



---

## Impact of Privatization on Employees' Job Security in the Enugu Electricity Distribution Company (EEDC)

Adekitan, Rasheed Akanfe<sup>1</sup>, Ajike, Ada Kalu<sup>2</sup> and Okoro Blessing Chineme<sup>3</sup>

<sup>1,2&3</sup>Department of Management, Faculty of Business Administration,  
University of Nigeria, Enugu Campus, Nigeria

<sup>1</sup>Email: [rasheed.adekitan2012@gmail.com](mailto:rasheed.adekitan2012@gmail.com) | Phone: 08155572148; 08188869232

<sup>3</sup>Email: [chinemeokoro2001@yahoo.com](mailto:chinemeokoro2001@yahoo.com) | Phone: 08067958377

---

**Abstract:** *The study examines the impact of privatization on the job security of the employees of Enugu Electricity Distribution Company (EEDC), Enugu. Descriptive Research design was used and the major instrument for data collection was questionnaire, which was structured using five-point Likert scale. Simple percentages, cumulative percentages, Pearson's correlation and Analysis of Variance (ANOVA) were employed to analyze the data obtained from the respondents. The findings reveal that the sector faces a lot of challenges due to its nature, which demands a more critical approach in order that enabling environment for investment and business growth may be created. Also, that Enugu Electricity Distribution Company has made slight improvement in terms of service delivery and rectification of electricity faults. However, this improvement in the Sector is marred by massive job loss, intimidation of workers and casualization of workforce arising from non confirmation of appointment, etc. Based on these findings, the study recommends among other things that government should ensure accurate evaluation of assets and worths of enterprises intended to be privatized. Also, that policies importation in Nigeria should be kept at adaptive rather than adoptive level to suit the peculiar economic needs of the Nation and ensure objective realization. There is need for adequate policy framework to be put in place to tackle the challenges of job loss and redundancy which may likely follow the privatization exercise and finally, that government should perform an oversight function on the management of privatized companies to ensure a relative labour intensive operational technique, which will create jobs and ensure job security. The study then concludes that though the privatization of Enugu Electricity Distribution Company (EEDC) has brought slight improvement in service delivery, it cannot be said to have achieved desired economic development for the Nigerian citizens living within Enugu State and South East in general due to its negative impact on job security of employees of both the PHCN and the EEDC and the hike in electricity price making it unaffordable to the average Nigerian families.*

**Keywords:** *Distribution company, Electricity, Employees, Enugu, Job Security*

---

### 1. Introduction

When Nigeria became independent in 1960, she was still influenced by the economic policies of the imperial government, whose cardinal principles of state ownership and control of the economy was evident. In the course of time, Nigeria, and indeed, the whole world saw that the public utilities were not only inefficient but also unproductive and also drained the earnings

of the productive sectors of the economy.

In the post-colonial era, Nigeria has at one time or the other taken up policies which have political as well as economic implications. These policies include The Indigenization and Nationalization Policy, Operation feed the Nation (OFN), Austerity Measure, Structural Adjustment Programme (SAP), Deregulation of Oil Sector, Resource Control, Privatization and Commercialization of Public Enterprises, etc.; this paper seeks to check out the privatization of one of the known public enterprises – the Power Holding Company of Nigeria.

Privatization is an umbrella term that describes a variety of policies, which opens doors to competition by allowing the free hand of market forces in the place of statutory restrictions and monopolistic powers. In Nigeria, Privatization started in 1986 as part of Structural Adjustment Programme of the then Ibrahim Babangida Administration and was officially launched in 1988 (FGN 1986; Ndebbio 1991). It was envisaged that the programme would improve operational efficiency, reduce government expenditure, increase investment and employment and ensure job security (Anya 2000, Igbuzor 2003, Agba,Subbair and Oke 2008, Jerome 2008,Ushie and Festus 2010, Orji 2010). The primary goal of the privatization policy in Nigeria was to make the private sector the engine of economic growth. The government of the day then, intended to use the privatization policy in Nigeria as a driver to integrate the nation's economy into global economy opened to global competition and attract foreign direct investment in an open and transparent manner.

Surprisingly, since the introduction and launch, the programme has remained a subject of intensive debate and highly controversial (Nwoye 2010). The operational efficiency of some of the privatized companies like the National Electric Power Authority (NEPA) which was partly commercialized and privatized into Power Holding Company of Nigeria (PHCN) through the process of unbundling, among others is still worrisome.

### **1.1. Objectives of the Study**

The broad objective of this study is to examine the impact of privatization on the employees of Power Holding Company of Nigeria and Enugu Electricity Distribution Company. The specific objectives of the study are:

1. To find out whether the privatization of Enugu Distribution Company has brought about efficiency among its staff.
2. To examine the extent to which increased output in the Company has led to fair wage among workers of the company.
3. To determine whether increased productivity among workers in the various Distribution Companies has led to their promotion and advancement.

### **1.2. Research Questions**

The following research questions guided this work.

1. How has competition among the various Distribution Companies led to job efficiency among its staff?
2. To what extent has the increased electricity generation output led to fair wage among staff?
3. To what extent has increased productivity led to workers' advancement in the various Distribution Companies?

### **1.3. Hypotheses**

Based on the research questions formulated above, the following hypotheses guided the study:

1. There is a relationship between privatization of Enugu Electricity Distribution Company and increased efficiency among staff.
2. Increased electricity output has led to fair wage among staff.
3. There is a relationship between increased productivity and workers advancement in PHCN/EEDC.

## **2. Conceptual Review**

### **2.1.1. Privatization**

Privatization refers to the process of selling state-owned enterprises to private individuals. According to Agba, Ushie, and Festus, (2010), it involves the transfer of net shares in designated state owned enterprises to private shareholders. Privatization is generally used as the subsequent sale of at least fifty-one (51%) percent of the total shares of the public owned enterprises to the private shareholders (Burns and Coram 2001). However, this view is seen as being “too narrow”. It makes more sense to see privatization 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 (Orji, 2010). Privatization is the transfer of state-owned enterprises including ownership and control or management to the private sector. It refers to a measure adopted by government to bring in private owners to the control of public enterprises accordingly reduce government expenditure in state owned enterprises (Igbuzor 2003). It includes the activities which range from selling of state owned enterprises to contracting out of public services to private contractors (Cowan 1987). Ihome (1997) defines privatization as any of a variety of measures adopted by government to expose a public enterprise to competition or to bring in private ownership or control into a public enterprise and so reduce the usual weight of public ownership or management.

In this study, privatization means any shift in activities or functions from the state to the private sector. It refers to the shift of the production of goods and services from public to private. It is understood as the act of reducing the role of government or increasing the role of the private sector in a business activity or ownership of assets (Olowu and Orji, 2013). This means that privatization would be ascribed a meaning similar to those of deregulation and liberalization, which occurs by means of reducing the regulatory environment. These terms have been used interchangeably in the Nigerian context to portray the opening up of economic activities to private domestic and foreign participation as in the case of Enugu Electricity Distribution Company.

In Nigeria, Privatization was introduced by the Privatization and Commercialization Decree of 1988 as part of the Structural Adjustment Program (SAP) of the Ibrahim Badamasi Babangida Administration (1985 – 1993). According to Mahmoud (2004), Structural Adjustment Program is a neo-liberal development strategy of the international financial institutions which was aimed at incorporating national economies into global market. One of its major objectives

was to pursue deregulation and privatization leading to removal of subsidies, reduction in wage bills and the retrenchment of the public sector ostensible to trim the state to size.

### **3. Methodology**

#### **3.1. Research Design**

Descriptive survey design was used in this study aimed at collecting detailed and factual information that describes an existing phenomenon (Ezeani 1998). Research design is a plan of investigation that specifies the sources and types of information relevant to the research problem.

#### **3.2. Population of the Study**

The element of the population includes all employees of Enugu Electricity Distribution Company (EEDC) who transferred from the Power Holding Company of Nigeria Plc. Two-stage sampling technique was employed in the selection of the respondents. For the first stage, employees that transferred from PHCN to EEDC were selected. At the second stage, there was a random selection of respondents from among those selected from the first stage. A structured questionnaire based on the objectives of the study, was administered to the selected sample population. Also, the researcher had an interview with four of the respondents to clarify some certain ambiguous issues.

#### **3.3. Sources of Data**

Data for the study were collected from both primary and secondary sources. Primary data were collected by means of interviews and structured questionnaires using summated rating scale of 1 – 5, which were administered to the chosen sample. The information from secondary sources was obtained from the library, published journals and articles, textbooks, internet, and other documented materials and were mostly utilized in the literature review.

#### **3.4. Method of Data Collection**

Data for the research was collected through the instrumentality of questionnaires which were distributed to the respondents; the questionnaires were also retrieved the next day for prompt analysis. The researcher also conducted personal interview with some of the respondents who barely spoke.

#### **3.5. Instrument for data Analysis**

The researcher utilized both descriptive and analytical approaches in the treatment of data. Descriptive technique employed includes simple percentages and cumulative percentages; and the analytical tools adopted to test the hypotheses include Pearson's correlation and analysis of variance.

### **4. Presentation, Analysis and Interpretation of Data**

This segment is dedicated to the presentation, analysis and interpretation of data obtained by the researcher in the conduct of this research. Primary data was obtained through the instrument of questionnaires administered to a total of sixty-nine respondents. Information presented was done in tables to aid understanding. Section 4.1 presents the bio-social information of the respondents; 4.2 presents the descriptive statistics of the questionnaires; and 4.3 shows the hypothetical test results.

#### **4.1. Bio-social profile:**

<b>NO. OF QUESTIONNAIRES</b>	<b>NO. RETURNED</b>	<b>NO. NOT</b>
------------------------------	---------------------	----------------

		<b>RETURNED/INVALID</b>
75	69	6

The number of questionnaires distributed were 75, but 69 were returned; this represents 92% success rate which is considered sufficient and employed in the study. Therefore, the study will be based on the 69 respondents.

1. Age distribution of respondents:

<b>AGE</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>	<b>CUMM. %</b>
18 – 35	12	17.39	17.39
36 – 50	49	71.01	88.40
51 – 60	8	11.60	100.00
61 – above	0	0.00	100.00

Of all the respondents, 12 which represented 17.39% were between 18-35 years old. Between 36-50 years old, were 49 (representing 71.01%). 11.60% of the respondents which were 8 in number ranged between 51-60 years old. None was 61 years and above. This shows that the bulk of the respondents were within the active age of 36-50 years of age.

2. Marital Status of respondents.

<b>MARITAL STATUS</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>	<b>CUMM. %</b>
Single	13	18.84	18.84
Married	44	63.77	82.61
Divorced	7	10.14	92.75
Widow/Widower	5	7.25	100.00

The marital status of the respondents is as follows; 13 respondents which represented 18.84% were single, while those married were 44 (representing 63.77%). Those divorced were 7, while widow/ widower were 5, representing 10.14% and 7.25 % respectively.

3. Academic Qualifications of respondents.

<b>ACADEMIC ATTAINMENTS</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>	<b>CUMM. %</b>
No formal education	0	0	0
O' Level	10	14.49	14.49
OND/NCE	21	30.43	44.92

HND/B.Sc	35	50.72	95.64
Masters/Ph.D	3	4.36	100.00

In terms of academic qualification, all the respondents had obtained formal education. Those respondents with o'level education were 10 representing 14.49%. Holders of NCE/OND were 21, HND/B.Sc. were 35, and Masters/PhD 3 representing 30.43%, 50.72%, and 4.36% respectively. This is indicative of the set of respondents who were informed. This makes the information reliable.

<b>EMPLOYMENT STATUS</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>	<b>CUMM. %</b>
Permanent Staff	0	0	0
Contract Staff	0	0	0
Others	69	100	100.00

The employment status shows that none of the respondents was a permanent staff, nor contract staff. They all belonged to 'others' category. Here, some of the respondents who were bold to speak during an interview with the researcher exposed that they have only received disengagement letter served on them from the Power Holding Company, and a letter of provisional employment which is yet to be confirmed for more than two years. This might mean that they are all casual workers.

#### 4. Cadre of Staff.

<b>STAFF CADRE</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>	<b>CUMM. %</b>
Upper Management	0	0	0
Middle Management	0	0	0
Lower Management	6	8.69	8.69
Supervisory cadre	31	44.92	53.61
Officer cadre	18	26.09	79.70
Junior staff	14	20.30	100.00
Others	0	0	100.00

In the staff cadre disposition, none of them occupied upper management position or middle management position. Positions available for them were; lower management, supervisory cadre, officer cadre, and junior staff. The responses were; 6,31,18,14, which represented 8.69%, 44.92%, 26.09%, and 20.30% respectively. This also shows that the staff members were more or less casual workers.

## 4.2. Frequency Distribution

Hypothesis 1:

H1: There is a significant relationship between privatization of Enugu Electricity Distribution Company and increased efficiency.

### Effect of Privatization on Organisation's efficiency

Effects	SA	A	UD	SD	D
Increased power supply	37	29	3		
Prompt rectification of electricity faults		27		42	
Prompt customers' attention		35			34
Reduction of frivolous billing			1	49	19
Provision of adequate work tools				69	
Improved billing system				57	12

Hypothesis 2:

H1: increased electricity output in Enugu Disco has led to fair wage among staff.

### Effect of Privatization on Employees' welfare

Effects	SA	A	UD	SD	D
Loss of employment	42	27			
Redundancy					69
Reduction in salary		3	66		
Employment of more workers				69	
Intimidation of workers	8	54	7		
Increased salaries		51			18
Improved office condition				63	6

Source; field survey,2015.

Hypothesis 3:

H1: There is a significant relationship between increased productivity and workers advancement in PHCN/EEDC.

**Effect of privatization on employees' development**

Effects	SA	A	UD	SD	D
Regular promotions				69	
Improved condition of service				33	30(36*)
Regular staff training and development		16			53
Participatory management					69
Reduced management inefficiency			7	13	49

**4.3. Descriptive Statistics of Hypotheses**

Hypothesis 1:

H1: There is a significant relationship between privatization of Enugu Electricity Distribution Company and increased efficiency.

**Effect of Privatization on Organisation's efficiency**

Effects	SA	A	UD	SD	D
Increased power supply	37	29	3		
Prompt rectification of electricity faults		27		42	
Prompt customers' attention		35			34
Reduction of frivolous billing			1	49	19
Provision of adequate work tools				69	
Improved billing system				57	12

**ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
prompt rectification of elect. Fault	Between Groups	36.550	2	18.275	41.322	.000
	Within Groups	29.189	66	.442		
	Total	65.739	68			
prompt customers attention	Between Groups	138.190	2	69.095	267.826	.000
	Within Groups	17.027	66	.258		
	Total	155.217	68			



reduction of frivolous billing	Between Groups	7.159	2	3.579	29.004	.000
	Within Groups	8.145	66	.123		
	Total	15.304	68			
provision of adequate work tools	Between Groups	.000	2	.000		
	Within Groups	.000	66	.000		
	Total	.000	68			
improved billing system	Between Groups	3.706	2	1.853	19.704	.000
	Within Groups	6.207	66	.094		
	Total	9.913	68			

Source: SPSS analysis of field data.

Analysis of variance shows that there is a statistical significance of relationship among variables in hypothesis one. This is further buttressed in analysis presented in correlation analysis as shown below;

**Correlations**

		incre power supply	prompt rectification of elect. fault	prompt customers attention	reduction of frivolous billing	provision of adequate work tools	improved billing system
incre power supply	Pearson Correlation	1	.701**	.887**	.682**	. <sup>b</sup>	.587**
	Sig. (2-tailed)		.000	.000	.000	.	.000
	N	69	69	69	69	69	69
prompt rectification of elect. Fault	Pearson Correlation	.701**	1	.790**	.507**	. <sup>b</sup>	.368**
	Sig. (2-tailed)	.000		.000	.000	.	.002
	N	69	69	69	69	69	69
prompt customers attention	Pearson Correlation	.887**	.790**	1	.624**	. <sup>b</sup>	.466**
	Sig. (2-tailed)	.000	.000		.000	.	.000
	N	69	69	69	69	69	69
reduction of frivolous billing	Pearson Correlation	.682**	.507**	.624**	1	. <sup>b</sup>	.720**
	Sig. (2-tailed)	.000	.000	.000		.	.000
	N	69	69	69	69	69	69
provision of adequate work tools	Pearson Correlation	. <sup>b</sup>	. <sup>b</sup>	. <sup>b</sup>	. <sup>b</sup>	. <sup>b</sup>	. <sup>b</sup>
	Sig. (2-tailed)	.	.	.	.	.	.
	N	69	69	69	69	69	69

improved billing system	Pearson Correlation	.587**	.368**	.466**	.720**	. <sup>b</sup>	1
	Sig. (2-tailed)	.000	.002	.000	.000	.	.
	N	69	69	69	69	69	69

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Above hypothesis was tested at 99% confidence level and the result was significant in at 2-tailed test statistics. This means that there is significant relationship between privatization of Enugu Electricity distribution Company and increased efficiency. We therefore uphold the hypothesis.

Hypothesis 2:

H1: increased electricity output in Enugu Disco has led to fair wage among staff.

### Effect of Privatization on Employees' welfare

Effects	SA	A	UD	SD	D
Loss of employment	42	27			
Redundancy					69
Reduction in salary		3	66		
Employment of more workers				69	
Intimidation of workers	8	54	7		
Increased salaries		51			18
Improved office condition				63	6

Source; field survey,2015.

### Correlations

		loss of employment	redundancy	reduction in salary	employment of more workers	intimidation of workers	increased salaries	improved office conditions
loss of employment	Pearson Correlation	1	. <sup>a</sup>	.171	. <sup>a</sup>	.471**	.741**	.385**
	Sig. (2-tailed)		.	.160	.	.000	.000	.001
	N	69	69	69	69	69	69	69
Redundancy	Pearson Correlation	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>
	Sig. (2-tailed)	.	.	.	.	.	.	.
	N	69	69	69	69	69	69	69

	N	69	69	69	69	69	69	69
	Pearson Correlation	.171	. <sup>a</sup>	1	. <sup>a</sup>	.451**	.127	.066
Staff demotion	Sig. (2-tailed)	.160	.	.	.	.000	.300	.591
	N	69	69	69	69	69	69	69
	Pearson Correlation	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>
employment of more workers	Sig. (2-tailed)	.	.	.	.	.	.	.
	N	69	69	69	69	69	69	69
	Pearson Correlation	.471**	. <sup>a</sup>	.451**	. <sup>a</sup>	1	.514**	.672**
intimidation of workers	Sig. (2-tailed)	.000	.	.000	.	.	.000	.000
	N	69	69	69	69	69	69	69
	Pearson Correlation	.741**	. <sup>a</sup>	.127	. <sup>a</sup>	.514**	1	.519**
increased salaries	Sig. (2-tailed)	.000	.	.300	.	.000	.	.000
	N	69	69	69	69	69	69	69
	Pearson Correlation	.385**	. <sup>a</sup>	.066	. <sup>a</sup>	.672**	.519**	1
improved office conditions	Sig. (2-tailed)	.001	.	.591	.	.000	.000	.
	N	69	69	69	69	69	69	69

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The hypothesis that increased electricity output in Enugu Disco has led to fair wages among staff was tested to find the relationship among the identified variables, and the result showed that the correlation was significant at 0.01 level of error. This implies that loss in employment, redundancy, employment of more workers, as well as, staff demotion, intimidation of workers; among others are prominent incidences in the organisation.

Hypothesis 3:

H1: There is a significant relationship between increased productivity and workers advancement in PHCN/EEDC.

#### Effect of privatization on employees' development

Effects	SA	A	UD	SD	D
Regular promotions				69	
Improved condition of service				33	30(36*)

Regular staff training and development		16			53
Participatory management					69
Reduced management inefficiency			7	13	49

**Correlations**

		regular promotions	improved conditions of service	regular staff training and development	participatory management	reduced management inefficiency
regular promotions	Pearson Correlation	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>
	Sig. (2-tailed)	.	.	.	.	.
	N	69	69	69	69	69
improved conditions of service	Pearson Correlation	. <sup>a</sup>	1	.574**	. <sup>a</sup>	.615**
	Sig. (2-tailed)	.	.	.000	.	.000
	N	69	69	69	69	69
regular staff training and development	Pearson Correlation	. <sup>a</sup>	.574**	1	. <sup>a</sup>	.866**
	Sig. (2-tailed)	.	.000	.	.	.000
	N	69	69	69	69	69
participatory management	Pearson Correlation	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>	. <sup>a</sup>
	Sig. (2-tailed)	.	.	.	.	.
	N	69	69	69	69	69
reduced management inefficiency	Pearson Correlation	. <sup>a</sup>	.615**	.866**	. <sup>a</sup>	1
	Sig. (2-tailed)	.	.000	.000	.	.
	N	69	69	69	69	69

\*\* . Correlation is significant at the 0.01 level (2-tailed).

We tested the hypothesis that, there is a significant relationship between increased productivity and workers advancement in PHCN/EEDC, and the result was statistically significant at 0.01 level of error permitted. This means that regular staff training and development, among others are indicative of workers advancement and their increased productivity.

**5. Summary of Findings, Recommendations and Conclusions**

**5.1 Summary of Findings**

1. That power sector is indeed a very important sector which is critical to the rapid transformation of any economy, Nigeria inclusive.
2. That every administration in Nigeria has made various efforts within the spheres of its knowledge and ability to revamp the sector, which includes the total privatization of government share of the sector.
3. That due to the nature of the sector, it faces many challenges, which are inexhaustive, and demands that government should look for a more critical way to resolve them so as to create an enabling environment for investment.
4. That the privatization of the Power Sector has brought about an improvement in service delivery in the Enugu Electricity Distribution Company in terms of power supply, prompt rectification of electricity fault and customer's attention.
5. Although the privatization of Power Sector has brought about increased wages, it is marred by loss of employment, intimidation of workers, casualization of workforce, etc.
6. The privatization of the power sector has led to improved conditions of service, regular staff training and development, which are indicative of workers advancement and their increased productivity.

## **5.2 Recommendations**

Based on the findings of the study, the following recommendations are made;

1. That the success of any policy should not be based only on the theoretical and ideological principle of such policy; rather on the impacts of its performance on the citizens especially at the grass-root level.
2. In importing policies from foreign nations, Nigerian government should study the adaptability of the foreign policies to be imported into its nation considering its economy and its effect on its citizens especially the teeming workforce.
3. Government through the National Council for Privatization and the Bureau for Public Enterprises should be careful to accurately evaluate assets and net-worth of Enterprises intended for privatization before the exercise to avoid under or over-valuation which defrauds the economy.
4. Transparency is key in the issue of privatization. Therefore, government should ensure adequate participation of Nigerians, honesty and sincerity of purpose in the side of government officials who are saddled with the responsibility of privatizing government enterprises.
5. There should be policy framework to ensure adequate concern and provisions to absorb workers who would be displaced as a result of the privatization exercise so as to ensure that the labour market are not increasingly populated by them.
6. Government through its policy on Privatization should compel management of privatized corporations to adopt relative labour intensive operational technique, which will create more jobs and ensure job security.

7. Over-sight mechanism should be put in place by the Government on the management of privatized enterprises to ensure that policy objectives are achieved.

### **5.3. Conclusion**

Privatization means different things to different people and countries. It is handled differently across economies. In the context of developing countries, privatization has substantial different implications for the poor than it does to the middle and high income and developed countries. For instance, in many developed countries like America and Europe, when an enterprise is considered for privatization, its employees are prepared and trained for redundancy and other outshoots of the exercise; this is not so in Africa, particularly in Nigeria. In Nigeria and Africa in general, employees are thrown out to the labour market as a result of privatization, not educated or prepared physically and technically, to manage their present state of affairs. They are left at the mercy of the new owners of the privatized enterprise. In our case organization, Enugu Electricity Distribution company (EEDC), employees were severed from the government employment under Power Holding Company of Nigeria after which, more than two-thirds of them lost their jobs. Most of the people involved here, are young and energetic workers who have worked barely ten years and below; and some of those retained after privatization were those almost due for retirement and asked to continue working for reasons not known. The one-third retained to continue their career in the Company is faced with threats of job loss and police molestations on daily basis. This has eroded the joy of employment and the dignity of career. Where then is employees' job security in Enugu Electricity Distribution Company (EEDC)?

The implication of the above on Privatization as a reform policy in Nigeria is that it can be said that Privatization increases the number of unemployed graduates that roam the streets of Nigeria, while securing employment for the few who have connections with the big shots that buy Nigerian Privatized Companies.

The study suggests therefore that the success of privatization should be measured in terms of its ability to achieve set objectives, even though, this may largely depend on the actors involved in the programme.

In accessing privatization in Nigeria, studying the power sector, it is obvious that the programme has achieved a lot especially in the area of improved service; except that it has impoverished a lot of families through job loss and increased tariff per unit of energy which is almost beyond the reach of the average Nigerian families.

Considering the fact above, the study concludes that the privatization of the Power Holding Company of Nigeria, Enugu into Enugu Electricity Distribution Company (EEDC) has not reasonably achieved economic development of the Nigerian citizens within the South East region that translates to improved economy of the people.

## **References**

- Abdullahi, Y.Z, Abdullahi, H and Mohammed, Y (2012) Privatisation and Firms Performance; An Empirical Study of Selected firms in Nigeria' *Mediterranean Journal of Social Sciences* Vol. 3 (11) November 2012 pp, 207-218.
- Aboyade, O. (1974). Nigerian Public Enterprise as an Organizational Dilemma. In *Public Enterprises in Nigeria. Proceedings of the 1973 Annual conference of the Nigerian Economic Society.*
- Agba, A. M. O. (2004). An Appraisals of Labour Management Relations and Industrial Peace: A Case Study of Flour mills Calabar. Unpublished M.Sc Thesis of The University of Calabar, Nigeria.
- Agba, A. M. O, Ushie, E.M, Agba, M.S. and Nkpoyen, F. (2010) Privatisation, Job Security and Performance Efficiency of Privatised Enterprises in Nigeria; A critical Reassessment' *Journal of Arts Science & Commerce International Refereed Research Journal* Vol.- I, Issue -1, October Pp 95- 106.
- Aharoni, Y. (1991) "On measuring the Success of Privatisation in Ramaturti, R and Vernon R. Privatisation and Control of State Owned Enterprises." *EDI Development Studies, World Bank, Washington DC.*
- Akpotaire, V. (2004) 'Privatisation and deregulation of the downstream sector of the oil and gas sector; Challenges for labour' *University of Benin, Faculty of Law lecture series, No 3, pp 1-18.*
- Aktan, Prof.Dr.Coşkun Can (n.d) "The Rationale for Privatization" retrieved on March 20, 2011 from [http://www.canaktan.org/canaktan\\_personal/canaktanarastirmalari/ozellestirme/aktan-rationale-of-privatization.pdf](http://www.canaktan.org/canaktan_personal/canaktanarastirmalari/ozellestirme/aktan-rationale-of-privatization.pdf)
- Anonymous (n.d.) "The Rationale for Privatization", retrieved on March 20, 2011 from [http://www.unescap.org/drpap/publication/dp22\\_2122/chap3.PDF](http://www.unescap.org/drpap/publication/dp22_2122/chap3.PDF)
- Anya, A. O (2000). Privatization in Nigeria. Online available at: <http://www.nigerianembassy.nl/prof.%20Anya.htm>. Retrieved 19th August, 2010.
- Anyanwu, C. M. (1999). An Analysis of the Nigerian Privatization Programme, 1988-1993: Lesson of Experience. *CBN Bullion*, 3 (3), 37-38.
- Azhar, K. (2005) 'Business Policy and Strategic Management, 2nd ed'. Tata McGraw-Hill Publishing company limited, New Delhi.
- Birdsall, Nancy and Nellis, John (2002) "Winners and Losers: Assessing the distributional impact of privatization", Working Paper Number 6, May 2002, Center for Global Development
- Borner, Kira (2004) "The Political Economy of Privatization: Why Do Governments Want Reforms?", Munich Discussion Paper No. 2004-1, Department of Economics, University of Munich
- Boubakri, N. & Cosset, J. (1998). The Financial and Operating Performance of Newly Privatized Firms: Evidence from Developing Countries. *The Journal of Finance*, LIII (3), 108-110.
- Burns, B. and Ron Coram (2001). "Managing Organisational change in the Public Sector, lessons from the Privatisation of the Property Service Agency." *International Journal of Public Sector Management*, Vol. 14, No. 2 PP. 105-107
- Cato, Susumu (2008) "Privatization and the Environment." *Economics Bulletin*, Vol. 12, No.19 pp. 1-10
- Chambers, B. (2008). A Critical Appraisal of Privatization in Nigeria. Online available at: <http://www.hg.org/article.asp?id=5491>. Retrieved 19th August, 2010.
- Cook P, and Uchida, Y. (2001). "Privatisation and Economic Growth in Developing Countries, Working Paper No. 7 Centre on Regulation and Competition, Manchester
- Cowan, L. G. (1987). Global Overview of Privatization. In S. H. Hanke (ed.). *Privatization and Development (7-15)*. Publication of the International Centre for Economic Growth. California: ICS Press.

- Dingba N. (2011): *Privatisation in Nigeria: Guidelines for the Foreign Investor*. Chris Ogunbanjo & Co (Solicitors) 3, Hospital Road, Lagos
- Dhameja, N. and K.S. Sastry (2002). "Public Sector Restructuring and Privatisation." New Delhi, Kanishka Publishers
- Earle, John S. (2006) "Employment and Wage Effects of Privatization Evidence from Transition Economies", *Employment Research* January 2006
- Elias, A. (2001). *The Performance of Privatized Firms in Nigeria*. In D. Mahamoud (ed.) *Privatization and Poverty Reduction in Nigeria*. Online available at: [http://www.odi.org.uk/events/2004/06/16/32-background-paper\\_danjuma-mahamoudprivatization-poverty-reduction-Nigeria](http://www.odi.org.uk/events/2004/06/16/32-background-paper_danjuma-mahamoudprivatization-poverty-reduction-Nigeria). Retrieved 19/8/2010.
- Federal Government of Nigeria (1986). *Structural Adjustment Programme for Nigeria*. Lagos: Federal Government Printer.
- Federal Government of Nigeria (1999). *Nigeria Public Enterprises Decree No. 28 of 1999*. Abuja: FGN.
- Hanke, S. H. (1987). *Privatization and Development*. In the Publication of the International Centre for Economic Growth (1-2). California: ICS Press.
- Hebdon, Robert (2006) "Contracting Public Services in New York State: Labour Effects" *Industrial Relations*, Vol. 61, No. 3, 2006, p. 513-531, <http://www.erudit.org/apropos/utilisation.html>
- Hodson, R. & Sullivan, T. A. (2002). *The Social Organization of Work*. Belmont: Wadsworth/Thomson Learning.
- Ibanga, I. (2005). *The Economics of Privatizing and Deregulating the Nigerian Downstream Oil sector*. Online available at <http://www.florin.com/valore/ifiokibanga.htm>. Retrieved 19th August, 2010.
- Iba, L. (2010). Jonathan Sells off PHCN: Earmarks 57 Billion Naira to Pay off Workers. *Daily Sun*, 6 (1860), p. 45.
- Igbuzor, O. (2003). *Privatization in Nigeria: Critical Issues of Concern to Civil Society*. Online available at: <http://www.dawodu.com/otive2.htm>. Retrieved 19th August, 2010.
- ILO - (International Labor Organization, 2001) "The Impact of Decentralization and Privatization on Municipal Services" JMMS/2001 Sectoral Activities Program Report for discussion at the Joint Meeting on the Impact of Decentralization and Privatization on Municipal Services Geneva, 15-19 October 2001
- IseOlorunkanmi, O.J. (2014): Issues and challenges in the Privatized Power Sector in Nigeria: *Journal of Sustainable Development Studies*; vol. 6 (1); pgs 161 – 174.
- Iyoha, M. A. (2000). *Public Policy and Public Sector Investment*. In ILO Project Report for Nigeria. Lagos: ILO. - *Journal of Arts Science & Commerce* ISSN 2229-4686 International Refereed Research Journal [www.researchersworld.com](http://www.researchersworld.com) Vol.- I, Issue -1, October 2010 102
- Jao, Y.C. (1996). *Financial Deepening and Economic Growth: A Cross-Section Analysis*. *The Malayan Economic Review*, XXI (1), 47-58.
- Jerome, A. (1999). *Public Enterprise Reform in Nigeria: Expectations, Illusion and Reality*. In A. Ariyo (ed.), *Economic Reform and Macroeconomic Management in Nigeria*. Ibadan: University of Ibadan Press.
- Jerome, A. (2005). *Privatization and Regulation in South Africa: An evaluation*. In E. Amann (ed.) *Regulating Development Evidence from Africa and Latin America*. Cheltenham: Edward Elgar Publishing.
- Jerome, A. (2008). *Privatization and Enterprise Performance in Nigeria: Case Study of Some Privatized Enterprises*. Online available at: <http://www.aercafrica.org/documeets/RPI75.pdf>. Retrieved 19th August, 2010.
- Kay, J.A. and Thompson, D.J. (1986). "Privatisation; a Policy in Search of a rationale." *The Economic Journal*, Vol. 96 PP. 18 – 32



- Kikeri, Sunita (1997) "Privatization and Labor: What Happens to Workers when Governments Divest?", World Bank Technical Paper, 396, Washington DC: The World Bank, 1997
- Kikeri, S. and Shirley M. (1994). "Privatisation; Lessons from Market Economies." World Bank Research Observer, Vol. 9, No. 2 PP. 241 – 72
- Lopez-de-Silanes, F. and La Porta R. (1997). The Benefits of Privatisation, Evidence from Mexico Viewpoint, the World Bank Publication, VOL 23, P,117
- Mahmoud, D. (2004). Privatization and Poverty Reduction in Nigeria. Online available at: [http://www.odi.org.uk/events/2004/06/16/32-background-paper\\_danjuma-mahmoudprivatization-poverty-reeducation-Nigeria](http://www.odi.org.uk/events/2004/06/16/32-background-paper_danjuma-mahmoudprivatization-poverty-reeducation-Nigeria). Retrieved 19/8/2010.
- Martin S. and Parker D. (1995). "Privatisation and Economic Performance throughout the UK Business Cycle. Journal of Managerial and Decision Economics. P. 16, May
- Meggison, W.L. Jones, S.L. and Netter J. (1999). "The Financial Operating Performance of Privatised firms during the 1990s" The Journal of Finance. Vol. 54, PP. 388 – 91
- Millward, R. and Parker D. (1983). "Public and Private Enterprise; Comparative Behaviour and Relative Efficiency; in Millward Parker et al (Eds) Public Sector Economics Longman, London
- Ndebbio, J. E. U. (1991). The Nigerian Economy at the Crossroads: Policies and their Effectiveness. Calabar: University of Calabar Press.
- Ndebbio, J. E. U. (2000). Industrial Investment –Macro perspective. In ILO Project Study Report for Nigeria. Lagos: ILO.
- Nwoye, M. I. (1997). Management Practices and Performance Determinants of Public and Private Sector Enterprises in Anambra, Edo and Delta States of Nigeria: A Factor Analysis. In M. I. Nwoye (ed.), privatization of public Enterprises in Nigeria: The views and counterinterviews. (Online) available at: [http://www.globalizacija.com/doc\\_en/e0062prin.htm](http://www.globalizacija.com/doc_en/e0062prin.htm). Retrieved 19th August, 2010.
- Nwoye, M. I. (2010). Privatization of Public Enterprise in Nigeria: The Views and Counterinterviews. Online available at: [http://www.globalizacija.com/doc\\_en/e0062pm.htm](http://www.globalizacija.com/doc_en/e0062pm.htm). Retrieved 19th August, 2010.
- Odey, A.M (2012) 'Privatisation of public Enterprises and Productivity; Nigeria's Delima' Journal of Emerging Trends in Economics and Management Sciences (JETEMS) vol. 2(6): pp 490-496.
- Olowu, D.M. and Orji, M.G. (2013): Impact of Privatization on Employee Job security in Indorama-Elleme Petrochemical Company Limited, Eleme, Rivers State, Nigeria: International Journal of Business and Social Science; vol. 4(16).
- Pamacheche, Fudzai and Koma, Baboucarr (2007) "Privatization in Sub-Saharan Africa - an essential route to poverty alleviation", African Integration Review Volume 1, No. 2, July 2007
- Parker, D. (2003). "Performance, Risk and Strategy in Privatised, Regulated Industries, the UK experience." The International Journal of Public Sector Management, Vol. 16, No. 1, PP 75– 100
- Partington, D (2002) "Essential Skills for Management Research" Sage Publications, New Delhi.
- Perotti, Enrico (2004) "State Ownership: A Residual Role? World Bank Policy Research Working Paper 3407, September 2004 WPS 3407
- Prizzia, Ross (2005) "An International Perspective of Privatization and Women Workers" Journal of International Women's Studies Vol. 7 #1 November 2005, retrieved July 15, 2010, from <http://www.bridgew.edu/soas/jiws/Nov05V1/Prizzia.pdf>
- Rozana Salih (2000) "Privatization in Sri Lanka" Paper presented by Rozana Salih on behalf of The Institute of Policy Studies, Colombo, in, "Privatization in South Asia- Minimizing Negative Social Effects through Restructuring" Edited by Gopal Joshi, International Labor Organization (ILO), South Asia Multi-disciplinary Advisory Team (SAAT), Organization (ILO) New Delhi, India.
- Subair, K. & Oke, D. M. (2008). Privatization and Trends of Aggregate Consumption of Electricity in Nigeria: An Empirical Analysis.

Tell (2011), Tell Magazine, May 30th, p 35.

Ullah, U. (2005). Privatization in Nigeria June, 2005. Online available at <http://www.nathaneme.com/resource/reports/privatization%20inNigeria.pdf>. Retrieved 19<sup>th</sup> August, 2010.

Ugbam, O.C. (2013): The Business Environment: Monograph: University of Nigeria, Enugu Campus; Department of Management.

Ushie, E. M., Agba, A. M. O., Agba, M. S. & Best, E. G. (2010). Supplementary Livelihood Strategies Among Workers in Nigeria: Implications for Organizational Growth and Effectiveness. *International Journal of Business Management*, 5 (3), 146-154.

Vickers, J. and Yarrow, G. (1988). "Privatization: An Economic Analysis" MIT Press Cambridge, MA.

Zeckhauser R.J. and Horn M. (1989). "The Control and Performance of State Owned Enterprises", Boston, Kluwer Publishers. [www.indorama.com](http://www.indorama.com); accessed 29/5/2013.