

**EFFECTS OF PORT CONCESSION ON EMPLOYMENT
OPPORTUNITIES IN NIGERIAN PORTS AUTHORITY**

(A CASE STUDY OF PORTS IN RIVERS STATE)

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ABSTRACT

This research was carried out to study the effects of port concession on employment opportunities in Nigerian Ports Authority (NPA), using Port Harcourt and Onne Ports as the case studies. Primary source of data collection was employed using a well-structured questionnaire designed by the researcher to answer the research questions. The researcher adopted SPSS computer software version 23, to analyze the data collected on this research and in order to answer the research questions. The researcher formulated the research hypotheses as follows: NPA staff strength in post concession era is high; There is significant improvement on work benefits in the post concession era (in terms of salary, health insurance, promotion, job security and on-the-job training); There is significant increase in the level of employment in NPA in the post concession era; There are vacant positions in NPA in post concession era; NPA hopes to employ more staffs in post concession era. The research found that NPA staff strength in post concession era is not high and has not increased, that NPA has maintained low staff strength. It was found that there is significant improvement on work benefits in the post concession era for the retained employees (in terms of salary, health insurance, promotion, job security & on-the-job training). There is also no significant increase in the level of employment in NPA in the post concession era. The research reveals also that there are no vacant positions in NPA in post concession era and there is no hope of NPA employing more staff in recent time in post concession era except the port embarks on expansion projects for more ports operations. In conclusion, the researcher recommended some solutions to mitigate the effects of port concession on employment in Nigeria.

Keywords: NPA, Port Concession, Employment

1.1 Background to the study

In Nigeria like other maritime sectors of any nation can be recognized as the vehicle for national socio economic development. This is because, it houses most critical infrastructure serving as mechanisms for foreign earnings as well as a value creating hub for the national economic development. The need to develop national maritime potentials to achieve economic strength is germane to achieve sustainable economic development in Nigeria. The maritime sector is of

critical significance to the Nigerian economy. Nigeria as a nation is endowed with a vast coastline as well as navigable inland waterways and is strategically placed on the Atlantic coast of West Africa. Nigeria is the sixth largest producer of crude oil in the world and also has the most prolific gas reserves in the world. The country is also rich with other natural resources and agricultural produce. Most of these products are exported to international markets by sea where they are sold and foreign currency earned to ensure the country's developmental objectives; such as infrastructural developments and job creation. A virile and well organized maritime industry is therefore very important to facilitate Nigeria's international trade and economic development.

The issue of port concession at every point in time calls for attention of various interests. The ports are important and essentially viable public assets; privatization or concession as the case may be is now the mechanism by which many governments achieve greater efficiency in administration and management of public owned assets which Nigeria recently has joined the trend for the port industry.

However, privatization has gained ground in the recent years all over the world; both developed and developing countries have introduced the idea of private operators managing the public owned enterprises and providing services to the masses. This may be owing to the fact that governments may wish to pull the private resources in enhancing the management, productivity, effectiveness and efficiency of public owned enterprises. It may also results as a reaction to dissatisfaction with government performance and /or unhappiness with bureaucracy and level of multiple taxations by the government on single services rendered (Nwoloziri, 2007).

This also may follow on the reason that the external environments in which the ports found themselves is increasingly becoming more competitive as the forces of globalization, deregulation, rapid advancement in transport technology and recent development in the shipping industry have influenced the operations of ports (Aponjolosun, 2011). To this extent, the purpose of privatization may anchor on the perceived advantages on cost effectiveness and efficient service delivery of private operators (Nwoloziri, 2007). Indeed, proponents of the practice say that privatization results in better performance of needed services at lesser cost (Gwandu, 2001).

1.2 Statement of problem

The Nigerian Ports Authority (NPA) is a well-known viable public sector with public interest. It is obvious that NPA provides about 25% of the national working population with employment opportunities (NPA Annual Bulletin, 2006). This is because maritime sector provides opportunities for both skilled and unskilled labours. The 2006 port reform policy that brought about concession has alarming effects on employment and employees of NPA. NPA which was being hoped to create employment opportunities suddenly became a major cause of increasing rate of unemployment and dependency. This was obvious that about 75per cent of NPA workforce were retrenched into the already saturated labour market. The fear remains that government, the greatest employer of labour and NPA a viable parastatal is ceded to private hands, employment opportunities for our teeming and ever increasing youths would be frustrated and jeopardized, unemployment would be further compounded. It is now over a decade that the

ports have been concessioned; it's however necessary to carry out a study to assess the concession effects on employment and employees of the Nigerian Ports Authority. It is in light of the above that researcher considered it necessary to examine the effects of port concession on employment opportunities in Nigerian Ports Authority. The research is also imperative because majority of the researches conducted on effects of Nigerian ports concession was primarily focusing on the performances and other socio-economic benefits associated with port concession. No known work has been done on effects of port concession on employment opportunities, this suggest the reason for scanty literature on employment and conditions of work of the employees of Nigerian ports. Based on this reality, this research aimed to fill the gap in knowledge by focusing on the effects of port concession on employment opportunities in Nigerian Ports Authority.

1.3 Research objectives

1. To determine the staff strength of NPA in the post concession era.
2. To find out if there is significant increase in the level of employment in NPA in the post concession era.
3. To determine if there is significant improvement on work benefits of NPA employees in the post concession era.
4. To determine if there are vacant positions in NPA in post concession era
5. To determine if NPA hopes to employ more staff in post concession era

1.4 Research questions

1. What is the staff strength of NPA in the post concession era?
2. Is there significant increase in the level of employment in NPA in the post concession era?
3. Is there significant improvement on work benefits of NPA employees in the post concession era?
4. Are there vacant positions in NPA in post concession era?
5. Does NPA hope to employ more staff in post concession era?

1.5 Hypotheses

H₀₁: The NPA staff strength is not high in the post concession era.

H₀₂: There is no significant increase in the level of employment in NPA in the post concession era

H₀₃: There is no significant improvement on work benefit of NPA employees in the post concession era.

H₀₄: There are no vacant positions in NPA in post concession era.

H₀₅: There is no hope of NPA employing more staff in post concession era.

2.1 Literature review

The interest in Nigerian ports industry is not recent (Badejo, 2001a; Asoluka 2002; Oyesiku and Gbadamosi 2008; Prasad 2010; Badejo, 2012). However, the current level of interests and

concerns generated by the sector is as a result of the increasing complexity, popularity and growth in global shipping and overall cargo activities. Given this dynamics, it has become desirable and fashionable for government institutions to constantly review and re-strategies in other to cope and meet up with attendant changes taking place in the industry as regard to global and national concerns.

The roles of the ports industry in the national economy cannot be overemphasized. Badejo and Solaja, (2014), noted that the ports, create employment opportunities, generates revenue, accelerates the rate of urbanization, exerts huge multiplier effects on the economy and promotes international peaceful co-existence amongst nations. More importantly, the ports enhance to a greater deal the growth of trade and commerce. He added that, it is for these reasons sustainable port operations must be achieved. To achieve sustainable ports operations and management, there is need to introduce policy reforms measures and regulations which when implemented and pursued help to achieve desired goals in the area of ports operations, terminal management and administration.

However, Governments have pursued privatization to staunch losses from Public enterprises, to generate revenue from assets sales to increase efficiency or to establish the basis of a market economy (Nwolozi, 2007). Most assessments on the successes or failures of privatization have measured it against the objectives. Rather, fewer have examined the impacts on employees and future employment opportunities. According to the World Labour Report (2005), the international labour office attempts to redress the balance looking at the effects of privatization both on employment and social protection and also reporting on measures governments should take to cope with the negative social consequences.

Measuring the consequences of privatization on employment is a delicate operation. Selling off public enterprises is usually part of a large process of structural adjustment, each of whose elements has an impact on total employment, which makes it difficult to isolate the specific effects of privatization, even when focusing on particular enterprises (Badejo, 2001b).

Comparing the level of employment before and after a sale could be interesting, because the figure before sale may usually have been reduced even prior to sale by government efforts to make the enterprises more attractive to private buyers by shedding redundant labour and/or freezing recruitment. Many researchers have shown that privatization irrespective of the form, has effects on employment; it either cost people their jobs or frozen employment (Nancy, 2006; Gwandu, 2001).

This period of the port industry can be described as the port concessioning period. It is based on the concept that government and its institutional representations are bad managers of resources, and therefore cannot handle any business of government from a profitable and efficient point of view (Badejo, 2009; 2012; Badejo and Solaja, 2014). Again, government could no longer guarantee regular funding and finance of the ports and terminal infrastructure. Furthermore, government seems to be more concerned about handling over of the ports and terminal

infrastructure to the private sector that are better grounded, well equipped, with excess liquidity and professionals to handle and manage on behalf of government the ports and terminal facilities. To achieve this objectives and desires of government, the idea of ports concessioning came to the fore-front of government agenda as to how to manage and operate ports and terminal infrastructure. Nevertheless, it represents a situation where government has come to the conclusion that ports and terminal management can best be handled and administered by private sector that can provide good credentials and evidence of competence in the area or ports and terminal management. It is important to note that this is a form of port reform that shows a complete break away from the traditional way of having government handling port operations. It is purely transferring entirely public sector initiative to private sector driven initiative. Hence, it is more of economic rationality than government or public sector thinking. In essence, the desired objective of government by encouraging ports operation and terminal management to be handled by the private sector is to secure additional fund and finances that could be injected into it, create room for professionalism, promote efficiency and more importantly, economic rationality and efficiency for the industry. In which government on its own using the existing prevailing structure cannot achieve. It is important to note that the concessioning of the ports infrastructure and terminals is still in progress suffice to say that the effects of concessioning of the ports have started to take their toll and casualty. Conclusively, it can be seen that port reforms is an ongoing process which is often determined by the socio-economic, political and environmental circumstances or forces at play. However, such foci no doubt should take into consideration, the abilities and circumstances under which various stakeholders of the port operate.

3.1 Research methodology

The source of data collection adopted for this research was primary data collection. In order to obtain adequate and correct information on this study, an exploratory survey method was employed in which the researcher organized a session of interview with the personal department; employee and labour relation department of the NPA. The researcher also employed a properly designed and structured questionnaire which he intended to distribute to all staff of NPA. The questionnaires were developed to address the research questions and were directly administered to the employees/staff of the Nigerian Ports Authority at both Port Harcourt and Onne Ports. To achieve the objectives of the study, 100 questionnaires were distributed to staff in various departments especially personnel department, employee/labour relations departments at Onne and Port Harcourt Ports. The questionnaires were designed on 4 Liker rating scale; (SD = Strongly Disagree, AG= Agree, DA= Disagree, and SA= Strongly Agree). The research questions formulated were presented in order in which they were stated.

3.2 Method of data presentation and analysis

Data collected on this study were presented on tables to reflect how they were collected. In order to carefully and critically analysis data on this study, the researcher made use of computer based SPSS version 23, a powerful econometric software for data analysis for accurate decision making. The data were plotted to represent the quantity variables and extent of responses to

determine the acceptance or rejection on the research questions, which will enable the researcher in decision making.

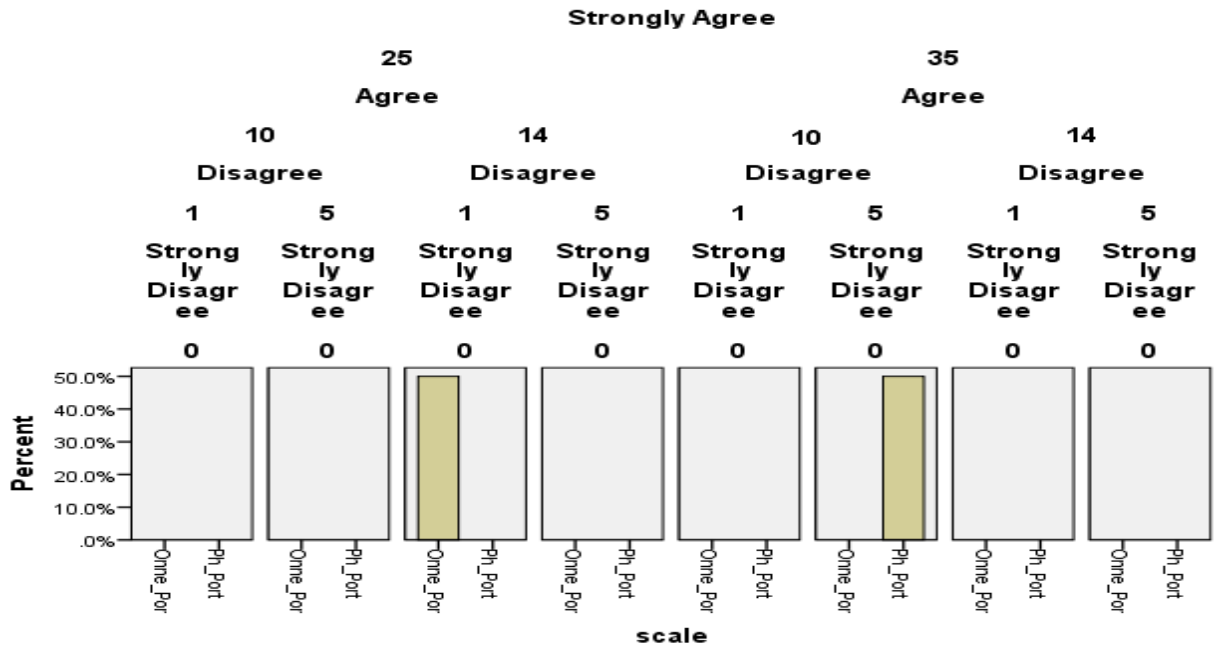
4.1 Data presentation, analysis and discussion

The raw data collected on this study were the employees' responses on the questionnaires which are presented on tables below accordingly. These data were analyzed in such that it could be understood and discussed by the researcher.

H₁: NPA staff strength in post concession era is not high.

Variables	Respondents		Total
	Port Harcourt Port	Onne Port	
Strongly Agree (SA)	35	25	60
Agree (AG)	10	14	24
Disagree (DA)	5	1	6
Strongly Disagree (SD)	0	0	0
Total	50	50	100

(Source: field survey)

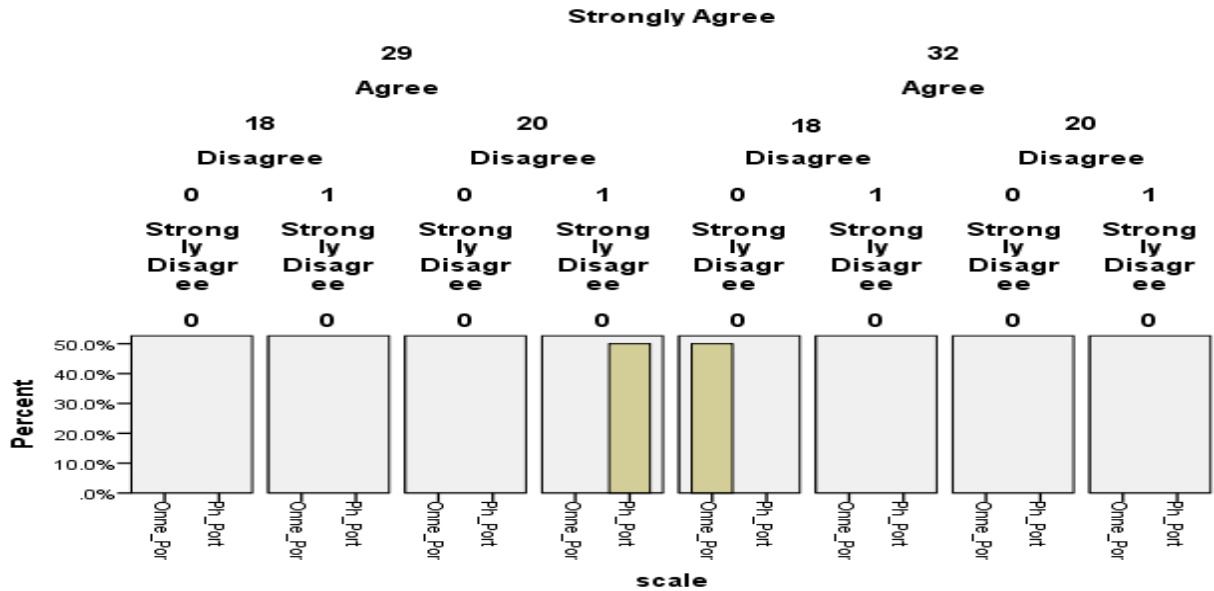


From this analysis, a total of 84 respondents accept that NPA staff strength of the post concession era is not high. This is acceptable owing to the fact that there was about 75% reduction in the labour force of NPA. In the pre concession era NPA had over 13,000 employees. It is obvious that the 75percent reduction in staff strength of the NPA in the post concession era has drastically reduced the staff strength. This simply means that concessioning of the Nigerian ports brought serious reduction effect on the staff strength of NPA. Justifying this is the report of the Senior Staff Association of Statutory Corporations and Government Owned Companies (SSASCGOC), Maritime Branch, which said that the Nigerian Ports Authority (NPA) after the 2006 port concession is now under-staffed, urging the management to increase its workforce for effective performance of the agency (Business & Maritime West Africa, 2020). According to the National president of the senior staff union, Comrade Adamu Ya'u, Giving a detailed statistical evaluation of the workforce in the agency said that pre-concession era had 13,000 workers under its employs but that less than 4,000 are left (Business & Maritime West Africa, 2020).

H₂: There is no significant improvement on work benefits in the post concession era (in terms of salary, health insurance, promotion, job security & on-the-job training).

Variables	Respondents		
	Port Harcourt port	Onne port	Total
Strongly Agree (SA)	29	32	61
Agree (AG)	20	18	38
Disagree (DA)	1	0	1
Strongly Disagree (SD)	0	0	0
Total	50	50	100

(Source: field survey)



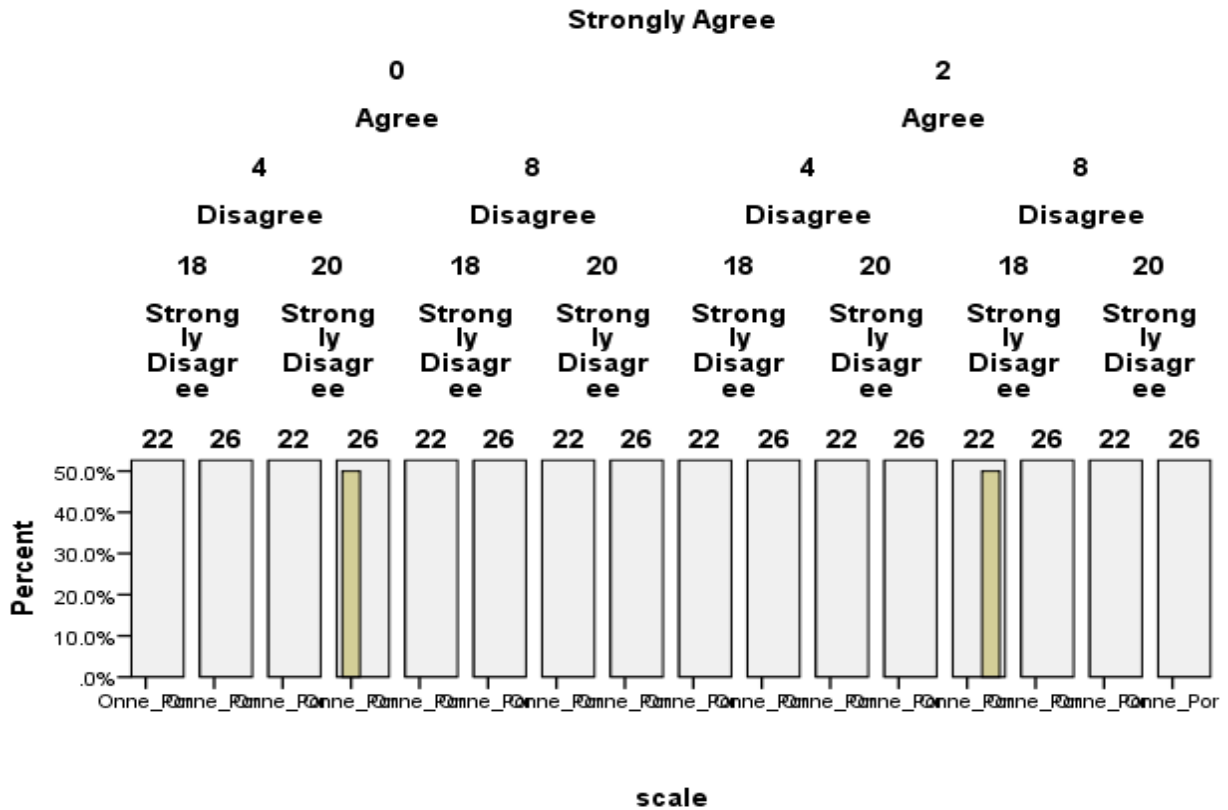
The information gathered on the field survey, suggests that there are lots of improvements on work benefits of NPA staff in the post concession era.

This data shows a total of 99 acceptances, guaranteeing that there is significant improvement on work benefits of NPA employees in the post concession era. Interviews with the employees revealed that they are better treated in terms of salary, health insurance, promotion, job security and on-the-job training etc, in this era than the pre port concession era. NPA staff enjoys better work benefits in post concession era of Nigerian Ports.

H₃: There is no significant increase in the level of employment in NPA in the post concession era.

Variables	Respondents		Total
	Port Harcourt Port	Onne Port	
Strongly Agree (SA)	2	0	2
Agree (AG)	8	4	12
Disagree (DA)	18	20	38
Strongly Disagree (SD)	22	26	48
Total	50	50	100

(Source: field survey)

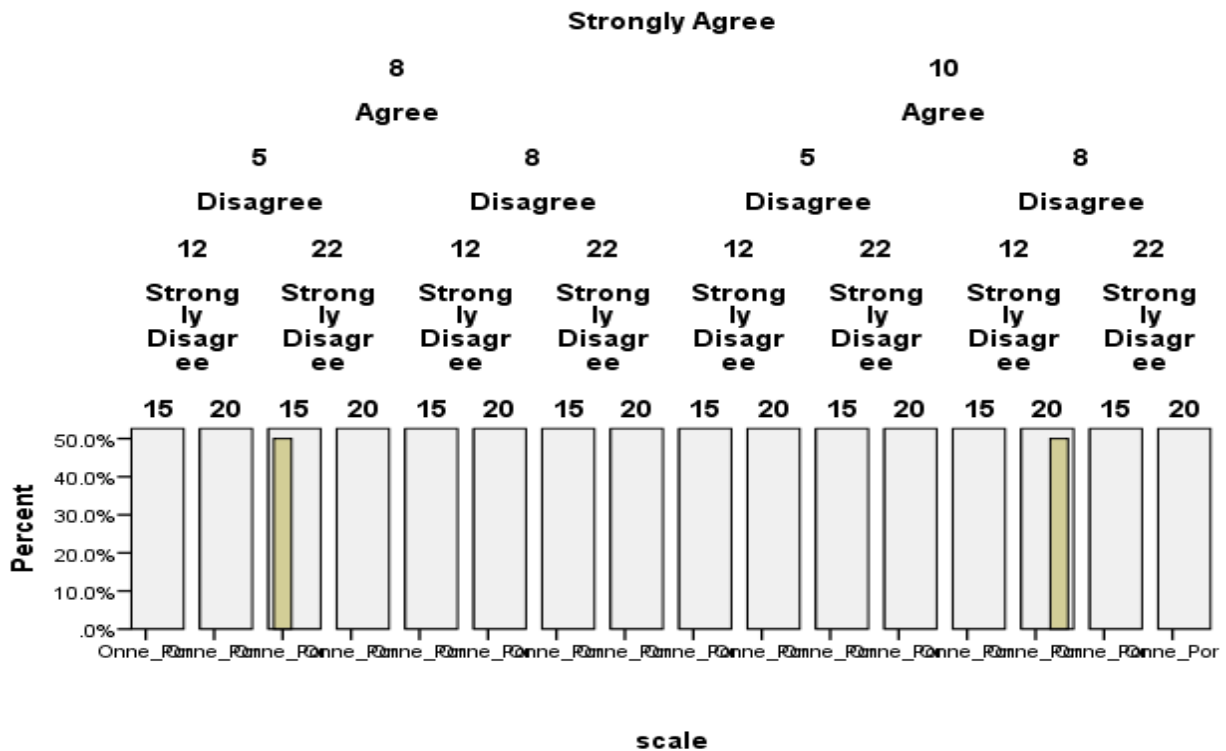


Altogether, 86 of the respondents accepted that there is no increase in the level of employment in NPA in the concession era compare to the pre concession era when NPA had about 13000 employees. It could be understood that NPA has not created any job opportunities since after port concessioning. Perhaps any job vacancy announced could mainly be a replacement of retirees and deceased staff over the period of post concession or where professional services are required. NPA has also maintained very low staff strength since after the retrenchment of over 75percent of the 13,000 employees in the pre concession era. This in a simple synopsis implies that NPA in post concession era has only maintained a low workforce and has not increased or created a massive job opportunities for our teeming youths as a well renowned government parastatal. According to the Trade Union of Congress affiliate boss the agency retire workers without immediate replacement and the last recruitment in NPA was in 2016 the only employment made in the last 12 years with a total of 150 persons engaged in the fire service department (Business & Maritime West Africa, 2020).

H4: There are no vacant positions in NPA in post concession era

Variables	Respondents		Total
	Port Harcourt Port	Onne Port	
Strongly Agree (SA)	10	8	18
Agree (AG)	8	5	13
Disagree (DA)	12	22	34
Strongly Disagree (SD)	20	15	35
Total	50	50	100

(Source: field survey)



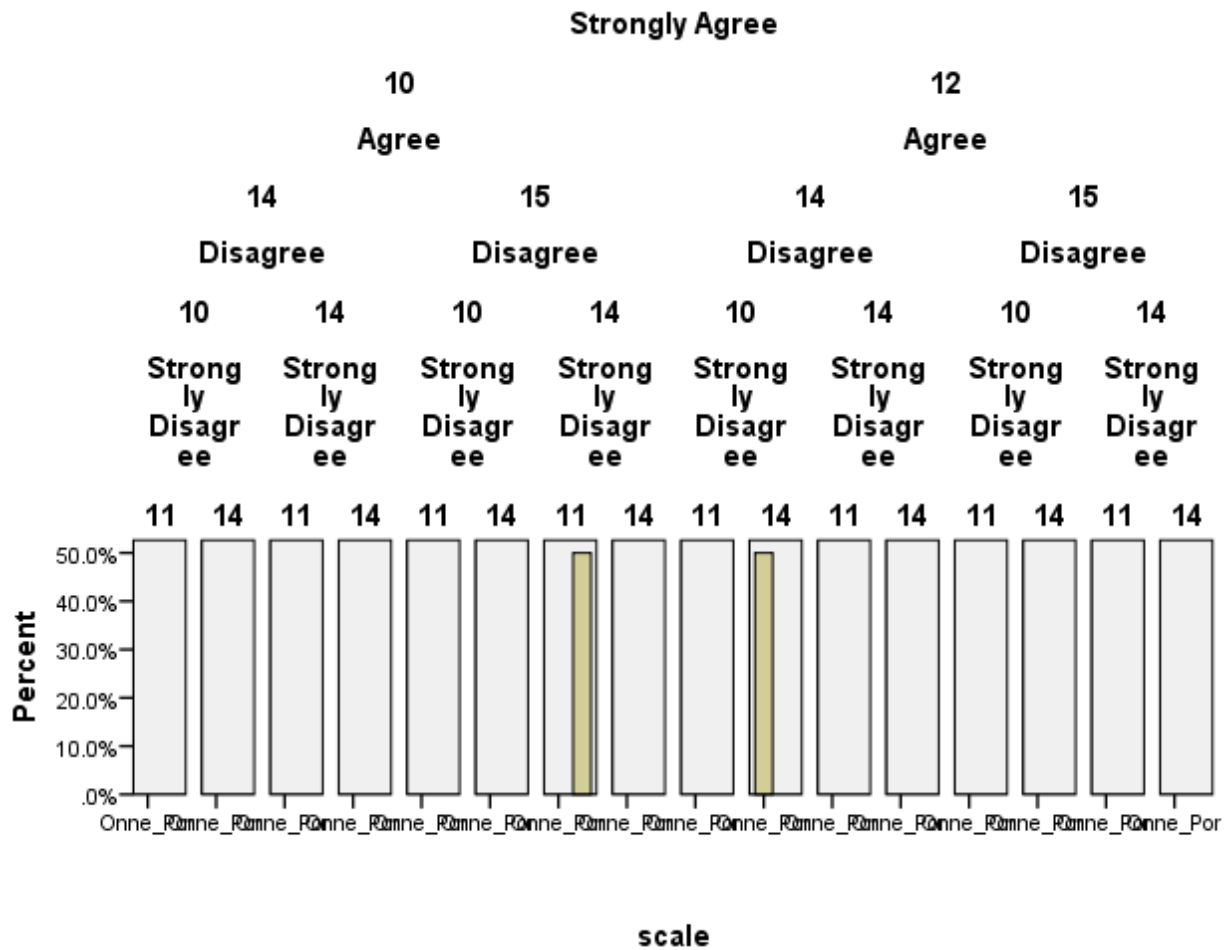
The information gathered on this research shows that a total of 69 respondents object that there are vacant positions in NPA. On the other hand, a total of 31 respondents accept there are vacant positions in NPA. Reason stated for the objection was that NPA as a public organization practices total division of labour, where each employee undertakes a special job or assignment,

but presently it is not so, it is being run with the private concept where few staff handles all the jobs in the department. It was understood that, though there was drastically a reduction in staff strength of NPA consequent to the port concessioning, however, there is also a total reduction in operations and responsibilities of NPA in the concession era. Many jobs or operations handled by NPA staff have been transferred to the concessionaires who now carry out those duties and as a result have reduced NPA responsibilities consequently reducing labour demand/staff strength in various departments of NPA. Furthermore, interview also inform that the 13,000 employees before the port concessioning comprises mostly redundant staff due to irregular employment and overstaffing, which NPA decided to shade-off. The other category was those who have put in over 30years in service or 60years of age and were considered due for retirement. To authenticate this information, according to the paper presented by the Maritime Workers Union (MWU) of Nigeria (July 2005), it was stated that there are more than twelve thousand (12000) workers in the employment of Nigerian Ports Authority (NPA) and consequent to port concession, according to Comrade Peter Abolarin (President SSANPA), 40% of the workforce of NPA were affected by the retrenchment exercise. He further reported that this 40% are made up of three categories of workers. First, the workers who have put in 30years and above in the system and the second group were those workers whose records have been examined and found to be lacking, in a case of misdeed. Thirdly were those who were surplus to the establishment, whose services are not needed. Notwithstanding, NPA staff strength presently depicts that NPA responsibilities at the ports have reduced, apart from the commercial departments and those departments whose responsibilities are mandated by International Maritime Organization (IMO) conventions; other departments have no much duties to carry out in ports presently and there is no need for recruitment expect for the purpose of death and retirement of staff or future expansion as the case may be.

H₅: NPA hopes to employ more staffs in post concession era

Variables	Respondents		Total
	Port Harcourt Port	Onne Port	
Strongly Agree (SA)	10	12	23
Agree (AG)	15	14	29
Disagree (DA)	14	10	24
Strongly Disagree (SD)	11	14	26
Total	50	50	100

(Source: field survey)



From this data, a total of 52 respondents affirm that NPA will employ more staff in post concession era while 50 respondents believe that NPA will not employ more staff in post concession era. This depicts undecided; hence making decision on this data is indeterminate. However, the interviews with respondents suggest that such need has not arisen for the time being. That NPA has no such in anticipation and no such memo has being received from the authority on that grounds.

5.1 Conclusion and recommendations

Retrenchment- either prior to privatization or as a result of it can lead to redundancy, unemployment and great economic hardship. In Nigeria presently, this research has revealed the state of employment at the NPA. The eight National ports could only account for 3000 employees nationwide against the 13000 employed before the port concession. The effects of concession on employment is centered mostly on the ground that NPA has lost its responsibilities to the concessionaires who now took over the major operations of the ports which government

usually operates with good number of employees and constantly creating job opportunities in the ports industry.

According to the speech of the former Minister of Transport- Abiye Precious Sekibo, (2005); government adopted reform strategies to revitalize, deregulate and decentralize the ports authority to enhance productivity, efficiency and port competitiveness. The government's major objectives of handling most of port assets to the private sectors are geared towards- enhancing port competitiveness of international standard, to achieve sustainable development and to release the creative energy of the population so as to ensure the creation of more jobs for our teeming youths.

However, the reverse becomes the case as regards job creation. It is obvious that the government is the highest employer of labour and cannot be compared with the private operators whose aim is profit maximization and therefore, cannot create substantial amount of job opportunities creditable for our ever increasing and teeming graduate youths.

5.2 Recommendation

Following the findings of this research, the researcher would suggest the following solutions as recommendations to mitigate the problems of freeze employment as result of ports concession in Nigeria.

1. In such a situation government has vital roles to play. Many reports have shown government efforts to deal with these situations, as financial incentives were offered for early retirement or pay for redundancy and also generally organize programmes for skill acquisitions and offer government grants to supports small scale enterprises.
2. The projects for skill acquisition and offer of grants should be executed objectively according to needs and purposes. It is not for the rich and top politicians to hijack the projects and make undue advantages in expense of its objectives. For instance such projects like; Subsidy Re-investment Project (SUREP) which was introduce to help unemployed youths to get involved in industry work to acquire skills and earn a living. Another one is federal government contract teaching jobs for all Nigerian graduates (Teach for Nigeria); are all not yielding according to expectations. Government should ensure that its plans and projects are properly executed. A taskforce should be raised to monitor the processes and regulate the execution through the selection process either by federal character or any standard approaches to ensure that the set objectives are achieved without compromises that will interfere on its objectives. The Nigerian citizens should be sincere and help government in its plans to achieve our collective goals.
3. Non-governmental Organizations (NGO), philanthropist and other private organizations should endeavour for allegiance seek collaboration with the government to support in the alleviation on the effects of unemployment in Nigeria.
4. Another way in which government can curb these issues of unemployment resulting from the transition of the port operations from public sector to private sector is through active "labour policy". This policy would encourage private establishments of small and

medium scale enterprises, creating enabling environment for the growth of small business operations, tax reduction and tax holidays for new establishments, avoid closing down of private companies (such as Eagle Cement, Ibeto Cement and many others with over ten thousand Nigerians employed in the companies). Government through active labour policy should discourage staff retrenchment on redundancy in private sectors. Through active labour policy, government can as well find jobs opportunities for the citizens.

5. The government and its policy makers should review the contract terms and ensure that they include job creation as part of the contract terms with the concessionaires and monitor such across the ports. This will help to ensure creation of job opportunities for our teeming and ever increasing youth population all over Nigeria, even if this means given incentives such as tax reduction, or by partnership with the private concessionaire on 70:30; whereby the government may contribute 30% and private employer contributes 70% on employees' payments.

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