would you then suggest should be privatised?
(a) Rail track  (b) Communication/signalling  (c) Passengers  (d) Goods/Cargoes
(e) Station Services  Please specify others......ALL OF THE ABOVE BUT RAIL SERVICES
32. The Corporation network should be divided into different lines (i.e. East, North, West and South lines)
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Agree
33. How many operators do you suggest the network should have if it is privatised?
(a) Four  (b) Six  (c) Eight  (d) Ten  (e) More than Ten
Please specify if more than ten .................................................................
34. Privatisation of the Nigerian Railway Corporation will enhance the effectiveness of its rail services.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree
35. Which of the following effectiveness factors do you think will improve if the Nigerian Railway Corporation is privatised? (a)Customer Safety  (b) Timeliness  (c) Prompt Service  (d) Neatness
(e) Customer Complaint  (f) None of the above
36. Privatisation of the Nigerian Railway Corporation will enhance the efficiency of its rail services.
(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree  (e) Strongly Disagree

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7. Which of the following efficiency factors do you think will improve if the Nigerian Railway Corporation is privatised?  
(a) Service Quality  
(b) Customer Satisfaction  
(c) Service Frequency  
(d) Cost reduction  
(e) Customer patronage  
(f) None of the above  

38. Privatisation of the Nigerian Railway Corporation will enhance its productivity.  
(a) Strongly Agree  
(b) Agree  
(c) Undecided  
(d) Disagree  
(e) Strongly Disagree  

39. Which of the following productivity factors do you think will improve if Nigerian Railway Corporation is privatised?  
(a) Efficient operation  
(b) Labour usage  
(c) Efficient Infrastructure  
(d) Quality Operation  
(e) None of the above  

40. The current level of employment will be maintained if the Nigerian Railway Corporation is privatised.  
(a) Strongly Agree  
(b) Agree  
(c) Undecided  
(d) Disagree  
(e) Strongly Disagree  

41. Privatisation of the Nigerian Railway Corporation will not lead to reduction in its workforce.  
(a) Strongly Agree  
(b) Agree  
(c) Undecided  
(d) Disagree  
(e) Strongly Disagree  

42. How would you rate the rail fare charges of the Nigerian Railway Corporation?  
(a) Very high  
(b) High  
(c) Moderate  
(d) Low  
(e) Very low  

43. How would you compare the NRC rail fares to other modes of transportation in the country?  
(a) Very high  
(b) High  
(c) Moderate  
(d) Low  
(e) Very low  

44. Government should regulate fares and time-tables if the Nigerian Railway Corporation is privatised.  
(a) Strongly Agree  
(b) Agree  
(c) Undecided  
(d) Disagree  
(e) Strongly Disagree  

45. Privatisation of the NRC will lead to an increase in rail fares.  
(a) Strongly Agree  
(b) Agree  
(c) Undecided  
(d) Disagree  
(e) Strongly Disagree  

46. Service efficiency gained from its privatisation will lead to rail fares reduction.  
(a) Strongly Agree  
(b) Agree  
(c) Undecided  
(d) Disagree  
(e) Strongly Disagree  

47. The quality of services of the Nigerian Railway Corporation will improve if privatised.  
(a) Strongly Agree  
(b) Agree  
(c) Undecided  
(d) Disagree  
(e) Strongly Disagree  

48. There will be more private operators in the sector if the railway industry is deregulated.  
(a) Strongly Agree  
(b) Agree  
(c) Undecided  
(d) Disagree  
(e) Strongly Disagree  

49. Deregulation of the rail industry will encourage more private operators’ therefore increasing competition.  
(a) Strongly Agree  
(b) Agree  
(c) Undecided  
(d) Disagree  
(e) Strongly Disagree  

50. What impact do you think competition would have on the railway services?  
(a) High quality  
(b) Low price  
(c) Efficiency  
(d) Many choices  
(e) Any other  
Please specify ‘any other’……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………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52. Privatisation will encourage creation of regulatory bodies to protect consumer interests in the face of private monopoly. (a) Strongly Agree (b) Agree  (c) Undecided (d) Disagree (e) Strongly Disagree

53. An efficient railway network will enhance efficiency of other sector that rely on the services of the Nigerian railway. (a) Strongly Agree (b) Agree  (c) Undecided (d) Disagree (e) Strongly Disagree

54. The privatisation of the key infrastructure in Nigeria will lead to an improvement and contribute to economic development in Nigeria.

(a) Strongly Agree  (b) Agree  (c) Undecided  (d) Disagree (e) Strongly Disagree

Please provide brief comments on any issue not covered by the survey in the space provided below:
BEFORE PRIVITISATION, GOVERNMENT SHOULD COMPLETE ALL REACTIVATION AND REHABILITATION PROGRAMMES INCLUDING INFRASTRUCTURAL UPGRADES.

Thank you for your time.
RESEARCH QUESTIONNAIRE
Please select the appropriate box(s) most relevant to your choice(s).

DEMOGRAPHIC DATA
1. How old are you? (a) 16 – 20 years □ (b) 21 – 25 years □ (c) 26 – 30 years □ (d) 31 – 35 years □ (e) over 36 years X. Please specify if over 36 years …I am 47 years of age now………………………………………..

2. What is your current occupation with NRC? (a) Workshop maintenance □ (b) Engineer □ (c) Clerk □ (d) Driver □ (e) Signal □ Please specify ‘any other’ ……Public Relations and 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13. How frequent do you travel on the Railway?
(a) Very Frequent X (b) Frequent (c) Occasionally (d) Rarely (e) Never

14. How would you evaluate the services of the Nigerian Railway Corporation?
(a) Very efficient (b) Efficient (c) Undecided (d) Inefficient X (e) Very Inefficient

15. What do you think are the main causes of the present state of service of the Nigerian Railway Corporation?
(a) Poor management (b) Government involvement (c) Lack of clear objectives (d) Lack of competition (e) Any other X Please specify .lack of formidable motive power base; poor carriage capability as a result of dearth of coaches and wagons; effective revenue protection from leakages..............................................................

16. Running the Nigerian Railway Corporation purely as a commercial operation is a good strategy for the corporation's growth and development.
(a) Strongly Agree X (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

17. Government policy of privatisation is a good strategy for the Nigerian Railway Corporation.
(a) Strongly Agree X (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

18. Which method of privatisation out of the following are you familiar with?
(a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession X (e) Share issues (f) Leases Please specify others..............................................................

19. Which one out of the following privatisation method do you recommend for the Nigerian Railway Corporation? (a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession X (e) Share issues (f) Leases Please specify others...PPP with NRC becoming regulator or advisor while private sector take full control of providing rail services.................................

20. A particular choice of privatisation method will have an impact on the performance of NRC.
(a) Strongly Agree X (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree

21. Which privatisation method do you think will have an impact on the performance of NRC?
(a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession X (e) Share issues (f) Leases Please specify others..............................................................

22. Which privatisation method/s do you think will have an impact on NRC’s effectiveness?
(a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession X (e) Share issues (f) Leases Please specify others..............................................................

23. Which privatisation method/s do you think will have an impact on NRC’s efficiency?
(a) Management Buy-Out (b) Management Contract (c) Franchising (d) Concession X (e) Share issues (f) Leases Please specify others..............................................................
24. Which privatisation method/s do you think will have an impact on NRC’s Infrastructure Investment?
(a) Management Buy-Out [ ] (b) Management Contract [ ] (c) Franchising [ ] (d) Concession [X]
(e) Share issues [ ] (f) Leases [ ] Please specify others.................................................................

25. Which privatisation method/s do you think will have an impact on NRC’s Profitability?
(a) Management Buy-Out [ ] (b) Management Contract [ ] (c) Franchising [X] (d) Concession [ ]
(e) Share issues [ ] (f) Leases [ ] Please specify others.................................................................

26. Which privatisation method/s do you think will have an impact on NRC’s Productivity?
(a) Management Buy-Out [ ] (b) Management Contract [ ] (c) Franchising [X] (d) Concession [ ]
(e) Share issues [ ] (f) Leases [ ] Please specify others.................................................................

27. Which ones out of the following do you think a choice of privatisation method will affect?
(a) Effectiveness [X] (b) Efficiency [X] (c) NRC Infrastructure Investment [ ] (d) Productivity [ ] (e) Profitability [X]

28. Privatisation of Nigerian Railway Corporation will enhance the effectiveness of its rail services.
(a) Strongly Agree [X] (b) Agree [ ] (c) Undecided [ ] (d) Disagree [ ] (e) Strongly Disagree [ ]

29. Which of the following effectiveness factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Customer Safety [ ] (b) Timeliness [X] (c) Prompt Service [X] (d) Neatness [ ]
(e) Customer Complaint [ ] (f) None of the above [ ]

30. Privatisation of Nigerian Railway Corporation will enhance the efficiency of its rail services.
(a) Strongly Agree [X] (b) Agree [ ] (c) Undecided [ ] (d) Disagree [ ] (e) Strongly Disagree [ ]

31. Which of the following efficiency factors do you think will improve if the Nigerian Railway Corporation is privatised? (a) Service Quality [ ] (b) Customer Satisfaction [X] (c) Service Frequency [ ]
(d) Cost reduction [ ] (e) Customer patronage [ ] (f) None of the above [ ]

32. Privatisation of Nigerian Railway Corporation will enhance its productivity.
(a) Strongly Agree [ ] (b) Agree [X] (c) Undecided [ ] (d) Disagree [ ] (e) Strongly Disagree [ ]

33. Which of the following productivity factors do you think will improve if Nigerian Railway Corporation is privatised? (a) Efficient operation [X] (b) Labour usage [ ] (c) Efficient Infrastructure [ ]
(d) Quality Operation [ ] (e) None of the above [ ]

34. The current level of employment will be maintained if the Nigerian Railway Corporation is privatised.
(a) Strongly Agree [ ] (b) Agree [X] (c) Undecided [ ] (d) Disagree [ ] (e) Strongly Disagree [ ]

35. Privatisation of the Nigerian Railway Corporation will not lead to a reduction in its total workforce.
(a) Strongly Agree [ ] (b) Agree [X] (c) Undecided [ ] (d) Disagree [ ] (e) Strongly Disagree [ ]

36. How would you rate the rail fare charges of the Nigerian Railway Corporation?
(a) Very high [X] (b) High [ ] (c) Moderate [ ] (d) Low [ ] (e) Very low [ ]

37. How would you compare the NRC rail fares to other modes of transportation in the country?
(a) Very high [X] (b) High [ ] (c) Moderate [ ] (d) Low [ ] (e) Very low [X]
38. Government should regulate fares and time-tables if Nigerian Railway Corporation is privatised.

(a) Strongly Agree ☐  (b) Agree ☐  (c) Undecided ☐  (d) Disagree ☐  (e) Strongly Disagree ☐

39. The Privatisation of NRC will lead to an increase in rail fares.

(a) Strongly Agree ☐  (b) Agree ☐  (c) Undecided ☐  (d) Disagree ☐  (e) Strongly Disagree ☐

40. The quality of services of the Nigerian Railway Corporation will improve if privatised.

(a) Strongly Agree ☐  (b) Agree ☐  (c) Undecided ☐  (d) Disagree ☐  (e) Strongly Disagree ☐

41. There will be more private operators in the sector if the railway industry is deregulated.

(a) Strongly Agree ☐  (b) Agree ☐  (c) Undecided ☐  (d) Disagree ☐  (e) Strongly Disagree ☐

42. Deregulation of the rail industry will encourage more private operators’ therefore increasing competition.

(a) Strongly Agree ☐  (b) Agree ☐  (c) Undecided ☐  (d) Disagree ☐  (e) Strongly Disagree ☐

43. What impact do you think competition would have on the railway services?

(a) High quality ☐  (b) Low price ☐  (c) Efficiency ☐  (d) Many choices ☐  (e) Any other ☐
Please specify ‘any other’......service delivery, customer satisfaction, operational, performance excellence, etc.

44. What main improvement features do you recommend should be introduced to the railway system?

(a) Staff training ☐  (b) More investment ☐  (c) Dualising the rail network ☐  (d) Efficiency ☐
Please specify ‘any other’...........................................................................................................................

45. Privatisation will encourage creation of regulatory bodies to protect consumer interests in the face of private monopoly.

(a) Strongly Agree ☐  (b) Agree ☐  (c) Undecided ☐  (d) Disagree ☐  (e) Strongly Disagree ☐

46. An efficient railway network will enhance efficiency of other sector that relies on the services of the Nigerian railway.

(a) Strongly Agree ☐  (b) Agree ☐  (c) Undecided ☐  (d) Disagree ☐  (e) Strongly Disagree ☐

47. The privatisation of the key infrastructure in Nigeria will lead to an improvement and contribute to economic development in Nigeria.

(a) Strongly Agree ☐  (b) Agree ☐  (c) Undecided ☐  (d) Disagree ☐  (e) Strongly Disagree ☐

Please provide brief comments on any issue not covered by the survey in the space provided below:

Also of importance is the revocation or unbundling of the statutory Act of Parliament of 1955, popularly called Railway Act. It should be achieved promptly and replaced with investor-friendly legal framework that ultimately will lead to rapid development of rail transport sub-sector. As at February or so this year, the Act just went through 2nd reading and that was the last we heard of it. The process is too slow. Revocation or unbundling need be done expeditiously for the good of the country and the citizenry.

Thank you for your time.