

## **THE PUBLIC AND PRIVATE ENTERPRISES IN NIGERIAN MASS TRANSIT: A STUDY OF ENUGU STATE TRANSPORT COMPANY (ENTRACO) AND PEACE MASS TRANSIT (PMT), 2010-2020**

By  
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### **Abstract**

In Nigeria, the government aside from formulating policies that regulate the road transport sub sector is also directly involved alongside private individuals in operating the transport business under the mass transit programme which has been in place for many years. The seeming non-performance of the government-run commercial mass transit has prompted debates over whether the governments in Nigeria should continue to plunge the tax payer's resources into direct running of mass transit agencies or whether the government should encourage the private sector through financial support to solely drive the sector. This study will investigate two transport outfits; government owned and managed Enugu State Transport Company (ENTRACO) and privately owned and managed Peace Mass Transit Company (PMT) with a view to assessing the growth or decline of ENTRACO and PMT. The intent is to appraise the success of public and private transport businesses and their contributions to State and National Development. Data for the study, which will cover the period of 2010 – 2020, will be obtained from the statistical units of the two companies.

**Keywords:** mass transit, private sector, public sector, transport

### **Introduction**

Transportation is an essential necessity in every human society. It does not come as a surprise that in the last two decades, the usage of public transport has been on a rapid increase in Nigeria. The reason for this increase, according to Filani and Abumere (1992), can be attributed to factors like the rapid growth in population size, city size, and decline in international personal mobility caused by scarcity of foreign exchange and severe import restrictions. For instance, the population of Lagos grew at the rate of about 15% per annum in the 1970's while

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that of Ibadan, Ilorin, Kano, Port Harcourt and Abeokuta grew at between 10-20% annually in the 1970's and 1980's (Adesanya, 1994). Similarly, Ahmed (1996) contends that the population of Yola grew from 53,732 in 1963 to 156,978 in 1995 at a growth rate of 5% annually. To take care of these factors, city and inter-city bus transit sprang up to meet the transportation needs of the majority of the citizenry (especially those that fall within the low-income group).

Transport business in Nigeria involves both the government (public) and private enterprises. Aworemi, Adegoke and Olaogun (2009) stated that public sector bus enterprises in Nigeria are either owned by the Federal, State or Local Government. Continuing, they noted that prior to the introduction of Mass Transit Programme in 1988, public sector involvement in urban passenger transport services was very negligible. Buttressing this fact, Adeniji (1983) observed that the first generation of public sector bus operators came into existence shortly after Nigeria's political independence.

The Nigerian government in the 1980s embarked on the total restructuring of both public and private transport operations through sizeable investment in the bus fleet size. Thus the Federal Ministry of Transport and Aviation (1984) and Bolade (1988) stated that about 90% of the travel needs of the majority of the populace are met by public road transport in most cities. This trend, however, soon began to decline. As observed by Aworemi (2009:1), ... the urban public transport sector is characterized by low growth rate in terms of vehicles in use, passengers carried and route kilometres operated. The conventional bus operators were unable to meet the total demands of the travelling masses.

Corroborating this assertion, Adeniji (1983) and Ezeije and Bolade (1984) noted that by the late 1970's and the early 1980's some state-owned public transport companies (Lagos, Bendel, Kaduna, Kano) collapsed and those that survived were operating under serious financial and manpower constraints. This financial strait led them to be providing skeletal and erratic service in a number of cities. At this point in time, private transport operators took over. In fact, the World Bank (1990) revealed that by 1987, the private sector operators were carrying more than 98% of all public transport journeys in Nigeria's urban centres.

Indeed, on establishment, a transport company is expected, as a prerequisite condition, to procure vehicles which it will use to constitute its operating system. In fact, Gubbins (1988) has identified three principal functions of a typical mass transit company to include operating, maintenance and personnel management. The extent to which these three basic functions are

met determines the level of success or otherwise of the transport company involved. Not only that, it can serve as a yardstick for measuring the extent of contributions which such an outfit is capable of making to national development.

Aworemi, Adegoke and Olaogun (2009:74), noted that since 1988, virtually every state government in Nigeria has established its own transit undertaking. Local governments are also increasingly involved in the provision of public transport services. While, State and Local Government public transport undertakings can be said to be relatively more organized, the most of the private sector operators, according to Adesanya (2002), are largely unorganized and depend more on fare revenues and financial supports from informal sources such as friends, relatives, money lenders in order to finance their operations. Theoretically, it is assumed that many publicly-owned mass transit companies in Nigeria have better trained staff, workshops and maintenance facilities, operate on fixed routes and take off at specified times than most of private sector operators. Practically, however, these advantages are hardly replicated given the perceived level of success of the two transport companies which this study has selected for study – the Enugu State Transport Company (ENTRACO) and Peace Mass Transit.

### **Statement of the problem**

Nigeria operates a federal structure of government, with three tiers – Federal, State and Local Governments all modelled after the American presidential system. The 1999 constitution spells out the respective powers of the three tiers of Government (Federal, State and Local Governments). The Nigerian 1999 Constitution is based essentially on the report of a Committee which had collated the views expressed by Nigerians on the 1995 Draft Constitution, although that report was amended by the military government's Provisional Ruling Council. Nevertheless, the 1999 Constitution is, in many respects, also similar to the 1979 Constitution (Obasi, 2011).

Just like the constitutions of many other federal states, the 1999 Constitution divided powers among the three tiers of government. Corroborating this fact, Barkan and Gboyega (2001) observed that the success of Nigeria's federal system for effective governance hinges on appropriate division of responsibilities and resources between federal, state and local authorities supported by a sufficient institutional capacity at each of these levels to carry out its assigned functions. Thus the 1999 constitution has an Exclusive Legislative List which has 68 items. Only the federal government is empowered

to legislate on items in the exclusive list. Some of these items include Maritime, Aviation, Railways, national defence, federal roads et cetera. The Concurrent Legislative List has about twenty items over which both the federal and state governments can legislate upon. Items in this list include electricity, commerce and industries, education, transportation, agriculture among others. The Residual Legislative List contains items that only the states are empowered to legislate upon.

In as much as this constitutional division of areas of jurisdiction is to avoid clashes between the three tiers of government, the performance of duties in the legislative list is supposed to be geared towards the achievement of national development. The transport sector is one of the major areas in which the Federal, State and Local Government and even private individuals have been participating in for quite some time now. In the South-East geo-political zone, a number of publicly-owned and privately-owned mass transit outfits stand out. These include Imo Transport Company (ITC), Abia Line, Onitsha South Mass Transit, Enugu State Transport Company (ENTRACO), ABC Transport, Peace Mass Transit (PMT), Ifesinachi Transport Company, Globis Motors among several others.

Among these transport outfits, careful observation shows that the level of patronage which they receive from the people varies. The level of patronage received by these transport outfits is dependent on factors like efficiency, fare, number of buses possessed, number of routes covered on a daily basis and even the number of workers in its employ. Based on these indices, this study set for itself the task of critically assessing the Enugu State Transport Company (ENTRACO) and Peace Mass Transit with a view to ascertaining their level of viability as a yardstick for measuring their contribution to national development. To achieve this purpose, this study posed the following questions:

- 1) Is the continued involvement of the government in mass transit business in Nigeria desirable?
- 2) How do private mass transit operators contribute to national development?

### **Literature Review**

Most of the literature focuses on areas like need to promote urban mass transit and problems associated with mass transit business. For instance, Okpala (1977) observed that if the mass transit level of service is improved sufficiently enough and the car user taxed heavily enough, many car users will abandon their cars at home and opt for the urban mass transit mode for transportation. The reason for this, according to Ogbazi (1992), is that **mass transit** is an alternative and a

supplement to private automobile transport. Thus being a system in which greater numbers of people are moved together along principal corridors, it largely alleviates the suffering of commuters. To Aderamo and Magaji (2010), it is in recognition of the role transport plays in the overall development of any society and the desire to promote rapid socio-economic development particularly in the rural areas, the federal, state and local governments in Nigeria have been working towards the improvement and development of transportation system in the country.

On his part, Ani (1996) researched on the impact of government-assisted urban mass transit programme in Enugu State. After studying the State transport outfit, ENTRACO, he came to the conclusion that the contribution of ENTRACO to the economic development in Enugu State is commendable, and that ENTRACO has an effective and efficient management. Similarly, while writing on the viability of most state transport companies, Ogunsanya (1998) stated that the management of most of them have been deplorable. He attributed this to excessive intervention of the state administrators who frequently change chief executives of the state-owned transport companies, dictating of routes and fares without resort to economic principles, use of buses without payment, and use of civil service administrative approach in a business venture, to mention but few. Ogunsanya thus views the intervention of states in the management of the state transport outfits as detrimental to the success of such public mass transit outfits. Ogunsanya however failed to explain why these same factors that he pointed out as retarding the growth of public-owned transport companies even though present in the privately owned and managed ones, do not appear to have similar effects.

Effiong (2002) carried out a study on the link between poor road infrastructure and the proliferation of commercial motor cyclists especially in the rural areas. He contends that the failure of successive Nigerian governments to provide adequate transport for the citizens led to the upsurge in the number of motor cyclists in the country. He blamed the government for neglecting commercial mass transit so much so that it has been taken over by private individuals and enterprises. Furthermore, state-owned mass transit businesses appear to be in progressive decline since the early 90s, Offiong concluded.

In the same vein, studies by Travershina, Uko and Sallahu (2004) about commercial bus transit system in the North West geo-political zone of Nigeria raised a pertinent issue –that those employed by the government to run its mass transit scheme is behind its non-performance. This, according to them, is so because those running the mass transit scheme see it as government business

which does not in any way affect them whether it bloomed or failed. These scholars suggested that the government should set up a task force to monitor the managers of government-owned transport schemes.

Adeyemi (1996) has no doubt that Nigeria's transport service is generally poor and ineffective. This, according to her, can be attributed to the very low level of planning, if any, low level management capacity, poor coordination and fragmentation of responsibilities among other factors. Thus with a defective institutional framework, policy cannot function properly. Adeyemi asserted that urban transport management involves factors like planning (determination of present and future needs for streets, highways, parking etc); management; institutional framework or the administrative machinery among others. The administration of urban transport administration in Nigeria falls to the three tiers of government. Adeyemi observes that even though issues pertaining to urban transport should be the responsibility of the local government, the reality is that many of the functions relating to urban transportation have been taken over by the State and Federal Government respectively apparently due to lack of both technical, manpower resource and very low financial at the Local Government setting. In as much as Adeyemi rightly identified some of the problems faced in the Nigerian transport sector as well as ways of curbing such problems, the author erroneously assumed that urban transport business is the exclusive preserve of the three tiers of government. This is so because the author never made mention of private individuals and groups involved in running urban transport system in the country.

Bolade (1996) discussed urban public transport service in Nigeria and made a case for urban transport policy. To him, the introduction of organised and comprehensive Urban Mass Transit System has generated considerable interest in the Nigerian public policy. This has resulted from a number of inter-related factors. The first is the implicit neglect of the urban transport sub-sector in the national transport plans over the years. Second is related to the down-turn in the economy of the nation following the decline in oil revenue since 1983. The increasing demand for public transport service led to the establishment of the Federal Urban Mass Transit Programme (FUMTP) in 1988. This, according to him, marked the first decisive intervention by the government to arrest the urban mobility crisis.

Adeyemi (1996) examined the financing of urban mass transport system in Nigeria. To him, the issue of funding Urban Mass Transit System (UMTS) in Nigeria is multi-dimensional and it spans from mere provision of funds and financial resources to the more problematic managerial process for national

development. He asserted that the characteristics and performances of UMTS vary somewhat depending on the geographical location of the cities and/or whether the system is predominantly public or private.

Bolade (1997) focused on the manpower needs of the urban transport sub-sector in Nigeria. According to him, the rapid socio-economic development in Nigeria in the last two decades has created some imbalances between the manpower needs and supply in many sectors of the economy. Thus the economic downturn and a series of macro-economic readjustments including the continuous tactical devaluation of the naira have continued to impact on the development of the transport sector. The most significant effects, according to Bolade, have been in the passenger transport sector where owing to the high cost of new vehicles and spare parts for repairing old vehicles, total vehicle fleet declined from about 700,000 in 1982/83 to 500,000 in 1987 and 385,000 in 1991. Bolade continued by asserting that these nose-dive led to the creation of the Federal-assisted urban transit programme in 1988. As a result of this palliative measure, the public-owned transport companies and, in most recent years, the private operators are being assisted to source for cheaper bus inputs. This programme, together with the private owners' importation of about 40,000 – 50,000 used cars/buses from Western Europe per annum since 1990, have been sustaining the public transport services for quite some time now, Bolade concludes. This scholar dwelt much on the events that led to government assistance in the transport sector. He did not in any way assess the level of success or otherwise of both the public and private mass transit schemes.

The reviewed works show a consensus opinion that privately owned commercial mass transit schemes fare better than the government-owned ones. None of these studies, however, examined ENTRACO and PMT with a view to using the number of buses in their fleet, the routes covered as well as their overall employment figures to ascertain their respective contributions to national development. It is this void in the existing literature that this study sets out to fill.

### **Theoretical Framework**

David Easton's Systems Theory will be adopted for this study. The theory posits that a political system is a set of inter-related elements and the interactions among them which are distinguished from those elements not in the system by unambiguous analytical boundaries. Boundaries consist of those components, groups, persons or area where the frequency of a particular pattern of interaction fails off to an observable degree. Each system has an environment

itself and its environment and the interactions between each of its dynamics and promotes both its adaptive behaviour and its goal-seeking functions among them. It possesses the characteristic of distinctiveness, coherence, endurance and interdependence. A system therefore, is an organized whole in dynamic interaction. The political system exists in an environment. This environment generates input into the system. Input can be in the form of demand or support. Such input is deliberated upon in what is known as the conversion process. Through this, output which can be in the form of policy decisions or project implementation is injected into the environment. This in turn will generate reaction which will equally go into the political system as feedback.

As it relates to commercial bus transit business in Nigeria, it could be said that it is how much input is made into the system that reflects in the output (output here is in terms of number of buses, routes covered and number of passengers). The government-owned mass transit businesses may have betrayed a lack of sustained inputs hence their continued struggle to make a mark in a highly competitive transport business. This has reflected on the rate at which most of these transport schemes go into limbo. The privately-owned and operated ones can be said to have a much more robust conversion process in that they work on the inputs into the system by modifying it to suit the demands of the environment. With a lot of mass transit outfits to choose from, the people make it a point to go for the most efficient and the most reliable in the business and such preferences tend to favour private mass transit operators.

### **Method of Data Collection and Analysis**

**Research Design:** The cross-sectional survey research design will be adopted in generating data for this study. This approach will enable the researcher to analyse data drawn from the statistical unit of the two transport outfits under study with a view to making conclusions from data contained therewith on whose contribution is more in national development.

**Scope and Area of the Study:** This study will involve 2 commercial mass transit outfits headquartered in Enugu State – the Enugu State Transport Corporation (ENTRACO) and Peace Mass Transit (PMT).

**Population of Study:** To be involved in this study are all the drivers and staff of the two commercial transport outfits.

**Method of Data Collection:** Data for the study will be collected from the statistical units of the two transport outfits under study. In addition to that, the researcher will interview some members of the general public in Enugu State on



their impression about the contributions of the transport outfits to national development.

**Method of Data Analysis:** Data generated from the statistical units will be presented and analysed using simple statistical methods. Data generated from interviews will be presented as it was generated and interpreted likewise by the researcher.

### Data Presentation and Analysis

To determine the level of success and contribution to national development of the two transport outfits under study, data gotten from the statistical department of both outfits will be presented. Also, the opinion voiced by respondents who were interviewed on the issue of efficiency and effectiveness measured with customer/passenger satisfaction.

**Table 1: Showing ENTRACO Growth of Fleet**

YEAR	NO. OF BUSES	COMMERCIAL VEHICLES	NO. OF DRIVERS	ADMIN. STAFF
2000	96	-----	155	301
2001	85	-----	144	288
2002	58	-----	133	271
2003	30	206	45 (251)	270
2004	-----	322		263
2005	-----	301		262
2006		306		259
2007		337		247
2008		481		201
2009		496		189
2010		520		117
<b>TOTAL</b>	<b>269</b>	<b>2969</b>	<b>728</b>	<b>2668</b>

Source: Authors field trip

From the table above, it could be seen that the number of commercial vehicles under the umbrella of ENTRACO (2969) far exceed the number of buses originally under the ownership of the company (269). The number of drivers (728) equally exceeds the number of available buses owned by the company (269) over the period under review. It is remarkable to note that the number of the members of the management staff of ENTRACO which is 2668 has been on the decline from 301 in 2000 to 117 in 2010. This may be as a testimony of the

non-viability of the company. This is unlike that of PMT management staff whose number has been increasing commensurately with increase in the number of buses and drivers.

**Table 2: showing ENTRACO Coverage of Routes in Nigeria**

YEAR	STATE	TOWNS/PARKS/DEPOTS
2000	Enugu, Ebonyi	Enugu, Nsukka, Osha, Ikwo, Jos, Lagos
2001	Lagos, Plateau, Abuja, Rivers, Bauchi	Gboko, Makurdi, Port Harcourt
2002		
2003		
2004		Adani, Obollo, Abakaliki
2005		
2006		
2007		
2008	Enugu, Ebonyi, Plateau, Rivers	Enugu, Abakaliki, Nsukka, Obolloafor, Adani, Osha, Makurdi, Jos, Bauchi
2009		
2010		

Source: Authors field trip.

The ENTRACO fleet were all grounded by 2001. The Board refurbished ten of the vehicles in 2002 which were put into use between then and 2004 when all were grounded and later sold out to the public in auction.

From 2003 till date, the company only manages its park through the Commercial Vehicles which they refer to as CV. The CVs are vehicles owned by individual transporters but who apply to have them in the fleet of ENTRACO in order to enjoy the protection on the roads as belonging to a government agency. Such vehicles usually wear the ENTRACO colours of white and blue with their logo.

The CVs pay 10% of the fares they collect as commission to the ENTRACO for all the routes within Enugu State and 20% of same for routes and destination parks outside the state. Such commissions constitute revenue for the agency/government.

All the staff except the CV drivers are government workers but they were paid last in March 2010 as at 31<sup>st</sup> January, 2012. According to one of the

Managers, Mr. Christopher Eze, the free will dash of gifts from the CV drivers who are appealed to after loading their vehicles in the parks.

This situation gives one cause to imagine that the staff may well be helping themselves from the commissions that accrue from the CV drivers. When in 2009 the state government bought many new mass transit buses, the company had hoped to re-stock her fleet but that was not to be as the government set up a new outfit known as the "Coal City Shuttle". The current Board which was inaugurated in 2009 is yet to change the situation in ENTRACO that can best be described as pathetic especially for the staff.

Indeed, a research by Eze (2000) revealed that the income of ENTRACO has been on the decline for quite some time now. This is illustrated by the table below:

**Table 3: Viability Data of ENTRACO, 1989-1997**

YEAR	TOTAL INCOME (N)	OPERATIONAL COST (N)	NO OF BUSES	INFLATION TAX (N)
1989	28,700,000	19,961,318.87	49	40.9
1990	25,500,000	22,814,917.21	50	7.5
1991	26,300,000	2,491,641,139	53	5.9
1992	31,400,000	28,819,301.60	68	46
1993	36,250,000	18,152,421.69	68	57.2
1994	42,030,000	35,977,963.05	58	57
1995	39,805,800	36,616,963.50	58	72.8
1996	21,600,000	15,478,716.14	32	29.3
1997	18,300,000	17,172,317.10	32	8.3

Source: Eze (2000:12)

Adopting the cost-benefit analysis technique, Ubani (2005:6) explained the indexed value of the table above as follows:

**Table 4: Indexed Amount of Money (1989-1997)**

YEAR	Total Income (N)	Operational Cost (N)	Net Profit (N)	Profit margin
1989	28,700,000.00	19,961,318.57	8,738,618.43	0.30
1990	24,081,822.41	21,223,178.80	2,858,643.61	0.12
1991	23,102,092.80	21,886,739.48	1,215,353.32	0.15
1992	18,891,751.75	17,339,084.85	1,552,672.90	0.08
1993	13,854,751.75	6,947,439.12	6,907,312.63	0.50
1994	10,245,895.35	8,770,555.12	1,475,339.93	0.14
1995	5,615,448.08	5,165,699.21	449,748.87	0.08
1996	2,356,687.58	1,688,819.36	667,868.22	0.28
1997	1,843,617.81	1,730,010.37	113,607.44	0.06

Source: Ubani (2005:4)

Ubani further explained that while the income generation in 1989 stood at above N28 million, it dropped to about N1.8 in 1997. Similarly, while the net profit in 1989 was as high as N8.7 million, it fell to less than N120, 000 in 1997 (it may be pertinent to state here that this decline started even before Peace Mass Transit came into operation in 1996). Ubani went further to explain that using the profit margin (profitability ratio), the company performed best in 1993 followed by 1989. The worst experiences were in 1990 (0.12), 1995 (0.08) and 1997 (0.06) [Ubani, 2005:4].

**Table 4: PEACE MASS TRANSIT (PMT): Growth of Fleet and Personnel**

YEAR	NO. OF BUSES	NO. OF DRIVERS	NO. OF MANAGEMENT STAFF
2000	70	70	50
2001	120	120	95
2002	200	200	100
2003	270	270	150
2004	350	350	200
2005	500	500	400
2006	1500	1500	1100
2007	1700	1700	1400
2008	1820	1820	2000
2009	1970	1970	2500
2010	2000	2000	3000
2011	2200	2200	3000
<b>TOTAL</b>	<b>12,700</b>	<b>12,700</b>	<b>16,995</b>

Source: Authors field trip

From the above table it could be seen that the number of buses, drivers and management staff has been on progressive increase since the year 2000. It is also remarkable to note from the table that from the year 2000 to 2007, the number of drivers were higher than that of the management staff. This trend changed in 2008 when the management staff for once out-numbered the drivers. This was attributed to the opening of many more parks and depots in several parts of the country as can be seen from the table below.

**Table 5: COVERAGE OF ROUTES IN NIGERIA**

YEAR	STATE	TOWNS/PARKS/DEPOTS
1994	Enugu	Enugu, Nsukka, Enugu Ezike
1999	Anambra	Onitsha, Obosi
2000	Abuja	Karimo, Zuba, Maraba, Utako
2006	Lagos	Orile, Ojuelegba, Mazamaza
2009	6 Zones	Regional routes with Regional Offices at Ibadan, Minna, Gombe, Kano, Yenegoa, Owerre

Source: Authors field trip

PMT started operation in 1994 with 2 (14-Seater) buses. By 1999, the number had increased to 45 buses. The number has been on the increase since then. In fact as at the last count (2011), the number of buses in the fleet of PMT was 2,200. There is a commensurate number of drivers to match the number of buses. This figure indicates that between year 2000 and 2011, PMT has employed 2200 drivers. As at that 2000, PMT had a staff strength of 50. The number increased to 3000 as at 2011. This implies that the total number of PMT employees as at 2011 is 5,200.

If the growth of fleet and the expansion of routes is a measure of the level of success, then PMT is in a class far ahead of ENTRACO. This is the consensus opinion of a cross-section of respondents interviewed. 70% of the respondents described PMT as a transport outfit which came and challenged the dominance of all others. They believed that no other transporter covers as many routes as the PMT does. PMT, they say, is found in every major city in Nigeria. When asked why they like to patronise PMT, they said that it was because they have very sound vehicles in their fleet coupled with relatively low transport fare. This position is not surprising given that a greater percentage of the student community especially in the South-East patronise PMT.

On the other hand, the respondents opined that because PMT draws many passengers, other transport outfits like ENTRACO had to take second place. A respondent jokingly pointed out that the ratio of PMT buses to that of other transporters on the road will be 10:1. The speed of loading and departure thus encourages people to patronise PMT as other transporters take a very long time to load as a result of low patronage. A respondent also pointed out that those that patronise ENTRACO and others are mostly those that feel that PMT drivers

are reckless and their workers often saucy. Otherwise, transport outfits like ENTRACO will just fizzle out.

The continued decline of most public mass transit agencies raises concern over the viability of continued government involvement in mass transit business in Nigeria. Urban public transport may be provided by one or more private transport operators or by a transit authority. Public transport services are usually funded by government subsidies and fares charged to each passenger (Newman & Kenworthy, 1999). Services are normally regulated and possibly subsidized from local or national tax revenue. Fully subsidized, zero-fare (free) services operate in some towns and cities. Indeed, mass transit can be said to mean much more than buying and distributing buses; it is an urban planning and management tool. This is so because without adequate facilities for moving people from place to place, economic activities will be largely constrained. Thus as cities grow and expand, residential areas are separated from industrial areas. Mass transit comes in handy to move workers, customers and businessmen from the residential to the commercial areas and vice versa. In other words, mass transit is a source of mobility and accessibility.

The National Urban Transport Policy for Nigeria, draft policy document prepared by Federal Urban Mass Transit Agency in 1996 has clearly shown the following problems bedevilling institutional arrangements regarding urban transport activities in Nigeria:

- Urban Transport activities in Nigeria are characterized by proliferation of management bodies. This has clearly created overlaps and conflicts in the provision and management of urban transport infrastructures and services and the enforcement of traffic laws and regulations.
- o The various governmental bodies involved have been unable to respond to the functions which they are supposed to be rendering due to certain human, technical and financial constraints.
- o Previous recommendations on institutional reforms have been largely ignored.
- o The present federal system arrangement put urban transportation predominantly under the control of the local government; local government manages 67% of urban roads, state government 27% and federal government 6% only. Whereas, the local government is grossly underfunded and itself lack fund generating drive, technical expertise and other resources to provide for efficient urban transport infrastructure and service delivery.

- The functions and the level of involvement of the three tiers of government are not clear. Their roles overlap, are duplicated and confused. Whereas, successful implementation of urban transport policy can only be meaningful within the context of an effective, coherent and well-coordinated institutional framework.

These problems identified by the nation urban transport policy draft document more than a decade and a half ago have remained unresolved leading to the continued below par performance of government-operated public transport agencies (Olusanya, 2010). It can thus be said that the failure of institutional structures is at the heart of the non-performance of public transport in Nigeria. Continuing, Olusanya stated that these institutional failures have led to mismanagement and lack of accountability in the management of public mass transit outfits in Nigeria. Accordingly, he suggests that efforts should be made to reduce government involvement in the running of urban transportation to the barest minimum.

The government may have abrogated maximum responsibility for the running of mass transit business out of a desire not to expose the citizenry to the exploitation of private transport operators. This does not in any way imply that the involvement of private individuals in the running of mass transit projects is counterproductive. Indeed, such involvement can be said to be healthy for national development. For instance, employment can serve as an employment channel. Take PMT for instance; between 2000 and 2011, the company had employed over five thousand drivers and management staff. These employees sustain themselves and their families through salaries and allowances paid to them by the company.

By providing employment to people who may otherwise have been roaming the streets committing one vice or the other, privately owned mass transit outfits help in reducing urban crime. Indeed, some of the most notorious touts and hooligans are found at the motor parks (Dare, 2009). But with strict management disciplinary measures, some of these touts and hooligans are made to subject to public order. With time, they may even be placed on a firm footing for rehabilitation.

Another way through which private mass transit operators contribute to national development is through quick movement of people within and between states. Mass transit business in some cases run on a 24-hour basis. Through this means, one can afford to reside in another area and go to work in another with relative ease. Taking workers to and from work is a basic necessity which most

employers and institutions recognise quite well leading to the introduction of staff buses in some corporations.

### **Conclusion**

This paper examined public and private enterprises in Nigerian mass transit using the Enugu State Transport Company (ENTRACO) and Peace Mass Transit (PMT) as cases in point. The findings of the study revealed that privately owned mass transit operators contributes more to national development through their wider coverage of routes, large number of buses in their fleet, as well as high level absorption of manpower (employment generation). Thus even though publicly owned mass transit agencies equally transport people from place to place sometimes at an even cheaper rate, it is not often that their vehicles are well-maintained and their services regular and efficient.

Some of the factors which have been identified as the root causes of the seeming decline in public mass transit business include inept administration, few buses possessed by the companies, poor maintenance of vehicles as well as lack of financial probity and accountability. Instead of maintaining skeletal services, these transport outfits contract other commercial bus owners and drivers to work under their umbrella. This makes their services less organised thus discouraging the patronage of most prospective passengers.

### **Recommendations**

Based on the findings of this study, it is recommended as follows:

- That the government should hand off direct provision of mass transit schemes which it presently engages in through its various transport corporations. This will go a long way towards ensuring the avoidance of annual subventions and the eradication of inefficient management and massive revenue leakage.
- That private mass transit operators should be encouraged by the government through the granting of loans (should they require it) to expand their fleet;
- That the government should take steps to revitalize the existing public mass transit scheme for more efficient delivery of services;
- That the government should introduce a regulatory framework through which the operators of mass transit schemes can be regulated and sanctioned accordingly;
- That the government should devote more efforts in standardising the services of private bus operators as well as ensuring the safety of commuters.



- That the existing public mass transit schemes (especially the ailing ones) be privatized

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