Impact of Privatisation on Employee Job Security in Indorama-Eleme Petrochemical Company Limited, Eleme, Rivers State, Nigeria.

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Abstract

Privatisation is an umbrella term to describe a variety of policies, which encourage competition and emphasize the role of market forces in place of statutory restrictions and monopoly powers. This research work has the objective of assessing the impact of privatisation on job security in Indorama-Eleme Petrochemical Company Limited Eleme (IEPCL), Rivers State, Nigeria. The study is an empirical research designed in line with case study method. Secondary sources of data were mainly used, and data was analysed using content analysis. The study found that privatszation of Indorama-Eleme Petrochemical Company Limited has enhanced employees welfare and job security. There is a positive relationship between privatisation of the company and increase in revenue generation and tax returns to Nigerian Government. The study also found that there is a relationship between IEPCL privatsation and employee job performance, efficiency and effectiveness. The study concluded that the success of privatisation should not be judged based on ideological principles of government or the nation, but based on performance factor of the company involved and long run effect. .It recommended that employees should be trained for requisite skills and prepare for redundancy before privatisation instead of leaving them at the mercy of new owners, in case success is not recorded immediately after the programme, and Privatisation of high technology based companies like Indorama Eleme Petrochemical Company Limited should be further encouraged and implemented in Nigeria. Because it will increase technology transfer to our indigenous people, increase taxes and revenue to government, and enhance our march towards industrialization and fulfillment of vision 20 20 20.

Key Words: Privatisation, Job security and wellfare, Revenue generation.

Introduction

1.1 Background to the study

Privatisation has become a fundamental part of the drive towards modernization by developing countries. After the election of the Thatcher Government in United Kingdom, there was intense debate on the issue of privatisation and the 1980s saw an extensive and continuing sale of public enterprise. The apparent success of the United Kingdom Programme was followed by other countries that saw privatisation as a way of government concentrating on core activities and a handy means of raising revenue. Privatisation of public enterprises has become a worldwide phenomenon with both developed and developing countries selling all kinds of enterprises. International agencies like the World Bank and the International Monetary Fund encouraged privatisation as a part of any programme of assistance. It is pertinent to note that the rational for government's involvement in some businesses or public ventures tend to be multi-dimensional.

This ranges from the neo-colonial economic principles to the quest for rapid economic development against the background of low capital formation and non-availability of indigenous entrepreneurial skills at the time of independence. Thus, when Nigeria became independent in 1960, she was influenced by the economic policies of the imperial government, which inadvertently was the labour party, whose cardinal principles of state ownership and control of the commanding heights of the economy was evident. In the course of time, it became obvious not only in Nigeria but the whole world that the public utilities were not only inefficient and unproductive but they also drained the earnings of the productive sectors of the economy, and Eleme Petrochemical Company Limited was then one of such government Parastatals.

Privatisation is one of those words of our new global environment that is most misunderstood and therefore evolves passion at both ends of ideological spectrum. It puts those who trenchantly advocate reform measures and thus see it as an instrument of fiscal policy against those who believe that the state has a public interest role in the development of society that must necessarily compel it to own and manage public utilities.

Privatisation is an umbrella term to describe a variety of policies, which encourage competition and emphasize the role of market forces in place of statutory restrictions and monopoly powers. Privatisation in Nigeria started in 1986 as an integral part of structural adjustment programme. Prior to this period, the Nigerian state has participated actively in enterprises and this trend continued until 1988 when privatisation programme was officially launched. It was envisaged that privatisation would improve operational efficiency of inefficient state owned enterprises (SOEs), reduce government expenditure and state role, increase investment and employment as well as ensure job security in Nigeria (Anya, 2000, Igbuzor, 2003; Agba, Ushie, and Festus 2010; Orji, 2010) Further to this, the president of the Federal Republic of Nigeria, in an executive address on the 6th July, 1999 directed that the implementation of the privatisation programme of the Federal Government of Nigeria continues immediately. The phases are:

(i) Full divestiture of Federal Government shares in oil marketing companies, banks and cement plants. A total of 14 companies most of which were already quoted on the Lagos stock exchange.
(ii) Full divestiture of the Federal Government ownership in hotels, vehicle assembly plants and other enterprises operating in competitive markets.
(iii) Partial divestiture of Federal Government interest in major public enterprises currently operating in non-competitive sectors like electric power, telecommunication, oil and gas.

The primary goal of the privatisation programme was to make the private sector the engine of growth in the Nigerian economy. The government intended to use the programme to reintegrate Nigeria back into global economy as a platform to attract foreign direct investment in an open, fair and transparent manner.

Privatisation in the context of developing countries have substantial different implication for the poor more than it would in the middle income and developed countries, for example in Europe and America, employees are prepared and trained for redundancy while in Africa expecially Nigeria, after privatisation, the employees are left at the mercy of the new owners. It is in the light of this that this study assesses the reasons that led to the privatisation of Indorama-Eleme Petrochemical Company Limited (IEPCL) and how this has impacted on employees job security.

1.2 Statement of the Problem

The central problems associated with employee status, job security, and improved conditions of service remain largely unattended to during privatisation (Akpotaire, 2004). Most times employees are left at the mercy of new owners of privatised companies without being prepared for redundancy. But how have these issues been handled in Indorama Eleme Petrochemical Company Limited (IEPCL), what factors really led to the privatisation of IEPCL, and what implications do they have on the privatisation as a reform policy in Nigeria?

Further to the above is the clear picture of Nigeria's economic problem, which reveals that:

(a) Public sector investments through establishment of state owned enterprises, which hitherto were seen as a major vehicle for development, later turn out to be large bureaucracies and inefficient parastatals with huge financial investments but of poor economic and social viability.
(b) The economy in general has been poorly and inefficiently managed as evidenced by the present level of development vis-a-vis the enormous resources of the country.

(c) The need for more fundamental shift in paradigm in favour of the private sector led growth, whereas the public sector involvement should be limited to regulations and managing the macro –economic fundamentals.

1.3 Research Questions

On the whole, this study is to provide answers to some questions like:

(i) What factors brought about the privatisation of Indorama-Eleme Petrochemical Company?
(ii) Does privatisation of IEPCL have any impact on the employee's job security?
(iii) Does privatisation have any relationship with performance in terms of efficiency and productivity especially in Indorama-Eleme Petrochemical Company?
(iv) Does privatization have any relationship with increase in revenue generation of Indorama-Eleme Petrochemical Company? And
(v) How have the employees of this company faired since privatisation?

1.4 Research Objectives

The objective of this study is to critically assess the impact of privatisation on employee job security in Indorama-Eleme Petrochemical Company Limited (IEPCL), Eleme, Rivers State Nigeria.

To achieve this, the following secondary objectives need to be specified.

i. To examine critically the nature of Nigerian economy and the factors that led to privatisation of public enterprises like IEPCL in Nigeria.
ii. To determine whether or not privatisation of IEPCL has impacted positively on employee job security.
iii. To determine whether or not privatisation has enhanced efficiency and productivity among the privatised companies especially IEPCL.
iv. To determine whether privatisation of IEPCL has any relationship with increase in revenue generation of the Company and tax to Nigerian Government.
v. To determine whether or not the employees of IEPCL has faired better since after the privatisation.

1.5 Significance of the Study

The issue of privatisation or ownership of public enterprises in Nigeria and the world over, is of vital importance to the organisation since given the scenario, it determines to a very great extent its efficiency, effectiveness and productivity. Thus this study is beneficial because it will serve as a source of enlightenment to companies and the general public on how privatisation could affect employee job security.

While other studies like Parker (2003), Akpotaire (2004), and Agba etal (2010) have laid emphases on the problems associated with the programme, none have recorded the success story of IEPCL. That is, no any research to the best of our knowledge which investigated company specific privatisation and job security factors alongside its returns to the nation's earnings and industrialization like IEPCL.

Thus, the study will be a test case that will help to inform policy makers of the need to adopt the style of the company's privatisation programme in future dealings, and equally serve as a useful reference material to future Scholars and researchers.

1.6 Hypotheses of the Study

Based on the stated objectives of this study, the following hypothetical statements are postulated for validation in the course of the study.

Hypothesis One

^{H}01: Privatisation of IEPCL has not enhanced employee's job security and welfare.

Hypothesis two

^{H}02: There is no relationship between privatisation and employee job performance, efficiency and effectiveness in IEPCL.

Hypothesis three

H03: There is no relationship between privatisation of IEPCL and increase in revenue generation and tax returns to Nigerian Government.

1.7 Scope of the Study

For the purpose of this research, one company has been used as case study focusing on the period of 2006-2012. Privatisation is a contemporary phenomenon that will need to be understood in a real life context, using sources of evidence.

The use of a case study will provide a rich understanding of the privatisation process in Nigerian companies and will also answer the why? What and how? Questions (Partington, 2002).

1.8 Methodology.

This study is an empirical research using case study method. Empiricism in its broadest sense is the habit of explaining universalities from the particulars of experience (Partington, 2002). Thus, we are using IEPCL particular privatisation experience to explain and understand the universality of the programme in the context of Nigerian economy and policy formulation The sources of information are mainly from secondary data gathered from existing literatures, text books, journals, and other documentary evidences, such as magazines and official publications of the company under review and personal interactions between the researcher and some staff of the company. Content analysis was applied to validate the postulated hypotheses, and confidence to previous findings, or else invalidate them.

Literature Review

2.0 Introduction.

The purpose of this section is to review some related literatures and conceptual framework of various scholars and authors on the subject matter of privatisation. The literature review will pay attention to some postulated reasons of privatisation, and criteria for measuring the success of privatisation.

2.1 Conceptual/theoretical framework.

Privatisation involves the transfer of government owned shares in designed State Owned Enterprises (SOEs) to private shareholders (Agba, Ushie, and Festus, 2010). It refers to the process of selling state owned enterprises to private individuals (Azhar, 2005). It is generally used as the subsequent sale of at least 50 percent of the shares of public owned enterprises to the private shareholders, (Burns and Coram, 2001). But Orji (2010) said this view is too narrow, that it makes more sense to see privatisation as the reduction of government involvement in general; not only as a reduction in production, but also a reduction in provision, subsidies or regulation or indeed any combination of the four instruments.

Privatisation with reference to this study means two things:

(a) Any shift of activities or functions from the state to the private sector; or
(b) Any shift of the production of goods and services from public to private.

Invariably, privatisation is essentially the act of reducing the role of government, or increasing the role of the private sector, in a business activity or in the ownership of assets. In this respect, privatisation would be ascribed a meaning similar to those of deregulation and liberalization, which occurs by means of reducing the regulatory environment. The terms economic liberalisation and deregulation have been used inter-changeably in the Nigerian context to portray the opening up of economic activities to private domestic and foreign participation, as the case of Indorama group taking over Eleme Petrochemical Company Limited, Eleme, Rivers State of Nigeria.

Theoretical framework.

The theoretical framework upon which this study is based is the **neoliberal school of thought**. It is based on the doctrine of competition and profit motive founded on free market pricing and freedom from the interfering hands of state regulation. Privatisation according to this theory could reap the advantages of the market system and competition, namely; effectiveness, productivity, and efficient service (Odey, 2012).

Privatisation would thus, strengthen market forces with some degree of deregulation, economic liberalization, relaxation of wage and price controls.

According to Dimgba (2011) Privatisation is a phenomenon which has been a necessary concomitant to the principle of liberalization, which involves the transfer of control in terms of ownership and management from the government to private investors. But in Nigeria, this theory has not gone unchallenged as to its relevance to many Sub-Sahara African countries. From the view point expressed by Professor Aluko, in Odey (2012), the assumption of the inherent efficiency of the private sector should be questioned. He argued that in Nigeria, much of private sector profits are not always the result of efficient operation and increased productivity but rather often represent money that private contractors make through inflated contracts, patronage and corruption. He argues that most of the richest people in Nigeria's private sector make their money, for the most part, through their public sector connections and influence.

But it is in the light of this assumption of government patronage and corruption that we feel governance in Nigeria should be made less monetarily attractive by removing interference in the business enterprises and commanding height of the economy, in line with the neoliberal school of thought. This will go a long way in determining job security, employee welfare and wages price, because job security in private sector is determined by acquisition of relevant skills and performance.

2.1.2. Job security

Job security refers to job guarantee. It includes a reasonable expectation that employees can keep their jobs over a period of time. It involves minimal job turnover over a time that is safe for both employers and employees (Hodson & Sullivan, 2002, Agba, Ushie, and Festus, 2010).

Employee job security in this regard refer to the fundamental question of whether or not viable employees have been protected from unjustified redundancies, forced retirement and disengagement without adequate compensation and remuneration after the privatisation of IEPCL, or whether there have been improvement in their welfare, higher pay and hope of future advancement as a result of improved performance of the company

2.2 Some postulated reasons for privatisation

There are a number of reasons advanced for the privatisation of public enterprises. The main arguments are about economic benefits, management inefficiency, ideological conception of what the role of government in society should be, and accountability. The opinions of eminent scholars and authors such as Abdullahi, Abdullahi, and Mohammed (2012), Odey (2012), Agba etal (2010), Orji (2010), Kay and Thompson (1986), Vickers and Yarrow (1988), Millward and Parker (1983), Aharoni (1991), Zekhauser and Horn (1989), Cook and Uchida (2001) are to be examined by this study.

According to Abdullahi etal (2012) The decision to privatize some government enterprises is based on the fact that government had, for a long time, monitored the performance of these enterprises, as most (if not all) have constituted an unnecessary burden on government resources. In spite of the low rate of return on investment in government parastatals, they still call for funds from the treasury on annual basis. There was therefore the tendency to feel that government grants, subventions and subsidies to the parastatals were free gifts which nobody was expected to account for. However, the major objective of privatisation is to enhance the productive efficiency of enterprises in such away that the welfare of all the stakeholders would be maximized. Privatisation is thus expected to impact positively on income, wealth, employment, and share prices.

Odey (2012) opined that it is a strategy for reducing the size of government and transferring assets and service functions from public to private ownership and control. Thus, Privatization is based on four core beliefs:

1. Government is into more things than it should be. It is intruding into private enterprise and lives.
2. Government is unable to provide services effectively or efficiently
3. Public officials and public agencies are not adequately responsive to the public.
4. Government consumes too many resources and thereby threatens economic growth.

Orji (2010) classified the reasons for privatisation based on the following;

(a) Economic Benefits

The economic argument for privatisation, includes; reducing taxes by using the proceeds from sales; exposing activities to market forces and competition and reducing both government spending and the government's share of the economic activities. Stimulating competition is an attractive part of the privatisation programme. In theory, competition provides powerful incentives to both product and price efficiently. When faced with competition, public enterprises that do not operate in accordance with consumer demand, or who over price their products will lose customers. If competition is seen as desirable, the different instruments of privatisation need to be compared. Competition could be introduced by selling or deregulating to allow the entry of competitors. According to Kay and Thompson (1986), selling assets only improves competition if an enterprise is already in a competitive environment. Converting a public monopoly to private ones does not improve competition and can have the additional effect of making future competitive changes more difficult to bring about. Kay and Thompson (1986) pointed out, that, the easiest way of introducing competition is to deregulate the industry, rather than sell assets, unless deregulation occurs at the same time as assets are sold.

(b) Managerial Efficiency

The efficiency argument for privatisation claims that private management is inherently superior to public management. Management of private and public sector organisations do operate in quite different environments and often have quite different objectives (Millward and Parker, 1983). This implies that there are theoretical differences between the public and private sector organisations in the structure of incentives available to management, and because public enterprises operate in a political environment, management there may be said to be less straightforward. Public sector organisations in Nigeria have been characterised as having a "no-owner company" culture shaped by frequently rotated leadership, conflicting objectives, lack of individual accountability and emphasis on production, instead of having a customer orientation. Perhaps public service conditions are not conducive to excellence because public management is inherently inferior. The private sector is assumed to have a time-tested set of incentives and accountabilities in place, and as these are not present in the public sector, there must be inefficiency.

(c) Ideological Issues

Orji (2010) maintained that all ideological debate over privatisation seems to have been won by those favouring privatisation, judging by the policy outcome. However, it is not so much that the debate was won but that the counter debate was either not made or made weakly. In any case, pragmatic rather than ideological arguments seem to have held sway (Vickers and Yarrow 1988, Millard and Parker 1983). Even in Britain, where the ideological debate was supposed to be most fervent, the most cogent reason for the continuing privatisation programme was the pragmatic one of raising revenue rather than changing the shape of society.

Looking again at the different kinds of public enterprise like IEPCL, it is clear that economic benefits would only be certain to arise from selling such enterprises in competitive environments. For the other kinds, notably utilities like railways and telecommunications, the economic benefits would be greatest by encouraging competition, through deregulation with change in ownership being less important. Vickers and Yarrow (1988), Cook and Uchida (2001) argue that the degree of product market competition and the effectiveness of regulatory policy have rather larger effects on performance than ownership per se. Even though, the benefits may not be large. There would seem to be little advantage in privatising loss-making areas such as railways, although there may be some attraction in simply getting rid of these kinds of enterprise.

(d) Accountability Issues

Once any organisation is in government hands, there must be questions about accountability especially in developing countries like Nigeria. In theory, all parts of government are accountable to the political leadership and finally to the people. According to Orji (2010), public enterprise inefficiency is not necessarily the result of ownership. Public enterprises are organisation designed to be part of the government sector, but also to operate commercially. They operate commercially but have no shareholders, they are government–owned. They have their own management and boards of directors, but are also responsible to a minister. A public enterprise is often required to meet other objectives, rather than simply trying to maximize profit like a private company.

This study agrees with the postulation of Zeckhauser and Horn (1989), that the theory of principal and agent suggests that accountability problems are inherently worse in the public sector and in public enterprise in particular. The relationship between principal and agents is that of stewardship. In stewardship, it is believed that a man be found faithful and accountable. This means that poor accountability is a justification for privatisation of IEPCL in addition to the economic rationale set out earlier. Those who control the public enterprise pay less attention to the interests of their tax-payers, and groups with more concentrated interest such as suppliers, and employees can influence management to favour them over the taxpayers, and that can lead to total collapse of the company as did Eleme Petrochemical Company before privatisation.

2.3 Criteria for Measuring Success of Privatisation

It is important to understand the criteria and opinion of other scholars and authors on the measurement of the success of privatisation so as to help in relating it to the context of this research study. The success of any programme should be measured based on the objectives of the programme (Aharoni, 1991). Success of privatisation should be measured in terms of the objectives that motivated it. The objectives are, however, bound to vary depending on the actors affected by the programme. According to Aharoni (1991), the economists for instance expect that privatisation will enhance efficiency of the privatised firms. The success of the programme will therefore be assessed on the basis of whether or not the goal of efficiency is achieved. The civil servants may weigh the success of privatisation in terms of whether it has brought lower costs and better service. The labour unions on the other hand, will assess the success of privatisation in terms of whether or not it has reduced the level of unemployment in the economy. Because of the various goals which may prompt the privatisation programme, Aharoni (1991) argued that a criteria must be imposed by the researcher as the economists frequently tend to do.

Also, Orji (2010) opined that the over aching criterion for judging the ultimate success of privatisation should not be the price paid to the government or even the survival or expansion of the enterprise rather the test should be whether the transaction yields a net benefit to the economy as a whole. He furthermore argued that the designed programme to maximise efficiency will bring to the economy more sustained gains, and suggested that privatisation should not only stimulate corporate governance, but should also stimulate infusion of capital, technology, ideas, skills, compliment changes in incentives and boost the productivity of the privatised enterprises. The success of privatisation may also be assessed on the basis of the financial and operating performance of the privatised firm, which would be measured in times of profitability, efficiency, investment, output, employment, dividend payment and turnover.

Martin and Parker (1995) used profitability (measured in terms of returns on investment) and efficiency (measured in terms of annual growth in value added per employee hour) in assessing the performance of eleven (11) firms privatised in Britain. Other studies, which employed similar criteria, include La Porta and Lopex-de-silanes (1997). The use of economic factors such as probability and efficiency for the purpose of measuring the success of privatisation has been also justified by Meggison, Jones, and Netter (1999). They asserted that governments embarking on privatisation programmes in the 1990s were doing so because of the theoretical and empirical results that strongly support the proposition that privatisation improves the operating efficiency of divested firms.

This study agrees with Orji (2010) that the ultimate success of privatisation should not be the price paid to the government or even the survival or expansion of the enterprise rather the test should be whether the transaction yields a net benefit to the economy as a whole. Similar criteria should also be employed for the purpose of measuring the success of privatisation of IEPCL in Nigeria, so as to understand its impact in all areas including job security and employees welfare, infusion of capital, technology, ideas, and skills that is complimenting industrialization.

Research Analysis and Findings

3.1 The impact of privatisation on employee jobs security in INDORAMA-EPCL

The opinion of some scholars is that privatisation is often accompanied by large-scale cuts in employment (Kikeri and Shirley 1994, Dhameja and Sastry 2002). This is because the state owned enterprises is believed to be characterized by excess employment, therefore labour shedding during or after privatisation is one of the most adverse outcomes that immediately affect the workers

In the opinion of Parker (2003), efficiency increases as a reflection of the sharp reductions in employment. He made an instance with case of Britain whose employment in the electricity industry fell from 127,300 at the privatisation to around 66,000 by 1996/1997. There were also very large reductions in employment in British Telecom and British gas and its successor companies. But ironically Parker (2003) stated that in British water industry, initially after privatisation employment in the industry rose. In 1990/1991 the average number of employees in the water industry was 45, 863 and that by 1993/1994 this had grown to 58,270. In Nigeria also, similar mixed results has been recorded. According to Abdullahi etal (2012), Seven companies recorded reduction in employment in the post privatisation period. Ashaka cement's staffing strength fell from 1632 to 785 on the average. Portland cement and Flour Mills also recorded reduction from 1525 to 964 from 461 to 417 respectively. Also UNIC and Royal insurance recorded a reduction on the average from 704 to 540 from 489 to 248 respectively. National Oil and UBA had also recorded a decline from 413 to 221; from 4410 to 3900 respectively. On the other hand, three companies recorded increase in employment in the post privatisation period. UNTL recorded increase (on average) from 5498 to 7031, Unipetrol increased from 529 to 588 and NAL increased it employment from 235 to 257 during the post privatisation period.

These results conform to our expectations and postulation, that. impact of privatisation on employee job seems to be relative to country, industry and firms. In the context of this study, the outcome reflects this assumption considering the success story of IEPCL, which is a unique one among all privatized companies in Nigeria in terms of job security and labour/management relationship since 2006.

Indorama Eleme Petrochemical Company Limited (IEPCL) has positioned itself as a strategic player in the Nigerian economy. Since the acquisition by Indorama and till now, the company has significantly contributed in import substitution by supplying quality polymer products to over 200 plastic processing companies in Nigeria and export to several countries placing Nigeria in the global polymer map.

The company has immensely contributed to the employment generation by employing more than 600 Nigerians as at 2008, and 1200 Nigerians by end of 2012, as against the total closure and staff disengagement before privatization (Impact, 2012; TELL, 2011). Thus we can reject the null hypothesis one, and accept the alternative that privatization of IEPCL has enhanced employee's welfare and job security, because instead of disengaging the staff inherited form the old Eleme Petrochemical Company they rather employed more.

As a Company, IEPCL has always strived to build its work force with requisite competencies and capabilities and has implemented the following programs:

- Structured Career Development Program has been implemented and so far two batches of senior Nigerian staff have been trained and entrusted with supervisory and managerial responsibilities.
- One batch of employees called WINNERS (World-class Indorama Nigeria New Energy & Rejuvenation Specialists) who have been trained through structured programs who have assumed the roles of Ambassadors and facilitating the implementation various organizational development initiatives.
- Mentorship scheme has been implemented where the Mentors have been nurturing and guiding their Mentors for their overall development.
- Structured Training Need Identification has been implemented and regular in-house training programs are organized through trained internal faculty members.
- Special in-house development program I EXCEL (Indorama Excellence) has been implemented where senior employees are subjected to programs that improve their personal effectiveness and performance.
- Scientific and structured performance management & appraisal system has been in place to consistently improve the performance of employees towards building performance driven culture.

Besides, in line with the Group philosophy, IEPCL has created a work environment that encourages employees to work independently and create value for them and the company. The company has also put in place appropriate reward and recognition systems to motivate the employees to continually learn, effectively perform and get rewarded (Impact, 2012; TELL, 2011) Thus, we can reject null hypothesis two and accept the alternative that, there is a relationship between IEPCL privatisation and employee job performance, efficiency and effectiveness. Because since performance is judged by output, the postulation holds sway, considering the company's production capacity which has risen to 230 KT (kilotone) of Ethylene and 126 KT of Propylene per annum from nothing before privatisation and also turned Nigeria into a net exporter of petrochemical products; by achieving 10% of Nigeria's total non-oil exports based on polymer and resins technology/product since 2008 (Tell, 2011).

The company has paid Naira 16.87 billion as taxes, Naira 52.62 billion as dividends to Federal, State, Host Communities and IEPCL Staff and Naira 880 million per annum to Host Communities for development. Having earned the reputation of Nigeria's best privatisation story, IEPCL has significantly contributed to the Nigerian GDP, its economy and creating a favourable balance of trade of the country (Impact, 2012; TELL, 2011).Thus, we can reject null hypothesis three and accept the alternative that, there is a relationship between privatisation of IEPCL and increase in revenue generation and tax returns to Nigerian Government.

On May 16th 2011, President Goodluck Jonathan endorsed the establishment of two world-class fertilizer and methanol plants by Indorama. The projects, worth 1.8 billion US Dollars or 275 billion Naira would be located in the IEPL Complex in Port Harcourt, Rivers State. The President gave this endorsement when he hosted the Chairman of Indorama Corporation, Mr. S.P Lohia, and the Managing Director, Mr. Manish Mundra at the Presidential Villa. Chairman of Indorama, Mr. Lohia, had earlier informed the President that the fertilizer plant, when completed, would deliver one million tons of ammonia and urea fertilizers annually for Nigeria's agricultural and industrial purposes. The methanol plant, he said, would also serve as alternative fuel for public transportation and for industries to enhance the energy sector. On Tuesday, May 17th 2011, the MD, Mr. Mundra formally announced the multi-billion Naira projects adequate for power supply and gas availability, while local manpower are being mobilized for it, adding that a lot of work has already been done in the technical surveys, environmental impact assessment, and land development, According to him, the company is also adding Low Density Polypropylene (LDPE) production facilities in Port Harcourt. All these projects have taken off but are targeted to commence production by 2014-2015.The Fertilizer plant will be the largest single train Urea Plant in the world; and once these plants are commissioned, IEPL's Port Harcourt complex will be one of the largest petrochemicals companies in Africa," Mr. Mundra highlighted. The Fertilizer plant would produce over one million metric tons of Urea fertilizers annually. It would greatly enhance Nigeria's agricultural sector, which has depended heavily on imported fertilizers. The Methanol plant, according to Mr. Mundra, would help Nigeria and Nigerians to overcome their shortages in fuel supplies. Methanol is an alternative fuel for public transportation as well as for domestic and industrial use (Impact, 2012; TELL, 2011).

This still conforms with alternative hypothesis three, thus showing further the all-round success story of IEPCL Privatisation against others in Nigeria and agreeing with the postulation that the ultimate success of privatisation should not be the price paid to the government or even the survival or expansion of the enterprise itself rather the test should be whether the transaction yields a net benefit to the economy as a whole

Conclusions and Recommendations

Conclusions

Privatisation in the context of developing countries has substantial different implications for the poor more than it would in the middle income and developed countries. For Example in Europe and America, employees are prepared and trained for redundancy while in Africa after privatisation, the employees are left at the mercy of the new owners. But how has these issues been handled in Indorama Eleme Petrochemical company Limited (IEPCL), and what implications do they have on the privatisation as a reform policy in Nigeria? This study draws its conclusion on the fact that the success of privatisation should be measured in terms of the objectives that motivated it, although the objectives are bound to vary depending on the actors affected by the programme. In assessing the privatisation programme in Nigeria so far, it can be said that a lot has been achieved despite the employee job losses in some companies. Because in the case of Indorama Eleme Petrochemical Company Limited (IEPCL) the programme has led to the elimination of loss making firm and freed assets for more productive use. The initial reasons for total state ownership of the company has since disappeared thereby, making privatisation a better choice for phasing-out the crisis engulfing it. What we now have is more profitable company which has turned Nigeria into a net exporter of petrochemical products; and has indeed achieved 10% of Nigeria's total non-oil exports, devoted, committed, better-paid and efficient workforce.

Recommendations

Based on the findings of this research work, the researcher wishes to make the following recommendations;

1. The success of privatisation should not be judged based on idealogical principles of government or the nation, but based on performance factor of the company involved and long run effect. Because even if the exercise lead to job cut earlier, more employees with requisite skills will still be employed after.

2. Employees should be trained for requisite skills and prepare for redundancy before privatization instead of leaving them at the mercy of new owners, in case success is not recorded immediately after the programme.
3. Privatisation of high technology based companies like Indorama Eleme Petrochemical Company Limited should be further encouraged and implemented in Nigeria. Because it will increase technology transfer to our indigenous people, increase taxes and revenue to government, and enhance our march towards industrialization and fulfillment of vision 20 20 20.

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