

Post Effects Evaluation of Port Concession on Dockworkers in Nigeria

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ABSTRACT: The study evaluated the post effect of port concession on Nigerian dockworkers. Three hypotheses were formulated and tested using Chi square with the help of computer based software known as SPSS version 21. The Chi square analysis revealed that there was significant increase in the level of employment, improved working conditions and that dockworkers are well trained and equipped in the post concession era.

Keywords: Port concession, Dockworkers, Ports, Port model, Dock labour

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I. INTRODUCTION

The external environment in which ports have found themselves in is increasingly becoming more competitive as the forces of globalisation, deregulation, rapid advancement in transport technology and recent development in the shipping industry (I.e. trends toward shipping alliances and use of bigger ships) have influenced the operation of port (Aponjolosun, 2011).

Today, possibly one of the most obvious phenomena in port industry is port concession, since it is widely believed that port forms a vital link in the overall trading chain and consequently port efficiency is an important factor for a nation to achieve internationally competitive advantage and that increasing private sector participation in the ownership and operation of terminals can help port authorities to improve their operation efficiency.

However, it must be well noted that government run services from antecedents have been known for their capacity to serve as a drain pipes for government budget and also characterised with ineffective and inefficient service delivery. Nigeria Port Authority was not an exception as it was characterised with ineffectiveness occasioned by port congestion and poorly managed and maintained equipment, delays, pilferage, high tariffs and long turnaround time. Also, underutilisation of existing facilities, over staffing, low productivity of port labour and massive corruption through award of contract with little or no regard to financial regulations or due process inhibited economic growth progress at the Nigeria Port Authority.

Moreover, the need to eliminate the ills at the port and improve operational efficiency gave thrust to the need for concessioning of Nigerian ports in 2006. Aponjolosun (2011) stated that concession of ports in Nigeria was faced with stiff resistance from labour unions which resulted into numerous strikes and protest with the claim that it will have negative impact on the workers such as significant decrease in employment, casualization of workers, exploitation of workers by private operators, marginalisation and the breaking of labour unions. However, World Bank Port Reform Toolkit report (2001) module7 explained that a realistic and responsible port privatization must recognize and deal with the possible adverse human and social effects that may result from implementation and to ensure that the dock workers' rights and interests are properly taken into account, the International Transport Workers' Federation (ITF) recommends that policy makers should involve labour at all stages of port reform.

1.1 Problem Statement

Labour unrest was the major problem that emanated from port concession in Nigeria in which strong resistance was displayed through numerous strikes and protests. Despite this strong resistance from labour unions, Nigerian ports and terminals were concessioned in 2006 and handed over to concessionaires. It is now over a decade that the ports have been concessioned, however this study seeks to assess the post-concession effects of port on Nigerian dockworkers.

1.2 Research Objectives

1. To know if there is increase in the level of employment of dockworkers in the post concession era.
2. To ascertain if the dockworkers are well trained and equipped in the post concession era.
3. To determine if there is improvement in dockworkers' employment condition in the post concession era.

1.3 Research Questions

1. Is there increase in the level of employment of dockworkers in the post concession era?
2. Are dockworkers well trained and equipped in the post concession era?
3. Is there improvement in dockworkers' employment condition in the post concession era?

1.4 Research Hypotheses

Ho1: There is no increase in the employment level of dockworkers in the post concession era

Ho2: Dockworkers are not well trained and equipped in the post concession era

Ho3: There is no improvement in dockworkers' employment conditions in the post concession era.

II. LITERATURE REVIEW

2.1 Concept of Port Concession

A concession is the grant of specific privilege by the government to private companies. World bank port reform tool kit report (2007) module 3 defined port concession as a contract in which a government transfers operating rights to private enterprise, which then engages in an activity contingent on government approval and subject to the terms of the contract. The ownership of asset (especially land) is still in the hand of the government while the concessionaires are responsible for port operations. In addition to being the landowner, government also act as the regulator regulating the activities of the concessionaires.

The main objective of concession agreement is to transfer investment costs from government to private sector with the primary concern of reducing their financial involvement in ports and to use private operators in financing the port development. A carefully crafted concession is central to the implementation of a Build-Operate-transfer (BOT) scheme. The concession contract gives the concessionaire the right to run the facility (with limited and clearly defined government oversight) and earn a commercial return on investment (World Bank port reform toolkit 2007, module 3). However, according to World Bank port reform tool kit (2007) module 3, variants of BOT-like schemes are as follow:

- Build-Own-Operate (BOO): Full privatization of the terminal because the port land and facilities built on it are not returned to the government or port authority.
- Equip- Operate- Transfer(EOT): Port infrastructure already exists, but superstructure is supplied by the Special Purpose Company(SPC)
- Build -Transfer- Operate (BTO): New port facilities are directly transferred to the competent authority (government or port authority) immediately after construction.
- Build-Own-Operate-Transfer (BOOT): Ownership of land and facilities conveys to the concessionaire, but is transferred back at an agreed-on price at the end of the concession period.

2.2 Adoption of Landlord Port Model by Nigeria

Before Nigeria adopted landlord port model, Nigerian port administration system was classified as an example of the "tool port" approach. With this type of system, Nigeria Port Authority was responsible for both regulation of port operations and day-to-day operational decisions. Leigland and Palson (2007) explained that the Haskoning study classified the Nigerian port administration system as an example of the "tool port" approach in which some private companies were involved in some port operations, often along-side public operations, normally through short and medium term contracts. However, this resulted to fragmentation and duplication of responsibilities which contributed to unnecessary increased in cost of shipping and cargo handling.

The identified deficiencies of tool port model gave thrust to the adoption of landlord port model whereby the public sector (Nigeria Port Authority (NPA) and Nigeria Maritime administration and Safety Agency (NIMASA)) are responsible for port planning and regulatory functions (related to safety, security and environment) and maintains ownership of port related land and basic infrastructure. Under this arrangement, the private sector would be responsible for marine and terminal operations, construction, purchase and ownership of superstructure and equipment. (Leigland and Palson, 2007). Also, Nigeria resolved at adopting landlord port model with the notion that this will create competition among various terminal operators leading to improved service, reduction in port costs, improved productivity and efficiency of port operation which will lead to growth and expansion of maritime industry and in turn will necessitate the need to employ more workers (Aponjolosun, 2011). Somuyiwa and Ogundele (2015) identified some of the benefits of port concession in

Nigeria such as procurement of more cargo handling equipment, expansion of storage capacity and best global shipping practices which are put into use by concessionaires. Thus, resulting to more employment and income generation for the government and other stakeholders.

2.3 Overview of Dock Labour

Dock work was once considered to be a work for a low-skilled workforce, but now dock work requires more skilled workers who are increasingly registered worker whose services are of great importance in the port industry. Samuel and Phouangsuath (n.d) explained that, the dock industry is today an important link in the transport network that has to be constantly made more effective in order to respond to the requirement of free trade. International labour conference (2002) stated that modernisation now affects ports in all ports of the world, while some ports are starting out on or completing the installation of expensive infrastructure using public or private financing, the modern ports have long been run, or are increasingly widely being managed by computer systems, and inform their clients and promote their activities through internet. However, these technological changes have influenced and will have an impact on the level of skills required of dockworkers.

According to Dock labour (Registration and Control of Employment) rules 1990 section 2 dockworker can be defined as a person employed or to be employed, in or in the vicinity of a port on work connected with the loading, unloading, movement or storage of cargoes, or work connected with the preparation of ships or other vessels for the receipt or discharge of cargoes and include persons engaged in itinerant dock work on coastal voyages, a tally clerk casually employed, and a supervisor, headman or person for the time being in charge of a gang dock workers. However, World Bank port reform tool kit (2001) module 7 specified that the dock workers' rights and interest must be taken into account and stated the principal areas of interest for port labour which include:

- Stable and fulfilling employment
- Reasonable incomes
- Decent working conditions
- Social security and pension provision
- Education and Vocational training
- Health, safety and the environment
- Workplace democracy
- Freedom from discrimination on the basis of race, religion, social status or gender
- Freedom from corruption and coercion.

Duties of dock workers

- Preparation of merchandise for shipment for shipment
- Assembling, addressing, stamping and shipping of merchandise
- Verification and maintenance of records on incoming and outgoing shipments
- Crane operation
- Tracking of containers in the storage area as they are loaded and unloaded
- Arrangement of transportation of product
- Receiving, unpacking, verifying and recording incoming merchandise or material.

III. RESEARCH METHODOLOGY

In order to obtain adequate and correct information, questionnaire was used. The questionnaire was employed to address the research questions and was directly administered to the Nigerian dockworkers at Tin can Island port. To achieve the objectives of the research, 80 questionnaires were distributed to dockworkers in which 72 questionnaires were returned. The questionnaires was designed on Likert 5 rating scale (Strongly Disagree, Disagree, Undecided, Agree and Strongly Agree). The three hypotheses formulated were presented in order in which they were stated and data from primary source were carefully analysed.

Data collected were analysed with the use of computer based SPSS version 21 and the Chi square test analysis was employed to test the formulated hypotheses.

IV. ANALYSIS AND DISCUSSION

The returned questionnaires were 72 (90%) which can be regarded as been high enough to enable valid analysis.

As shown in table 4.1, 90.28% of dockworkers strongly agreed that ports concession was a good initiative by the Federal government, 6.94% agreed with the initiative, 2.78% were undecided while nothing was recorded for strongly disagree and disagree.

Table 4.1: Port concession was a good initiative by the Nigerian government

Variables	Number of respondents	Percentage %
Strongly disagree	-	-
Disagree	-	-
Undecided	2	2.78
Strongly agree	65	90.28
Agree	5	6.94
Total	72	100

Table 4.2, revealed that 68.06% and 8.33% of respondent strongly agree and agree that there is no casualization of dockworkers in the post port concession era, 9.72% were undecided, 13.89% disagreed while nothing was recorded for strongly disagree .

TABLE 4.2: There is no casualisation of dockworkers

Variables	Number of respondents	Percentage %
Strongly Disagree	-	-
Disagree	10	13.89
Undecided	7	9.72
Strongly Agree	49	68.06
Agree	6	8.33
Total	72	100.00

From table 4.3, 94.44% and 5.56 % of respondents strongly disagree and disagree respectively that port concession weakens labour union, however no respondents strongly agree or agree to the assertion that port concession weakens the labour union.

Table 4.3: Port Concession weakens labour union

Variables	Number of respondents	Percentage %
Strongly Disagree	68	94.44
Disagree	4	5.56
Undecided	-	-
Strongly Agree	-	-
Agree	-	-
Total	72	100.00

4.1 Test of Hypotheses

Lucey (2002) defined Chi-square test as an important extension of hypothesis testing and is used when it is wished to compare an actual, observed distribution with a hypothesised or expected distribution. However, the decision rule as applicable in this study states that: null hypothesis would be rejected if the calculated value is greater than the table value, otherwise alternative hypothesis will be accepted.

4.1.1 The First Hypothesis

Ho1: There is no increase in the level of employment of dockworkers in the post concession era

Table 4.1.1:chi square test analysis on the post effect port concession on employment of dockworkers

	Observed N	Expected N	Residual
Strongly Disagree	35	14.4	20.6
Disagree	20	14.4	5.6
Undecided	5	14.4	-9.4
Strongly Agree	2	14.4	-12.4
Agree	10	14.4	-4.4
Total	72		

Table 4.1.2 : Test Statistics

	Employment rate
Chi-Square	49.806 ^a
df	4
Asymp. Sig.	.000

Table 4.1.1 and 4.1.2 showed the post effect of port concession on Nigerian dockworkers in respect to the level of employment. The result of the calculated chi square was 49.806 and the table value at 0.05 significance level with 4 degree of freedom is 9.488. However, the calculated value was greater than the table value showing that there is significant increase in the employment of dockworkers in the post concession era. The null hypothesis is therefore rejected.

4.1.2 The Second Hypothesis

Ho2: Dockworkers are not well trained and equipped in the post concession era

Table 4.1.3: chi square test analysis on training of dockworkers in the post concession era

	Observed N	Expected N	Residual
Strongly Disagree	42	14.4	27.6
disagree	17	14.4	2.6
undecided	1	14.4	-13.4
Strongly Agree	1	14.4	-13.4
Agree	11	14.4	-3.4
Total	72		

Table 4.1.4 Test Statistics

	training
Chi-Square	79.111 ^a
Df	4
Asymp. Sig.	.000

Table 4.1.3 and 4.1.4 showed the post effect of port concession on Nigerian dockworkers in respect to training. The result of the calculated chi square was 79.111 and the table value at 0.05 significance level with 4 degree of freedom is 9.488. However, the calculated value was greater than the table value showing that the dockworkers are better trained and equipped in the post concession era. The null hypothesis is therefore rejected.

4.1.3 The Third Hypothesis

Ho3: There is no improvement in dockworkers' employment conditions in the post port concession era.

Table 4.1.5 :Chi square analysis on employment conditions of dockworkers in the post port concession era

	Observed N	Expected N	Residual
Strongly Disagree	46	14.4	31.6
Disagree	18	14.4	3.6
undecided	4	14.4	-10.4
strongly Agree	1	14.4	-13.4
Agree	3	14.4	-11.4
Total	72		

Table 4.1.6 : Test Statistics

	improvement
Chi-Square	99.250 ^a
Df	4
Asymp. Sig.	.000

Table 4.1.5 and 4.1.6 showed the post effect of port concession on Nigerian dockworkers as regard employment conditions. The result of the calculated chi square was 99.250 and the table value at 0.05 significance level with 4 degree of freedom is 9.488. However, the calculated value was greater than the table value showing that the dockworkers are better trained and equipped in the post concession era. The null hypothesis is therefore rejected.

V. RESULTS

As shown from the responses of the respondents, Nigerian dockworkers were satisfied with the federal government initiative of concessioning the ports. Also, larger percentage of dockworkers with 68.06% and 8.33% respectively strongly agree and agree that there was no casualisation of dockworkers as compared to 13.89% that opposed the view. However, in table 94.44% and 5.56% of respondents strongly disagree and disagree respectively, that port concession weakens labour union.

Moreover, from the chi square test analysis carried out on the formulated hypotheses, the produced results were that: there is significant increase in the employment of dockworkers, dockworkers are well trained and equipped and there is improvement in employment conditions of dockworkers in the post concession era.

VI. CONCLUSION

Port concession has grown over the last decade, driven by the forces of globalisation, deregulation and competition in the environment in which port operates. This study has surveyed the effect of port concession on Nigeria dockworkers. Nigerian dockworkers were very concerned with the federal government initiative of concessioning the port due to uncertainty outcomes of port concession. Some of their concerns include job insecurity, unfair labour practices, exploitation of workers by private operators, unemployment, breaking of labour union etc.

However, the research carried out after a decade of port concession based on the responses of the 72 respondents through questionnaire showed that port concession has positively impacted on the dockworkers. However, there is need to improve more on the welfare of the dockworkers.

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