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ABSTRACT
The study measured the effectiveness of stress inoculation training on levels of sensitivity and tension control of varsity athletes (N=86). The pretest post field control group design was employed. The instrument was the emotional reaction questionnaire (r=0.92). Stress inoculation training was administered to the experimental group while the control was given a placebo (sport film) after the pre-test. The t-test and the one-way analysis of variance were used to test the hypothesis at 0.05. The finding showed that stress inoculation training had significant effect on sensitivity and tension control of the experimental group. No significant gains were recorded for the pseudo – treatment control group.

INTRODUCTION
There is an awakened interest among sport psychologists to utilize cognitive interventions designed to enhance or positively influence the learning and performance of sports skills. Recent studies have supported the combination of both arousal control (usually relaxation) and cognitive restructuring of thought processes. (Meichenbaum 1996; Herber 1997; Davis 2000; Grean’ 2001). All cognitive intervention programmes designed for performance enhancement and arousal control have one thing in common; they all include a linkage between relaxation training and imagery (Cox 1994).

Stress inoculation training (SIT) is a cognitive intervention programme developed by Meichenbaum 1977 that incorporate relaxation training, imagery and other cognitive processes.
According to Cox (1994) the key element of stress inoculation training is the progressive exposure of athletes to situations of greater stress as a way to inoculate them against debilitating effects of stress. The four phases of SIT include identification of stress and fear relaxation training, learning of coping skills, and progressive stress inoculation using coping skills.

The effectiveness of stress inoculation training was earlier reported by Ziegler Khinzing and Williamson (1982). The effect of stress inoculation and stress management training on the heart rate and oxygen consumption of cross-country runners was investigated in this study. Result of a 20-minute post sub-maxim run showed significant differences in cardio-respiratory efficiency between the SIT group and the control.

Mace and Carrol (1985) all provided support for the effectiveness of stress inoculation training. For example, SIT was found to be effective in reducing anxiety levels of athletes involved in rappelling from the roof of a – 70 foot building.

Recently Ajayi and Hamafyelto (2002) revealed that the sport, Emotional – reaction profile established an alpha of .92 among University athletes.

The sport Emotional – reaction profile (SERP) constituting seven psychological variables was designed by Tutko and Tosi (1978) to assist athletes to become aware of the psychological problem associated with sensitivity and tension control.

For instance, sensitivity profile is an index of how much pleasure and elation are gained from success. A high scorer can be easily discouraged by mistakes or failure. But to a low scorer, it is really a problem since it suggests emotional resilience (Nearsholme, Deech and Duester, 1997). Sheehy R.S & Horan J.J (2004) examined the effect of stress – inoculation training for first year law students. They reported a significant effect of the inoculation therapy on the students.

Also in other careers, recent evidence confirmed the effectiveness of SIT on Anxiety reduction and stress management (Sheehy and Horan 2004).

Experts from other fields of endeavour have used stress inoculation to combat anxiety and control tension in work performance (Sheedy and Horon 2004). While this area of research would seem to be of interest to coaches and athletes very little has been reported on it.

Ikulayo (1999) contended that the emotions of an athlete with poor tension could interfere with his/her performance. Studies also established significant relationship between poor performance and increased anxiety level (Cox 1994, Gould, Jones and Hardy 1994, Mellatien 2003).

Recent research on emotion and cognition indicates that researchers ignore sensitivity and tension control. (Encarta, Encyclopedia, 2001). However the effects of emotion such as sensitivity and tension control are enormous on
performance under stressful conditions (Hughes 2000). Our understanding of the enormously complex phenomenon of cognition is still fragmentary because there is yet no unified theory of how the brain does its job (Encarta Encyclopedia, 2001) Researchers have wondered how pleasure or elation arising from success could cause athletes to be discouraged when they make mistakes during performance (Likki, 2000, Frey, Laguma and Ravizza 2003).

Campbell (1998) observed that marked sensitivity has far reaching implication on body homeostasis. According to him, how many people have failed to repeat successfully previous performance when they carry over the excitement of success for too long.

Experimental studies on tension control through various relaxation technique showed that when athletes severely reduced their tension, performance suffered. (Bandura, 1996; Lazarus 1994; Rachman 1994). To be able to have enjoyable and meaningful sport participation the tension of an athlete should be sufficiently high to maintain his/her performance. Rachman argued that sustained tension is required to play any sport otherwise competitive sport will be meaningless to the participants and spectators alike.

Experimental studies have shown that cognitive restructuring appears to have achieve rapid results in overcoming athletes fear, tension, anxiety, sensitivity and other emotions Bandura 1996; Rachman 1994). Lazarus (1987) cited both empirical and experimental evidence to prove that cognitive restructuring are more durable with elite athletes. The importance of training clients to alter their thoughts, self-verbalize, and self-inoculate is central to rational-emotive psychotherapy (Meichenbaum 1996), Cognitive restructuring an extension of traditional behaviour therapy, is essentially an action therapy that teaches clients constructive alternatives and also provides assertive and appropriate responses.

An important note by Lazarus (2000) has underscored the crucial role played by cognitive processes during stress inoculation therapy. In anxiety situations, for example stress inoculations training yielded greater results on individual sport athletes. Such experimental results give credence to earlier reports by Mace and Carrol (1985) and Roberts (1985) who recorded performance improvements on gymnastics and swimming respectively. Although performance gains were reported in soccer, hockey and volleyball they were not as significant as in individual sports like gymnastics swimming, jumps and weight lifting (Mace & Carrol 1985, Roberts 1985).

The purpose of this study was to examine the effect of eight-week stress inoculation training on levels of sensitivity and tension control profiles of under graduate student athletes in Maiduguri, Nigeria.

It was hypothesized that after eight-week stress inoculation training there would be no significant differences in the level of profiles between the experimental and control groups.
METHOD

A total of eighty-six participants were drawn from the population of athletes who participated in the Nigeria University Game Association (NUGA). These athletes were randomly assigned to experimental (n=43) and control n=43 groups. Prior to the commencement of the experiment, an introductory letter was obtained from the office of the head, Department of Human Kinetics and Health Education University of Ibadan to the chief coach of university with this his cooperation was sought.

Prior to the pre-test and treatment, the participants were informed of the purpose of the research. Later, the instrument: (Questionnaire on stress Emotional Reaction Profile (SERP) was administered to the respondents and the training programme commenced immediately.

Stress Inoculation Training (STI) was prepared in phases.

PHASE 1

The trainer talked with the athletes about stress responses. During this phase, the athletes learned to identify and express feelings of stress.

PHASE 2

Athletes were taught how to relax and use self-regulation skills. This was done in small groups, using problem-solving approach. Stressful experiences were described in details and potential hazards were identified. Video tape (SIT) was played and athletes practice the techniques on the tapes.

PHASE 3

The athletes learned specific coping self-statements designed to be used in stressful situations. For instance, the athletes were taught to say “I am ok” “I am in control” “I can make it”, I am in top condition.

PHASE 4

The athletes were encouraged to imagine distressful situation, which can generate high levels of emotional reactions, and they were required to use coping skill to control the tension.

The placebo – Expectancy control Groups.

The placebo –post-test control group design was used to control extraneous variables.

RESULT

The t-test for independeose samples and one-way analysis of variance were used in testing the hypothesis.
Table 1: The Mean scores and standard Deviations of groups for Experiment and control group (for pre-test differences)

<table>
<thead>
<tr>
<th></th>
<th>Experimental Group</th>
<th>Control Groups</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensitivity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n</td>
<td>43</td>
<td>43</td>
<td>86</td>
</tr>
<tr>
<td>m</td>
<td>16.1154</td>
<td>69.85</td>
<td>17.62.7</td>
</tr>
<tr>
<td>SD</td>
<td>3.84 84</td>
<td>3.9043</td>
<td>4.2679</td>
</tr>
<tr>
<td>Tension control</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>43</td>
<td>43</td>
<td>86</td>
</tr>
<tr>
<td>M</td>
<td>19.8077</td>
<td>25.8857</td>
<td>21.0460</td>
</tr>
<tr>
<td>SD</td>
<td>3.8656</td>
<td>4.5811</td>
<td>4.4117</td>
</tr>
</tbody>
</table>

**Hypothesis 1**: There is no significant difference in the levels of sensitivity profile between experiment and control groups after 8-week stress inoculation training

Table 2: Summary of one-way ANOVA on sensitivity Profiles of Experimental and Control Groups

<table>
<thead>
<tr>
<th>Source of Variance</th>
<th>Ss</th>
<th>Dfs</th>
<th>Ms</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>292.889</td>
<td>1</td>
<td>292.762</td>
<td>19.548</td>
</tr>
<tr>
<td>Within Groups</td>
<td>1273.593</td>
<td>84</td>
<td>14.983</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4831566</td>
<td>85</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Significant, F (1,85) = 6.96, p< .05. Table 2 summarises results of one-way ANOVA on sensitivity profiles of the experimental and control groups. The value of F (1,85) = 6.96, p< .05 showed statistical significant differences between and within groups. Hypothesis I was therefore rejected.

Psychological treatment is imperative for successful sports performance. Selected treatment should be logically related to the functions of behaviour and results in achievement of expected outcomes.
Findings of this study showed that psychological skill training improved sensitivity and tension control profiles of the athletes. This is consistent with the findings of Cox (1994) and Gould, Jones and Scully (1994), who observed that improvements in sensitivity and tension control profiles are likely to enable athletes, coaches, and psychologists to know which areas of physical training require more attention. Although our understanding of the phenomenon of cognition is still fragmentary, research findings indicate that improved emotions make sports participation enjoyable (Larine, 2000, Sheedy & Horon, 2004; Meichenbaum 1996).

Results showed there was a significant difference in the effect of stress inoculation training on sensitivity profiles between experimental and the pseudo-treatment control group who spent time watching sport films. As found by Ziegler et al. (1982), this study showed that gains in sensitivity profile were connected with cognitive stress reduction intervention given to the experimental group.

Further still, this study showed that athletes initially demonstrated a high sensitivity profile that implies that; they could be too excited over success. Earlier studies showed that a very high sensitivity profile could inhibit good performance when athletes make mistakes or experience failure during games. (Newsholme, Leech, & Duester, 1997; Cox 1994; Scully & Kremen, 1994). For performance outcomes to remain consistent, athletes need to balance their psychological and physical skills (Lazarus, 2000). According to Horn, Honge, McConwicke & Elliot (1997) psychologists should assist athletes to identify the emotions that interfere with performance. The use of stress inoculation training becomes important in this regard.

Athletes’ sensitivity profiles tend to re-adjust with stress inoculation training. For example, there was marked gain in sensitivity profiles by the experimental group in this study. Athletes in the pseudo-treatment control demonstrated no gain in their sensitivity profile. This cognitive reduction intervention seemed to achieve the purpose of modifying self-statement and replacing dysfunctional or self-defeating dialogue suffered by athletes (Lazarus, 2000).

Several studies of cognitive-behavioural models have gained prominence as a result of their proven effectiveness in comparative-studies. Stress inoculation training is one of the models favoured by most researchers (Rachman, 1994). This is because the method involves four different techniques of stress reduction. It should be noted that stress inoculation is limited to mental rehearsal but also involves motor activities. Researchers support cognitive tasks because mental practice appears to assist the learner in developing and organizing tasks, (Butler 1996, Bejek and Hagtvet 1996, Hardy, Jones & Gould, 1996).

Findings on tension control profiles also revealed that athletes demonstrated negative levels of tension control. When athletes do not have the skill to control tension, they allow tension to exasperate them. They leave sports arenas with
tension arising from failure, poor officiating, poor performance, and unpleasant interaction with others players. These interferences are likely to have negative impact on there performance.

CONCLUSION AND RECOMMENDATIONS

This study concluded that the eight weeks stress inoculation training had significant effect on levels of sensitivity and tension control of the respondents. Therefore sit recommended that,

(1) Sport psychologists and coaches should endeavour to examine the sensitivity profile of athletes periodically, (2) Sport psychologists should constantly check the tension control profiles of their athletes, (3) sport psychologists need to use stress inoculation training to help athletes whose sensitivity profiles are either too high or too low, and (4) sport psychologists should train athletes whose tension control profiles negatively affect sport performances.

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ABSTRACT

It is an unassailable fact that the protection of the consumers through law and policies is a soothing feature of contemporary commercial transactions. The advanced economies of the world have long responded to the social and economic feelings generated by consumerism by enacting laws, fashioning out policies and putting in place suitable regulatory measures to guide against the oppression, nay intimidation of the consumers in their daily interaction with the producers of goods and services.

Most of these advanced economies are heavily policed and regulated thus making it susceptible to control measures that ensure succour for the consumers. The same can hardly be said of the economies of the developing and third world countries that are left to the vagaries of the market system with its imperfections and consequent suffocating effects on the consumers of goods and services.

It is against the foregoing background that this paper examines consumer protection in a deregulated economy using Nigeria as a case study. The paper considers the various laws and institutions through which the consumers are protected and concludes that even though considerable progress has been made in recent years to protect the vast consuming public, consumer protection largely remains a farce in Nigeria of today.

The paper therefore recommends a more regulated consumer protection regime by way of a comprehensive consumer code where the rights and remedies of the consumers are well articulated. This will guide against the somewhat laissez faire system that holds sway presently and one that has made the consumers to
remain as pawns in the hands of the sellers in the today’s markets largely controlled and dominated by the sellers or producers of goods and services.

INTRODUCTION

Adam Smith in his work regarded as a monumental contribution to classical Economics had this to say:

Consumption is the sole end and purpose of all production and the interest of the producers ought to be attended to only so far as it may be necessary for promoting that of the consumer.¹

The foregoing brilliant postulation is evident of the skewness of the relationship between the manufacturers or providers of goods or services on one hand and the consumers on the other in favour of the former such that the later is often regarded as pawns in the hands of the former in the chain of production.

The centrality of the position of the consumers in the chain is often shown by the aphorism that there cannot be production without the consumers². Despite the importance of the consumer in the production process, he has often been treated as the sacrificial lamb whose interests are the least to be considered in the process³. Even classical Economists in identifying the factors of production of land, labour, capital and the entrepreneur neglected much to the chagrin of the consumer to mention and consider the interest of the person that would consume the end product of the combination of the factors of production⁴.

Today, that the consumer needs to be protected is no longer a subject of controversy and the reasons why he must be protected are also settled in favour of the need to address the imbalance in the bargaining power between the consumer and the producer or supplier of goods and services⁵. Since the consumer is often seen as a weaker party and therefore unable to protect himself, the modicum of protection offered to the consumer is often through the instrumentality of the state. This itself is done by means of legislation targeted at redressing the imbalance in the power relation between the producers and consumers⁶. The assumption of responsibility by the state to protect the consumers consciously or otherwise has gained momentum since the collapse of laissez-faire, a curious feature of the 18th century mercantilism in Europe⁷. The protection by the state is in addition to the pockets of protection offered to the consumers directly or indirectly at common law⁸.

In Nigeria, Consumer Protection has largely remained a farce until recently when conscious efforts were made by the government to set up a regulatory framework for the protection of the consumers through the Consumer Protection Council Act⁹. Though before the Act, there were a number of legislation through which the consumers were indirectly or unconsciously protected¹⁰.

Since the introduction of the Structural Adjustment Programme in 1986, Nigeria has pursued relentlessly the objectives of the programme including a
policy of deregulation. With the major sectors of the economy being caught in the web of deregulation, this paper seeks to examine the protection of the consumer vis-à-vis the government policy of deregulation and the challenges facing the consumer protection regulatory institutions in Nigeria with the view to ensuring that the consumers are not made the sacrificial lambs by losing the modest gain made in the realm of consumer protection in the last few years.11

CONCEPTUAL FRAMEWORK

The Concept of A Consumer

There is no universally acceptable definition of a consumer in commercial transactions as text writers and legal draftsmen are not unanimous about the meaning of a consumer that should be protected in his relationship with the producer or supplier of goods and services.12 The Black Law Dictionary defines consumer as one who consumes, individuals who purchase, use, maintain and dispose of products and services, users of final products, a member of the broad class of people who is affected by pricing policies, financing policies, quality of goods and services, credit reporting, debt collection and other trade practices for which the state and general protection laws are enacted.13

O’Grady defines consumer as the final or end user of all goods and services produced in an economy.14 Tarr (1984) defines consumer as any person, natural or legal, to whom goods, services or credit are supplied or sought to be supplied by another in the course of a business carried on by him.15

In attempting a definition of the consumer, a distinction has also been made between the personal consumer and the organizational consumer.16 The personal consumer is the individual who buys goods and services for his own use or for the use of his household and in this respect, the goods or services bought must be consumed as end or ultimate users. An organizational consumer on the other hand, refers to private organizations, government agencies and institutions who must buy products or services to be able to pursue the objectives of such organizations.

The Fair Trading Act 1973 (UK) defines a consumer as any person who is either,

1. A person to whom goods are supplied or are sought to be supplied (whether by way of sale or otherwise) in the course of business carried on by the person supplying or seeking to supply them, or

2. A person to whom services are sought to be supplied in the course of a business carried on by the person supplying or seeking to supply them and who does not receive or seek to receive the services in the course of a business carried on by him17
The Consumer Protection Council Act defines a consumer as an individual who purchases, uses, maintains or disposes of products or services. The foregoing definition removes the restrictions imposed by the English Legislation by defining the consumer and producer/supplier relationship as contractual. The definition has however been criticized as superfluous to the extent that it includes such words as “maintains and disposes” which clearly mean that even after the purchase and usage of a product or a service, a person can still be described as a consumer.

The English authorities have gone ahead to ascribe to consumer transactions three elements. First, that the consumer must be an individual who does not act in a business capacity. Second, the supplier of goods and services must act in a business capacity. Third, the goods or services must be intended for private and not business use.

A learned writer has criticized the above approach to the definition of consumer transactions on two grounds. First, it is limited in application in suggesting and providing for a consumer, purchaser and a supplier who contracts in the course of business with the effect that the consumer in the contemplation of the principle laid down in the case of Donoghue v. Stevenson is excluded. Secondly, the insistence on a contractual relationship means that the concept of freedom, sanctity and privity of contract which limit protection for the consumers will become applicable.

It is suggested as also reasoned by the foregoing learned author that the approach in Section 32 of the Consumer Protection Council Act is preferable. The attempt to confine the term consumer to purchasers of goods or services is rather restrictive and objectionable. The implication is that only a contractual consumer can qualify as a consumer for purposes of a protection. A learned author has argued that the approach would adversely affect possible claims of many end users that may not be in the direct contractual relationship with the producers or suppliers of goods and services.

The reference to individuals in the definition of a consumer is also noteworthy. It suggests that only natural persons can be consumers under the Consumer Protection Council Act. It is suggested that individuals should be interpreted to include partnerships and other unincorporated associations that may also engage in commercial transactions in the appropriate circumstances.

In modern times, the term “consumer” has been interpreted to include any person who purchases or is supplied goods, or uses or consumes goods or services at the end of a chain of production. This thus includes the otherwise excluded plaintiff in the case of Donoghue v. Stevenson. The cases that followed Donoghue v. Stevenson have established clearly that the modern conceptualization of the consumer includes purchaser of any kind of goods or services including a bus, train or air ticket, consultancy service, banking, telecommunication service, purchase of goods through the internet (e-commerce) and any person who is supplied electricity, telephone, water, gas or petroleum products.
THE LEGAL AND REGULATORY FRAMEWORK OF CONSUMER PROTECTION

There are a plethora of laws that directly or indirectly protect the consumer in Nigeria. Most of these laws do not have the consumers directly in mind, but in the process of fashioning out macro and micro economic policies for good governance and regulation of the economy, the consumers are incidentally protected. Again, there are pockets of protection offered by common law. For the purposes of this paper however, four of the legislation and the institutions created under them shall be examined with the view to determining their adequacy or otherwise for the continued protection of the consumers in the era of deregulation.

THE STANDARD ORGANISATION OF NIGERIA ACT

The Act was enacted in 1971 with the aim of standardizing products in industries throughout Nigeria and to ensure compliance with the government policy on standardisation. It has been amended a number of times to ensure that the objectives of the Act are in conformity with the objectives of successive governments in Nigeria. The Act established the Nigerian Standards Organization (SON) which is vested with wide functions and powers in respect of standardization. Also, the Act established the Standards Council to award certification marks to manufacturers whose products do not only fall within those standards but are also of importance to the national economy.

The Act is thus of particular relevance to the consumers in that it regulates industrial standards and ensures that substandard products are not sold to the consumers. There is no doubt that the law will continue to be relevant in the armoury of the protection of the consumers in the era of deregulation.

FOOD AND DRUG ACT

This Act was enacted in 1974 not directly as a consumer protection legislation, but to all intents and purposes, it intendment is to protect the consuming public. The Act makes elaborate provisions for the regulation of manufacture, sale and advertisement of food, drugs, cosmetics and devices. These terms are elegantly defined in the Act. Under the Act, sale of any article of food which is unfit for a human consumption is prohibited. What is unfit for human consumption in not defined in the Act, but generally an article of food should be unfit for human consumption if it is shown that it is injurious or dangerous to health. The Act also prohibits the sale, importation and manufacture or storage of poisonous or harmful food, drugs and cosmetics. Thus, any substance which is capable of producing any adverse effect on the health of the consumer is regarded as harmful or poisonous. It is an offence which attracts penalties under the Act.
The Act further prohibits the sale of adulterated food or drugs\textsuperscript{41}. The Act does not define adulteration but is defined somewhere else\textsuperscript{42} as the act of debasing a commercial commodity with the object of imitating or counterfeiting a pure or genuine commodity or substituting an inferior article for a superior one in order to gain an illegitimate profit.

The greatest challenge that is facing the Nigerian consumer today is in the area of fake and adulterated foods and drugs and the debilitating effect on the health and psyche of the consumer\textsuperscript{43}. While it is agreed that the National Agency for Food Drug Control and Administration (NAFDAC), an agency set up to enforce the provisions of the Food and Drugs Act has been up and doing in the area of creating consumer awareness of the existence of adulterated products and taking steps to destroy same, it is not certain if the culprits are prosecuted and penalized in accordance with the provisions of the Act to act as a deterrence to others.

It is suggested that such persons be promptly arrested and prosecuted and such prosecution publicised to the knowledge of the consumers. The Act also prohibits the importation and exportation of drugs specified in the second schedule except as authorized by regulations.\textsuperscript{44} It is also an offence to import into Nigeria any regulated product unless it is accompanied by a certificate from the manufacturer to the effect that it was manufactured in accordance with an existing standard or code of practice and where such code does not exist, in accordance with any international standard.\textsuperscript{45}

The foregoing provisions are no doubt meant to safeguard the country from being used as a dumping ground for fake, adulterated and sub-standard products that may not have been accepted in the international markets. It is however disheartening that despite the foregoing provisions, our markets are inundated with fake and adulterated products. This has resulted in NAFDAC having a running battle with these dealers for quite sometime. Goods worth millions of Naira are being destroyed on regular basis where they are found to be adulterated or substandard\textsuperscript{46}.

It is a defence under the Act that a retailer was not aware of any fraud or sharp practice by the manufacturer when he sells or offers for sale goods manufactured by the manufacturer\textsuperscript{47}. In that situation, the manufacturer would be held liable. The provision is laudable to the extent that where the retailer cannot be held responsible for contravening the provisions of the Act, the manufacturer would be held responsible. It is suggested that the penalty of #50,000.00 or imprisonment for a term not exceeding two years\textsuperscript{48} should be reviewed upward considering the gravity of the harm usually done to consumers and even the cost of doing such illicit business.
THE NATIONAL AGENCY FOR FOOD AND DRUG
ADMINISTRATION AND CONTROL ACT 1993

The National Agency for Food and Drug Administration and Control Act was promulgated in 1993 by the Federal Government to regulate and control the importation, exportation, manufacturing, advertisement, sale and distribution of foods, drugs and cosmetics and medical devices. The Act also deals with the regulation and control of bottled water, chemicals and detergent powder.

The Act created a regulatory body known as the National Agency For Food and Drug Administration and Control which was created as a body corporate with perpetual succession and may also sue and be sued in its corporate name. The Agency ensures that manufactured products are safe for consumption by conducting appropriate tests from time to time on these products and by also ensuring that the manufacturers comply with the various specifications and standards set up by the Agency. The various consumer products to which the Act relates cannot be produced except the manufacturer has registered the product with NAFDAC. The agency has functions that are similar to those performed by the defunct Food and Drugs Department of the Federal Ministry of Health and Social services under the Food and Drugs Act.

The Agency is vested with very wide powers under the Act to ensure that regulated products are safe for human consumption. Thus, it has powers amongst others to carry out appropriate investigation into the premises where consumer products are produced and can also inspect the raw materials for making such regulated products and establish relevant quality assurance system including certification of production sites.

The truth is that the agency as it is constituted today has been in the forefront of the crusade for consumer protection in Nigeria. The agency has evidently overcome the slumber that largely characterized her existence in the formative years. It has been transformed into a veritable instrument through which protection and comfort have been brought to Nigerian consumers.

The agency does not only regulate and control the manufacture and sale of consumer products, harmful, adulterated or obnoxious products that might have found their ways into the Nigerian markets are also prohibited and the consumers are also warned through paid adverts in the print and electronic media to be wary of such products. That the war against fake and adulterated products in Nigeria has not been won is perhaps attributable to the diverse nature of the Nigerian market and the extent to which these unpatriotic businessmen are involved in these nefarious activities.

The Act also creates a number of offences. For instance a person who obstructs an officer of the Agency in the performance of his duties is guilty of an offence and liable on conviction to a fine of ₦5,000 or imprisonment for a term not exceeding two years or both and by Section 25(2), any person who contravenes the provisions of any regulation made under the Act is guilty of an
offence and shall be liable on conviction to the penalties specified in the regulations and where no penalty is specified, shall be liable to a fine of #50,000,00 or imprisonment for a term of one year or both. Where the offence is committed by a body corporate with the negligence or contrivance of her Director, Manager or Secretary or any of her officers, the body corporate shall be guilty of an offence and be liable on conviction to a fine of #400,000,00.

The foregoing offences were introduced in 1999 by the NAFDAC (Amendment) Act. Prior to the time, the only offence under the principal Act was that of obstruction of officers from performing their duties. The Act does not contain specific offences. Offences can only be committed in relation to specific regulations made by the Agency under the Act.

Again, the agency has the power to prosecute offenders in respect of the offences under the Act. Thus any officer of the Agency may conduct criminal proceedings in respect of the offence under the Act and regulations, but such criminal proceedings must be with the consent of the Attorney General. The idea of subjecting such proceedings to the consent of the Attorney General is good to the extent that frivolous proceedings can be prevented, but it is also hoped that the bureaucratic process of obtaining such consent will not hamper possible prosecution of offenders under the Act. It is the federal High Court that has exclusive jurisdiction to try offences under the Act.

THE CONSUMER PROTECTION COUNCIL ACT.62A

This legislation makes provisions directly for the protection of the consumers against hazardous products unlike other legislation that indirectly protect the consumers. The Act established the Consumer Protection Council as a body corporate which can sue and be sued in its corporate name. The council is invested with wide powers ranging from provision of speedy redress to consumers complaints to seeking ways and means of removing or eliminating from the markets, hazardous products and causing offenders to replace such products with safer and more appropriate alternatives.

The Act also creates the Consumer Protection Committees in the states. The State Committees are to function under the control of the Council for the purposes of achieving the objectives of the Act. The idea of the committees at the state level is to enable numerous consumers all over the country have access to the Council whose office may be far away from such towns.

As laudable as the foregoing idea is, it is however regrettable that the Committees in most of the states are not firmly established and as such their activities and even presence are not known to the consumers. The effect is that the Nigerian consumer continues to suffer in silence in the hands of the greedy manufacturers or producers of goods and services.
Again, the activities of the Council fall short of the expectation of the consumers in relation to the articulation and enforcement of consumer rights. The Council in deserving cases can only promote negotiations, mediation or reconciliation. Where these fail as is the case sometimes, the aggrieved consumer is left to pursue his right as provided in the Laws of obligations and this is only possible where such a consumer is economically empowered to pursue such rights.65

Through a number of offences are created under the Act to check the manufacturers or distributors of a product from interfering with the rights of the consumer,66 the law has only succeeded in providing a regulatory framework for consumer protection without articulating by way of codification of the rights of the consumers. This is perhaps the reason why the impact of the council is not being felt by the average Nigerian consumers67.

The provisions entitling the consumer to compensation for personal injury in addition to whatever penalty that may be imposed on an offender are noteworthy as this may obviate the necessity of the consumer instituting another civil action against the offender for damages especially with the excruciating economy in which the consumers have found themselves68.

By and large, that this legislation has the consumers directly in focus is heartwarming. The scope of the law should be expanded to provide more and practical consumer remedies. The identified grey areas of the law should also be removed to sharpen its protective gadgets for the consumers. The Council under the present leadership has also become more alive to her responsibilities. For instance, regulations were made recently by the Council to regulate sales promotions and monitor products and services that are circulated within the economy68a. The Council is also threatening to sue the providers of GSM services for their poor services to the consumers68b.

**CONCLUDING REMARKS**

It is a truism that there is no single law in Nigeria that can be referred to as a consumer code, but the amalgam of the various legislation that constitute the legal framework for the protection of the consumers in Nigeria coupled with the pockets of protection offered at common law do not leave the consumers completely unprotected. That the consumer in Nigeria is still unprotected wholly is partly as a result of the inefficiency and ineffectiveness of most of the institutions that should offer concrete protection to the consumers and also as a result of the lack of the awareness of the laws and institutions through which the consumers are protected.

Concrete efforts at ensuring protection for the consumer in Nigeria must not only stop at the reformation of the laws and institutions but must also include the sensitization of the generality of the consumers as to the existence of such laws and institutions including the remedies provided under them.
This era of deregulation is perhaps the period that the consumers should be protected mostly because of the aggrandisement of private entrepreneurs who are often driven by their motive of profit maximization to “sniff” life out of the consumers through the provision of fake and substandard goods and services and also at costs that are prohibitively high.

The modest gains in the area of consumer protection must not be allowed to go down the drain during this era of economic exploitation. The crusade for the protection of the consumer through law must be vigorously pursued and sustained to ensure the ascendancy of the consumers as “kings” in the today’s sellers market.

END NOTES

1 Adam Smith, Wealth of Nations (1910) Vol 1.

2 Consumption is often said to be the end product of production. The process is also complete only when the goods are available to the ultimate users, the consumers.

3 The consumer being at the tail end of production is considered as not being important and always willing to accept whatever goods or products that are made available to him.

4 The factors of production in traditional economics are land, labour, capital and the entrepreneur. The consumer is clearly excluded.


7 Kanyip B. op cit at p.2.

8 For instance the rules relating to sale of goods as contained in the Sale of Goods Act have some pockets of protection for the consumers and the tort of negligence.


11 The structural Adjustment Programme (SAP) was introduced in 1986 and a cardinal objective of the programme was to deregulate the major sectors of the Nigerian economy.
12 See Monye, F. op cit at p. 17, Harvey, op. cit at p.7.
16 Schiffman, LG&Anor (1978), Consumer Behaviour, p.4
17 S.137 (2) Fair Trading Act 1973 (UK)
18 Section 32, Consumer Protection Council Act, 1992
19 For example, Ajai, op cit criticized the word “dispose” as an aberration. Also, Adekunle, O. A. in “Consumer Representation and Participation in Economic and Political Processes in Political Reform and Economic Recovery of Nigeria, NIALS, 2001 at p. 5 where he reasoned that the notion that even in the course of selling products an individual can still be described as a consumer is undoubtedly novel.
22 (1932) A.C.32
23 Kanyip,B op. cit at p.2
25 Monye, F, op cit at p.17.
26 See S.189(1) of the Consumer Credit Act 1974 (UK) where individual was defined as including partnership and other unincorporated body of persons not consisting entirely of bodies corporate.
27 See for example the case of Amadi v. Essien (1994) 1 NWLR 91; Nigerian Bottling Co. v. Ngomadi (1985) 1 WLR (Pt 4) 739 at 747.
28 (1932) A.C. 652
33 See Section 2 of Cap S9
34 Decree No of 1974 now Cap. F 32, Laws of the Federation of Nigeria, 2004
35 No mention was made of the word “consumer” any where in the Act. See further the preamble to the Act.
36 See S. 4 of the Act
37 See section 20
38 S. I (1) (b)
40 S.I (1) (a)
41 S.I (2)
43 From time to time NAFDAC publishes the list of fake products found in the Nigerian markets and warns the public against buying and consuming such products.
44 See 5.3. of the Act.
45 See the laudable provisions of S. 8(2) of the Act.
46 For example, NAFDAC destroys from time to time fake and adulterated drugs and issues warning to the public to steer clear of such drugs.
47 Sees. 18 (2)
48 The upward review was done by the 1999 Amendment to s. 17 (I) of the Act, under the repealed section the maximum penalty was #1,000.00
49 This Act was amended by the NAFDAC (Amendment) Act No 19, 1999 and The Tribunals (Certain Consequential Amendment etc) Act No 60, 1999.
50 See s.5 of the Act.
51 Section 5 and 24 (5) (9).
52 Section 1.
The functions are spelt out, in extenso under Ss. 5 and 25 of the Act. Also, S.3 of Decree No 19 of the 1999, the Act that amended the principal Act.

Regulated products are defined under section 30 to mean food, drugs, cosmetics, medical devices, bottled water and chemicals.

The lists of drugs found to have been faked or adulterated through laboratory analysis are published on a regular basis by NAFDAC.

See section 25 also s.3 of NAFDAC (Amendment) Act No 19 of 1999 that amended the principal Act.

S. 25 (1)

See S. 25 (3)

See S. 25 (4)

S. 25A of the Act introduced by the 1999 Amendment.

See part 1 of the Tribunal (Certain Consequential Amendments e.t.c) Act No 62 of 1999.

See Section 1 of the Act.

See S. 2 of the Act on the functions of the Council.

See Section 5 of the Act.

Section 8 however preserves the civil rights of the consumer.

See Sections 9 (2), 11, 12, 18, 19, and 21 of the Act for examples.


See S. 13 (1) on the rights of the consumers to compensation.

See “The Guardian” Newspaper of Tuesday 3rd May, 2005 at page 50.

See also “The Guardian” Newspaper of Tuesday 10th May, 2005 at page 7.
DIRECT INVESTMENTS OF GREEK FIRMS IN THE BALKANS: THEORETICAL APPROACH AND EMPIRICAL EVALUATION

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ABSTRACT
This research evaluates foreign direct investment (FDI) by Greek firms in the Balkans, and in Eastern Europe more generally, from 2000 until early 2005. The various investments involved a mixture of takeovers and mergers, the establishment of subsidiary companies, and joint ventures. The period of the study can be described as ‘transitional’ in terms of the economic development of the countries in which the investments have been made. Few studies have been made of FDI in the Balkans and eastern European countries. It is therefore difficult to come to any definite comparative conclusions. However, the relative lack of research in this area means that the present study is interesting and informative. It could certainly be used as a basis for further research in this area.

Keywords: Internationalization, Foreign Direct Investment, FDI, Balkans, Greek Foreign investment JEL Classification: F23, F21.
INTRODUCTION

Many studies have explored the consequences of firms adopting various internationalization strategies. In general, three methodological approaches have been developed for this type of research: (i) performance measurement based on financial indices; (ii) research for long-term performance; and (iii) evaluation of share prices. The present paper adopts the last of these. In particular, the study examines the effect on share prices following the announcement of a foreign direct investment (FDI). The study utilizes a sample of 30 Greek firms that decided to expand to the Balkans and Eastern Europe in the period from 2000 to early 2005.

The structure of this paper is as follows. Following this introduction, a literature review provides a framework for internationalization through different approaches—including a discussion of the motives for internationalization, the consequences of investments in the recipient countries, the influence of investment performance, and factors affecting the selection of certain strategies. The paper then describes the methodological approach adopted for the present study. Outcomes are then analyzed, and comments are made upon these outcomes. The paper concludes with a summary of the findings.

LITERATURE REVIEW

Rationale for FDI

In an early assessment of why firms undertake international expansion, Hymer (1960) noted that multinational firms are oligopolies and that their international development is essentially a result of deficiencies noted in final products and coefficients of production, rather than the transfer of international capital. On the basis of Hymer's thinking, Vernon (1966) developed the theory of a product ‘life cycle’. According to this theory, the direct investment of a firm is essentially defensive—because it aims to maintain the profit margin of a product when this product has passed through its maturity phase.

With respect to FDI, Knickerbocker (1973) developed a simplified model of corporate decision-making known as ‘follow the leader’. This theory argued that the expansion of firms in new markets resulted from the tendency of ‘follower’ companies to imitate the investment of a rival ‘leader’ firm.

Dunning (1977) and Rugman (1981) claimed that a firm’s direct investments are dependent on the comparative advantages to be gained through international activity. Dunning (1980) later developed his ‘ownership–localization–internationalization’ (OLI) model of internationalization, according to which a firm’s decision to proceed to direct investments is derived from a combination of ‘possession advantages’ (for example, technology possession and access to the market) and ‘installation advantages’ (for example, low costs in the
destination location). Morck et al. (1998) argued that international activity is motivated by a ‘trade-off’ between the loss of proximity and the profit of acquiring ‘collection advantages’—that is, advantages in economies of scale through the transfer of knowledge (intangible assets) and production (tangible assets).

The importance of comparative advantage in decision-making with regard to investments was emphasized by Horst (1972), and the significance of this with respect to research & development (R&D) issues was confirmed by Goedde (1978). Grubauh (1987) supported these conclusions regarding comparative advantage.

In a study of the investment motives of American firms in Europe, Scaperlanda and Mauer (1969) concluded that the size of the market was the only important factor affecting FDI. Barrel and Pain (1996) agreed with the importance of the size of the market, but recognized additional factors as being the cost of employment and representation, and the prevailing currency exchange rates.

**FDI effects on the recipient country**

Until the 1970s there was suspicion as to whether FDI brought positive effects to the recipient country. The main fear was that monopolies would form. Today, the dominant view is that FDI constitutes an effective, legitimate, and desirable means of stimulating the economic development of the recipient economy.

According to De Mello (1997), FDI has two effects on the development of a recipient economy. The first is that the inflow of capital boosts development and stimulates the recipient country to adopt new data and new technology. The second is that local managers and staff members acquire new skills and improved management practices—thus strengthening local productive capacity and stimulating domestic investment and technological development. According to Barrell and Pain (1997), FDI can operate as a channel that diffuses ideas and innovations from one country to another. In this regard, Bertschek (1995) argued that the positive effects of FDI are due to competition—in particular, the fact that domestic firms are forced to operate in a more efficient and innovative manner if they are to survive against foreign firms.

In a study of British textile firms, Haskel et al. (2002) identified a positive correlation between FDI and the productivity of a recipient economy. This positive correlation had also been demonstrated by Blomstrom (1986) and by Driffield (2000). Sun (1998) reviewed the Chinese economy over the period 1979–1996 and concluded that FDI stimulated the production capability of the recipient country through technology transfer, promotion of exports, and facilitation of the flows of labour and capital. A positive correlation between
FDI and productivity was also recorded in Sjöholm’s (1998) study of the construction sector in Indonesia.

However, there are studies that have not found any direct benefits from FDI on recipient countries. It is argued that the positive outcomes of FDI could be a result of large investments causing small or non-productive firms to leave, or that FDI is focused only on high-productivity sectors. If so, it is argued that the presumed benefits from FDI might well be illusory. This view is supported by studies in Venezuela by Aitken and Harrison (1999). These studies found no positive correlation between FDI and productivity in the recipient countries.

Factors affecting the size and effectiveness of FDI

Virtually all studies mention the capacity of the recipient country to ‘absorb’ FDI as being an important factor in successful FDI ventures. Islam (1995) and Blomstrom and Zejan (1989) suggested that many of the difficulties in this regard can be solved if corrective measures are applied to various production, socio-political, financial, institutional, and cultural factors in the recipient country.

Fidley (1978) introduced the concept of a ‘technological gap’, and underlined that there is a positive relationship between the technology that is transferred through FDI and the achievement of financial growth. According to Fidley (1978), a greater ‘technological gap’ between the developed country and the developing country is associated with greater degree of technological imitation.

Wang and Blomström (1992) emphasized the importance of competition. According to their model, subsidiaries are under greater pressure than local firms, and therefore tend to transfer more technology from the parent firm to maintain their market share.

Technological gaps impede diffusion of the benefits of FDI because less-developed countries cannot incorporate technology. FDI is thus more efficient in countries that have similarly developed technological structures. This conclusion was reached by Djankov and Hoekman (2000) in their study of Czech firms.

In Fisher’s (1999) research, the size of FDI and its effectiveness were found to be affected by relative macroeconomic size. Commenting on a study conducted by Winters (1996), in which a distinction had been drawn between Spain and Portugal on the one hand, and Greece on the other, Fisher (1999) came to the conclusion that the first two countries had benefited from an increase in FDI whereas Greece could not reap the benefits of FDI because of its unattractive macroeconomic size and the resulting unattractive environment for investment.
Blomstrom and Kokko (1997) studied the outcome of investment flow in the light of regional integration agreements. According to their results, the greater the environmental change resulting from regional integration and the larger the benefits for the country and its industry, the bigger the chances to achieve an agreement. Balasubramanyan et al. (1996) arrived at the conclusion that export-promoting policies positively influence FDI, as compared with import-substituting policies. Holland and Pain (1998) studied the countries of central and Eastern Europe and demonstrated that the efficiency of FDI was greater in these countries than that observed in more ‘open’ economies.

Eije and Westerman (2002) demonstrated that the stability and homogenization provided by a common currency obviates the problems that accompany cash transfers. A common currency also provides an additional advantage in terms of the internal financing of multinational firms. Blonigen (1997) studied the relationship between exchange rates and FDI in a review of Japanese firms from 1975 until 1992. This study demonstrated a significant correlation between times when the US dollar was ‘weak’ and periods of increased investment activity by Japanese firms in the USA.

Factors affecting the form of FDI in a new market

Three main options exist when a firm is choosing a form of FDI in a new market:

Establishment of a subsidiary firm (so-called ‘greenfield investment’); whole or partial acquisition of a local firm; and Joint venture.

Mergers also constitute a significant type of investment. However, given their similarities to acquisitions, the two are usually considered together in the international literature.

The underlying principles that guide a firm’s decision-making process are essentially: Whether the investing firm aims for partial or full ownership of the new firm; and whether the investing firm wishes to undertake further development of an existing investment, or to begin a new one.

The second follows from the first. The primary decision is whether full or partial ownership of the investment is desired. If full ownership of the investment is chosen, a secondary decision needs to be taken on the establishment of a subsidiary firm or the complete buyout of a local firm. In contrast, if partial ownership is desired, the secondary decision is whether to seek a partial buyout or a joint venture.

Mergers and buyouts are the fastest and easiest way for a firm to have access to new markets. However, these carry greater risks because the bought-out firm
might fail to enjoy the full benefits of such an investment. The establishment of a subsidiary firm offers greater control (compared with a bought-out company), but the establishment of such a firm is usually time-consuming and requires additional ‘know-how’. In joint ventures there is the possibility of combining the participating firms’ best features under minimum risk; however, such joint-venture investments often entail conflicts of interest between the cooperating partners.

According to the so-called ‘stages theory’, firms choose from among various forms of internationalization on the basis of the risks involved in capital transfers (Dunning, 1988; Rugman, 1981). According to Johanson and Vahlne (1977), this has meant that the accumulated experience of firms has led to a gradual change—away from export investment towards schemes of full ownership. In a similar vein, Gatignon and Anderson (1988) have claimed that firms with a greater capability in terms of intangible assets are more likely to seek a full-ownership investment than a partial-ownership investment.

In choosing between a buyout of a firm or the establishment of a subsidiary, the transactional cost theory distinguishes between a firm that aims to promote its own resources and a firm that wishes to acquire new resources. As an example of the first case, Hennart and Part (1993) studied investments made by Japanese firms in the USA. They found that firms that wished to transfer know-how, R&D skills, and so on preferred to establish a subsidiary. In contrast, firms that wished to acquire knowledge for the local economy or special knowledge in relation to its product, chose to expand through a merger-buyout or a joint venture.

Kogut and Singh (1988) analyzed the cultural and national factors involved in initial investment decisions and found that cultural differences between the investor’s country and the recipient’s country increased the risk of failure following investment. Gatignon and Anderson (1988) found that firms avoid full-ownership investments in countries with high geopolitical risk. Similarly, Cho and Radmanabhan (1995) concluded that Japanese firms avoided buyouts in less-developed countries. Hennart and Park (1993) noted that the strong cultural affiliations of Japanese firms led to their preferring to invest through subsidiaries. Hernnart and Larimo (1998) analyzed a sample of 196 Finnish firms and found that the greater the cultural distance between the investing country (Finland) and the target country (various OECD countries), the greater was the likelihood of Finnish firm preferring a joint-venture investment. The outcomes of the research that was conducted with the aid of Kogut and Singh’s (1998) methodology rejected the above statement.

Chang and Rosenzweig (2001) examined transaction costs and cultural and psychological differences in a sequential manner that differed from the statistical nature of previous studies. Their conclusions were similar to those of
earlier studies, but they appear to be valid only during the initial stages of a firm’s expansion.

Thompson (1999) studied the differences between joint ventures and buyouts in terms of resource allocation. They found that the costs related to buyouts and mergers constituted a decisive factor in the choice of investment type. In addition, markets in which control mechanisms were well developed led to a preference for buyouts and mergers, whereas joint ventures were preferred in other countries. This conclusion is in accord with Balakrishnan and Korza (1993) who concluded that joint ventures are used to moderate costs in situations where the acquisition of specific resources is difficult.

**Choice of FDI and Internationalization Strategy**

According to Mudambi (1999), the ‘key’ to internationalization is the choice of the market to be entered. However, before deciding upon the market, the firm should first decide upon the product to be produced in the new market and whether it wishes to expand its existing production line in the new market or develop a new production line to differentiate its product. The firm should also decide the type of the investment to be used in expanding to the new market. Mudambi (1999) was of the opinion that these decisions are interlinked, and he attempted to discover the factors that are involved in each instance.

Factors favouring product differentiation appeared to be: (i) slow sales growth in the recipient country; (ii) small-scale R&D activities in the firm; (iii) greater experience of the firm in internationalization; (iv) plans for the subsidiary to become a strategic point for further geographical development; and (v) relatively small investment in the international exercise. In contrast, a firm’s decision to differentiate did not appear to be affected by: (i) the efficiency of the new market; (ii) business risk; (iii) free cash flows; and (iv) the firm’s experience in patents.

**RISK OF RETURN AND SHAREHOLDERS**

According to Mester (1991), the buyout of a firm is often over-evaluated, and interest groups in the bought-out firm do not therefore gain much. Various studies have confirmed this empirically. Jarrel and Poulsen (1989) ascertained that returns for the bought-out interest groups are usually zero or negative. This can be ascribed to:

- a small-sized target firm (which can diminish the investment value);
- increased competition against the target firm by other potential buyers;
- institutional and legal obstacles;
market innovations;
resistance from the administration of the target firm; and
faulty investment choice of the bought-out firm.

Asquith et al. (1983) believed that buyouts and mergers brought benefits to shareholders of the bought-out firm when the buyout or merger was part of a broader investment program. Fatemi and Furtado (1985) found positive returns for the interest groups of American firms that innovated in foreign markets. Doukas and Travlos (1988) examined whether FDI constituted a profitable investment by analyzing the effects of international buyouts on the holdings of interest groups; according to their findings, when a firm expanded with branches in a new market, its interest groups enjoyed significant positive returns at the time when the expansion was announced.

By studying share market reactions, Chari et al. (2004) examined whether trans-border buyouts and mergers increased the wealth of the bought-out firm’s interest groups as well as the wealth of the bought-out firm. According to their findings, there was a strong positive reaction by the stockmarket for the bought-out firm and the target firm. This result was contrary to previous studies that had found positive performances only for the interest groups of the bought-out firm.

Corhey and Rad (2000) studied a sample of Dutch firms that proceeded to international buyouts during 1990–96. Their general conclusion was that trans-border buyouts and mergers do not create additional value for interest groups. Lowinski et al. (2004) studied 114 domestic and foreign investments within the European Union. They did not find any differences in the efficiency of these two investments. The most probable explanation for researchers is that the market of the EU is now unified on the contrary to Oh’s (2003) view according to which there is (was when he published his paper) a long way to cover.

Amihud et al. (2002) claimed that the risk entailed in trans-border buyouts and mergers is multifaceted. Banks that assume their businesses at an international level run the same share of risk – both total and systematic- which is related to other indexes and concern domestic and international market. The conclusion concerning the systematic risk is that it contributes to the increase of the total risk and in the destabilization of the international bank system. The same researchers examined the risk profiles of 214 trans-border bank buyouts. They found that the total risk is stable for the bank performing the buyout, but – at the same time - that it is shifted from the investor’s country to the recipient’s country and vice versa. In addition, investors reacted positively when the risk in the investor’s country increased, but reacted negatively when the risk increased internationally.
Driessen and Laeven (2003) studied a sample of firms from 52 countries. According to this research, there are significant benefits from the regional and universal differentiation for local investors of the developed and developing countries.

**EMPIRICAL EVALUATION OF GREEK FDI IN THE BALKANS**

**BACKGROUND AND SAMPLE**

The Balkans, taken as a whole, represents a medium-sized market that has begun to attract foreign investment in the past five years. This interest has come mainly from countries in Eastern Europe.

The study concentrated on Balkan countries in which Greek investment is strong (Romania, Bulgaria and Serbia-Montenegro) and some countries in which the Greek presence is modest (Albania, Bosnia, Croatia, and the Former Yugoslav Republic of Macedonia). In addition, some Greek investments in Poland, Ukraine, and the Russian Federation were included; however, the Greek presence in these latter areas is still limited, and the sample was not representative. The entire portfolio was thus divided into the following subgroups: (i) Romania (8 firms involved in FDI); (ii) Bulgaria (8 firms); (iii) former Yugoslavia countries and Albania (9 firms); and (iv) Russia, Ukraine, and Poland (5 firms).

**RESEARCH METHODOLOGY**

This empirical evaluation of Greek investments used the ‘typical event study’ method in accordance with the model of Brown and Warner (1985). The method studies the reaction of a stock exchange market to announcements of FDI. In particular, it analyzes the return on shares—as reflected in changes of value and dividend—of the firms that invest (the ‘bidders’) or the target firms (the ‘targets’), or both. The analysis uses a portfolio of equities that constitutes a representative sample of the market. The general price index of the stock exchange of each buyout is a representative sample. Differences in the performances of buying-out or bought-out firms are estimated over a period that starts one or more days before the event and ends after one or more days. The ‘event’ is the announcement that a direct investment has been undertaken. In this manner, it is possible to detect how the returns on the firms’ shares are affected (in relation to the returns on a market-value index) from the time of the announcement of the investment. The differences in the shares returns are called ‘abnormal returns’ (AR) or ‘excessive returns’.

This methodology was used to estimate the investments from the side of the ‘bidders’ (that is, Greek firms). The data that were required were: (i) the date of the announcement concerning the implementation of an investment; (ii) the
share prices of 30 Greek firms on each day for the period of interest before and after the announcement; and (iii) the closing prices of the all-shares index for the same period. These data were gathered from the website of the Athens Stock Exchange and from press releases and announcements of the firms. The share prices of the firms and the general price index were provided on request by the Thessalonica Stock Exchange.

These data were processed in accordance with five equations.

\[ R_{jt} = a_j + b_j R_{mt} + e_{jt} \quad (1) \]

Equation (1) is called the ‘market model’, and is based on the share price for every day for a period from 90 days before the announcement day until 11 days before the announcement day (‘day 0’).

In Equation (1):

\[ R_{jt} \] = the return of the share \( j \) on day \( t \);
\[ R_{mt} \] = the return of the all-shares index of the Athens Stock Exchange on day \( t \);
\[ a_j \] = the fixed percentage of returns that is independent of the capital market (not affected by capital market activity);
\[ b_j \] = the coefficient estimating the sensibility of the security \( j \) returns in relation to the percentage of the returns of the capital market index \( = \text{COV}(R_{jt}, R_{mt}) / \text{VAR}(R_{mt}) \); and
\[ e_{jt} \] = the residual clause with anticipated price equal to zero, steady fluctuation, and normal distribution.

After forming the model using the ordinary least squares method, \( a_j \) and \( b_j \) were taken as parameters to estimate anticipated returns \( [E( R_{jt} )] \) for each security for an ‘event window’ of 21 days from 10 days before the announcement until 10 days after the announcement.

The second equation was as follows:

\[ E(R_{jt}) = a_j + b_j R_{mt} \quad (2) \]

The abnormal returns \( (AR_{jt}) \) of the \( j \) share for each day within the period of 21 days were estimated by the difference between the realized return \( (R_{jt}) \) and the anticipated return \( [E( R_{jt} )] \) on the share. These are provided in following formula:

\[ AR_{jt} = R_{jt} - E(R_{jt}) \quad t = -10, \ldots, +10 \quad (3) \]

Abnormal performances for the entire portfolio, for every day within the period of 21 days, are provided from the following formula:
\[ \text{AR}_{pt} = \frac{1}{n} \sum_{j=1}^{n} \text{AR}_{jt} \]  

The significance of abnormal returns was checked using the t-statistic check according to the following formula:

\[ t = \frac{\text{AR}_{jt}}{\text{STD}(\text{AR}_{jt})} \]  

where \( \text{STD}(\text{AR}_{jt}) \) is the typical deviation of \( \text{AR}_{jt} \) for the period under examination.

**FINDINGS AND ANALYSIS**

Table 1 shows that there was a significant positive market response to the announcement of FDI by Greek firms in Balkan and eastern European countries. The entire portfolio showed a positive reaction from 10 days before the announcement until the day of the announcement. In the remaining period under consideration, the reactions were mixed (positive and negative) and generally unimportant.

<table>
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<tr>
<td>-10</td>
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</tr>
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Table 1: Overwhelming Performance and Significance for the 21 days “window”.

The positive market reaction was anticipated for the portfolio of Bulgaria (Table 2). Over the period of 21 days covered in this study, generally positive returns were noted. The significant positive market reaction on the tenth day before the announcement was followed by four days of unimportant negative returns. Afterwards, returns were positively stabilized, and the peak was on the announcement day. Bulgaria is now a ‘familiar’ market for Greek investors who have positive views regarding Greek investment in the region. In view of Bulgaria’s entry to the EU, and the resulting macroeconomic stability, investment in the region is viewed positively by the stock market.

Table 2: Overwhelming Performance and Significance for the 21 days “window”

<table>
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<tr>
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*Statistically significant at the level of 5%
** Statistically significant at the level of 10%
Romania (Table 3) had similar features to Bulgaria. The only difference was that the outcomes for Romania demonstrated unimportant negative returns on the announcement day. For the rest of the time, returns were generally positive and statistically important on the tenth day before the announcement and the sixth day after it. Romania has the longest development history among Balkan countries, the largest macroeconomic size, and a strong Greek presence (which will become more intense in the context of the country’s entry into Europe). Romanians’ incomes, especially those who work in Bucharest, are 3–4 times larger than those of Bulgarians.

Table 3: Overwhelming Performance and Significance for the 21 days “window”

<table>
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* Statistically significant at the level of 5%
** Statistically significant at the level of 10%

Greek investment interest in Serbia and Montenegro was ‘frozen’ at the time of this study—as a result of political instability, economic recession, and generally poor business relations with these two countries. This is reflected in the results of the portfolio for these countries (Table 4). Over the 21 days of the study, returns were negative. Four days before the announcement day, a significant negative market reaction can be noted. This diminished somewhat two days before the announcement and on the announcement day—when a small positive market reaction can be observed. Thereafter, the conditions of the earlier days were repeated—with returns being negative (becoming significant on the eighth day after the announcement).

Greek investments in this area (mainly in the FYROM) are not important. However, they are ‘bridging’ the expansion of Greek firms to Eastern Europe in general. This is possibly the reason for the negative market reaction.
Table 4: Overwhelming Performance and Significance for the 21 days “window”

<table>
<thead>
<tr>
<th>Days</th>
<th>ARs</th>
<th>t-statistic</th>
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* Statistically significant at the level of 5%
** Statistically significant at the level of 10%

For the investment portfolio in Russia, Ukraine, and Poland (Table 5), the situation was unclear. This portfolio covered a smaller number of firms because the Greek presence in this area is limited and is spread over a wider area than the previous three portfolios. For these reasons, the outcomes are variable and definite conclusions cannot be drawn.
Variable results can be noted for the entire period of 21 days, but especially on the fifth and sixth days before the announcement—when a positive market reaction on the sixth day before the announcement was followed by a negative market reaction on the subsequent day. On the announcement day and the following day, the portfolio had positive returns.

Although definite conclusions cannot be reached, certain observations can be made. The negative results might be due to the fact that these countries are distant from Greece and that Greek presence in the region is limited. The so-called ‘psychic distance’ is therefore significant. The negative returns could also be explained by the fact that the Russian economy is mainly based on energy reserves in which important foreign investors have invested—giving rise to some hesitancy on the part of Greek investors. The positive reactions could be explained on the basis of the general political stability of the region and the growing Russian economy. In addition, certain investors might believe that Greek firms are now mature and capable of making investments in areas other than the Balkans.

Table 5: Overwhelming Performance and Significance for the 21 days “window”

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CONCLUSIONS AND CONSEQUENCES

This empirical evaluation of Greek investments in the Balkans and Eastern Europe demonstrates a generally positive market reaction for the entire portfolio upon the announcement of FDI. These investments were made by a portfolio of 30 Greek firms in the Balkans and the wider eastern European area between 2000 and early 2005. The methodology used was that of a ‘typical event study’.

The findings demonstrate that market reaction varies according to the target country. This supports the view that the confidence of investors is affected by the features of each individual country. With the introduction of 10 new member countries in the EU from 2003, it is anticipated that Greek investors will be more active in these countries. It is important to note that the ‘psychic distance’ between Greece and the Balkan countries is relatively small, and this could explain the increasing Greek presence in these countries. It appears that the investment expansion of Greek firms is likely to be directed to European countries, especially Eastern Europe.

REFERENCES


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* Statistically significant at the level of 10%


MOTIVATION AND LABOUR TURNOVER AMONG UNIVERSITY TEACHERS IN SOUTHWESTERN NIGERIA

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ABSTRACT
The study examined the effect of motivation on labour turnover among university teachers in southwestern Nigeria. Subject for the study were four hundred and forty-two teachers drawn from two federal and two state universities in the southwestern zone of Nigeria. The stratified random sampling technique was used in the selection of subjects. Questionnaire method was used to collect relevant data for the study. The data collected from the survey were analysed using both descriptive and inferential statistics such as percentages, t-test and two-way analysis of variance (ANOVA). Each of the two hypotheses postulated was tested at 0.05 level of significance and the results showed that motivation actually affect the labour turnover of the university teachers in southwestern Nigeria the findings also showed that the motivation strategies available for university teachers in Nigeria are inadequate for their continued stay in the university system and that techniques were relatively more motivated by non-economics factors. Economic incentives were found to be grossly inadequate for the retention of lecturers in the university system. It was therefore recommended that both economic and non-economic forms of
motivation be employed to keep the university teachers on their job. Also, for continued stay, and reasonable level of effectiveness, the environment of the universities should be made more conductive for teaching.

INTRODUCTION

The high rate at which university teachers quit their job in Nigeria is one of the problems facing university management in Nigeria. Lecturers quit their job usually as a result of unsatisfactory situations such as low motivation and poor conditions of service. Oladapo (1987), Ajayi and Ogunjobi (2001) and Longe Commission (1991), identified poor facilities, increased enrolment, under funding and poor staffing as problems of Nigerian universities. Such problems facing university management in Nigeria according to Ibukun (1997) and Ajayi and Ayodele (2002) include: brain drain syndrome; graduate unemployment; volatile and militant student unionism; poor student welfare service; rising private cost of university education; finance; the unmanageable social demand for education; the dichotomy between state and federal universities; drug addiction and secret cult; autonomy; conflict and so on. These problems have resulted in making the university environments not conducive for effective teaching – learning process; hence, some lecturers prefer to look out for another job where the environment is relatively more conducive. To ensure lecturers’ steadfastness and continued stay, university management should have willingness on the part of lecturers in addition to the right attitude, morale and commitment to make the required contributions in order to achieve a high level of production and performance. In general, it may be said that the degree to which this is achieved will largely depend on the motivational policy set up by the university management.

LITERATURE REVIEW

Influence of motivation on workers’ behaviour

Studies on the influence of motivation on workers behaviour and productivity dates back to 1911 when Fredrick W. Taylor the father of scientific management theory presented his ideas on “Pierce-rate system”; (Taylor, 1911). Since then, a large number of experiments including the famous Hawthorne studies have been done in Industrial Psychology to determine those factors that influence workers’ behaviour. Several other motivation theories have since been postulated in an attempt to predict workers’ behaviour in organizations. These include Abraham Maslow’s theory; on the hierarchy of needs which stated that an unsatisfied need is a motivating force. They suggested that motivation to produce stemmed from a present or anticipated state of discontent and a
perception of direct connection between individual’s production and a state of satisfaction.

Other theories that contributed in this direction include: Skinner’s(1953) Reinforcement theory, Herzberg’s Two-factor theory; which tried to relate motivation and need satisfaction to employee performance and productivity, and concluded that positive job attitudes are favourable to increased productivity; McGregor’s(1960) Theory X and Theory Y, McClelland’s(1961) Learned needs theory, Vroom’s(1964) Expectancy theory, Porter and Lawler’s(1968) Integrative motivational model, and Alderfer’s(1972) ERG theory of work motivation. Some theories attempted to predict performance behaviour. Locke’s (1968, 1978) Goal-Setting theory and Adam’s (1963) Equity theory emphasized the role of social comparisons as an important motivator of behaviour. Likert (1969) was of the opinion that the quality of supervision could have a direct correlation with work satisfaction and productivity.

Mullins, (1999), and, Nwachukwu, (1994) says that the present day managers are of the opinion that reward is a very strong motivating factor for workers and they make use of both intrinsic and extrinsic factors. Oloko (1977) discovered that Nigerian workers were more committed and motivated to work in organizations managed by fellow Nigerians in which they foresee opportunity for advancement as limitless, than in organizations managed by foreigners where management and supervisors’ positions were regarded as belonging to a special class. However, performance and productivity was still low in these Nigerian organizations. According to Oloko in his 1991 study, the low level was due to some other factors such as reluctance of supervisors to delegate responsibilities to subordinates, reluctance of subordinates to accept responsibilities, which is rational reaction to the fixed sum view of power held by their superior, absence of cooperative relationship between and within grades of employees, and treatment of members and time with careless abandon by management.

Akerele, cited in Aluko(1998) stressed that in Nigeria managers fail to effectively manage their human resources. He gave the following as reasons for the ineffectiveness:

1. Failure of management to provide good quality of work life and failure to carry employees along with them, and this result in absenteeism, punctuality problem, accidents, low morale, high-labour turnover and other forms of man-day losses.

2. Management’s inability to provide fair working conditions, which often lead to industrial unrest, strikes, protracted negotiations all with serious effects on productivity and labour turnover.

3. Poor remuneration in relation to profits made by organizations, unjustifiable wage differential between high and low income earners in different
sectors in the economy also contribute to low morale, lack of commitment, low productivity and high labour turnover.

It is obvious therefore that management’s long standing concern with motivation stems from the fact that low worker motivation are thought to be reflected in such circumstance as low productivity, strikes, personal conflicts between supervisors and their subordinates, absenteeism and high labour turnover (Ajila, 1996).

Jobs, according to Argyris (1970) have a stable set of identifiable characteristics that are relevant to individual needs, wants and aspirations. Where the job characteristics are compatible with a person’s needs, the individual will be satisfied. Where the opposite is the case, dissatisfaction sets in and this will be manifested in terms of leaving the organization.

**LABOUR TURNOVER**

Labour turnover is the flow of manpower into and out of an organization (Fapohunda, 1980). The inflow of manpower is referred to as accession and the outflow as separation (leaving). Separation may be in the form of quits, discharges, lay-offs, retirement, leaves of absence and even death. Accession on the other hand has to do with replacements and new hires. Labour turnover is one of the unorganized forms of industrial conflict. It is a retreat by employees usually from unsatisfactory situations. Satisfaction is however only a part of the answer to the problem of labour turnover. Other factors abound in literature but satisfaction cuts across many of these factors. These other factors include: the conditions of the labour market (Behrend, 1953), age of the worker, chances of obtaining another job and financial responsibilities of workers, among other things. The incidence of labour turnover can at times be seen as a reflection of the quality of management skill in securing contentment among the people employed.

A certain amount of labour turnover is inevitable. Illness, accidents, aging, death and a variety of personal reasons bring about separation. Too much of labour turnover however can severely reduce productivity, as workers are perpetual learners, new to the organization all the time; demoralize incumbents and damage an organization’s public image thereby adversely affecting her corporate existence. It implies therefore that management should be concerned about the level of labour turnover in their organization, determine the degree of it that is healthy or unhealthy for the organization.

High labour turnover is dangerous as it affects the growth and productivity of an establishment. Scholars believe that a core of experienced workers is necessary for the success of an organization. For experience on the job and in the organization, workers must be stable (Hackett, 1979). Organizations are
highly concerned about employee’s leaving because it is generally very costly to select and train new employees to replace those who left. There is a general situation of discontent pervading the entire labour scene in Nigeria. The Nigerian university teachers are not unaffected by this general state of anomaly and frustration. The lecturers are not happy with their jobs. Labour turnover rates are high, while strike actions are common occurrences. The Guardian Editorial Comment of December, 2003 noted that in the last 20 years, a sizable number of Nigerian academics have migrated abroad in search of greener pastures. Many of them have been absorbed into universities and Centers of Research in Europe, America and the Middle East. Nigerian universities have witnessed a series of industrial conflicts over the failure of the employers to review their conditions of service and the progressive encroachment upon the power and authority of the Governing Council as well as internal day-to-day administration of universities through Government directives (Tamuno, 1990). On the dilemma of the teaching staff, Sanda (1991) observed that lecturers are living under the fear of rationalization, retrenchment or retirement; and they often choose to find their exit before the powers give the marching orders. The reasons advanced for the teachers’ leaving include their increasing pauperization, diminished power and prestige, salaries and conditions of service, which are no more commensurate with their services or contributions. Added to this is the fact that the attributes, which normally keep the academic mind in the universities – rich collection of up to date books and journals in libraries, functional laboratories, bustling seminars, research grants, have all become rare commodities. This brain drain has also been seen as a direct consequence of the failure of Government to provide an enabling environment for scholarship as well as what appears to be an established culture of anti-intellectualism at the highest level. (The Guardian, December 1, 2003).

Given this poor state of the Nigerian universities, low morale, poor attitude to work, brain drain, dampened linkage, coupled with the implications of good university education for the country’s future growth and development, there is the need for a study which will examine how university teachers can be motivated in order to prevent high labour turnover in the universities, since high labour turnover is a dangerous instability that threatens the realization of the objectives of research and development, innovation for efficiency, survival, high performance, good will and credibility of an organization, universities inclusive. In the 1960s and 70s, there was no stress, lecturers studied abroad and rushed back home after their studies to take appointments. In recent times however, the opposite is the case. The deteriorating environment, inflation that render salaries useless, the globalization process that has removed geographical barriers among other factors have rendered current motivational factors inadequate in keeping lecturers on their jobs. There is therefore the need to come up with appropriate policies to reduce labour turnover among Nigerian
university teachers by studying and understanding how this group of workers can be motivated.

**STATEMENT OF THE PROBLEM**

In every organization, there is the need to influence the amount of effort that workers will put into their job for better performance. The problem of how best to motivate individuals to stay-on in the organization to achieve desired objectives of the organization have since attracted the attention of social scientists, and philosophers in different parts of the world.

In the past, most managers believed in McGregor’s theory X which says that human beings are inherently lazy, have dislike for work and try to avoid it, avoid responsibilities and only seek security and so they have to be coerced and controlled to get them to put forth adequate efforts towards the achievement of the organization’s objectives. Today, experience has shown that attempts to treat employees like machines will result in voluntary quits and low productivity. In recent years, emphasis have been placed on the important role motivation plays in getting employees to put in their best efforts and various findings have shown that people only put in their best if their needs are met (Aluko, 1998 and 2001, Mullins, 1999 and Lussier, 2000). Management must be aware that employees have their values, attitudes and sentiments that affect their performance to a large extent, and that these values, attitudes and sentiments differ from one employee to another. To understand what motivate the individual worker, management must know their wants, needs and values and so, the factor that will induce people to contribute as efficiently and effectively as possible are those that satisfy their needs. High labour turnover is dangerous as it affects the growth and productivity of an establishment. Scholars believe that a core of experienced workers is necessary for the success of an organization. For experience on the job and in the organization, workers must be stable (Hackett, 1979).

If motivation is lacking in any organization, universities inclusive, there will be problems such as: (1) Lack of satisfaction for workers to perform to their full capacity and the organization’s human resources will not be optimally utilized. (2) Lukewarmness to assigned duties. (3) Organization’s objectives will not be fully realized since there will be poor quality of work. (4) Staff attrition and high rate of labour turnover.

**OBJECTIVES OF THE STUDY**

The general objective of the study was to examine critically the effects of motivation on labour turnover among university teachers in Southwestern Nigerian. The specific objectives of the study were:
1. to ascertain the level of voluntary quits in the universities under review.
2. to identify the various motivations strategies available for academic staff in these universities,
3. to examine the adequacy or otherwise of these motivational variables, with a view to minimizing labour turnover in Nigerian universities.

**RESEARCH HYPOTHESES**

1. The motivations available for teachers in the Nigerian universities are inadequate for their continued stay in the system
2. There is no significant difference between economic rewards and non-economic rewards as motivational strategies in the Nigerian university system.

**METHODOLOGY**

**The research design**

The research design for this study is the Ex-post facto design in which the researcher examined the effects of a naturalistically occurring treatment after the treatment has occurred rather than creating the treatment (Ajila, 1996). The study was a systematic empirical enquiry in which the researcher does not have direct control over motivation, since the manifestations have already occurred and thus cannot be manipulated.

**Sources of data**

Both primary and secondary data were employed for the study.

The primary data were obtained through a structured and pretested questionnaire administered on respondents between January 2003 and October 2003. Secondary information was obtained from books and journals, annual reports and bulletins on university management, newspaper extracts, governments publications, previous related research works and university records.

**Population and Sample**

The study focused on four of the ten existing public universities in the southwestern zone of Nigeria. Public universities were used because private universities were just springing up in the country as at the time of study. Of the ten public universities, five were federal and five were state universities. Two federal universities and two state universities were therefore selected for the study, using a sampling fraction of 40%. The two federal universities are: Federal University of Technology Akure (FUTA) and Obafemi Awolowo
University (OAU). The two state universities are: Olabisi Onabanjo University (OOU) and Ladoke Akintola University of Technology (LAUTECH). The study population consisted of lecturers in the ten universities. They constituted the universe to be sampled. The four universities were selected using stratified and random sampling techniques. The ten universities were first stratified into federal and state universities before two each were randomly selected from each stratum.

**Selection of Respondents**

The method used to draw out sampled respondents was the stratified and random sampling techniques. The total number of lecturers in each University was divided into the existing seven strata: Professors (Prof), Associate Professors (Ass. P), Senior Lecturers (S.L.), Lecturer I (L1), Lecturer II (L11), Assistant Lecturers (A.L.), and Graduate Assistant (G.A). A simple random sampling technique was used to select respondents from each stratum. To get a proportional sample fraction from each stratum in each university, at least ten percent of the lecturers in each stratum were randomly selected. In this way, each group in the population was represented. The combination of these sub-samples from all the strata in all the universities constitutes the sample size.

**The Sample Size**

**Table 1: Distribution of respondents (Res.) by Universities**

<table>
<thead>
<tr>
<th>Rank</th>
<th>OOU No in Group</th>
<th>OOU No of Res.</th>
<th>OOU No in Group</th>
<th>OOU No of Res.</th>
<th>FUTA No in Group</th>
<th>FUTA No of Res.</th>
<th>LAUTECH No in Group</th>
<th>LAUTECH No of Res.</th>
<th>OAU No in Group</th>
<th>OAU No of Res.</th>
<th>Total No in Group</th>
<th>Total No of Res.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof</td>
<td>45</td>
<td>5</td>
<td>32</td>
<td>3</td>
<td>22</td>
<td>9</td>
<td>187</td>
<td>39</td>
<td>286</td>
<td>56</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ass.</td>
<td>26</td>
<td>4</td>
<td>8</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>78</td>
<td>16</td>
<td>117</td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.L.</td>
<td>70</td>
<td>8</td>
<td>62</td>
<td>6</td>
<td>24</td>
<td>10</td>
<td>196</td>
<td>40</td>
<td>352</td>
<td>64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L1</td>
<td>110</td>
<td>11</td>
<td>54</td>
<td>6</td>
<td>48</td>
<td>20</td>
<td>215</td>
<td>45</td>
<td>427</td>
<td>82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L11</td>
<td>106</td>
<td>11</td>
<td>61</td>
<td>7</td>
<td>57</td>
<td>23</td>
<td>112</td>
<td>24</td>
<td>336</td>
<td>65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.L.</td>
<td>128</td>
<td>13</td>
<td>70</td>
<td>8</td>
<td>82</td>
<td>27</td>
<td>145</td>
<td>30</td>
<td>425</td>
<td>78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G.A.</td>
<td>68</td>
<td>9</td>
<td>37</td>
<td>4</td>
<td>136</td>
<td>44</td>
<td>84</td>
<td>18</td>
<td>325</td>
<td>75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>553</td>
<td>61</td>
<td>324</td>
<td>35</td>
<td>374</td>
<td>134</td>
<td>1017</td>
<td>212</td>
<td>2268</td>
<td>442</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Table 1 shows that there were 2268 lecturers in the four universities. Copies of the questionnaire were distributed to 600 respondents but 442 were completed and returned, as shown in Table 2 below.
Table 2: The sample size

<table>
<thead>
<tr>
<th>Universities</th>
<th>Number</th>
<th>Sample fraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUTA</td>
<td>35</td>
<td>11%</td>
</tr>
<tr>
<td>OAU</td>
<td>212</td>
<td>21%</td>
</tr>
<tr>
<td>OOU</td>
<td>61</td>
<td>11%</td>
</tr>
<tr>
<td>LAUTECH</td>
<td>134</td>
<td>36%</td>
</tr>
<tr>
<td>Total</td>
<td>442</td>
<td>20%</td>
</tr>
</tbody>
</table>


RESEARCH INSTRUMENT

A two part, twenty-one item, self-administered questionnaire was the main instrument used. As the questionnaire had never been used previously, its face and content validities were ensured by experts in the field of organization behaviour and thereafter pretested, yielding a reliability coefficient of 0.91. Part A of the instrument provided demographic information of respondents. Six classification data variables were tested using a nominal scale of measurement. Part B contained a number of statements on job motivation (the explanatory or independent variable) and the extent to which these motivational factors motivate lecturers’ continued stay on the job. The type of ordinal scale used is a five point Likert-type rating scale. The dependent variable-voluntary labour turnover between 1993 and 2002 was measured using the U.S labor department formula:

\[
\text{Number of employees that left during the year} \times \frac{1}{100} \times 100
\]

Total number of employees at mid. year

RESULTS AND DISCUSSION OF RESULTS

Descriptive statistics

Table 3 (on page 17) provides descriptive statistics of part A of the questionnaire (classification data). From the table, it is evident that the majority of respondents (79%) fall in the 30-49 age categories. The majority of the respondents (83%) were male, which is representative of the demographics of the male/female ratio of university lecturers in Nigeria. In all, there were 2268
lecturers in the four sampled universities, 1902 (84%) were male while 366 (16%) were female (Ologunde 2003). The majority of respondents were married (85%), while only 15% were not married. It was also discovered that majority of the respondents (78%) were recently employed showing that most of the old hands have left probably because of poor motivation. This also corroborates the fact that 59% of the lecturers were in the junior cadre (L II and below) being recently recruited.

Table 4 (on page 18) provides descriptive statistics of part B of the questionnaire. The measure of central tendency used was the analysis of the mean values of the motivational factors. The lowest mean scores were (1.85), indicated by welfare and 1.89 by work environment, while the highest mean score was (2.61) by challenging job. The measure of dispersion used was the standard deviation (SD). The lowest SD (0.915) for work environment, 0.929 for welfare and 0.940 for salary indicated that respondents did not vary too much in their responses regarding these factors. The highest SD (1.28) for domestic reasons indicated that respondents varied in their responses towards this factor. All the motivational factors examined scored below 70%. Their adequacy in keeping lecturers on their job was therefore generally low and hence hypothesis 1 was accepted.

Table 5 (on page 18) shows the calculated voluntary quits level in the sampled universities. It is observed that the turnover rate was relatively higher between 1993 and 1999 in all the sampled universities. The reason for this cannot be far fetched from the increase in salary in 1999 that saw academic staff earning more than thrice their former salaries. This supports the assertion in literature that economic rewards like increased salary is one of the factors in the employment situation that motivate people to stay on in their jobs and that manipulations of rewards have been found to affect the level of labor turnover (Ronen, 1978 and Fapounda, 1980). From 2002, labor turnover has started to increase again because after some time, salary will no longer motivate as needs and expectations will keep on increasing and also the situation of galloping inflation in Nigeria continue to neutralize the effects of increased salaries. The fluctuating nature of the voluntary quit rate could also be adduced to the unstable nature of the Nigerian economy. Furthermore, Nigerian lecturers are still not satisfied with their salaries, feeling that their salaries are not fair reward for their inputs (efforts, experience, intelligence etc) especially when compared with others in the private sectors, politicians and their colleagues outside the country. This feeling is supported by the equity theory of motivation usually associated with the works of Adams, (1963), Steers and Porter (1991) and Lussier (2000).

The turnover level in the state universities were however higher than what was obtained in the federal universities, for example, in 2002, the rate was 0.8% at OAU but 4% at LAUTECH, In 2001, it was 0.6% at OAU but 1.7% at LAUTECH etc. This shows that in spite of the fact that the same salary
structure obtains, lecturers in the state universities were generally more dissatisfied with their work and tend to look out for better jobs. This shows further that there are more to job satisfaction than monetary rewards or other incentive systems. One major factor that comes out vividly from an interview with a lecturer at OOU is the physical working environment factor. The lecturer in question did not like the environment but stays on because he couldn’t get any better offer. He, like many others, goes to work three times a week and lives in Ibadan, a city quite far from the town the University is situated. This can also be attributed to the fact that houses were not provided for lecturers on campus. Previous studies (Dalton and Tudor, 1993; Randall, 1990; Somers, 1995; Lee et al, 1992; Greenberg and Baron, 1997; Lussier, 2000; and Behrend, 1953) support this view. These studies found factors outside the employment situation that affect labour turnover to include distance of places of origin from places of employment, conditions of journey to work, rural urban origin, general economic condition of the area, reputation of the employing organization in the wider society, commitment and job satisfaction. This further corroborates the fact that experience has shown that people who work in the rural areas and have to travel long distances on bad and dangerous roads tend to seek alternative appointment and quit as soon as possible.

HYPOTHESES TESTING

The T-test for the effect of motivational factors on lecturers continued stay in the university system is shown on table 6 below. The motivational factors were grouped into two, economic (1) and non-economic (2) variables.

<table>
<thead>
<tr>
<th>Group statistics</th>
<th>Non-economic Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>Std error mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic variable</td>
<td>1</td>
<td>6</td>
<td>918.5000</td>
<td>99.1902</td>
<td>40.4942</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>9</td>
<td>981.667</td>
<td>96.677</td>
<td>32.2258</td>
</tr>
</tbody>
</table>

Independent samples test
The mean difference is -63.1667, which is very low, showing that there is little
difference between the two groups of factors. The t calculated is less than the t
tabulated -1.227<1.77, we therefore accept the null hypothesis that there is no
significant difference between the two groups of motivational factors. This is
also shown in the 2-tailed significance level of 0.241 on the table.

In testing the second hypothesis, ANOVA was used because the two groups
consisted of multiple variables, six economic and nine non-economic factors.

Table 7: The ANOVA summary table, showing the effectiveness of the
economic and non-economic rewards as motivational factors for
continued stay of lecturers in the Nigerian university system

<table>
<thead>
<tr>
<th>Var 1</th>
<th>Sum of squares</th>
<th>Df</th>
<th>Mean squares</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>14364.1</td>
<td>1</td>
<td>14364.1</td>
<td>1.506</td>
<td>.241</td>
</tr>
<tr>
<td>Within groups</td>
<td>123965.5</td>
<td>13</td>
<td>9535.808</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>138329.6</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


From table 8 above, F calculated = 1.506, F tabulated = 4.67. The F ratio was
low and not significant (0.241 level). Hence we accepted the Ho that the means
of the samples were equal. The difference between the scores was not significant and consequently, there was no significant difference between the
motivational factors as a source of motivating lecturers’ continued stay in the
universities. The null hypothesis 2, that the difference is not significant was
therefore accepted.
CONCLUSIONS AND RECOMMENDATIONS

Nigeria’s developmental pace seems rather slow and the universities which should be the place to prepare the nation for the expected leap forward is ill prepared. This is due partly to the low morale of the teachers, which in turn has increased the rate of labour turnover in the system. Lecturers’ will put in their best when the work environment is conducive; there are good welfare packages like good houses, true free medical facilities, training and development opportunities and other fringe benefits. The absence of these will lead to frustration and eventual leaving. Based on the findings of the study, the following recommendations were made to increase lecturers’ motivation and reduce their turnover rate for the Universities to attain a reasonable level of effectiveness and efficiency.

1. Improved conditions of service will immensely motivate lecturers towards better performance. Salaries and fringe benefits should be enhanced and made relevant to prevailing economic circumstances by reviewing them periodically.

2. Efforts should be made at improving the welfare of Nigeria university teachers. Good accommodation, staff schools, good medical and other facilities should be adequately provided on campuses.

3. Academic staff developments should be accorded priority since possible growth and advancement on the job is a vital motivational factor. Well-designed training programs should be emphasized in order to meet the professional needs of university teachers and enhance the quality of teaching and be able to retain competent hands and dedicated teachers. Well-trained teachers tend to be less likely to leave (Mathis and Jackson, 2000).

4. Prominence should be given to the provision of research grants. Attendants and participation in seminars and conferences should be encouraged to enrich the knowledge and skills of teachers.

5. A fair and equitable pay-system will help prevent high turnover. Inadequate rewards leads to voluntary turnover.

6. Universities should device means of giving recognition to deserving lecturers. All forms of god-fatherism should be discouraged, academic brilliance, innovation, and hard-work should be rewarded while indolence and mediocrity punished.

7. The issue of deteriorating working environments and dearth of facilities should be addressed promptly.

8. Improved quality of supervision will reduce the turnover rate when lecturers believe their supervisors are competent, treat them with respect and have their best interest in minds.
9. The job should be enriched and made more challenging by allowing lecturers to have a good chance to take control over the way they do their job and recognize important contributions.

10. The promotion prospects should be enhanced so that the lecturers’ sense of achievement and advancement will increase.

### Table 3: Frequency distribution results

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Category</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>367</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>75</td>
<td>17</td>
</tr>
<tr>
<td>Age</td>
<td>20-29</td>
<td>26</td>
<td>5.9</td>
</tr>
<tr>
<td></td>
<td>30-39</td>
<td>215</td>
<td>48.6</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>123</td>
<td>27.8</td>
</tr>
<tr>
<td></td>
<td>50-59</td>
<td>52</td>
<td>12.8</td>
</tr>
<tr>
<td></td>
<td>60+</td>
<td>11</td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td>No response</td>
<td>15</td>
<td>3.4</td>
</tr>
<tr>
<td>Marital status</td>
<td>Married</td>
<td>373</td>
<td>84.4</td>
</tr>
<tr>
<td></td>
<td>Single</td>
<td>64</td>
<td>14.5</td>
</tr>
<tr>
<td></td>
<td>Divorced</td>
<td>1</td>
<td>0.23</td>
</tr>
<tr>
<td></td>
<td>No response</td>
<td>4</td>
<td>0.9</td>
</tr>
<tr>
<td>Faculties / schools</td>
<td>Agric.</td>
<td>57</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Science</td>
<td>121</td>
<td>27.4</td>
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<tr>
<td></td>
<td>Education</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Admin.</td>
<td>17</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>Law</td>
<td>10</td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td>Sc. Science</td>
<td>37</td>
<td>8.4</td>
</tr>
<tr>
<td></td>
<td>Arts</td>
<td>34</td>
<td>7.7</td>
</tr>
<tr>
<td></td>
<td>Environmental</td>
<td>49</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Technology</td>
<td>71</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>H. Science</td>
<td>20</td>
<td>4.5</td>
</tr>
<tr>
<td></td>
<td>Pharmacy</td>
<td>7</td>
<td>1.6</td>
</tr>
<tr>
<td>Date of Appt.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>-------</td>
<td>-----</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>1970-79</td>
<td>23</td>
<td>5.2</td>
</tr>
<tr>
<td></td>
<td>1980-89</td>
<td>70</td>
<td>15.8</td>
</tr>
<tr>
<td></td>
<td>1990-99</td>
<td>221</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>2000-2002</td>
<td>112</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>No response</td>
<td>16</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ranks</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prof &amp; Ass. P.</td>
<td>48</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>SL &amp; L1</td>
<td>134</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>L11, AL &amp;GA</td>
<td>259</td>
<td>59</td>
</tr>
</tbody>
</table>

Table 4: Ranking Of Motivational Factors Using Total Scores and Mean Scores of Respondents.

<table>
<thead>
<tr>
<th>Variables</th>
<th>N Statistic</th>
<th>Total Score</th>
<th>Mean Score</th>
<th>Actual Score</th>
<th>Percent age</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement</td>
<td>425</td>
<td>1040</td>
<td>2.45</td>
<td>1700</td>
<td>61.2</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
</tr>
<tr>
<td>Advancement</td>
<td>435</td>
<td>1018</td>
<td>2.34</td>
<td>1740</td>
<td>61.3</td>
<td>6&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Enriched job</td>
<td>430</td>
<td>843</td>
<td>1.96</td>
<td>1720</td>
<td>49</td>
<td>13&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Responsibility</td>
<td>431</td>
<td>1035</td>
<td>2.40</td>
<td>1724</td>
<td>63</td>
<td>4&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Recognition</td>
<td>429</td>
<td>982</td>
<td>2.29</td>
<td>1716</td>
<td>57</td>
<td>8&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Training &amp; Devt.</td>
<td>439</td>
<td>1041</td>
<td>2.37</td>
<td>1756</td>
<td>62.1</td>
<td>5&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Challenging job</td>
<td>432</td>
<td>1129</td>
<td>2.61</td>
<td>1728</td>
<td>65.3</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
</tr>
<tr>
<td>Promotion</td>
<td>436</td>
<td>958</td>
<td>2.20</td>
<td>1744</td>
<td>55</td>
<td>9&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Supervision quality</td>
<td>422</td>
<td>872</td>
<td>2.07</td>
<td>1688</td>
<td>52</td>
<td>10&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Welfare</td>
<td>438</td>
<td>809</td>
<td>1.85</td>
<td>1752</td>
<td>46.2</td>
<td>15&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Salary</td>
<td>436</td>
<td>874</td>
<td>2.00</td>
<td>1744</td>
<td>50</td>
<td>12&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Work Environment</td>
<td>432</td>
<td>818</td>
<td>1.89</td>
<td>1728</td>
<td>47.3</td>
<td>14&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Security of tenure</td>
<td>434</td>
<td>1011</td>
<td>2.33</td>
<td>1736</td>
<td>58.2</td>
<td>7&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Compatible work group</td>
<td>432</td>
<td>1039</td>
<td>2.41</td>
<td>1728</td>
<td>63.5</td>
<td>3&lt;sup&gt;rd&lt;/sup&gt;</td>
</tr>
<tr>
<td>Domestic</td>
<td>422</td>
<td>877</td>
<td>2.08</td>
<td>1688</td>
<td>51.95</td>
<td>11&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
</tbody>
</table>


Table 5: Voluntary quit level of the sampled Universities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>OAU (Federal)</td>
<td>1.4%</td>
<td>2.4%</td>
<td>1.7%</td>
<td>1.1%</td>
<td>1.6%</td>
<td>2.1%</td>
<td>1.5%</td>
<td>0.7%</td>
<td>0.6%</td>
<td>0.8%</td>
</tr>
<tr>
<td>FUTA (Federal)</td>
<td>2.8%</td>
<td>7.1%</td>
<td>3.7%</td>
<td>1.5%</td>
<td>5.1%</td>
<td>4.3%</td>
<td>3.1%</td>
<td>1.3%</td>
<td>0.9%</td>
<td>6.1%</td>
</tr>
<tr>
<td>LAUTECH (State)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>6.7%</td>
<td>0.6%</td>
<td>2.1%</td>
<td>1.5%</td>
<td>4.4%</td>
<td>1.7%</td>
</tr>
<tr>
<td>OOU (State)</td>
<td>N</td>
<td>O</td>
<td>R</td>
<td>E</td>
<td>C</td>
<td>O</td>
<td>R</td>
<td>D</td>
<td>S</td>
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</tbody>
</table>

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RE-EXAMINING THE VALIDITY OF PURCHASING POWER
PARITY IN EMERGING COUNTRIES

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ABSTRACT
This study tests Purchasing power parity (PPP) in three emerging countries; in particular Egypt, Jordan and Turkey. We use different unit root tests; the Augmented Dickey-Fuller (ADF) test, Phillips-Perron (PP) test, and the Kwiatkowski, Phillips, Schmidt, and Shin (KPSS) test. At the same time we use three different base countries; Germany, Japan and the United State of America to investigate if the validity of PPP influenced by the type of test and/or the base country. The results show that PPP in the three tested countries is not sensitive to the choice of the base country but it's influenced by test type.

JEL classification: F31; F41

Key words: PPP; unit root tests; the ADF test; the KPSS test; PP test

INTRODUCTION
Purchasing power parity (PPP) theory is the oldest exchange rate theory. The PPP theory draws on the law of one price, which says that arbitrage will lead to prices of the same products becoming equal everywhere. The PPP assumes that arbitrage will lead to an equalization of prices across countries. The PPP states that the long run exchange rate between two countries is equal to the ratio of their relative price level. Most studies concluded that PPP does not hold. Mark (1990) did not reject the null of a unit root and the null of no-cointegration. On the contrast Chen (1995) Used Monthly data from five European countries over the period 1973:4-1990:12 concluded that the PPP hypothesis is upheld. Taylor and Sarno (1988) using data for five developed counties over the period 1973-1985 didn't reject the null hypothesis of no-cointegration between the nominal exchange rate and relative price levels. Hung and Jan (2002) show that the PPP does not hold for most Asian markets. Montiel (1997); Baharaumshah and Ariff (1997); and Weliwita (1998) show non- stationary real exchange rate. Froot and Rogoff (1994); and Rogoff (1996) show a slow parity reversion. Kuo and Mikkola (1999); Glen (1992); and Lothian and Taylor (1996) reject the random walk hypothesis in the real exchange rate. Meese and Rogoff (1983) show a
contrary result to the theory of PPP; they conclude that the real exchange rate follows a random walk, implying that time series can fluctuate without bound.

It is important that variables that are non-stationary must be treated differently from those that are stationary, a series properties and behaviour can be influenced by its stationarity or otherwise. Many economists blame the failure to reject the null hypothesis of non-stationary real exchange rate on the short spans of data used for lack of power in the standard tests, as the Augmented Dickey-Fuller test (ADF), and Phillip-Perron test (PP). Diebold and Rudebusch (1991) conclude that the unit root tests proposed by Dickey and Fuller have low power against fractionally-integrated processes. Cheung and Lai (1993) using data for five developed countries over the period 1914-1989 show evidence of cointegration in Canada, France, and Italy. A very debatable issue arises from the use of standard tests compared to more powerful one, for example, Kwiatkowski; Phillips; Schmidt; and Shin (1992). Murray and Papell (2002) conclude that the confidence intervals are wide enough to be consistent with anything from models with nominal rigidities to models where PPP does not hold.

Recent studies blame the failure of the PPP on the lack of power in the standard tests. For example, Nusair (2003) using quarterly data from Indonesia, Korea, Malaysia, Singapore, the Philippines, and Thailand over the period 1973:2–1999:4 show that when Using the ADF and PP unit root tests, strong evidence of stationary real exchange is found for only Indonesia, and weak evidence is detected for Korea and Thailand, but when using KPSS test strong evidence of stationary real exchange is found for Indonesia, Korea, Malaysia, and Thailand. He concludes that PPP does hold in four out of the six Asian countries. Erlat (2003), did not favors absolute PPP hypothesis in its purest form, on the other hand he indicate that the absolute version of the “quasi” PPP hypothesis cannot be rejected.

This study aims to test the validity of PPP in Jordan over the period 1976-2000, using Germany, Japan, and United State of American as base countries. The study uses the standard unit root tests as the Augmented Dickey-Fuller test (ADF) and Phillips-Perron test (PP) to test the null hypothesis of non-stationary real exchange rate, also it uses more powerful tests as the Kwiatkowski, Phillips, Schmidt, and Shin test (KPSS) and Perron test to test the null of stationary real exchange rate.

This study proceeds as follows. In Section 2 we identify the source of date. Section 3 describes the methodology. Section 4 presents the empirical results. Section 5 is a general conclusion.
DATA
The study used quarterly data from International Financial Statistics (IMFs) over the period 1976:1 to 2000:1. The data contain the nominal exchange rate defined as the market rate per U.S. dollar and the consumer price index. The nominal exchange rate is calculated between each tested country and base countries. For example, the nominal exchange rate between Jordan and Japan and between Jordan and Germany is calculated using the cross-exchange rates ¥ - US$, DM – US$, and JDs – US$.

METHODOLOGY
The methodology used to test the validity of PPP in this paper is unit root tests; in particular the Augmented Dickey-Fuller (ADF) test, Phillips-Perron (PP) test, and the KPSS test. The ADF and PP unit root tests are used to test the null hypothesis of non-stationary real exchange rate against the alternative of stationarity, and the KPSS test is used to test the null hypothesis of stationary real exchange rate against the alternative of non-stationarity.

THE ADF UNIT ROOT TEST
Levin, Lin and Chu (2002) indicate that when there is not enough time-series variation to produce good power in the ADF test, a relatively small amount of cross-section variation can result in substantial improvement.

The ADF test is estimated by the next model
\[ \Delta r_t = \mu + \delta t + \rho r_{t-1} + \sum_{j=1}^{k} \mu_j \Delta r_{t-j} + \nu_t \]  \hspace{1cm} (1)

Where \( k \) is the number of lags in the ADF test to determine that the errors are white noise, a maximum number of 12 lags are used. If \( \rho \), the coefficient of interest is \( \rho < 0 \) then the real exchange rate is stationary.

THE PP UNIT ROOT TEST
In empirical studies, however, the null hypothesis of a unit root in the deviations from parity can often not be ruled out using ordinary testing procedures. Dumas (1992) consider models of real exchange rate determination which take transactions costs into account. They suggest that the larger the deviation from PPP, the stronger the tendency to move back to equilibrium. The result is a nonlinear, mean-reverting stochastic process.

The PP test is estimated by the next model
\[ r_t = \theta_0 + \theta_1 (t - \frac{T}{2}) + \theta_2 r_{t-1} + \xi_t \]  \hfill (2)

The test statistic \( Z(\theta_{i2}) \) for the null hypothesis \( \theta_{i2} = 1 \). The number of lag truncation controlled by Barlett Kernal Spectral estimation method.

**THE KPSS TEST**

Followed by Kwiatkowski, Phillips, Schmidt, and Shin (1992), to test null hypothesis of stationarity, the KPSS test is estimated by the next model

\[ y'_t = \xi t + \nu_t + \epsilon_t \]  \hfill (3)

Where \( \epsilon \) a stationary is process and \( \nu \) is a random walk given by: \( \nu_t = \nu_{t-1} + u_t \), and \( u_t \) is assumed to be identically and independently distributed with zero mean and constant variance, the initial value \( \nu_0 \) is fixed and serves as the intercept. The null hypothesis of trend stationarity is tested by estimating equation (3) as follows. Let \( \epsilon_t \), for \( t = 1, 2, ..., T \), be the residuals from regressing the series \( y_t \) on intercept and trend, let \( S_t \) be the partial sum of residuals, and let \( \hat{\sigma}^2 \) be the estimate of the error variance from regression (3), which is defined as the sum of squared errors divided by \( T \), i.e.,

\[ \hat{\sigma}^2 = T^{-1} \sum_{i=1}^{T} \hat{\epsilon}_i^2, \]

then the KPSS test \( (LM) \) can be written as:

\[ LM = \sum_{i=1}^{T} S_t^2 / \hat{\sigma}_\epsilon^2. \]  \hfill (4)

The null hypothesis of trend stationarity is accepted if the value of the KPSS test statistic is less than it is critical value.

**UNIT ROOT TESTS**

To test the null hypothesis of non-stationary real exchange rate, the real exchange rate is calculated as defined in equation (1) and (2) are estimated with a constant and a time trend.

The null hypothesis of stationary real exchange rate is tested using the KPSS test by estimating equation (3), and then calculating the test statistic in equation (4) to determine whether the real exchange rate series are stationary.
EMPIRICAL RESULTS

Table 1 shows the percentage change in the nominal exchange rates and the price ratios for created sub-periods and for the entire period from 1976:1 to 2000:1. It's clear that in the long run the PPP does hold. For example, over the period 1976:1 to 2000:1, the price level increased to 44% relative to the US price level and the JDs depreciated against the US$ by 115%. On the other hand, some created sub-periods the theory of PPP was violated implying that PPP does not hold in the short run. For example, over the period 1976:1 to 1980:1, the price level increased by 6.68% relative to the US price level. Instead of depreciating, as PPP theory suggests, the JDs increased as well by 9% against the US$. Also over the period 1996:1 to 2000:1, the price level increased by 11% relative to the Japanese price level, the JDs increased by 1.17% against the Japanese yen.

Figure 1: Jordan nominal exchange rate over the period 1976:1-2000:1
Table 2 shows that the null hypothesis of a unit root in the ADF and PP tests can not be rejected for all cases which show that the real exchange rate in Jordan is not stationary, which prove that the results are not sensitive to the choice of the three different base country. In other word, the real exchange rate is non-stationary.

Also, table 2 shows results of testing the null hypothesis of stationary real exchange rate using the KPSS test. There is evidence that the null hypothesis of trend stationary real exchange rate can not be rejected at the 5 percent significance level.

Table 3 shows the results of the confirmatory analysis for the nominal and real exchange rates in the three emerging countries, confirmatory analysis joins the null of a unit root and the null of stationarity together. The results show that stationarity is confirmed for the three countries since the null of a unit root is rejected and the null of stationarity is accepted.
Table 1: Percentage change

<table>
<thead>
<tr>
<th>Time period</th>
<th>JDs/US$1</th>
<th>JDs/DM1</th>
<th>JDs/Y1</th>
<th>P-US</th>
<th>P-GER</th>
<th>P-JA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996:1 – 2000:1</td>
<td>0.00</td>
<td>-11.45</td>
<td>-1.17</td>
<td>-0.96</td>
<td>3.23</td>
<td>10.97</td>
</tr>
<tr>
<td>1976:1 – 2000:1</td>
<td>115.15</td>
<td>233.09</td>
<td>507.88</td>
<td>43.97</td>
<td>131.36</td>
<td>152.49</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time period</th>
<th>EGP/US$1</th>
<th>EGP/DM1</th>
<th>EGP/Y1</th>
<th>P-US</th>
<th>P-GER</th>
<th>P-JA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992:1 – 1996:1</td>
<td>43.76</td>
<td>33.44</td>
<td>34.27</td>
<td>11.21</td>
<td>19.23</td>
<td>21.28</td>
</tr>
<tr>
<td>1976:1 – 2000:1</td>
<td>76.98</td>
<td>96.84</td>
<td>67.38</td>
<td>63.19</td>
<td>98.41</td>
<td>79.52</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time period</th>
<th>TRY/US$1</th>
<th>TRY/DM1</th>
<th>TRY/Y1</th>
<th>P-US</th>
<th>P-GER</th>
<th>P-JA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976:1 – 1980:1</td>
<td>11.93</td>
<td>28.21</td>
<td>22.87</td>
<td>10.28</td>
<td>32.11</td>
<td>27.09</td>
</tr>
<tr>
<td>1980:1 – 1984:1</td>
<td>32.85</td>
<td>56.93</td>
<td>43.90</td>
<td>65.37</td>
<td>37.89</td>
<td>21.07</td>
</tr>
<tr>
<td>1984:1 – 1988:1</td>
<td>17.57</td>
<td>24.45</td>
<td>37.12</td>
<td>16.83</td>
<td>42.64</td>
<td>3.43</td>
</tr>
<tr>
<td>1976:1 – 2000:1</td>
<td>43.33</td>
<td>23.99</td>
<td>57.48</td>
<td>66.99</td>
<td>76.39</td>
<td>54.21</td>
</tr>
</tbody>
</table>
Table 2: Unit root tests for log of the real exchange rate over the period 1976:1-2001:1

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>U.S.</th>
<th>Germany</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF test with trend/ JDs</td>
<td>-2.1816(1)</td>
<td>-1.5977(1)</td>
<td>-1.6939(1)</td>
</tr>
<tr>
<td>ADF test no trend/ JDs</td>
<td>-0.8468(1)</td>
<td>-0.7034(0)</td>
<td>-1.0758(0)</td>
</tr>
<tr>
<td>PP test with trend/ JDs</td>
<td>-2.0444(4)</td>
<td>-1.5334(4)</td>
<td>-1.5032(3)</td>
</tr>
<tr>
<td>PP test no trend/ JDs</td>
<td>-0.8735(4)</td>
<td>-0.9012(4)</td>
<td>-1.1078(2)</td>
</tr>
<tr>
<td>KPSS test with trend/ JDs</td>
<td>0.1260(7)**</td>
<td>0.1741(7)**</td>
<td>0.1501(7)**</td>
</tr>
<tr>
<td>KPSS test no trend/ JDs</td>
<td>1.1344(7)</td>
<td>0.8380(7)</td>
<td>1.1203(7)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>U.S.</th>
<th>Germany</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF test with trend/ EGP</td>
<td>-1.2872(1)</td>
<td>-2.7821(0)</td>
<td>-0.2102(2)</td>
</tr>
<tr>
<td>ADF test no trend/ EGP</td>
<td>-0.2132(1)</td>
<td>-2.3211(1)</td>
<td>-1.2182(0)</td>
</tr>
<tr>
<td>PP test with trend/ EGP</td>
<td>-0.9545(1)</td>
<td>-1.8291(2)</td>
<td>-1.6217(2)</td>
</tr>
<tr>
<td>PP test no trend/ EGP</td>
<td>-1.8534(2)</td>
<td>-1.9821(3)</td>
<td>-2.9021(2)</td>
</tr>
<tr>
<td>KPSS test with trend/ EGP</td>
<td>0.1371(7)**</td>
<td>0.1992(5)**</td>
<td>0.1210(6)**</td>
</tr>
<tr>
<td>KPSS test no trend/ EGP</td>
<td>2.2187(5)</td>
<td>1.1292(5)</td>
<td>2.2108(6)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>U.S.</th>
<th>Germany</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF test with trend/ TRY</td>
<td>-1.2112(0)</td>
<td>-1.7228(0)</td>
<td>-1.9858(1)</td>
</tr>
<tr>
<td>ADF test no trend/ TRY</td>
<td>-1.2096(1)</td>
<td>-1.9287(2)</td>
<td>-0.9757(1)</td>
</tr>
<tr>
<td>PP test with trend/ TRY</td>
<td>-1.2919(2)</td>
<td>-1.9289(2)</td>
<td>-1.5672(2)</td>
</tr>
<tr>
<td>PP test no trend/ TRY</td>
<td>-1.7625(1)</td>
<td>-0.9872(2)</td>
<td>-1.8728(2)</td>
</tr>
<tr>
<td>KPSS test with trend/ TRY</td>
<td>0.1928(5)**</td>
<td>0.1128(6)**</td>
<td>0.1391(6)**</td>
</tr>
<tr>
<td>KPSS test no trend/ TRY</td>
<td>0.3927(6)</td>
<td>1.3219(6)</td>
<td>1.8327(6)</td>
</tr>
</tbody>
</table>

** denotes acceptance of the null hypothesis at the 5 percent significance level.
Table 3: Confirmatory analysis for the nominal and real exchange rates

<table>
<thead>
<tr>
<th>Country</th>
<th>Nominal exchange rate</th>
<th>Real exchange rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$H_{ADF}$</td>
<td>$H_{KPSS}$</td>
</tr>
<tr>
<td>Egypt</td>
<td>Reject</td>
<td>Accept</td>
</tr>
<tr>
<td>Jordan</td>
<td>Reject</td>
<td>Accept</td>
</tr>
<tr>
<td>Turkey</td>
<td>Reject</td>
<td>Accept</td>
</tr>
</tbody>
</table>

$H_{ADF}$ denotes the null hypothesis of a unit root with the ADF test. $H_{KPSS}$ denotes the null hypothesis of level stationarity with the KPSS test.

Figure 2: Jordan real exchange rate over the period 1976:1-2000:1
CONCLUSION

Using the ADF and PP unit root tests, the null hypothesis of non-stationary real exchange rate can not be rejected for all cases implying that PPP fails to hold in Egypt, Jordan and Turkey. Using the KPSS test, the null hypothesis of trend stationary real exchange rate can not be rejected for all cases indicating that the real exchange rate in Egypt, Jordan and Turkey is stationary if a trend is included. We conclude that PPP in Egypt, Jordan and Turkey is not sensitive to the choice of the base country but can be influenced by the type of test. Confirmatory analysis for the nominal and real exchange rates in the three emerging countries confirmed stationarity.

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ABSTRACT

The objective of this research is to examine the reasons why the labour masses appear so weak today to confront the complexities that derive from the production processes, unionism and from labor training as well. This weakness is maintained under the effect of the radical changes that are recorded in technology at the age of computer information and globalization. Under such circumstances of change, the logical question would be, is the education capable to be adjusted and follow the conditions of those developments? With the undergoing restructuring in the traditional workplace it is challenging a multilateral and astonishing devitalization of the traditional form of labor organization. Consequently, the attention is focused at the study, which would elevate the significance of the new form of struggle, the organization and function of the Unions in the newly shaped work relations globally by analyzing, in parallel, the possibilities of syndicalism in the issues of education.

Key words: globalization, labor, syndicalism, training, and organization.

INTRODUCTION

The purpose of this article is to study the degree to which the consequences of technology with the rapid developments that take place internationally, regarding the information and communications, are beneficial to workingmen in our age. That is, do the existing relations at the workplace between capital and labour with the techniques and practices applied in technology are suitable for man and society today? In other words, does the role of technology with its rapid developments respond positively to those categories and to what degree the man of work is able to participate, comprehend and follow them? For this reason, we attempt an examination about the training of labor masses regarding general work issues, the functional subjects of production with the new computer technology of information and globalization introduced. We pursue thus a different approach towards the training or general education of the working population, in terms of the economic restructuring that is taking place, so that fundamental outcomes in the labour and its agents could be reached.
It is well known that the late capitalist social formation undergoes a great modification globally, which has been characterized as **globalization**. This term initially refers to the doubtless domination of free market, pursuing a market space with total release from any compulsion. It refers to an independence from any imposition of its function, or even undermining the concept of the free character of the market. That is, it indicates a market that can only be governed by the mechanisms of demand and supply, since it wants the free competition in its function to be guarded. Whereas, the globalization elevates a fundamental role of competition, the free international markets and the labor market in worldwide, as well as the elimination of the significance of the economic borders of nation-state, which indicates a new form of competition in opposition to what liberalism had previously professed. While classical liberalism restricted the economic actions within the state’s national borders, globalization opens them widely. Globalization thus exhibits the opening of the gates with other nations, the ‘great importance of the international money markets and the significant role of the free circulation of capitals’.

The outcome of this opening is an international economy without borders. In parallel, it refers to the vital role of the new technologies of the rapid information and communication. Briefly, the term “globalization” stresses the open character of global economy. The supporters of the neo-liberal approach are, according to Fotopoulos, positive toward the globalization, because they believe that it is beneficial for all social strata and for the environment as well. The reasoning for this belief is that globalization “apparently allows the growth of healthy competition and thus leads to an improvement of effectiveness and spread not only knowledge, but also the goods of growth, through the so-called ‘phenomenon of downward diffusion’.

Nevertheless, ‘other theories draw our attention to the importance of national governments and local economies in the framework of the world economy’. Thus, they give the ‘interpretation of state’s constant intervention in economy, in spite of the obvious triumph of neo-liberalism and the increasing globalization’. But, the more open the markets become, the greater appears to be the degree of accumulation of wealth in fewer hands, and the weaker is the state to intervene. The question here is, whether it has been historically proven that the competition mentioned above, that spreads today to the international scale is indeed free. Must the market be governed by the natural and neutral forces of demand and supply or not, and if yes, where shall it end up?

**HISTORICAL REVIEW**

By attempting to compare the current situation with other historical circumstances previously, we focus on the industrial revolutions that took place in the 18th and the 19th century. Both revolutions affected the radical changes that were recorded in the social, economic spheres and technology, as well as in
politics and education globally. That is, while a social transformation from feudal to bourgeois form is noted at the first revolution, a greater change happens in the second. Such change was the result of the technological and scientific achievements at the time. Consequently, while the first was the revolution of iron and coal, which implies a gradual expansion of the use of machine, the recruitment of men, women in factories and their transformation from the agrarian to the industrial sector, the other was different. It was deeply scientific; Education, responding to new technological and scientific demands, had to open its gates to all-social strata and not remaining private terrain for the privileged group. The second revolution indicated no interest in improving the existing goods, but more likely to create new ones. Its impact quickly became very intense, its consequences became very important and the change in people’s way of life and thinking much different. It was the change of the great technical automation in the industrial sector and the broader use of electric power. It was, consequently, the revolution of stainless steel, petroleum and chemical products, with technical accomplishments and inventions in many fields, like the field of medicine. Successes in medicine and pharmaceutics, with antibiotics and vitamins that were discovered in microbiology and biochemistry, cannot be ignored because they supported other alterations in the social and work environment. The rapid technological development that occur in our days, a century later, can be called the third industrial revolution, which carries the imprint of an even greater social change with implications in many levels. These technological changes and evolutions have important influences in the labour and production process, as well as generally in the market.

Many researchers today would agree that the role of technology and communications, apart from being essential, is also dominant. This dominance appears in the field of science and technology with a great development in tension and extension in the labor world, in the market and in the process of production. However, the form of development tends to bring the countries together but also to incorporate them in a commitment to obey the rhythms of economy. Nevertheless, these rhythms frequently create inequalities as the profits of the technological developments are appropriated by certain groups of society. In this way, there is followed a pattern of development which is designed by various elites for the productive processes so as to assure profits and finally lead them to an economic prosperity. Consequently, the danger of the imposition of economic power over the exercises of politics becomes visible. While politics enforced to obey the rules of the private profit in economy that could motivate the machination of the state by copying its track and adopting its function.

Under different circumstances, without economic imposition, a government could avoid the notions of new liberalism and could be able to adjust the international developments with interventions to reach the equal national
growth. But since the politics give-in to the invocations and demands of the private capital and while, the role of the national state is undermined by the globalization of the economic interests, in parallel, the political autonomy is inevitably eliminated. So, when the required autonomy is not accomplished in politics, the ruling forces and their practices cannot have the expected results and they are left in their own fate, so that the development can be described and planned by the economic elites.

Thus, in order to avoid the submission of politics, the social institutions like syndicates and social movements must be activated, modernized and reformed so as to respond sufficiently to the demands of our time. This can be accomplished only when these institutions hasten their modernization as well as their relevance with the society of information and computer science. That is why the culture of the employees, or their education, is the main concern and an inseparable element in the achievement of the modernized target of the syndicates, acquiring computer and general knowledge. It can be for one additional reason, that these institutions were born in different epochs and so their modernization is necessary for being adjusted to the new conditions, otherwise they could be doomed. Consequently, the labor organizations must take part in the struggle with terms and conditions that are described in the field of technology. This challenge derives from the need to change the existing situation, which restricts the workers exclusively to the use of a certain technology. That is, a restriction to a role and not to a dialogue or to their participation in thought within the decision-making process for the production and the planning of technology.

But if during present time, the barriers at the ethnic borders of each country are removed for the capital, leave them open for its free organization, movement and accumulation in a world scale, an unequal relation with labor is created. The latter, can only be in an unfavorable position and incapable to transform circumstances of function and education which could entitle it with a substance and content. Because with the new technologies of computer and information, it is impossible for the work-person to be able to form an independent judgment in the factory or in the office and also control or to be aware of the results that are being suggested by the special technicians or programmers. Additionally, when the labour organizations do not have the important tools of education and democratic function, they would be far from their target, which is the modernization and emancipation of their members.

The dominant view today claims that in the transition towards the preponderance of the cultural capital, the field of the class struggle is shifted from the area of the factory and it is directed towards the office, the counter and the computer devices. But this field of class conflict is not quite clear. For example, the idea that the conflict in the workplace as a class struggle is not shifted to the new fields, but stops and ends up, is the most popular view.
Adding to that is the notion that the class struggle itself can be lost before it begins due to the fact that the enemy has become a disguised opponent. Such result, as a defeat of labor, can be complete when the worker cannot realize any longer the exploitation that he is suffering. The crucial factor from a defeat like that is definitely the submission of labour to the domination of capital through an ideological embodiment.¹ One basic element of this submission was the restructuring of the training of labor against its real interests, as well as its decay in the formation of the human resources in the decades of 1970 and 1980.

CURRENT DIMENSIONS OF UNIONISM

Let’s see further why this negative side of labor reflects the weakness of the syndicates. In other words, when the basic education of the working population is missed, the labor representatives indicate naturally an ineffectiveness or even insufficiency that derives from the gap deficient knowledge causes. The fact that the trade unions or syndicates, as the main organizations of the working class, appear today powerless in international level to undergo the necessary transformation and maintain important influence in the post-industrial age disappoints deeply. The negative signs about the working population and its organizations are showed with large titles in the newspapers, magazines and books during the last decades. For example, phrases as “good buy to the labour class” and "the march of labour is halted" etc. depict the syndicates as obsolete organizations where ideology and especially class-consciousness of their members is about to vanish. Consequently, these phrases are the echoes of the interconnected dimensions of change stated below. Echoes that have transformed the context the trade unions operate.

The first dimension of change is connected with the structure of company ownership or with the ownership of enterprise. That is, the ownership of wealth constantly shifts hands and for that the focusing at the labour protests becomes increasingly obscure. As a result, fewer employees know who the bad persons are or who the harmful workers without consciousness are. It appears that a supervisory and executive control is vested into a salaried paid class of personnel and managers, who have little, if any, ownership in the company. This small class reports to a distant group of human or institutional shareholders that each can have little control over the policy of the company. Employees in the numerous positions in the public sector cannot be related or even identify shareholder or owner because there isn't any. In this case, there are different labor categories: a) those to which labor is sub-contracted or based on a contract and b) those that can be self-employed. That is, working on their premises or homes. This way, it becomes very difficult for any of those expanding individuals to experience class consciousness or even trade union consciousness since their own individual work activity is characterized as high job discretion, self-discipline and self-exploitation.¹
The second dimension is related to the change that denotes the style of the management. In big corporations, where the nature and scale considerations and studies of the task require the gathering of a great number of employees under one roof, the type of supervision, control and job differentiation is changing as well. Fordism, as a model in the process of production, reflects generally the control over the labor process through a rationalization and fragmentation of skills. Work techniques like connected use of machines in the assembly line, where the produced product is rhythmically programmed, transferred mechanically to the employees and takes its final form. This model increased the productivity and didn't require special technical knowledge or experience for the employee's response. It required only speed in worker's repetitive movements, with no delays, that must be performed in the rhythm of the automated machines during the process of production.

The harmonization of profits with salary raise took place in Ford and so the strikes were sustained in low levels. For that, it was considered as a system of reconciliation between employers-employees with norms and regulations which nevertheless demanded a scientific administration for an effective control. Such scientific administration was historically handled by the method of Taylorism. The movements of every worker whose performance rise best per hour, studied by this method in the process of production, and established afterwards either by piece or by a mechanical automated way so there should not be a need for supervision. This way, supervision was achieved through automation, without a need to hire highly paid stuff for this job. Taylorism as an administrative method was established on the base of separation between production and control. ‘Taylorism’ and ‘Fordism’, proved successfulness by imposing an administrative control over the process of labor through rationalization and segmentation of the abilities, but did not offer a solution. Techniques of labour studies expanded productivity and helped keep both consumer prices and the bargaining power low. By keeping this bargaining power in low levels and simultaneously raise the productivity of the time-techniques to the maximum performance of machine and man, it had negative results for the people at work. It resulted, in long run, to the total exhaustion and tiredness of the employee and to his resignation from any form of collective and unionist action. So, it leads the worker to a negative development of his human becoming which is a dehumanized predicament.

The rationalization of Taylor was based on the notion that "an industrial organization is ruled by certain laws who can be discovered by observation and experiment". When these laws become known, the maximum productivity is achieved. From a different aspect, "if everyone accepts these laws, there is no room for negotiations and disagreements, as long as no one can negotiate scientific facts". According to this prospect, the role of trade unions is perceived to be harmful for both the entire economy as well as the employees themselves.
However, if the company treats an employee as a machine, his productivity might be temporarily increased, but only because he resigns from his collective struggle and left to a state of degradation. This situation gradually leads the individual to his alienation and ends up in the long run to a constant reduction of productivity. The treatment of the employees as machines or objects which alienates them, has brought in our age one class homogenization, workers solidarity and yet the trade unionist militancy to its end. A new wave of administrative practices was inaugurated under a large umbrella of human relations' movement. The various theories of labor relations that classified the employee’s needs to needs of development and needs of self-completion created a great confusion.

By training the administrators or managers with the techniques of leadership, for the creation of employee’s motivation and cooperation, the feeling of rivalry can be easily diminished. This elimination is based on the systematic seduction of the administrative, managerial technique to the world of labor. Studies have shown that the school cannot offer business training and technical knowledge today so that the mental horizons of the educated might be broadened. What is being mainly taught to the workers is ‘discipline, respect to authority and to the intellectual labor, which is always found somewhere else’. The task of administration has considerably broadened today, so that it can embrace the commercial and technological functions and instructions of industrial products, the goods and services for the market and the construction of working consent about the ethics of the private industry. Under this prism, the employees who are interested in the survival of their company and they are involved in various forms of participation, might find it very difficult to understand and discern who is the enemy of the working class, and if this enemy exists at all. If the version of such enemy does not exist, then the reasonable question that emerges is why the trade union or the syndicate exists in the first place?

**The third dimension** is related to the problem of syndicalism in our days, which derive from the change in technology. The techniques of the computers or the electronic technology and automation have had great consequences on the quantity and the quality of manufacturing employment. The monotonous activity, or the usual routine of the monotonous exhausting movement and the unskilled functions in general, have been in our age incorporated into more sophisticated machines technologically, whose former users are now considered to be useless. Additionally, the quality of the available jobs presupposes more technical and theoretical skills and so challenging not only the technological embodiment but also one form of a strict and disciplined supervision. These new professionals, who enjoy excellent working conditions and separately negotiable salaries, would tend to be cold and distant from the functional effectiveness of the mass trade unionist participation and militancy.
The fourth dimension is related to the change from the industrial economy to the economy of services, in the world economy of high sophisticated technology. In other words, the technologies of computer information and telecommunications, as well as the sector of supplying services, have augmented so as to appear in our age the new economic realities that make the manufacturing system inferior and decline. The advanced market economies proceed in a de-industrialization rapidly as another sector gains ground now and new job positions are found in the tertiary sector. But even this regarded sector of services, gives its place to the sector of knowledge, due to the technological developments that are composed by technicians, scientists, professors, advisors, a small elite of businessmen, free traders, computer programmers etc. The effects of this shift in the world of work, from agriculture and industry to the tertiary sector, on trade unionism are multiple.

The factors gave birth to trade unionism and to the labor protests, have reached a point of a systematic obliteration. The hard core of organized syndicalism of the shipbuilders, ship-repairers, railway men, workers of harbor, mineworkers, factory and construction workers, undergoes the greatest ordeal in the process of this transition. In their place, new jobs and professions have been created as services of personnel with low managerial and clerical duties, with distributional and transport forms of commerce and with a growing concentration of women in the labor force. Nevertheless, the scale of service sector enterprise is much smaller than its manufacturing counterpart. Consequently, the atmosphere of industrial relations that has been developed in the sector of services is much more likely to be employer dominated and administrated by paternalistic relations which enhance the corporate ethics among the employees.

Indeed, the employees in the office as white-collar workers, men and women in a small business scale, have no tradition of participation in the trade union operations and activities. So they are themselves important cases of references regarding trade union mobilization in protests, which were not successful. Obviously, because the leaderships of trade unions unable to overcome themselves in the new form, which could develop consciousness and vision for their new members so that they can have an organized action in terms of dynamism, they are not capable of incorporating all these portions effectively. Additionally to this ineffectiveness is the bureaucratic rather than the democratic form of function of unions. We must make a consideration here about these office employees who compose a 'part of lower middle-class'. In other words, the white-collar workers as office employees are a composition of a portion of a class. It means that they are 'part of a class in the private and public sectors, to which office employees belong in the sphere of circulation capital as in sales, commercials and marketing as well as in the liquidity of banking and financial capital'. In the sphere of services also with the various sectors of research and production of information or in the 'state apparatuses as
public services, lower civil servants etc'. This new-composed group is more likely affected from the promotion and the career than the general perception of the class-consciousness. Since this portion of a social class gives an emphasis to knowledge, as a ticket to enter in better work environment with big salaries that contribute comfort, the syndicates will have a disadvantage to organize and incorporate it in their own function. With all these weaknesses and differences of the particular portions of the working classes, the labour organizations and the trade unions are called to confront the new problematic circumstances of our time, which is quite strained by the shape the world economy is taking.

TRADE UNION’S CRISIS & THE TRAINING OF CULTURAL CAPITAL

From the analysis above, we notice that syndicalism in general has been heavily wounded, as its defeat appears to be great. But, although these various parts of the working class and the training problems have vibrated unionism, the syndicates and generally the joint partnerships by the agricultural movement and cooperative societies haven’t yet faded. Although they are having crucial problems in the transition to information and globalization age the trade unions are still alive. In an effort to estimate and solve those problems that have been created from the new era, these forces stand firmly before the new reality. It seems that they are trying to figure out techniques and methods, which will defend and promote the labor interests in the new developing conditions through the four dimensions that were described above.

The main reasons, however, the labour organizations and trade unions are not capable to comprehend the implications and consequences of the postindustrial society, is that they are left behind in theory and education. In other words, this is a delay of their theoretical understanding that is related to the side effects and basic implications of the changes, which are taking place in society. The workers and the syndicates must find viable answers to repression and exploitation and for that they must expand the investigation to the international field. Perhaps, the important struggle must be waged in the political field with a great support of the percolation and agitation of ideas, so viable and rational answers can be sought. In order to make this possible, the trade unions themselves must recognize the politics of the age of information, telecommunication and globalization.

Consequently, after the workers and their organizations get acquainted to their objective situation through the above methods and education, they might reach an ability to develop a new vision incorporating a word of perspective and possibility first and then a call for political action. The co-existence with political labor parties on a base of mutual relation as well as on the essential autonomy of the organizations of labor is considered to be a necessity in terms
of correlations. The effectiveness of the unionized activity thus, depends on how well the members know the field of scientific knowledge of the society of information and how well these forces associate in a form of federation, shaping a collective subject that can demonstrate the required drive.

The negative element regarding the labour movements in the international field is that the universities and educational institutions in general, especially in the advanced west, educate, specialize and produce such an education so that it benefits certain social groups and certain levels in a bias way. In other words, these educational institutions only care to supply and ensure the specializations and the proper attitudes towards the interest groups, which are involved in the transition to a post-industrial world that is based on the society of information.

The first wave of this transformation was the change, if not the shut down of many departments, which had an orientation towards research and education of social sciences in worldwide. The student protests and insurrections of 1968 verify the awakening of the international youth and constitute a radical change of the way the nations and universities exercise politics. That is, the exercise of political power in an authoritarian way proves to be negative at the workplace environment of the advanced industrialized countries. While in the field of education, social sciences that lead to degrees of social economy, political sciences and sociology, seem to produce potential "revolutionaries". The emphasis of the liberal notion to the education thus, which had partial progressive evolution since it had given attention to the social sciences so as to influence the thinking subject, was shifted to a clear professional method, therefore to a 'functional' education.

Members of the teaching stuff of the universities in many countries, who had long-term work experience as professors in departments of social sciences, had to shift the emphasis of education and transpose themselves to classes scheduled for business-orientations otherwise they had to be driven out. The education or training was thus prejudiced because it was perceived as a center-place that supplies the market only, losing in parallel, the possibility to become itself a catalyst of democratic change within its social environment.  

The second wave of transformation was the proportion of the education of social sciences that had an obsession on the official substance, where it had constantly taken a conservative form. What this proportion finally succeeded was to become itself a package of specializations and for life studies, with a bourgeois conception, that relate to the best embodiment of the person in the existing social structure. The study of society was transformed then from an analysis of class conflict that emphasizes on the inequality of power and class struggle, to an approach of the systems of education that are interested in "decency", "roles" and "mutual dependence".
The third wave was the liberal theoretical approach, which had been described as neoclassical and it had been revived as dominant social philosophy from the birth of political conservatism in the industrial world. In the activity of social sciences with structure and action, the latter is elevated to have supremacy today. That is, the action in our days has been considered to be superior in various fields like positive sciences, organized systems, econometrics etc. The methodology of social science has been shifted to a minor perspective that gives importance to the person as a master of the game. A deception or a misconception lies here however, since the action of one person alone does not necessarily benefit the whole, due to the fact that it is not an action of the collective. So, this illusion appears in that view that regards men as being able to make their own history exactly as they please, and not under circumstances that have pre-existed, ‘which have been directly given and transmitted from the past’.

The fourth wave was the international character of the capital, which has intensified the process to accomplish an educational provision more useful to industrial needs. Such needs include the technical skillful abilities in education as well as in attitudes, which are without criticism to the authority. The internal university cooperation in the west has been generously financed by the private capital. Generally, by the private firms including the multinational corporations, towards the directions of technical scientific research and development from which private industry is constantly benefited. The arrangement can easily be woven into various governments as common financiers or as common sponsors in quite expensive technical plans and projects. From another aspect, the intellectual elite of various countries acquires hegemony as it passes through the tertiary education, promising to the undergraduates that it is more likely to find private industry as an interesting representative of finance or sponsorship agent. Private companies provide funds and specialized positions to the trainees, while universities honor requests for credit awards for final placement of students in the private industry. Major private corporations have developed today their own universities and educational institutes, where their employees await to be given a certain required training every specified period.

THE CURRENT FORM OF LABOR AND ITS TRAINING

The labor training or education, which had generally been neglected and ignored by the budgets of various governments and companies and this way was the exclusive care of the trade unions, is now also undergoing a great encroachment. When the increasingly elasticity which was imposed by the economic fluctuations and technological advancement is granted, the educational programs that are in service become consequently a compulsory way of life in many labour training centers. Such labor education is carried out by a group of administrative personnel, who is identically trained by various...
institutes and companies of private capital. The provided education in this way is more linked to the neo-liberal view that has been expressed about society, globalization and labor subjectively, rather than the existing reality objectively. That is, such training cannot have an aim at the general and objective knowledge that emancipates the employee, but on the contrary, it aims at the knowledge that manipulates him. The pattern of education required is instead the kind, which is not confined in the professional specialization alone, but the one it expands in general and spherical manner continuously.

The wound of a long-term structural unemployment and the need to upgrade the labor professions and skills, so that they can match industrial requirements also meant that the state, usually in an alliance with the industrial business companies, deals with long lasting educational programs for the unemployed. Such programs usually include placements in private corporations and provide opportunities for acquisition of new work skills and attitudes. Moreover, the industrialized economies have similarly thought to introduce labor education that intends to improve steadily worker’s productivity and consequently capital efficiency and economic viability. The role of educational institutions today, becomes simply administrative because the educational reasoning is absent from their faculty members. Xatzikonstantinou explains this properly about the education in Greece. He asserts, that "the demands of the pursued specializations, competitions, efficiencies, profitable infiltrations, occupations and short term effectiveness, as they assume necessarily a more technocratic character, they lead finally to the depilation of the educational system from its social and humanitarian elements". The result of this human cultural capital theory is that people find a place in the revolving work supply by cultivating the demanded specializations. The concession, elasticity and the respectful attitude towards authority makes good workers with no demands or claims, so that is what Paolo Freire had called ‘education for domestication’.

The anxiety shown here is expressed in a set of questions concerned with that, if the kind of education and the form of labor today is capable to contribute to the revitalization or to the impairment of syndicalism. This question is about whether the enrichment of knowledge of the authorized representatives of the labor class is sufficient? To what extent they can deal effectively with the educational preparation of the specialized negotiators of the administration of private capital with whom they wish and expect to have profitable deals. If yes, are they in a position to remain capable, long lasting in competition and well informed on economic and organizational issues which they could not only transmit knowledge but they could avoid fatalistic obedience to the statistic skilful handlings and to the financial projects assisted by computers?

How could the labor leaders understand and direct the technology of information and the educational material, so that they can fill up the great shortage of knowledge about trade unions from the formal education?
Moreover, could they develop skills and critical methodology in order to perform objectively their research activity that concerns with the social developments? If not, how could they discern clearly and react effectively against the illusive forms of workers' participation and, at the same time, recognize sufficiently the operation of the possible democratization of the labour field when the opportunity would appear?

Finally, how could they inspire and cultivate a pedagogical teaching, which it would have an educative character, avoid being instructive and based on a dogmatic relation between student and teacher? How it could be stressed the educational relation of the trainee based on the social usefulness of his labor the moment that it is not provided by the given knowledge of the general education? The trainee therefore, under these circumstances, while he has been maintained with the existing relation of instruction, can only be assisted on the simple role of the **consumer of knowledge**. That means, the trainee can be aware only of the knowledge he needs so that he can use the technology as it rapidly evolves, but not enough to doubt it or plan it. This is linked exactly with the expectations of the post-modern capitalist world, for the "good" attitude of the individual at the workplace and society in general, which is concerned mostly with the function and submission of the employee or with his 'subjection', as Poulantzas held. However, one mistaken course regarding the effective power of the syndicates, as the one mentioned above could imply the raise of an unhampered bourgeois rule and the inevitable transition to authoritarianism as a new stage of economic and social decay.

In the postmodern world, the technology of information has made it quite easy for those who control the access and the distribution to inscribe the monopoly of ideological information in a broadened but impersonal market. There is an urgent need for the assistance of the worker to develop effective strategies for his education. For an education, which of course, might be provided professionally for a further specialization of the trainees, it should be supplied also pedagogically for the acquisition of general knowledge, incorporating simultaneously the new evolutionary elements of information without obsessions and ideological prejudices. More specifically, the interest focused at the stable bridges that can be built between state supported educational centers of adult and labor education as well as universities on the one hand and labor organizations on the other. Just as the government resources are already directed towards meeting the needs of workers as determined by particular interest groups or economic elites, they should similarly address themselves to other needs of the labor world, the needs as workers and trade unions perceive them to be.

However, the possibility of trade unions to reach that level becomes immensely difficult to prevail since the organized private capital elite in a world scale, as a result of the globalization, prevents it. What predominates is the technical
confusion of ideas and experiences about the social and economic phenomena at the international level. "In sight of a peculiar globalization, the knowledge is endangered to be transformed into an effective weapon of one business competition and of one primitive liberalism which forgets that equality of opportunities is the fundamental base of any competition. Then we owe to ourselves to think for what kind of society we are shaping to and finally we should dare the discussion by overcoming the unacceptable silence and inertia that has dominated us". 

CONCLUSION

For this reason, it seems essential that the labor unions must get rid of the various illusions and the bureaucratic forms of function of their organization, so that they can screen and forward this perception and the responsibility they shoulder. The effective education therefore, being the one that the involved parties participate dialectically and subjectively, should be a vehicle that leads people to acquire the theoretical and empirical provisions necessary for their daily activities. That is, those activities and the visions which required in order to grow themselves in the environment where they co-exist, and finally they can influence and organize it so as they can be developing steadily through a collective growth, away from confusions and prejudices.

The general claim today is to give content and space in the teaching material and to the educational program, so that the workers and syndicates improve themselves from one different educational activity. The syndicates and various labor organizations should start a struggle for the realization of such a target. What had been practiced in industrial age has now been replaced by the technology of information in post-industrial period. The displacement from the industrial sector to the tertiary service sector with the famous fragmentation of labor has certain requirements: Particularly, a new form of trade union and a labor organization with a democratic function would be able to elevate and strengthen the ideology of a collective goal. One rational policy about the general education of labor that realizes its role in a way that it can deal effectively with labor issues, could be the factor that would reverse the scales towards an improvement and change, instead of the disappearance of syndicalism at the present time.

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