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REVISITING THE LOGIC OF PRIVATISATION: THE AFRICAN EXPERIENCE

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Abstract

Many countries, in an attempt to address public sector inefficiency, adopted privatisation, the transfer of ownership and control of public assets and services to the private sector. Privatisation is premised on the logic that private companies are more efficient and effective in managing resources, thereby improving service delivery. However, critics argue that privatisation does not always lead to efficient and effective service delivery. Existing studies on privatisation often provide mixed results, influenced by variations in regional contexts, implementation strategies, and sector-specific dynamics. Therefore, a comprehensive reassessment of the logic of privatisation is necessary to inform future policy decisions. Thus, this research interrogates the logic of privatisation and ascertains which takes precedence in privatised public enterprises: profit or efficiency. This research employed a qualitative approach that included a comprehensive review of the literature on privatisation, using the privatisation experiences of Zambia, Nigeria, Kenya, and Tunisia to interrogate the conceptual leanings and identify the dominant motivation of privatised public enterprises. Findings revealed that investors' personal spheres determine their orientation towards profit maximisation rather than efficiency. The study concludes that privatisation without consideration of other intervening variables would not achieve efficiency.

Keywords: *Privatisation, Profit, Public Corporations, Efficiency, Personal Sphere*

1. INTRODUCTION

Privatisation, the transfer of ownership and management of public services to private entities, has been a widely adopted global policy since the late 20th century. Advocates of privatisation argue that it will improve efficiency, reduce waste in government, and engender competition, thereby theoretically increasing consumer satisfaction (Caves, 1990; Kwaghe & Odeh, 2020). On the contrary, privatisation has not always led to these intended outcomes. Some observers noted a tendency toward increased costs, widening inequalities, and inefficiencies in service delivery. Consequently, while there are anticipated benefits of privatisation, the reality has been the satisfaction of corporate interest at the expense of the general population (Akram, 2003; New Internationalist, 2003).

One of the noticeable outcomes of privatisation has been the rising cost of essential services such as education, healthcare, water supply, and transportation. Private enterprises have profit-making as their primary motive, unlike public enterprises, whose primary motive is public good. Consequently, private providers have increased consumer fees to maximise profit while reducing investment in service maintenance and infrastructure (Bayliss et al, 2021). Take, for example, a situation in which privatised utilities impose excessive charges on consumers without corresponding investments in long-term infrastructure improvements. Likewise, the free-market logic, hinged on competition to drive down prices, often fails to do so as monopolies or oligopolies emerge, leaving consumers with fewer choices and higher prices (Buse & Bayliss, 2022).

Apart from the cost concern, privatisation has worsened socioeconomic inequalities by disproportionately affecting low-income populations (Bayliss & McKinley, 2007). The essence of public service, specifically healthcare and education, is to ensure social equity. However, once these services are privatised, accessibility is based on the ability to pay rather than by need.

This creates a two-tier system in which wealthier individuals can afford premium services, while disadvantaged groups face reduced access, lower-quality services, or complete exclusion. Private firms often prioritise affluent urban areas, neglecting rural and underprivileged communities due to their perceived lack of profitability. As a result, essential services become increasingly out of reach for those who need them the most, reinforcing social disparities and deepening the wealth gap.

Privatised firms are often considered more efficient than state-owned enterprises due to their profit-driven nature. It is assumed that private ownership incentivises managers and employees to minimise costs, improve productivity, and enhance service quality. Unlike government-run businesses, which may face bureaucratic inefficiencies and lack competition, privatised firms operate in a market-driven environment where efficiency is key to survival and growth. This competitive pressure encourages innovation, better resource allocation, and customer-focused strategies, ultimately leading to higher performance levels (Dick, 1987; Megginson et al., 1994).

Empirical studies provide mixed evidence regarding the efficiency effects of privatisation. Some researchers, such as Villalonga (2000), Saygili and Taymaz (2001), Boubakri and Cosset (1999), and Millward (1988), found no significant change in efficiency before and after privatisation. However, Megginson et al. (1994) and Boubakri and Cosset (1998) suggest that while privatisation has improved efficiency in middle-income economies, the same effect has not been observed in low-income economies. Additionally, some studies indicate that enterprise performance improves post-privatisation. However, the privatisation method—such as insider deals, mass privatisation, or block sales—plays a crucial role, as noted by Havrylyshyn and McGettigan (1999) and Earl (2002). Other research highlights the greater importance of competition and strong regulatory frameworks in driving firm performance and efficiency. Studies by Ros (1999), Wallsten (2001), and Li (2002) show that once these factors are accounted for, the direct impact of privatisation itself appears either mixed or insignificant. This suggests that privatisation alone is not a guaranteed path to efficiency; rather, it must be accompanied by policies that foster competition and effective regulation to yield meaningful improvements in firm performance.

Ultimately, the negative consequences of privatisation highlight the crucial role of government intervention in safeguarding public welfare. While privatisation is often justified on the grounds of efficiency and cost reduction, its impact has been increased costs, deepening inequalities, and inefficiencies in essential service delivery. Given these challenges, there is an urgent need to reassess the logic of privatisation in terms of efficiency versus profit.

The subsequent sections of this paper are divided into a section on the conceptualisation of privatisation, followed by a section on the conceptualisation of efficiency. This is followed by sections examining whether efficiency or profit is the primary motivation for privatisation, the experience of privatisation in Africa, and a conclusion.

2. LITERATURE REVIEW

Conceptualising Privatisation

Privatisation is commonly understood as the sale of publicly owned enterprise (POE) assets or shares to private individuals or firms. However, this definition represents only a narrow interpretation of the term. In a broader sense, privatisation refers to policies aimed at reducing government intervention and strengthening free-market economies. The narrower concept—often termed *denationalisation*—is just one method of privatisation, which encompasses a range of strategies to shift economic functions from the public to the private sector. This section explores both the narrow and broad meanings of privatisation, examining its various forms and their implications for economic efficiency and governance.

Narrow Meaning: Denationalisation

Denationalisation involves transferring ownership of public enterprises to private entities. Proponents argue that this reduces X-inefficiency—a phenomenon where publicly owned monopolies operate below optimal productivity due to a lack of competitive pressure. Without market incentives, POEs often misuse resources, leading to inefficiencies. Privatisation, particularly through denationalisation, introduces profit-driven management, fostering cost reduction and improved service delivery (Aktan, 1995).

Broad Meaning: Privatisation as Market-Oriented Reform

Beyond ownership transfer, privatisation includes policies that minimise government roles while expanding private sector participation. Key methods include:

Contracting-Out

Governments outsource service delivery to private or non-profit entities through contracts. Common examples include public infrastructure (roads, schools, government buildings), municipal services (waste collection, cleaning), and support functions (IT, clerical work, transportation). This approach leverages private sector efficiency while retaining public oversight (Savas, 1987).

Franchising

Under franchising, governments grant private firms exclusive or multiple rights to provide specific services (e.g., mass transit). Franchises may involve price regulation to strike a balance between profitability and public interest. This method is particularly effective for toll goods and services with natural monopoly characteristics, where economies of scale favour a single provider (Aldaba & Sy, 2014).

Deregulation and Decontrol

Deregulation removes government-imposed rules (e.g., licensing, tariffs) while Decontrol abolishes direct interventions (e.g., price ceilings, wage controls). Both policies aim to enhance market competition by reducing bureaucratic constraints (Joskow, 2009; Garg & Saxena, 2024).

Management Contracts

Governments retain ownership but hire private firms to manage POEs or facilities. This model combines public accountability with private operational expertise to address inefficiencies in state-run management. Privatisation is a multifaceted strategy encompassing the transfer of ownership (denationalisation) and market-oriented reforms (contracting, deregulation, etc.). While denationalisation tackles X-inefficiency, broader privatisation methods enhance competition, improve resource allocation, and reduce fiscal burdens. The optimal approach depends on sector-specific dynamics, balancing efficiency gains with equitable service delivery. By understanding these mechanisms, policymakers can design privatisation programmes that maximise economic benefits while safeguarding public interests (Hegstad & Newport, 1987).

3. METHODOLOGY

Conceptualising Efficiency

Efficiency refers to the optimal utilisation of resources (inputs) to achieve the maximum possible output or desired outcome with minimal waste. It is a central concept in economics, management, engineering, and public policy, often measured as the ratio of useful output to total input. Efficiency in an organisation refers to the ability to perform tasks with minimal yet optimal use of resources such as budget, time, and labour. An efficient organisation achieves its objectives using fewer resources—for example, reduced financial input or a smaller workforce—while still delivering the desired outcomes. In this context, an efficiency-oriented organisation focuses on maximising benefits while minimising costs, striving to accomplish assigned goals with the least possible expenditure. Organisations inherently aim to be efficient to ensure their survival, as inefficiency leads to resource depletion, reduced competitiveness, and potential operational failure. Efficiency not only benefits the organisation's owners through increased profitability but also advantages clients by delivering products and services at the lowest possible cost, due to reduced resource use and shorter processing times.

Efficiency is, therefore, a central objective for any organisation. As Keh et al (2006) note, it involves executing the right tasks with the minimum necessary resources to produce the same results, even if those outcomes do not necessarily advance broader organisational goals. When efficiency is embedded in an organisation's operations, it results in optimal labour division, adherence to budget constraints, full employee engagement, and elimination of waste—whether in time, budget, or inputs. Additionally, roles and responsibilities become clearly defined, contributing to smoother workflows and enhanced organisational performance (Crawford & Bryce, 2003).

Palmer and Torgerson (1999), while studying efficiency in healthcare, noted it can be conceptualised through three primary dimensions: technical efficiency, productive efficiency, and allocative efficiency. These concepts provide a structured approach to assess and optimise the use of limited resources to improve health outcomes.

1. Technical Efficiency

Technical efficiency focuses on the relationship between inputs (e.g., labour and capital) and outputs (e.g., health outcomes). An intervention is technically efficient if it produces the maximum possible health benefit from a given set of resources. Conversely, it is technically inefficient if a similar or greater outcome could be achieved with fewer resources of any type. For instance, a primary healthcare centre (PHC) with fewer specialised medical personnel can improve a community's health indicators compared to a general hospital with more specialised medical personnel who perform less.

2. Productive Efficiency

Productive efficiency addresses how well resources are allocated to produce health outcomes at the lowest possible cost, or conversely, how much health benefit is gained for a given level of spending. This concept allows for comparison between alternative interventions with differing resource mixes, provided outcomes are comparable. However, productive efficiency is limited when outcomes are not directly comparable, as in reallocating funds between entirely different healthcare areas (e.g., geriatric care vs mental health).

3. Allocative Efficiency

Allocative efficiency takes a broader societal perspective. It seeks to ensure that resources are distributed in a way that maximises overall societal welfare, while accounting for trade-offs across programs and populations. It builds on productive efficiency but also considers equity and distribution. Allocative efficiency assumes that the ideal allocation is one where no change could make someone better off without making someone else worse off. However, this is more a theoretical goal than a practical one.

In its 2013 research report, the Australian Government Productivity Commission conceptualised efficiency as comprising three key dimensions: productive, allocative, and dynamic efficiency. Productive efficiency is the production of goods and services at the lowest possible cost. This includes technical efficiency, which is defined as the extent to which inputs can be reduced without decreasing output or increasing other inputs. Allocative efficiency (AE) focuses on maximising the overall utility gained by the community from limited resources, ensuring resources are directed to their most valued uses. Dynamic efficiency, on the other hand, relates to the optimal allocation of resources over time, including efforts that enhance long-term economic efficiency and expand available resources. Complementing these perspectives, Daraio and Simar (2007) define efficiency as the ratio of inputs to outputs and describe it as the benchmark outcome that reflects a firm’s optimal performance within its industry. Their definition underscores the idea of organisational efficiency, which focuses on how effectively an organisation transforms inputs into outputs to achieve the best possible results. Irsova and Havranek (2010) identify three primary types of efficiency: technical, profit, and cost efficiency. They define technical efficiency as the ability of a decision-making unit to maximise output from a given set of inputs. Profit efficiency refers to the extent to which a bank maximises its profit, expressed as a percentage of potential profits. Cost efficiency, in contrast, reflects the degree to which a bank minimises costs or avoids unnecessary expenditures.

Similarly, Kalirajan and Shand (1999) propose that organisational efficiency consists of two components: technical efficiency and allocative efficiency. They define technical efficiency as the capacity and willingness of an economic unit to produce the maximum output possible using a specific combination of inputs and technology. Allocative efficiency is described as the ability and willingness of the unit to align its marginal value product with its marginal cost, thereby optimising resource allocation. Mokhtar et al (2006), in their examination of banking sector efficiency, conceptualise efficiency as the relationship between the inputs used and the outputs produced in the delivery of goods or services. They explain technical efficiency as a firm's ability to achieve the highest possible output from a given set of inputs. In contrast, allocative efficiency refers to a firm’s ability to utilise inputs in the most efficient proportions, given input prices and production technology.

4. RESULTS

Advocates of privatisation premise their conclusion on the attainment of efficiency in correcting the ills of public firms (Caves, 1990). Although the myth of efficiency as the sole goal of privatisation has been debunked by Letza et al. (2004), this analysis seeks further to interrogate the inherent flaws in the logic of privatisation. Logic is an attempt to draw reasonable conclusions from given information. Thus, logic uses data to make informed inferences or present a premise upon which a valid conclusion can be drawn (Adedeji et al., 2003). The motivation for privatisation is the perceived performance differences between public and private firms. There is an incentive misalignment in public firms. This is a result of principal-agent issues that would arise. In public firms, property rights over asset utilisation and disposal are weakened due to the lack of a corporate control market. Consequently, public firm managers (agents) are not subject to the capital market discipline that could be imposed by the government (principal) (Majumder & Ahuja, 1997). Privatisation introduces market discipline, reducing the asymmetry between the principal and agent and enhancing performance. Ultimately, privatisation shifts the objective function of public firms. Instead of pursuing multiple social objectives and political agendas—often influenced by external interferences and the redistribution of resources to favoured groups—the focus becomes clear: profit maximisation (Majumder & Ahuja, 1997). Thus, in the pursuit of profit maximisation, efficiency would be attained.

This appears logical, considering the efficiency observed in the private sector. However, proponents of privatisation do not consider that there could be profit maximisation without the attendant attainment of efficiency, as observed in private firms. In other words, private firms could engage in all manner of activities to maximise profit, rather than necessarily attain efficiency. Hussain (2012) contends that the efficiency argument for profit maximisation (EAPM) conflicts with the common-sense understanding of market morality. The EAPM asserts that firms are normatively obligated to maximise their long-term market value by prioritising profit generation. However, drawing on the concept of the personal sphere, Hussain argues that individuals who create corporations need not act in an optimally impartial manner. Since corporations are private associations formed within individuals' personal spheres, their founders have the freedom to shape their objectives—whether entirely profit-driven, partially so, or not at all. Thus, a corporation's orientation is ultimately determined by its founders' personal choices.

Using the personal sphere concept, investors who purchase public firms are not mandated to adopt efficiency as the sole means of profit maximisation. On the contrary, they may pursue profit maximisation at the expense of efficiency. Letza et al. (2004) observed that, despite widespread support for privatisation, more recent studies indicate that merely shifting ownership from the public to the private sector has not only failed to eliminate state intervention and government corruption but has also created opportunities for insiders—such as managers and controlling shareholders to misappropriate resources and exacerbate corruption. In the Czech Republic, public firms were stripped of their assets and burdened with debt (The Economist, 2002a). Similarly, in Chile, minority shareholders received extremely low offers from managers during a takeover bid (Wright, 1999). These cases suggest that agency problems may be more pervasive in the private sector than in the public sector (Jensen & Machling, 1976). Proponents of privatisation often focus on efficiency while overlooking or neglecting the agency problem within the private sector. Bayliss et al. (2021), in their study of private provision of water, energy, and local bus services in Britain, found that these essential services have consistently been structured to benefit producers rather than consumers, with high returns to capital being prioritised at the expense of households. This approach has been tolerated and even encouraged for years. The authors further observed that investors have increased shareholder revenues through various strategies unrelated to productivity. For instance, the authors observed that customers in the energy sector paid higher prices. Consequently, firms have increased profits in these sectors through aggressive, innovative practices disconnected from actual production.

The notion of efficiency as the primary justification for privatisation is contested. In a meta-analysis of cross-sectional studies on public versus private ownership conducted between 1966 and 1997, Villalonga (2000) found that 60 studies did not explicitly support the assumption that private ownership is more efficient than public ownership, while 98 studies did. Letza et al. (2004) argued that one reason for these conflicting findings is the presence of methodological bias and prejudice in empirical research. Notwithstanding, analyses of the effects of privatisation on the delivery of water and electricity in Sub-Saharan Africa have concluded that it has been a widespread failure (Bayliss & McKinley, 2007). Contrary to expectations, private investors have been reluctant to invest in such utilities in the region, making it expensive for governments to incentivise their participation. Additionally, investors' emphasis on cost recovery has not advanced social goals like poverty reduction and equity promotion.

Discussion

Privatisation: The African Experience

Privatisation in Africa has been a contentious and complex process, marked by both praise and criticism. While it was introduced as a pathway to economic efficiency and growth, its implementation and outcomes have varied widely across the continent. White and Bhatia (1998), in their study of privatisation in Africa, highlighted certain reasons for the privatisation programme. The reasons identified include reducing the fiscal burden, developing the private sector, broadening ownership, increasing economic efficiency, reducing administrative burden, developing the capital market, accessing markets, capital and technology, and raising revenue for the government and others. Their study focused on 14 African countries and found that the number one reason for privatisation was a reduced fiscal burden. Increased efficiency, one of the arguments for privatisation, was observed in only six countries. Thus, government divestiture from SOEs was primarily driven by reduced fiscal burden rather than increased economic efficiency. Consequently, the emphasis would be on private-sector investors taking ownership of these SOEs and reducing the government's fiscal burden, rather than on efficiency. Wortzal and Wortzal (1989) noted that the success or failure of a firm is not a function of who owns it, but of the extent and direction of owners' authority and of managers' fulfilment of the expected job description. This perspective aligns with Hussain's (2012) personal sphere argument. Private investors may choose to maximise profit or not. Moreover, in maximising profit, they may choose technical or allocative efficiency, or adopt aggressive, innovative strategies unrelated to productivity (Bayliss et al., 2021).

This section interrogates the privatisation experience in Africa using Zambia, Nigeria, Kenya and Tunisia as case studies.

Abubakar and Munka (2002) assessed the privatisation programme in Zambia using the Zambia Breweries PLC as a case study. The brewery was privatised in 1991 and divided into two companies. Ownership of the privatised enterprise was shared among the Anglo-American corporation (45%), Indol International (45%), and the Zambia Trust Fund (10%). The Zambian breweries maintained a dominant position in the domestic market as a result of "a combination of cost advantage for locally produced beer and the fact that the potential foreign competitor is a major shareholder" (Abubakar & Munkar, 2002, p.19). Thus, the deduction from this observation is that efficiency was not the primary factor responsible for the brewery's performance. A further indication that operational efficiency leading to profit maximisation does not follow a linear path was the profit-related incentives for the Senior Managers. The incentives are intended to motivate the senior managers to meet profit targets. However, due to difficult market conditions that hindered the attainment of profit targets, the incentives were withdrawn (Abubakar & Munkar, 2002, p. 20).

Nigeria's experience with privatisation is inseparable from its oil-dependent political economy. During the oil boom of the 1970s, the Nigerian state expanded its ownership of enterprises in banking, manufacturing, utilities, and infrastructure, reflecting a belief in state-led development financed by petroleum rents (Grimsey & Lewis, 2007). When oil prices collapsed in the early 1980s, the fiscal sustainability of this model deteriorated sharply.

Privatisation formally began under the military regime of General Ibrahim Babangida, particularly through the Structural Adjustment Programme of 1986 (Iyoha & Oriakhi, 2002). The Structural Adjustment Programme (SAP) was part of the broader administrative reform aimed at transforming the Nigerian economy and the public sector. However, as noted by Adedeji and Oluwalogbon (2024), this reform did not yield the same results as those in developed countries. To facilitate the privatisation process, the federal government established institutions such as the Technical Committee on Privatisation and Commercialisation (TCPC), later replaced by the Bureau of Public Enterprises (BPE), to oversee the divestment process (Obasi & Otobo, 2011).

In practice, privatisation in Nigeria was uneven and highly politicised. Strategic sectors—most notably petroleum—remained largely under state control, while smaller and less politically sensitive enterprises were sold off (Obasi & Otobo, 2011). Numerous studies document opaque sales processes and the concentration of assets in the hands of politically connected elites, reinforcing public perceptions of privatisation as elite capture rather than efficiency-enhancing reform (Igbuzor, 2003).

Despite notable successes, particularly in telecommunications following the liberalisation of the sector and the entry of private operators, the overall impact of privatisation on service delivery and employment remained mixed (Jerome, 2008). Weak regulatory capacity, corruption, and limited competition constrained the developmental benefits of private ownership.

Idowu et al. (2020), in their evaluation of the performance of the Ibadan and Ikeja Electricity Distribution Companies, observed no significant improvement in the services they rendered. Furthermore, they faulted the efficiency rationale for privatisation in the Nigerian business environment. They allude that the private sector makes its profit from "inflated contracts, patronage and corruption rather than efficient operation and productivity" (Idowu et al, 2020, p. 1414).

The Kenyan experience of privatisation commenced gradually and was formally institutionalised. SOEs played a key role in post-independent Kenya, intended to fulfil objectives such as enhancing productive activities, bridging skill gaps, and serving as a source of revenue for the government (Manyaga et al., 2016). However, by the late 1980s, these SOEs were experiencing distress (Mwaura, 2007). Privatisation gained momentum in the 1980s, largely in response to pressure from the World Bank and the International Monetary Fund (Manyaga et al., 2016).

Kiragu and Kariuki (2011) observed that the number of State corporations grew from 60 in 1970 to 285 by 1992. These State corporations had become a financial drain on the state treasury, and it was uneconomical to continue subsidising them. Consequently, a substantial number of these State corporations were privatised between 1992 and 2000, resulting in a drop from 285 to 113 (Kiragu & Kariuki, 2011). However, the privatisation programme encountered challenges because a large share of state-owned enterprises was unmarketable (EIU, 1995). In terms of performance, Akumu and Appida (2006) noted in their study of the privatisation of water and sanitary services in Kenya that nothing changed. According to them, "the new enterprises were still characterised by inefficiency and lack of professionalism" (Akumu & Appida, 2006, p. 320). While this is not a general reflection of the privatisation programme in Kenya, it shows that privatisation does not always achieve its intended objective.

Tunisia's privatisation trajectory was shaped by a more centralised and technocratic state apparatus. Following independence, the government adopted a state-led development strategy, with SOEs dominating banking, utilities, and heavy industry (Murphy, 1999). Economic stagnation and rising external debt in the 1980s prompted a shift toward liberalisation.

Privatisation accelerated under President Zine El Abidine Ben Ali during the 1990s and 2000s, supported by IMF and World Bank programmes. Compared to Nigeria and Kenya, Tunisia's process was more controlled and selective, with the state retaining ownership in strategic sectors while privatising firms in tourism, manufacturing, and services.

While Tunisia achieved fiscal gains and modest efficiency improvements, privatisation was deeply embedded in authoritarian governance structures. Studies highlight how asset sales disproportionately benefited regime insiders and politically connected business groups, reinforcing crony capitalism and limiting genuine competition (Hibou, 2006; Rijkers et al, 2017).

Following the 2011 revolution, privatisation became politically contentious. Public discourse increasingly linked earlier reforms to corruption, inequality, and regional marginalisation, leading post-revolutionary governments to adopt a cautious, often ambivalent stance toward further privatisation (Ayadi & Mattoussi, 2014).

Across Nigeria, Kenya, and Tunisia, privatisation did not represent a simple transition from state failure to market efficiency. Instead, outcomes reflected negotiated political settlements among governments, elites, International Financial Institutions, and citizens (Nellis, 2005). Nigeria's experience underscores how resource rents and weak institutions can undermine reform credibility. Kenya illustrates the limits of gradualism in the face of entrenched interests, while Tunisia demonstrates how technocratic competence can coexist with deep political distortions.

A common finding is that ownership change alone was insufficient to improve performance. Where privatisation occurred without competition, transparency, and robust regulation, it often reproduced old inefficiencies in new institutional forms (Mkandawire, 2010).

5. CONCLUSION AND RECOMMENDATIONS

The debate on the outcome of privatisation will continue for a while. However, privatisation is not a sufficient condition for guaranteeing the efficiency of privatised public corporations. There are other intervening variables (Adedeji, 2017). A simple transfer of ownership from public to private does not guarantee improved performance. Several factors come into play in ensuring that privatisation yields the desired outcome. Since investors who buy these public corporations may be oriented towards profit maximisation rather than efficiency, there is a need to embed corporate governance frameworks within privatised corporations. This aims to restrain the opportunistic actions of both public and private entities by ensuring transparency and accountability for investors and other stakeholders (Dyck, 2001). The logic of privatisation, premised on achieving operational efficiency, is flawed if it fails to consider investors' personal spheres. This influences the orientation of private corporations towards either efficiency or profit maximisation. A simple transfer of public firms to private investors would not lead to efficiency. Several factors should be considered when implementing a privatisation policy. Notable among these factors are the political and economic contexts for privatisation. There should be buy-in from the political and administrative classes to facilitate the attainment of the programme's objectives. Likewise, the economy should have a well-developed private sector with clear rules and regulations. The role of digital transformation in reshaping privatisation dynamics, particularly the emergence of platform economies and the growing importance of data as a strategic asset, requires systematic investigation. Finally, longitudinal studies tracking the long-term developmental impacts of privatisation beyond narrow efficiency metrics would enrich our understanding of how changes in ownership affect human development indicators, inequality, and social cohesion.

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