

**THE IMPACT OF PRIVATIZATION ON THE PERFORMANCE
OF IRINGA RETCO**

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ABSTRACT

In the nearly five years since Iringa Retco was privatized, the overall impact of the process of privatization on Iringa Retco is now clear.

This paper analyzes the impact of privatization through a detailed analysis of first, the difference between pre- and post- privatization performance of Iringa Retco and the change in performance of this privatized firm relative to the change in performance indicators of profitability, operating efficiency and employment as it is assessed by the balanced score card performance lenses shown in this study.

The results, which showed that Iringa Retco performed efficiently after privatization were consistent with previous literature. While the impact of privatization on employment is negative in the short run during the year of privatization, there are more positive impacts after two years in the long term, especially since the parastatal companies were hiring employees on political grounds, rather than on economical and technical reasons.

This paper has demonstrated that as the result of privatization, there is a significant increase in indirect employment through services which are now being produced and given to the public plus the significant growth of total employment opportunities both direct and indirect.

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