

---

## Export Processing Zones and Employment Generation in Nigeria, 2001 – 2013

**Deinibiteim Monimah Harry**

Department of Political Science and Administrative Studies  
University of Port Harcourt  
Choba, Port Harcourt,  
Nigeria.  
Email: [macharryd@gmail.com](mailto:macharryd@gmail.com)

---

### Abstract

*The study examined the contribution of export processing zones to job creation in Nigeria. The country adopted the EPZ strategy in 1992 with the setting up of the Calabar Free Trade Zone to create jobs, among other objectives, for the teeming unemployed population. Since then, 25 zones have been registered by NEPZA, the regulatory authority. Out of 25 zones registered 11 are functional, 9 under construction and 5 merely declared. Four (4) out of the 11 functional zones were systematically selected for the study, namely Calabar, Oil and Gas, Snake Island Integrated Free Trade Zones and Alscon Export Processing Zone. Two hundred and ninety (290) copies of questionnaire were administered on 290 participants purposively selected from 54 Free Zone enterprises and the 4 zonal management boards. Out of the 290 copies of questionnaire 242 copies were properly completed and returned. The 242 copies of questionnaire served as primary source of data, while textbooks, journals and official documents from NEPZA and NBS formed the secondary source of data. The study revealed that EPZs have not substantially addressed the unemployment problems of the nation. EPZs' share of employment in Nigeria as a percentage of total national employment was at its peak in 2012, with a total of 40,129 employees, making 0.044 percent of the total working population of the country or 0.057 percent of total number of persons employed in the country. Consequently, the study recommends that a combination of capital-intensive and labour-intensive model of EPZs be adopted to create more job opportunities and there should be freedom of association in form of trade unions at the zones in the country.*

---

**Key words:** Job Creation; Export Processing Zone; Development; Unemployment; Economy; Strategy and Mono-product.

---

### INTRODUCTION

Nigeria became an oil dependent nation in the early 1970s, during the “oil boom” era. Since then Nigeria has been a mono-product economy, with oil exports contributing about 95 percent of the country’s total foreign exchange earnings and national revenue (Adenugba and Dipo, 2013). The implication is a huge problem of low productivity in the other sectors of the economy, especially manufacturing and agriculture. The corollary is massive job losses and the attendant unemployment crisis that followed. Consequently, the unemployment situation has worsened over the years in the country. Recent statistics show that unemployment rate as a percentage of total labour force in Nigeria grew from 13.10 percent in 2000 to 21.10 percent and 23.90 percent in 2010 and 2011 respectively (Econstats, 2012)

Essentially, the Nigerian government adopted the EPZ strategy of development via Decree No 63 of 1992, to, among other things; generate the much need employment opportunities for the teeming unemployed population (NEPZA, 2008). Indeed, the United Nations Industrial Development Organization (UNIDO) recommended the EPZ strategy for third World countries grappling development challenges, including that of unemployment, because of its success in Ireland in 1958 (Stein, 2008). This necessitated a proliferation of EPZs across the world. By 2006, there were 3,500 EPZs in 130 countries, employing 66 million people world-wide (ILO, 2007). EPZs have created reasonable number of jobs in many countries, particularly in Asia, and in some cases with objectionable working conditions and environment. With respect to Nigeria’s EPZs different authors have

brandish different figures as the employment generated by EPZs. The works of Aganga (2012) and Moneke (2013) put the figure at 35,120 and 30,612 respectively as jobs created (directly and indirectly) between 2001 and 2011. However, these works (among others not cited herein) fall short of disclosing the actual quality of jobs created at the zones and the share of EPZs' employment as a percentage of total national employment. This paper therefore seeks to fill these gaps noted in pervious works on EPZs and employment generation in Nigeria. Hence, the objective of this paper is to ascertain the share of EPZs, employment as a percentage of total national employment and the conditions of service at the zones. The rest of the paper would be developed under the following headings: the concept of EPZ, EPZ and job creation, methodology, result and discussion, conclusion and recommendations.

### **The Concept of Export Processing Zone**

Export processing zones are industrial estates usually fenced-in areas of 10 to 300 hectares that specialize on manufacturing for export (Adediran, 2013:230). More precisely, EPZs are industrial zones with special incentives to attract FDIs in which imported materials undergo some degree of processing (value addition) before being exported again. As Gerardo, Mauricio and Felipe (1998:5) have observed, EPZs are established in the geographic zones which are outside the customs territory of a particular country where products can be stored, processed and manufactured without the payment of import duties, and with the intention of exporting most of the output. Essentially, when viewed simplistically there are no much differences in the definitions and views presented above. They all focused on the role of foreign investments, incentives granted businesses operating in the zones and export-oriented nature of EPZs. However, Fu and Gao (2007:3) identified three main types of zones embedded in the definitions, namely; Special Economic Zones (SEZs), Industrial Free Zones (IFZs) and Enterprise Zones (EZs). They posit that the latter two, including other services related to EPZs, are all called Development Zones (DZs) in China. The differences observed may appear to be more of semantic differences but they have being source of contextual analysis and differentiation.

The different terms used to denote the zones scheme are Export Processing Zones (EPZs), Special Economic Zones (SEZs), Enterprise Zones (EZs), Free Port (FP), Bounded Zones (BZs), Industrial Development Zones (IDZs), etc. Obviously, EPZs take a variety of names in different countries. Singa (2007:24), identifies 32 different names/titles used for such zones around the world, each indicating slight differences in terms of concessions, subsidies and regulations. On their part, Tyler and Negrete (2009:1) observe that, while the names of the EPZs vary widely they have a number of common features, including: (a) exemption from import-related taxes; (b) exemption from indirect taxation on exports; (c) simplification in and reduction of domestic economic regulations and procedures applicable to the EPZs; (d) Freedom for foreign exchange and capital transactions; and (e) promised stability in the economic policy "rules of the game". Nonetheless, they were quick to add that even in these common features there can be substantial variants in different countries.

Another scholar who has strongly argued that the different terminologies used to denote EPZs contain in themselves conceptual differences is Professor Howard Stein. He defines and differentiates six types of zones discernable in literature to include: Free Trade Zone (FTZs), Free Port (FP), Export Processing Zones (EPZs), Economic Processing Unit (EPU), Special Economic Zones (SEZs) and High and New Technology Industrial Development Zones (HNTIDZs) (Stein, 2008:3-5). According to him these variants are significantly different in some ways. For instance, he describes a free trade zone to be a spatially defined area in a wider political unit, often next to a port where unrestricted trade is permitted with the rest of the world. Goods may be moved in and out of the FTZs free of customs, stored in ware houses for varying periods and repackaged as necessary. However, goods imported into the host country pay the requisite duty. To him, free port ramifies a political unit where goods are imported without customs regulation, either consumed locally or re-exported.

According to Stein, EPZs are different from FTZs/FPs in that the EPZs include a variety of measures aimed at encouraging investment in manufacturing capacity exclusively for export. Stein argues that export exclusivity seems to be ubiquitous or universal, with one prominent exception the Manaus Free Zone in Brazil where production seems to be aimed largely for the domestic market. In addition, EPZs are characterized with exemption from duties on imported intermediate goods, raw materials and export of finished goods. Also, taxation and industrial regulations are typically more generous than elsewhere in the country, infrastructure is well developed and often subsidized, lower wages subsist and unionization discouraged.

### **EPZs and Job Creation: An Overview**

One of the very important tools for accessing the success of EPZs anywhere in the world is their employment generation capacity. As noted earlier, EPZs have contributed reasonably to job creation in the world. By 2006 there were about 66 million persons employed at the different EPZs across the world, particularly in Asia. China's EPZs employment increased from 30 million in 2002 to 43 million in 2006. This is apparently a significant rise in the number of people employed at the zones in China (though it may not be commensurate with the population size of the country). While some countries experienced significant increase in EPZs job creation, others witnessed decline in job creation in their EPZs within the same period. Table 1 below shows EPZ employment in selected countries between 2002 and 2006.

**Table 1: EPZ Employment in selected countries, 2002 – 2006**

Country	2002	2006	Percentage Change
Mexico	1,355,000	1,212,125	- 11.0
Philippine	820,960	1,128,197	37.0
Tunisia	239,800	259,842	8.0
Malaysia	200,000	369,488	85.0
Dominican Republic	170,833	154,781	-9.0
Macao, China	131,010	131,010	0.0
Bangladesh	121,000	188,394	56.0
Sri Lanka	111,033	410,851	270.0
Viet Nam	107,000	950,000	788.0
Mauritius	87,607	65,512	-25.0
Madagascar	74,000	115,000	55.0
Morocco	71,315	145,000	103.0
Costa Rica	34,000	36,000	6.0
Kenya	27,148	38,851	43.0
Zimbabwe	22,000	22,000	0.0
Haiti	10,000	10,000	0.0
Cameroon	8,000	4,690	-41.0
Senegal	940	3,409	263.0
Gabon	791	791	0.0

Source: Singa, B.J. (2007), ILO Database on Export Processing Zones (Revised), Sectorial Activities Programme, Working Paper 251, and Geneva: International Labour Organization.

As seen in table 1, out of the 19 countries examined between 2002 and 2006, employment statistics in EPZs was on the increase in most countries. In four countries (Sri Lanka, Viet Nam, Morocco and Senegal) the increase was above 100 percent, while in four other countries there was no increase. Also, four countries suffered decrease in their EPZs employment records, while the remaining seven countries experienced moderate increase. Though employment in EPZs has continually increased over the last few years as shown in table 1 above, EPZs contribution as a share of total global employment has remained relatively insignificant. According to Engman, et al (2007) EPZs account for a paltry 02 percent, of total global employment, this is as follows: Asia/Pacific – 2.3 percent, Middle East/North Africa – 1.5 percent, the Americas – 1.2 percent, sub-Saharan Africa – 0.2 percent and Central and Eastern Europe – 0.001 percent. ILO (2003:4) notes that, the motivation for EPZs is quota based trading system. Thus expiration of agreements has serious consequence for jobs in many developing nations. Similarly, EPZs exports in many countries are concentrated in textile and clothing and electronics (Milberg and Amengual, 2008:10). For instance, in 2003, Mauritius had 94 percent of its EPZs workers in apparel and the Dominican Republic had 69 percent. In the late 1990s, Tunisia was at 76 percent and Sri Lanka 66 percent. On the other hand, Malaysia had 65 percent of employment in electronics and Mexico 35 percent in that sector. In addition, there has been increase in other support services at EPZs, including banks, hotels, restaurants, transport, security, etc, which have generated various levels of employment (Aggarwal, 2010:24).

However, the business environment in most EPZs is very uncertain. EPZs operate in a rapidly changing landscape. For instance, the phasing out of the Agreement on Textiles and Clothing (ATC) which succeeded the Multifibre Agreement (MFA), in January 2005 has resulted in export decline in many countries (Milberg and

Amengual, 2008: 2) and this has led to reduction of employment records in many EPZs. In addition, there tends to be a very high turnover of zone workers, with the average career of a worker seldom longer than five years. Some of the factors responsible for the high turnover rates in the zones are: intensive nature of production, cultural factors, use of fixed-term contracts, lack of human resource development policies and underdeveloped labour relations practices in some zones (ILO, 2003:4). This brings to question the long lasting employment generation potentials of EPZs in the socio-economic development drive of a nation. Other employment and labour related issues in EPZ operation are distortion of the economy, workers exploitation and wage patterns in some of the zones. Those who argue that EPZs create distortion posit that the EPZ strategy is usually adopted in countries with comparative advantage of large labour endowments.

Mgbakagu (2013: 293) argues that, one of the primary reasons for adopting the EPZ policy/strategy was the need to create jobs for Nigerians and improve their socio-economic well-being. He stresses that, human welfare could be hardly improved if the employment rate in a country is quite low. Thus, one of the ways of confronting the unemployment problem in Nigeria was the adoption of the EPZ strategy, which is to attract FDIs in order to create more jobs and thereby alleviate poverty and improve the welfare of the people. This view was further strengthened by Anele (2013:263) when he posited that, the ultimate purpose for the creation of the EPZ is to raise people's standard of living and to enhance economic development. This is to be achieved mainly through job creation or employment generation. According to Mgbakagu, increase in employment or job opportunities lead to increase in income for the people, who in turn re-invest in the economy of the country for real development. According to Aganga, a total of 35,120 jobs have been created so far in the different zones (Economic Confidential, 2012). Abbey argues that the Onne Zone alone has generated over 30,000 jobs directly and indirectly through the activities of the companies operating in the zone (Ezeah, 2012). Direct employment in the 25 different zones in the country was put at about 1,800 by Agboluaje, former Managing Director, NEPZA (Osagie, 2012). Furthermore, Moneke (2013:108) opines that the operational zones in the country have employed 7,653 persons directly and 22,959 persons indirectly, making a total of 30,612 jobs created between 2001 and 2011. Regrettably, however, Moneke, Mgbakagu and Aganga did not disclose the type and quality of jobs Nigerians are employed in at the zones. Also, these works did not present the percentage of EPZ jobs in relation to the national employment statistics, the working conditions/environment and the long-term sustainability of these jobs. Nwabuzor (2013:323) has argued that Free Zones attract low-cost unskilled labour where promotion prospects of majority of the workers are usually minimal. In a situation where the highly technical and managerial jobs in the zones are usually undertaken by expatriates of foreign companies within the zones, there would be little or no opportunities for the transfer of technical and managerial skills. It is not surprising that none of the works discussed the level of technology transfer and how this manifest in the Nigerian zones.

## **METHODOLOGY**

The study adopted the descriptive survey research design, thus it was both qualitative and quantitative in nature. The population comprised of 261 firms operating in the four (4) zones (that is Calabar free trade zone Calabar, Snake Island Integrated Free Trade Zone Lagos, Oil and Gas Free Zone, Onne, and Alscen Export Processing Zone, Ikot Abasi), Selected out of the eleven (11) functional zones in the country. Fifty (54) firms were sampled out of the 261 firms in the zones using twenty percent (20%) proportional probability Sample method. In addition, 5 members of staff were purposively selected from each of the 54 firms and the 4 zonal management boards. This gave a sample of 290 respondents which was the actual sample for the study.

Data for this study were derived from both primary and secondary sources. The primary data were gathered through the administration of questionnaire. Two hundred ninety (290) copies of questionnaire were administered on the participants. Out of this figure 242 copies were properly filled and returned. On the other hand, the secondary data were drawn from textbooks, journals, official documents from NEPZA and National Bureau Statistics, etc. Descriptive Statistics such as frequency, average and distribution were used for data analysis in the study.

## **RESULT AND DISCUSSION**

The research questions for which the result and discussion centered on are:

To what extent, if any, have EPZs helped in addressing the unemployment problem in Nigeria?

What is the condition of service of the firms at the zones in the country?

### **Results**

The export processing zone strategy was adopted with the belief that it would help address the rising unemployment problem in the country. In this section the researcher intended to investigate how well the zones have helped in addressing the unemployment challenge of the country. Consequently, the participants were requested to indicate whether or not EPZs have helped in addressing the unemployment challenge of the nation. While 213 of the participants, which represent 88 percent, asserted that the zones have contributed quite substantially in solving the unemployment problem of the country, 29 of them or 12 percent disagreed, saying the zones have not done much in this regard. Obviously, a huge majority of 88 percent of the respondents believe very strongly that the zone strategy is finding solution to the challenge. The 213 of the respondents who attested to EPZs contribution in addressing the unemployment problem in Nigeria rated the zones performance in the table below.

**Table 2: EPZs Performance in Addressing Unemployment in Nigeria**

Variables	Frequency	Percentage
Very well	43	20
Well	135	63.5
Poor	27	12.7
Very poor	8	3.8
Total	213	100

Source: Field Survey, 2015

Table 3 shows that 63.5 percent of the respondents, which is a reasonable majority, categorically stated that in area of employment generation and/or addressing the unemployment issue in the country the zones have done well. In the same vein, 20 percent, posited that the zones have done very well in this respect, whereas 12.7 percent and 3.8 percent, rated the zones with respect to addressing the unemployment challenge as poor and very poor respectively.

To better understanding the unemployment situation in the country and the efforts made by the zones in addressing it, the researcher presented in the tables below (tables 3 and 4) Nigeria's working population, employed and unemployed person's statistics from 2000 to 2013 and EPZs employment statistics as a percentage of total working population.

**Table 3: Nigeria's Working Population, Employed and Unemployed Persons' Statistics 2000 – 2013**

Year	Total Population	Labour Force (million) Age 15 – 64)	Percentage of Labour force as a percent of total population (%)	Population Employed or Engaged	Population Unemployed	Percentage of Unemployed as a Percent of working population
2000	122,876,727	66,353,433	54	57,661,133	8,692,300	13.1
2001	126,004,992	68,042,696	54	58,788,889	9,253,807	13.6
2002	129,224,641	69,781,306	54	60,988,861	8,792,445	12.6
2003	132,550,146	71,577,079	54	60,983,671	10,593,408	14.8
2004	135,999,250	73,439,595	54	63,598,689	9,840,906	13.4
2005	139,585,891	75,376,381	54	66,406,592	8,969,789	11.9
2006	143,314,909	77,390,051	54	66,787,614	10,602,437	13.7
2007	147,187,353	79,481,171	54	67,876,920	11,604,251	14.6
2008	151,208,080	80,140,282	53	64,352,646	15,787,636	19.7
2009	155,381,020	82,351,941	53	66,128,609	16,223,332	19.7
2010	159,707,780	84,645,123	53	66,446,424	18,198,701	21.5
2011	164,192,925	87,022,250	53	66,223,932	20,798,318	23.9
2012	168,833,776	89,481,901	53	70,153,810	19,328,091	21.6
2013	173,615,345	92,016,133	53	71,220,487	20,795,646	22.6

Source: Constructed from World Bank (2014) Build Nigeria population Graph 1960 – 2013 @ itbulk.org/population/population by country, and Nwewi, H.N. and Ojiagu, N.C. (2014), Structural Youth Unemployment and Productivity in Sub-Saharan African: The Nigerian Manufacturing Sector Experience 2000 – 2013, European Journal of Business and Management Vol. 6 No. 37.

**Table 4: EPZs Employment as a Percentage of Total Working Population and Population Engaged in Nigeria, 2008 – 2013**

Year	Total EPZs Employment	Total Working Population	EPZs Employment as a percentage of total working population (%)	Population Employed or Engaged	EPZs Employment as a percentage of Population Employed (%)
2008	31,768	80,140,282	0.039	64,352,646	0.049
2009	36,668	82,351,941	0.044	66,128,609	0.055
2010	36,251	84,645,123	0.042	66,446,424	0.054
2011	37,161	87,022,250	0.042	66,223,932	0.056
2012	40,129	89,481,901	0.044	70,153,810	0.057
2013	39,102	92,016,133	0.042	71,220,487	0.054

Source: Compiled from NEPZA Annual Reports 2008 – 2013 and World Bank (2014) Build Nigeria Population Graph 1960 – 2013, @itbulk.org/populationbycountry/.

Table 3 reveals Nigeria's working population, population employed or engaged and population unemployed from 2000 to 2013. While the total working population figures (i.e. people between the ages of 15 – 64) increased steadily year after year from 66,353,433 in 2000 to 92,016,133 in 2013, the figures of the population employed and those unemployed fluctuated over the years. For instance, population employed increased from 57,661,133 in 2000 to 67,876,920 in 2007 and dropped to 64,352,646 in 2008 and then increased to 71,220,487 in 2013. Similarly, the figures of the unemployed increased from 8,692,300 in 2000 to 10,593,408 in 2003 and dropped to 8,969,789 in 2005 and then increased to 20,798,318 in 2011, and later dropped to 19,328,091 in 2012. The fluctuation noted in the table characterized the employment statistics within the stated periods.

From table 4 it was clear that EPZs employment statistics from 2008 to 2013 got to the pick in 2012 when it reached 40,129 employees record. Similarly, it was in 2012 that the share of EPZs employment as a percentage of total working population of Nigeria attained 0.044 percent and the EPZs employment as a percentage of population employed got to 0.057 percent. In all, there was no time employment statistics of EPZs attained 1 percent of national employment records. That majority of the respondents asserted that the zones have done well in job creation shows that they are not well acquainted with the unemployment situation in the country.

The research also looked at the staff strength and configuration in some of the sampled enterprises in the study area. Below is a table showing the staff strength and configuration in 10 sampled firms in the four zones.

**Table 5: Staff Strength and Configuration in 10 Sampled Firms in the Study Area**

Name of firms	Total staff strength	No of Nigerians	Nigerians		Expatriates	
			Managerial	Technical	Managerial	Technical
M-Saleh Engineering	114	104	3	1	2	8
Jackson Davos FZE	14	13	2	1	-	1
Danelec FZE	40	38	1	8	1	1
Mark-Sino Int'l FZE	32	28	2	1	2	2
First Medical and Sterile Products FZE	54	52	5	3	1	1
Skyrun Int'l FZE	261	208	10	50	18	25
Starz Marine Engineering	74	74	7	45	-	-
ALCON Nigeria	559	525	6	43	8	26
Rusal- ALCON	807	738	36	57	22	28
Nigerdock Fabrication Yard FZE	253	226	18	31	7	20
Total	2,208	2,006	90	240	61	112

Source: Field Survey, 2015.

As seen in the table above, the 10 firms have a total staff strength of 2,208 out of which 2,006 are Nigerians. In addition, it shows that Nigerians in the managerial cadre of the 10 firms were 90 in number and those in technical

cadre 240 in number. On the other hand, the distribution of expatriates in the 10 firms shows that 61 of them occupied managerial positions, while 112 were in technical positions. The implication of this is that a vast majority of the employees in the 10 firms were Nigerians. Nigerians make up 90.8 percent of the staff of the 10 firms. These firms also had reasonable number of Nigerians both in the managerial and technical positions across the firms. It is important to note that some of these firms represent firms with the largest employment records in the zones nationwide. However, it is necessary to disclose here that over 95 percent of Nigerians employed in Rusal-Alscon, the only firm in the Alscon Export Processing Zone, Ikot Abasi, had been placed on redundancy since December, 2013; only a handful of managerial and technical staff are retained to protect the plants and other facilities.

Furthermore, efforts were made to identify how pleasant or acceptable the conditions of service were in the sampled firms operating in the zones. The views of the respondents from the free zone enterprises are contained in the table below.

**Table 6: Conditions of Service in the Sampled Firms at the Zones**

Variables	Frequency	Percentage
Very good safety conditions, very high wages, 8 hours of work per day and freedom to unionise	28	12.4
Good safety conditions, high wages, 10 hours of work per day and less freedom to unionise	73	32.3
Fair safety conditions, fair wages, 8 hours of work per day and ban of trade union activities	75	33.2
Poor safety conditions, low wages, 14 hours of work per day and no freedom to unionise.	3	1.3
Very poor safety conditions, very low wages, 8 hours of work per day and ban on trade union activities	47	20.8
Total	226	100

Source: Field Survey, 2015

From the table on working conditions at the zones, 33.2 percent of the participants revealed that the safety conditions in their firms are fair, wages are fair too, they work for 8 hours per day and there is ban on trade union activities. Also, 32.3 percent asserted that the safety conditions are good, wages are high, they observe 10 hours of work per day; however, there is less freedom to unionize. Antithetically, 20.8 percent, opined that in their firms the safety conditions are very poor, wages are very low, they observe 8 hours of work per day and there is ban on trade union activities. Interestingly, 12.4 percent were of the view that the safety conditions in their firms are very good, the wages very high, they work for 8 hours per day and there is freedom to unionise. However, this group of participants who alluded to fantastic conditions of service in their firms at zones are merely 12.4 percent. Most importantly, majority of participants, 98.7 percent, disclosed that the hours of work in their firms is between 8 and 10 hours per day. Indeed, 20.8 percent who asserted that working conditions in their firms are very poor/bad were originally given 16 hours of work per day in the option, but the 16 hours was cancelled and replaced with 8 hours by all the 47 respondents. It is obvious from the responses that salaries and safety conditions vary across firms in the zones.

## DISCUSSION OF FINDINGS

As earlier noted, one of the reasons for adopting the EPZ strategy in Nigeria was to use it to address the unemployment problem in the country. With this in mind the study had as its objectives to ascertain whether EPZs have helped significantly in addressing the unemployment problem in Nigeria. EPZs in Nigeria have created various kinds of jobs, however, these jobs have not been substantial in number to stem the tide of unemployment, which has been on the increase steadily. In Table 4, NEPZA annual reports from 2008 to 2013 put the highest EPZs' employment figure at 40,129, which was the total employment of the zones in 2012, which represents 0.044 percent of the total working population of the country or 0.057 percent of total number of persons employed in the nation. The implication of this is that, EPZs total employment in Nigeria is below 1 percent of total number of persons employed in the country, indicating that the strategy has not been able to significantly or reasonably address the unemployment problem of the nation. This finding is consistent with the findings of Engman, et al (2007), when they opined that EPZs contribution as a share of total global employment

has remained relatively insignificant. According to them, EPZs account for a paltry 0.2 percent of total global employment. A breakdown of EPZs global employment statistics by region is as follows: Asia/pacific – 2.3 percent, Middle East/North Africa – 1.5 percent, the Americans – 1.2 percent, Sub-Saharan Africa – 0.2 percent and Central and Eastern Europe – 0.001 percent. In the case of Nigeria, 11 functional zones in a space of 13 years, (or even 25 registered zones) for 20,795,646 unemployed population or 92,006,133 working population is grossly inadequate. Certainly, a significant increase in the number of functional zones and adoption of labour-intensive and capital-intensive models of zones would help to increase the employment generation capacity of the zones in the country.

Furthermore, an examination of staff strength and configuration in the sampled firms shows that Nigerians are employed in a sizeable number and they occupy both managerial and technical positions in their respective firms. For instance, in table 5, the staff strength and configuration of 10 firms with the highest employment records from the four zones indicate that out of 2,208 persons employed, 2006 were Nigerians. Similarly, out of the 151 management staff 90 were Nigerians and out of 352 technical staff 240 were Nigerians. As seen in the table Rusal-Alscon has the highest number of staff in the four zones and in actual fact among all the firms in all the zones. It is important to emphasize that since December 2013 over 95 percent of the Nigerians are placed on redundancy at Rusal-Alscon due to reduction in production. Only a very few managerial and technical staff are kept for the maintenance of the facilities.

With respect to the conditions of service at the zones, contrary to popular opinion that working conditions at the zones are poor, wages low and hours of work long, great majority of the participants, who are also workers at the zones, posited that on the average the conditions of service are fair, wages are above the national minimum wage and hours of work is about 8 hours per day. However, about 87.6 percent of the respondents disclosed that, there is no freedom to unionise at the zones. Obviously, the zones need to undergo major restructuring in every facet of their operations in order to make them more productive and responsive in address the nation's unemployment challenge significantly.

## CONCLUSION

EPZs in Nigeria have created a number of jobs since their commissioning in 2001, both managerial and technical based jobs for Nigerians. However these jobs are quite insignificant in number to substantially address the country's unemployment challenges. EPZs' share of employment as a percentage of total national employment was at its highest in 2012, with a figure of 40,129 employees, which represents 0.044 percent of the total working population of the country or 0.057 percent of total number of persons employed in the nation. To achieve reasonable level of employment through strategy there is need to adopt a combination of capital intensive model of production. This is what the Asian economies have one to create higher number of jobs using the zone strategy. In addition, unionism is restricted at the zones, thus there is need to encourage free association of workers at the zones.

## RECOMMENDATIONS

Based on the finding of the study the following recommendations are made:

The zones in Nigeria should adopt a combination of capital-intensive and labour-intensive model of EPZs to create the much needed job opportunities in the country. Also, the zones should allow freedom of association in form of trade unions at the zones.

Freedom of association should be encouraged at the zones to enhance the liberty of the workers in these zones.

There is urgent need to make the none operational zones functional and encourage the establishment of more zones in the country to create more jobs.

## REFERENCES

- Adediran, A.O. (2013), Export Free Zone and National Transformation, in Azinge, E. and Omo S. (ed), Legal Regime of Free Trade Zones, Lagos: NIALS Press.
- Adenugba, A.A. and Dipo, S.O. (2013), Non-oil Exports in Economic Growth of Nigeria: A Study of Agricultural and Mineral Resources, in Journal of Educational and Social Research, Vol. 3 No. 2. Pp 403 – 418.
- Aganga, O. (2012), Nigeria Made ₦428 Billion from Non-Oil Export in One Year, Economic Confidential (May,



Edition).

- Aggarwal, A. (2010), Economic Impacts of SEZs: Theoretical Approaches and Analysis of Newly Notified SEZs in India, Munich Personal RePEc Archive (MPRA) paper No. 20902.
- Anele, K.K. (2013), A Critical Appraisal of the Monitoring and Regulation of Export Processing Zones in Nigeria in Azinge, E. and Omo S. (ed), Legal Regime of Free Trade Zones, Lagos: NIALS Press.
- Econstats, (2012), Nigeria: IMF World Economic Outlook, Available on [www.econstats.com/weo/CNGA.htm](http://www.econstats.com/weo/CNGA.htm).
- Engman, M., Osamu O. & Enrico P. (2007), Export Processing Zones: Past and Future Role in Trade and Development, OECD Trade Committee Paper No. 53 (May, 2007).
- Ezeah, N. (2012), Nigeria's Oil, Gas FTZ Catalyst for Economic Development, Sweet Crude – Vanguard Newspaper, April 30.
- Fu, X. & Gao, Y. (2007), Export Processing Zones in China: A Survey, A Report submitted to International Labour Office.
- Gerardo, E. Maruicio, J. & Felipe, L.B. (1998) "Export Processing Zones in Central America Development, A Discussion paper No 646, Harvard Institute for International Development, Harvard University, August, 1998.
- ILO (2003) Employment and Social Policy in Respect of Export Processing Zone (EPZs), Governing Body, Committee on Employment and Social Policy, Geneva: International Labour Office, (March 2003).
- ILO (2007), Eighteen Synthesis Report on Working Conditions in Cambodia's Garment Sector, Geneva: International Labour Organization.
- Mgbakagu, O. (2013), Free Trade Zones in Nigeria and Employment Generation, in Azinge, E. and Omo S. (ed), Legal Regime of Free Trade Zones, Lagos: NIALS Press.
- Milberg, W. and Amengual, M. (2008), Economic Development and Working Conditions in Export Processing Zones: A Survey of Trends, Working paper No. 3, Geneva: International Labour Office.
- Moneke, E.U. (2013), Nigeria Export Process Zone Authority: A Critique, in Azinge, E. and Omo S. (ed), Legal Regime of Free Trade Zones, Lagos: NIALS Press.
- NEPZA (2008), Annual Report of the Nigeria Export Processing Zones Authority, Published by Corporate Strategy and Planning, Maitama, Abuja.
- NEPZA (2008), Nigerian Export Processing Zones Authority Brochure, [www.nepza.gov.ng/](http://www.nepza.gov.ng/)
- NEPZA (2009), Annual Report of the Nigeria Export Processing Zones Authority, Published by Corporate Strategy and Planning, Maitama, Abuja.
- NEPZA (2010), Annual Report of the Nigeria Export Processing Zones Authority, Published by Corporate Strategy and Planning, Maitama, Abuja.
- NEPZA (2011), Annual Report of the Nigeria Export Processing Zones Authority, Published by Corporate Strategy and Planning, Maitama, Abuja.
- NEPZA (2012), Annual Report of the Nigeria Export Processing Zones Authority, Published by Corporate Strategy and Planning, Maitama, Abuja.
- NEPZA (2012), Free Zone Review 2001 – 2011, A report of the Nigeria Export Processing Zone Authority, March, 2012.
- NEPZA (2013), Annual Report of the Nigeria Export Processing Zones Authority, Published by Corporate Strategy and Planning, Maitama, Abuja.
- Nwabuzor, C.C. (2013), Territoriality and the Legal Regime Zones, in Azinge, E. and Omo S. (ed), Legal Regime of Free Trade Zones, Lagos: NIALS Press.
- Nwewi, H.N. and Ojiagu, N.C. (2014), Structural Youth Unemployment and Productivity in Sub-Saharan Africa: The Nigerian Manufacturing Sector Experience 2000 – 2013, European Journal of Business and Management Vol. 6, No 37. Pp 310 -314.
- Okwe, J. (2011), Ten Years After, is the Calabar Free Trade Zone Working? Thisday Newspaper, December 18.
- Osagie, C. (2012), FTZ Growth Will Boost Economic Development, Thisday Newspaper, April, 09.
- Singa, B.J. (2007), ILO Database on Export Processing Zones (Revised), Sectoral Activities Programme, Working Paper 251, Geneva: International Labour Organization.
- Stein, H. (2008), "Africa, Industrial Policy and Export Processing Zones: Lessons from Asia", A paper prepared for Africa Task Force Meeting, Addis Ababa, Ethiopia, July 10 – 11.
- Tyler, W.G. & Negrete A.C.A. (2009), Economic Growth and Export Processing Zones: An Empirical Analysis of Policies to cope with Dutch Disease, A paper prepared for the LASA 2009 Congress, Rio de Janeiro, June 11 – 14.

UNIDO (1980), *Export Processing Zones in Developing Countries*, New York: United Nations Industrial Development Organization.

World Bank (2014), *Build Nigeria population Graph 1960 – 2013*, hosted at [itbulk.org/population/population by country](http://itbulk.org/population/population%20by%20country).