

FEDERAL AIRPORTS AUTHORITY OF NIGERIA (FAAN): A CHRONOLOGICAL DESCRIPTION OF ITS FUNCTIONALITY IN THE AVIATION INDUSTRY

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Abstract

The Federal government of Nigeria for over three decades after the political independence has been fundamentally involved in the establishment and management of profit and non-profit making organizations in the economy. The target is to create and fast tract the independence and development of the economy. This historical research work is attempted at describing one of Nigeria's public organizations that has been seen to be viable, vibrant and dynamic in the country's transportation economic sector for over six decades. The paper relied on qualitative data and Structural-Functionalism Model to picture the Federal Airports Authority of Nigeria (FAAN) from its creation to the present position in the Transportation Agenda of the Jonathan's administration. It majorly found out among others, that contrary to the believe of the public, FAAN employees are referred to as public servants and not civil servants due to the fact that its personnel are recruited/selected and remunerated under its determined condition of service through its Internally Generated Revenue (IGR). The paper finally canvassed that comprehensive implementation should be given to the Aviation Roadmap in the Transformation Agenda with complementary macro-economic policies to achieve desired goals of its reality in its vision and mission.

Key Words: *Public, Organization, Authority, Transportation Agenda, Aviation Roadmap*

Introduction

Henry (2004, p.53) said, public organizations are government agencies and corporations, and non-profit organizations; their purpose emphasizes the delivery of goods and services that benefit people outside the organization. This definition, as he pointed out, is realistic (and even relatively succinct) because it implicitly recognizes that public organizations are not necessarily peopled by would-be saints; hence, the purpose of public organizations only benefiting others, a nuance that accepts that public organizations, like private ones, can legitimately benefit their own employees, too. The emphasis on serving others is real, and it associates with some very real, and differences between public and private organizations.

On this note, Ujah (2006, p.12) highlighted that outside the core civil services, there has been, in virtually every modern state, the birth and development of public organizations that combine the features of public administration with some salient characteristics of private business set ups. The creation of such entities results from the desire to infuse more flexibility and more efficiency in the organization of some governmental activities (Laleye, 2002, p.28). In Nigeria for instance, these entities are referred to as public enterprises or parastatals, which the Federal Airports Authority of Nigeria (FAAN) forms part of. In order words, Federal Airports Authority of Nigeria is a by-product of the law as given by **An Act of the Nigerian National Assembly CAP. F5 Laws of the Federation of Nigeria, 2004.**

The Nigerian government for the better part of the first two decades following political independence in 1960's as opined by Agabi & Orokpo Ogbole (2014, p.151) was visibly involved in the promotion, management and control of commercial and non-commercial enterprises in the economy. The intent was to generate faster economic self-reliance, growth and development.

Therefore, the organization and functioning of the Federal Airports Authority of Nigeria (FAAN) in some important perspectives remain peculiar among the parastatals in Nigeria. This paper contains background of the study, theoretical framework, the foundation of FAAN, sources of revenue, the powers and



organizational structure of FAAN, the operational scope of FAAN and the Aviation Roadmap in Federal Government's Transformation Agenda.

Background of the Study

Nigeria had an estimated fifty Public Enterprises at independence, and about 200 by 1970. When the country embarked upon an economic reform program in 1987, the number had risen to about 1,500. The factors that account for the phenomenal increase include the evolution of the federal administrative structure (from four units in the 1950s to twelve in 1967, nineteen in 1976, twenty-one in 1987, thirty in 1991, and thirty-six in 1996), the oil boom, and successive governments' commitment to making Public Enterprises an instrument of state economic intervention in the 1970s. Consequently, Public Enterprises developed in the social sphere (education, health, and information), housing and town planning, transportation, power, communications, water and irrigation, mining, manufacturing, commerce, and finance, and the Aviation. They attracted the majority of government capital expenditure, with more than 80 percent in the 1980s, and they accounted for more than one-third of the modern sector employment (Laleye, 2002, p.33).

In conjunction with this development, the Wikipedia, the Free Encyclopedia (2010) defined the Federal Airports Authority of Nigeria (FAAN) as a public service organization statutorily charged to manage all Commercial Airports in Nigeria and provide service to both passenger and cargo airlines. Generally, to create conditions for the development in the most economic and efficient manner of air transport and the services connected with it. The agency has its head office on the grounds of Murtala Muhammed International Airport in Ikeja, Lagos State (See, Appendix III).

In the view of Eri (2014, p.3), Civil Aviation in Nigeria is a spin-off of the British Colonial rule. Above all else, it is a product of a mere accident of history dating back to 1925 in the unlikelyst of places - the ancient, walled city of Kano. Sometime in July of that year, the Northern city was gripped by a tense standoff between the residents and the colonial government officials.

The earliest known commercial aviation activity in Nigeria is credited to one gentle man, "Bud" Carpenter, who owned the earliest type of the Light aircraft, de Havilland Moth. Records show that he frequently undertook high-risk flights between Kano and Lagos, using the rail tracks as his guide and piling up extra distance in the process. In the early 1930s, an enterprising pilot carried a few fare-paying passengers in a seaplane between Lagos and Warri. With the continuation of the annual RPLF flights, aviation activities in Nigeria became quite considerable, creating the need for aerodromes.

Theoretical Framework

Theoretical framework as asserted by Ojokwu (2000) in Idakwoji & Paul (2014, p.210), involved linking the problem being investigated to the assumptions, postulations and principles of a given or chosen theory. Theoretical framework therefore gives standardization to a research being under-taken. This historical research work adopted Structural Functionalism, which is a sociological theory that attempts to explain why society functions the way it does by focusing on the relationships between the various social institutions that makes up society (e.g., government and its organizations, law, education, religion, etc). Structural Functionalism is a theoretical understanding of society that points to social systems as collective means to fill social needs. In order for social life to survive and develop in society there are a number of activities that need to be carried out to ensure that certain needs are met. In the structural functionalist model, individuals produce necessary goods and services in various institutions and roles that correlate with the norms of the society (Chukwuemeka, 2004, p.47).

Therefore, the application of this theory emerged as a result of the fact that, the Federal Airports Authority of Nigeria as a public organization facilitates unique air transport services which is targeted at bringing the organization amongst the best Airport groups in the world. One of the major fundamentals in Structural Functionalism is that society is made-up of groups or institutions, which are compacted,

possesses common norms, and have a distinct culture. In the submission of Robert K. Merton, in Chukwuemeka (2004, p.46), functionalism is about the more static or concrete aspects of society and institutions like government or religions.

However, as any group large enough to be a social institution is included in Structural Functionalist thinking, so also is the Federal Airports Authority of Nigeria. Structural Functionalism asserts that the way society is organized is the most natural and efficient way for it to be organized. The Federal Airports Authority of Nigeria is an organized airport group that was established by an Act of the Nigerian National Assembly through Act No. 52 of 1999 (as Amended) which formally brought it into existence being an offshoot of Decree 9 of 1996. This model has been adopted to portray the Federal Airports Authority of Nigeria as a structure made up of functions and objectives. As Functionalism addresses society as a whole in terms of the function of its constituent elements; FAAN achieves its outlined organizational goals through her set objectives, visions, missions and functions.

The Foundation of FAAN

In Chapter F5 of the Federal Airports Authority of Nigeria Act PART 1(2004, F5-2) precisely stated that:

- (1) There is hereby established a body to be known as the Federal Airports Authority of Nigeria (in this Act referred to as "the Authority").
- (2) The Authority shall be a body corporate with perpetual succession and common seal and may sue or be sued in its corporate name and own, hold or dispose of property (whether movable or immovable).
- (3) As from the appointed day, there shall be transferred to the Authority all the airports maintained by the Ministry pursuant to section 6 of the Civil Aviation Act and the Authority shall maintain and manage those airports and any other airport provided by the Minister pursuant to that Act.

Therefore, the Federal Airports Authority of Nigeria (FAAN) is a parastatal of government, under the supervision of Federal Ministry of Aviation. Akinro (2013, p.3) said, the creation of the Federal Airports Authority of Nigeria started with the promulgation of Decree 45 of 1976, which established the Nigerian Airports Authority (NAA) by the Federal Military Government under the regime of Murtala Muhammed/Olusegun Obasanjo in 1976. It commenced activities with the inauguration of first Board of Directors in Lagos on July 11, 1978.

The Nigerian Airports Authority (NAA) as noted by Akinro (2013, p.4) continued to perform its functions as outlined by the Decree establishing it until August 1995 when a Civil Aviation Reform was carried out by the then Federal Military Government. The reforms led to the realignment of some of the functions of the Federal Civil Aviation Authority (FCAA) with those of the Nigerian Airports Authority (NAA) to bring about a new body called the Federal Airports Authority of Nigeria (FAAN). Act No. 52 of 1999 (as Amended) which formally brought FAAN into existence is an offshoot of Decree 9 of 1996.

Objectives of FAAN

The law establishing FAAN, which was enacted by CAP F5 'Laws of the Federal Republic of Nigeria 2004, gives the organization's goal as stated in its Vision and Mission statements thus:

- **VISION**
To be amongst the best Airport groups in the world.
- **MISSION**
To develop and profitably manage customer centric airport facilities for safe, secured and efficient carriage of passengers and goods at world-class standards of quality

Functions of FAAN

Yusufu (2013, p.32-33) highlighted the following as the principal responsibilities of the Federal Airports Authority of Nigeria. These include to:

- Develop, provide and maintain at all airports, all necessary services and facilities for the safe, orderly, expeditious and economic operation of air transport.
- Provide adequate facilities and personnel for effective security at all airports.
- Provide conducive environment under which passengers and goods would be carried by air and under which aircraft would be used for other gainful purposes, and for prohibiting the carriage by air of goods of such classes as may be proscribed
- Provide accommodation and other facilities for the effective handling of passengers and freight.
- Carry out at Airports such economic and commercial activities that are relevant to air transport; which may be carried out without prejudice to the functions of the Authority.
- Charge for services provided by the Authority at airports

In essence, the Federal Airports Authority of Nigeria in the following areas provides services:

- (a) Landside: Car parks, shops, offices and access roads.
- (b) Airside: Runways, taxiways, fire services, water supply, power supply, air lighting, apron pavements and apron control
- (c) Terminal Building: Provision of facilities for arrival, departure lounges, check-in-counters, airlines offices, information desks and offices for banks, government agencies, services that ensure maximum comfort for passengers while waiting for their flights e.g. VIP lounge, duty free shops, snacks bars and other conveniences.
- (d) Telecommunications: Provision of public telephones at Airports.
- (e) Security: Safety of aircraft and passengers at airports, industrial security of property e.g. parked aircraft, cargo in warehouses and property in offices.

Therefore, the Act that created the Federal Airports Authority of Nigeria has provided a situation whereby the organization must fundamentally ensure the comfortability, security and safety of persons, goods, vehicles and equipment at all airports in the country.

Sources of Revenue

PART IV of the Federal Airports Authority of Nigeria Act (1999, No.52) succinctly discussed the following as sources of the organization's revenue. It says:

- (1) The Authority shall maintain a fund, which shall include-
 - (a) such monies as may, from time to time, be allocated to it by the Federal Government;
 - (b) Fees in respect of services provided by the Authority, including-
 - (i) Landing fees;
 - (ii) Parking fees;
 - (iii) Passengers service charge (local and international);
 - (iv) Rents;
 - (v) Concession fees;
 - (vi) VIP lounge charges;
 - (vii) Utilities;
 - (viii) Fuel charge;
 - (ix) Port charge;
 - (x) Frontier service charge;
 - (xi) Sales of information;
 - (xii) Contract registration fees;
 - (xiii) Rental of warehouse;

(xiv) Rental of plant and equipments;

(xv) Fines;

(xvi) Car park charges; and

(xvii) Avio-bridge charges;

(c) All other sums that may accrue to or as may be received by the Authority in the exercise of its functions and activities under this Act.

(2) The moneys comprising the fund of the Authority shall in each year be applied by it in defraying the following expenses, that is:

(a) the working and establishment expenses and expenditure on, or provision for, the maintenance and renewal of any of the undertakings of the Authority;

(b) the interest on any loan raised by the Authority;

(c) the sums required to be transferred to a sinking fund or otherwise set aside for the purpose of making provision for the payment of any other borrowed money;

(d) the remuneration, fees and allowances of the members of the Board and for reimbursing members of the Board or of any committees set up by the Board and for such expenses as may be authorised by the Board in accordance with such rates as may, from time to time, be approved by the Federal Government;

(e) the salaries, fees, remuneration, pensions, superannuation allowances and gratuities of the employees, agents and other persons acting under or for the Authority; and

(f) any other expenses connected with the discharge of the functions of the Authority under this Act or any other enactment.

(3) The Authority shall, submit annually to the Minister estimates of its revenue and expenditure in respect of the next following year.

FAAN in the Transformation Agenda/Aviation Road Map

The Aviation Sector Master Plan was designed by the Federal Ministry of Aviation so as to fast-track the implementation of the Transformation Agenda (Public Policy Programme) of President Goodluck Jonathan in the Nigerian Aviation industry. According to Tokula & PAUL (2012, p.6), the Jonathan led administration initiated the Transformation Agenda to cover the period of 2011-2015 which has its base and inspiration from the Nigeria Vision 20:2020 and the 1st National Implementation Plan (NIP). The vision is emphatically summarized thus;

Vision 20:2020 is an articulation of the long-term intent to launch Nigeria onto a path of sustained social and economic progress and accelerate the emergence of a truly prosperous and united Nigeria. Recognizing the enormous human and natural endowments of the nation, the blueprint is an expression of Nigeria's intent to improve the living standards of her citizens and place the country among the Top 20 economies in the world with a minimum GDP of \$900 billion and a per capita income of no less than \$4000 per annum. Nigeria's target for 2020 are based on a dynamic comparative analysis of the country's potential growth rate and economic structure vis-à-vis those of other Top 40 economies of the world... (NV 20:2020; 2009, p.9).

Along this background, the Transformation Agenda in the Nigerian Aviation sector is basically designed to transform the industry, from one that was characterized by decaying infrastructure to one that boasts of world class facilities, comparable to the best in the world, in terms air transport infrastructure and management. In the assertion of the National Planning Commission (2012, p.1), the Transformation Agenda is based on a set of priority policies and programmes which if thoroughly implemented will

transform the Nigerian economy, to meet the future needs of the Nigerian people. Accordingly, the Aviation Sector Master Plan (2012, p.2) captured this reality in its vision and mission as follow:

- **Vision** – To be a world class provider of safe, secure and comfortable air transport sector that is self-sustaining and pivotal to socio-economic growth.
- **Mission** – To transform the aviation industry into an efficient, profitable, self-sustaining, effective and a preferred mode of transportation.

Objectives of the Master Plan as it affect FAAN

The Aviation Sector Master Plan (2012, p.3) has the following projected achievements to drive home. These are:

- Institutionalizing world class safety and security standards.
- Institutional reforms
- Infrastructural development
- Development of airport cities to transform airports into major employment, shopping, trading, business, leisure and cargo village destinations
- Transform Nigerian airports network into domestic and international hubs.
- Designation of economic free zones and agro allied focused airports, based on local endowments and competitive advantage
- Creating economic free zones as a strategy for rapid growth, inflow of foreign direct investment, employment generation and maximal utilization of airport infrastructure
- Development of perishable cargo infrastructural facilities, including customs and cargo sheds, cooling rooms, etc
- Designation of airports for economic leverage
- Capacity development and increasing professionalism in the industry
- Improving staff welfare

Contribution to Knowledge

FAAN workers are call public servants and not civil servants because its human resource are recruited/selected and remunerated through the organization's Internally Generated Revenue (IGR) under its determined condition of service. The paper has significantly contributed to knowledge by pointing out this unique characteristic of FAAN as an Authority. Prior to this study, several literatures have made generalizations about the organization's vision, mission, functions and objectives without actually defining the unique characteristics which makes it different from other organizations. This study has been able to identify this gap.

General Powers of FAAN

The Authority has the power to do anything, which in its opinion is deemed to facilitate the carrying out of its duties effectively

Present Organizational Structure of FAAN

FAAN's statutory responsibilities is executed through the office of the Managing Director/Chief Executive Officer who by ten Directorates namely,

- Human Resources;
- Administration;
- Airport Operations;
- Legal Services;
- Engineering and Maintenance;

- Projects;
- Finance and Accounts;
- Cargo Development;
- Aviation Security Services;
- Commercial and Business Development.

It is important to note that the office of the MD/CEO directly supervises the following Departments in FAAN. However, the MD/CEO is responsible to the Board and the Honourable Minister of Aviation.

- Corporate Communications;
- Protocol and Passages;
- Internal Audit, ICT,
- Customer Care (SERVICOM),
- Procurement, and
- Board Secretariat. .

Airports Managed by FAAN

The Federal Airports Authority of Nigeria is saddled with the responsibility of the management of the twenty three (23) Airports in Nigeria at the moment. For the purpose of clarity, the airport locations are divided into regions (not according to the widely recognized geo-political regions) but for administrative convenience. These include:

SOUTH WEST REGION;

- Murtala Mohammed Airport, Lagos (Regional Headquarters)
- Benin Airport, Benin City
- Ilorin Airport, Ilorin
- Akure Airport, Akure
- Ibadan Airport, Ibadan

SOUTH EAST REGION;

- Port Harcourt Int'l Airport, Omagwa (Regional Headquarters)
- Margeret Ekpo Airport, Calabar
- Akanu Ibiam Int'l Airport, Enugu
- Sam Mbakwe Int'l Cargo Airport, Owerri
- Akwa Ibom Int'l Airport, Uyo
- Osubi Airport, Warri

NORTHERN REGION;

- Mallam Aminu Kano Int'l Airport, Kano (Regional Headquarters)
- Maiduguri Airport, Maiduguri
- Yola Airport, Yola
- Sultan Abubakar III Airport, Sokoto
- Umar Musa Yar'Ádua Airport, Katsina

NORTH CENTRAL REGION;

- Nnamdi Azikiwe Int'l Airport, Abuja (Regional Headquarters)
- Yakubu Gowon Airport, Jos
- Kaduna Airport, Kaduna
- Minna Airport, Minna
- Gombe Airport, Gombe
- Makurdi Airport, Makurdi
- Zaria Airport, Zaria

Observable Characteristics/Findings

It is hoped that these findings, as itemized below will form the future studies about the organization and perhaps as the world is evolving, the scope and functions of the Authority would change to match the emerging trends in the global aviation industry.

- FAAN as a public organization is an entity with explicit or implicit specific objectives. It makes use of its men, money and materials in pursuit of these objectives. As an organization, it has its own internal ability/authority and methodology of achieving results.
- It is a corporate legal personality separate from that of the government that creates it. As a result of this, it can own property, enter into contracts, and sue and be sued.
- FAAN though a servicing organization is made up of entrepreneurial orientation, which is not, targeted at profit making but to enhance efficiency, consideration of financial implications and cost reduction in service provision.
- FAAN employees are referred to as public servants and not civil servants because its human resource are recruited/selected and remunerated through its Internally Generated Revenue under its determined condition of service.
- A constituted board usually administers it.

Concluding and Recommendations

From the foregoing discussion, there is no doubt that the Federal Airports Authority of Nigeria is in general a public organization with a peculiar and essential service. It is highly driven by diverse, multifaceted and compacted economic and social factors. Concisely, the Federal Airports Authority of Nigeria has yielded substantial benefits in terms of enhanced efficiency, growth and better service delivery in Nigerian Aviation sector.

However, as the Transformation Agenda is base on a set of priority policies and programmes, which its implementation is, aim at transforming the Nigerian economy for sustainability, the Aviation Sector Master Plan has to be strongly strengthened. This will serve as one of the processes of economic reform and should be implemented with complementary macroeconomic policies in order to achieve desired goals of its vision and mission as:

- To be a world class provider of safe, secure and comfortable air transport sector that is self-sustaining and pivotal to socio-economic growth.
- To transform the aviation industry into an efficient, profitable, self-sustaining, effective and a preferred mode of transportation.

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APPENDIX (I): The Logo of the Federal Airports Authority of Nigeria (FAAN)



FEDERAL AIRPORTS AUTHORITY OF NIGERIA

...transforming to serve you better

Source: FAAN Training School Library (2014)

APPENDIX (II): Terminal Building of the Murtala Muhammed International Airport, Ikeja-Lagos, Managed by FAAN



Source: FAAN Training School Library (2014)

AUTHOR'S BACKGROUND

Dr. Omisore O., is the Assistant General Manager, Training & Human Resource Development Department of the Federal Airports Authority of Nigeria and was recently elected/inaugurated as the Pioneer Chairman, Nigerian Institute of Management (NIM), Nigerian Aviation Chapter.

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