

Privatisation

Labour Issues



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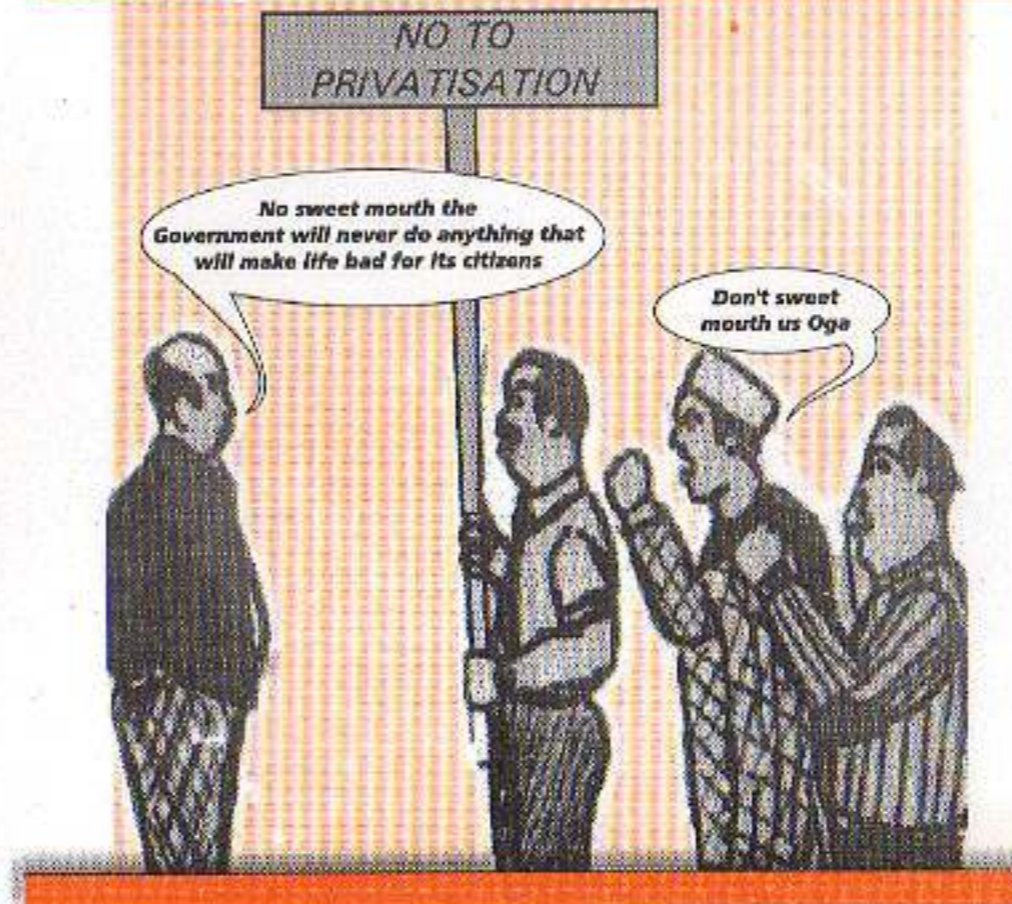
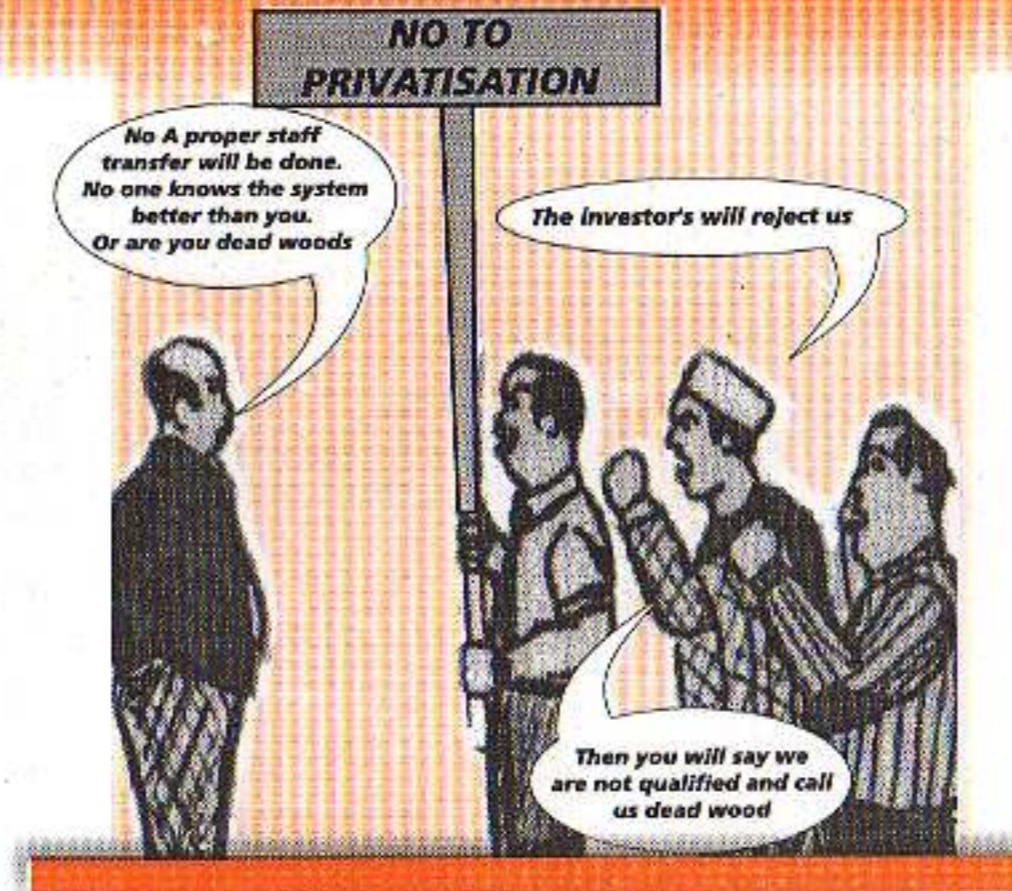
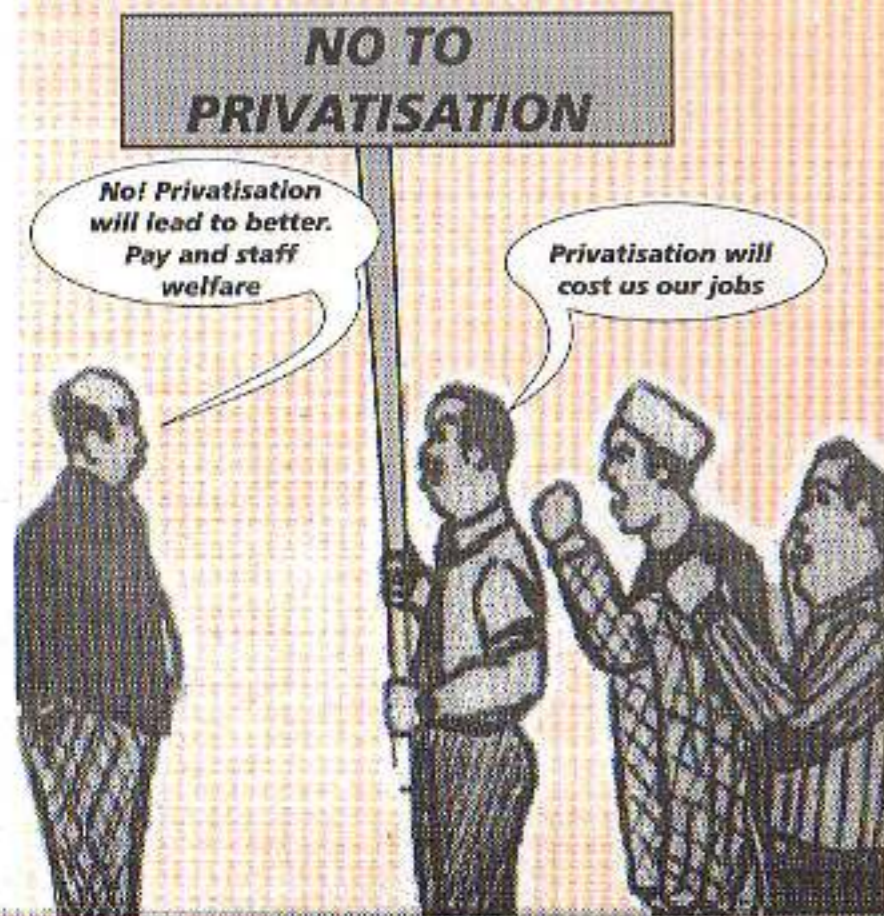
Privatisation of

LAGOS STATE WATER CORPORATION

Introduction

Countries the world over have launched privatisation programme to improve efficiency of state owned enterprises. Lagos State Water Corporation, the major water producer supplying water to the 8 million Lagos State residents, is presently being considered for privatisation. The programme has commenced with the full supervision of international Finance Corporation (IFC), a sister organisation to the World Bank, as an adviser to the state government.

There however exists a universal concern on labour issues. Many observers and political interest groups including employees of such state owned organisations like LSWC, often exercise fear that privatisation will cause major job losses as new owners of privatised firms or private operators running concession contracts shed excess labour to improve efficiency and cut costs.



LSWC PSP in Labour Friendly

The adjusted privatisation strategy is mindful of the social and political consequences of job losses. The strategy is therefore geared towards:

Expansion of production capacity through concession contracts. This entails that an investor will bring money to develop new works and expand the existing pipe network to improve service level and access. It envisages that when capacity is expanded more hand will be needed in the industry. It is on record that the deregulation in the financial sector in the nineties, led to an unprecedented increase in employment rate in the industry.

The strategy incorporates a properly negotiated labour transfer exercise that will ensure that investors are mandated to employ staff of Lagos State Water Corporation seen to be fit to work under different operational and administrative circumstances.

A regulatory structure, which will be an integral part of the change will be responsible for monitoring the activities of private investors to ensure that no worker is exploited or ill treated in the system. All the contractual terms that guarantee the welfare of staff shall be clearly stipulated and enforced.

Some level of competition is envisaged in the evolving system. This is surely a positive signal for labour. Competition for the best hands will enhance better wages and create room for others to grow

The strategy will also encourage voluntary retirements through severance pay i.e. paying workers gratuity that is fat enough to lure them into retirements, or award of post retirement contract within the system

LSWC Potentials

The strategy will create many investment opportunities that is most suitable for those who have worked in the system. Many members of staff will be part of the bulk purchasing companies that will operate independently in the system.

Experience in many countries shows that workers engaged by privatised firm have often benefited by obtaining better paying jobs, company share, and improved training and career development prospects.

*Lets work together and make privatisation a success
A better managed enterprise will bring brighter and bigger fortunes for everybody.*



LSWC can boast of well trained, highly exposed and seasoned staff, that understand the system very well. It will therefore be unwise for any investor to ignore such people for new hands.

Many officers of LSWC have attended courses on modern water sector reforms and water management topics at reputable international institutions such as IHE Delft, Loughborough University, International Labour Institute USA, Institute of public private partnership USA among others. They have also worked with various international consultants during the World Bank projects. A twinning programme was carried out to train the staff to attain internationally acceptable standard of performance.

Hints For The Future

Privatisation will not lead to job layoff. But it will require hard work, high level of productivity, honesty and commitment to organisational objectives. An investor wants value for his money which his employees must give him.

The message to LSWC staff is that the party is over. It is time to work. Staff must train themselves and change the attitude to work if they will fit into the new dispensation

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