

THE IMPACT OF PRIVATIZATION ON THE PERFORMANCE OF THE ARAB POTASH COMPANY ANALYTICAL STUDY OF THE PERIOD (1980-2011)

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SUMMARY-----

I aimed this is the study to me statment Effect privatization On productivity the work in a company potash Arabic Through Period (1980-2011), and used the study Form regression self not restricted (VAR)Vector Autoregressivein a appreciation Form standard as such It was completed application Tests causation and test analyzing ingredients variance and test function response apostasy verb to achieve Objectives desired.

Indicated consequences the exams to me that privatization raised in the form of positive On all From productivity the work in a company potash Arabic as such I showed Results that a variable head the money He owner Ability explanatory the biggest for errors variance in a Sample productivity work, recommended the study to me Use machines modern to save investments company From the salt and bromine as such recommended the study to me construction System fumigation solar To face conglomerates saline Which I caused losses big company Camera potash, recommended also apply proces privatization On Institutions the public Which suffer From weakness in a productivity and its profits to get up perform this is Institutions.

ABSTRACT

This study aimed at explaining the impact of privatization on the, productivity of labor, in the Arab Potash Company during the period (1980-2011). This study used unrestricted Vector Autoregressive (VAR) to estimate the model. Analysis of variance decomposition test, and the impulse response function test were also applied to achieve the desired goals of this study.

The results of these tests demonstrate that privatization positively affected the productivity of labor, in the Arab Potash Company. The results also show that capital had the greater ability to explain the errors of the variation in the both models, the first and the second, whereas the variant of privatization.

The study recommended the use of modern machinery to save the company's investment of salt and bromine is urgent, The study's main recommendation is to establish a system of solar evaporation to face salt conglomerates, which has caused huge losses to the company camera potash. The study also recommended that the process of privatization should be applied by the public institutions that suffer from weakness in productivity and profits to improve the functioning of these institutions.-----

1. INTRODUCTION

The privatization program It is one of the contemporary and important programs at the regional and global levels, as it is consistent with the new global economic system that began to take shape after the collapse of the Soviet Union and is characterized by economic openness and competition (Al-Sharqatli, 2010). Different Studies Economic to me control capitalist thought for a while For a long period of time, which is characterized by the spirit of individual initiative, the glorification of private ownership and the rule of the doctrine of "laissez-faire, faire-passer, Laissez", in addition to the lack of state intervention in the production process due to the low productive efficiency in the units of the public sector, according to the belief of the governments of many countries Developing economies that there is an inflation in the size of the economies of the public sector, as the governments of those countries aspired to the serious implementation of economic reform programs and get out of the state of stagnation and reduce the deficit faced by these countries, and economic reform has taken many paths and directions, including what is known as privatization, which A global economic policy is not limited to a particular economic system. Through privatization, economic problems are dealt with, as happened

in Britain, France, America, Germany and others. though From that beginnings privatization may be appeared O no in Federal Germany In 1961 by selling a stake in (Volkswagen) except for there is consensus On that Government Britain's Conservatives under the Presidency Margaret Thatcher)) is considered Historically point take off for the concept privatization Magginson, 2005)), and after the start of privatization in the United Kingdom in a 80's Twenty spread this is phenomenon On level the world Through 80's period and the nineties From horn the past while May be recipe with the largest operation Transfer property From public sector sector private in a history, estimated some studies that revenues privatization may be I arrived to me About 1,230 trillion dollars during the period (1997-2003)(Bortolotti and Facio, 2009).

As for Jordan, as a result of the expansion of the public sector in the productive and service sectors, the low level of productivity and economic efficiency, and the exacerbation of the fiscal deficit in the public finances, it has adopted Jordan The National Privatization Program at the end of 1996 in the context of its macroeconomic orientations based on openness and preserving Jordan's role in keeping pace with successive technological developments and strengthening the private sector (Al-Rabadi, 2003). million dinars, and the total amounts spent from the net proceeds of privatization of companies amounted to (213) million dinars, which contributed to reducing the Jordanian budget deficit (Ministry of Finance, 2013). Achieving private investment opportunities as it is the most important element in achieving economic growth, providing job opportunities, mobilizing economic resources more efficiently and with high flexibility, in addition to restoring monetary stability, controlling the public budget deficit, reducing indebtedness, building comfortable foreign exchange reserves and controlling inflation rates.

Through this, Jordan implemented the privatization program on a number of its public projects, including:

Arab Potash Company: The Arab Potash Company is the only producer of potash in Jordan. The company obtained a concession from the Jordanian government in 1958 to monopolize the production of potash and commercially exploit the Dead Sea. The Jordanian government, in partnership with five other Arab governments, established the company so that the Jordanian government retains Through the Jordan Investment Corporation, the majority of the shares amounted to 52%, but in 2002 the Jordanian government sold 26% of the company's shares to Finnish, American and Canadian companies.

2. RESEARCH PROBLEM

Prepare The privatization program is one of the main solutions to the economic reform that countries seek, with the aim of getting out of the economic stagnation as soon as possible and reducing the budget deficit. Over the years before privatization, the Potash Company achieved profits of 23 million dinars in 1997, 21 million dinars in 1998 and 38 million dinars in 1999, as the company suffered from a decrease in production capacity and the value of the required profits, which led to the application of privatization to address the above. 1,928) million tons in 2004, and its profits amounted to (35-56) million dinars in the years 2004-2005, respectively, and also led to an increase in the market share of the company, as it reached 5% of the global market share before privatization, while after privatization it amounted to 27.5% of global market share (Annual report of the Potash Company for the period 1997-2005).

3. RESEARCH GOALS

The search seeks to show The effect of privatization on Productivity I have Arab Potash Company.

RESEARCH HYPOTHESES

The research will test the following hypotheses:

1. exist A direct relationship with a statistical significance of 0.05% between privatization and labor productivity in the Arab Potash Company.
2. exist A direct relationship with a statistical significance of 0.05% between privatization and the productivity of capital in the Arab Potash Company.

4. METHODOLOGY

It was completed Using the descriptive analytical and quantitative standard method to reach the results. The necessary data were obtained from the annual reports of the Arab Potash Company, relying on the analysis of time series through the use of the Unconstrained Autoregressive (VAR) Vector Autoregressive model, which depends on several tests to study the effect of independent variables (Global demand, prices, cost per unit,

production quantity, labor, capital, privatization) on the dependent variables (capital productivity, labor productivity).

5. PREVIOUS STUDIES

1. A study (Al-Sharqatli, 2010) entitled "The impact of privatization on the financial performance of Jordanian companies and its relationship to the type, size and development of the company in the market." This study aimed to analyze the financial performance of Jordanian companies in terms of the impact of privatization on the financial performance according to the type, size and development of the company. (8) companies that were privatized in different years (the Arab Potash Company, the Jordan Cement Company, the Jordan Phosphate Company, the Jordan Telecom Company, the Public Transport Corporation, the Jordan Company for Marketing and Manufacturing Agricultural Products, the Royal Jordanian Aviation Academy and the Jordan Aircraft Maintenance Company). Relying on the study of its financial position three years before privatization and three years after privatization. The study used the method of financial analysis, financial ratios and the standard quantitative method. The study concluded that liquidity ratios before privatization were higher than liquidity ratios after privatization. The study also found a development in activity ratios and market ratios after privatization. The results also indicated that there is a statistically significant difference in the impact of privatization on the type and size of the company.
2. A study (Al-Wadi and Al-Assaf, 2009) entitled "The Role of Privatization in Raising the Efficiency and Effectiveness of Public Services, Jordan Telecom Sector" Participants, prevalence rate, investment and number of employees) during the period (1998-2007), and using the descriptive analytical and quantitative scaling method, the researchers studied the relationship between these four services on the one hand and privatization on the other hand, through an unconstrained autoregression model ((VAR, and this study showed a set of results, the most important of which is the high volume of investment in the Jordanian telecom sector after privatization. The results also showed that privatization helped create new job opportunities in the Jordanian telecom sector, and the high rate of penetration in various services during the study period.
3. A study (Badr, Abu Rumman, 2005), "The Impact of Privatization on the Performance of Privatized Institutions in Jordan." This study aimed to address the evaluation of the performance of large privatized institutions and companies in Jordan by comparing the performance of these institutions after privatization with their performance before privatization with regard to revenues, profitability, and productivity It also aimed to know the impact of privatization on the performance of these institutions by trying to come up with proposals that might help in developing the privatization strategy in Jordan. In general, privatization did not improve the performance of these institutions. Rather, there was a decline in the performance of most of them after privatization, which requires a review of the methods and procedures used to implement the privatization process in Jordan.

FOREIGN STUDIES

1. Study (Odeh, 2009). Titled The Effect of Privatization on Firms Financial and Operating Performance "Evidence From Jordan"

This study aimed at evaluating the financial, operational and production performance of the 43 companies that were privatized during the period (1995-2006). The study in the difference between performance according to the percentage of government sale of its ownership (companies in which the entire ownership was sold), and those in which part of the ownership was sold. A noticeable increase in production efficiency, capital expenditures and distributed profits after the privatization process.

2. Study (Awamleh, 2002) entitled "Public Officials, Attitudes Towards Privatization In Jordan: A Field Survey"

This study aims to evaluate the concept of privatization in Jordan by conducting a study of several companies in the public sector, including (the Phosphate Company, the Land Transport Company and Royal Jordanian Aviation), where the study used the descriptive analytical and quantitative standard method, and one of the most important findings of the study is that the degree of conviction The principle of privatization in these companies is very high, but privatization is not suitable for all these companies or sectors, and therefore this study recommended privatizing specific sectors only and gradually on the basis of feasibility studies, and the study

also concluded that the social, economic and administrative changes resulting from privatization must be in an atmosphere of democracy and stability.

3. Study (La porta, 1997) entitled "The Benefits Of Privatization: Evidence From Mexico".

This study aimed at the criticism that the benefits come at the expense of society in Mexico, by evaluating the costs incurred by society as a result of privatization, and therefore only the study sought to determine the extent to which the increase in product prices, laying off workers and strengthening the incentives accompanying privatization, in improving the performance of Privatized companies represented in increasing their productivity and profits, and to achieve this goal, the study evaluated the production and operational performance of (218) companies that were privatized during the period (1988-1992) by comparing the performance of companies after privatization in 1993 with their performance during the years The four before privatization, the study used the descriptive analytical and quantitative scaling method as a basis for analysis, and the study concluded that the privatized companies have achieved a significant increase in their profits, sales and production efficiency, in addition to a small increase in their investment spending.

6. THEORETICAL FRAMEWORK

First: Privatization

The privatization process is based on the state transferring ownership of the public sector, whether this transfer is partially or completely to the private sector. However, the comprehensive concept of privatization is the transition from transfer to reduction, where the state's role is reduced from a developmental role to a profit or corrective role, and this is achieved by overcoming On the legislative and legal difficulties of investment operations, and allowing the establishment of activities and the provision of economic services that compete with the economic services of the state. Privatization) is one of the most important modern concepts, as this term appeared for the first time in 1961, but it quickly spread and became one of the most important terms in economic literature (Jabali, 2012).

Where there are multiple concepts of privatization, all of them are about transferring ownership from the public sector to the private sector in different ways that lead to the completion of this process. Steve H. Hanke) privatization as the transfer of assets and public service work from the hands of the public sector to the private sector (Hanke, 1990), and defined (Desouki, 1995) privatization as "a policy and a stage of economic liberalization policies, and works to transform public projects into projects Especially, whether in the field of ownership or management using many available and appropriate methods." (Al-Zoubi, 1999) defined privatization as contracting or selling the services of an institution controlled or owned by the state to parties from the private sector, and finally the researcher defined privatization as the transfer of public sector ownership To the private sector, whether this transfer is partial or total, with defining the laws and regulations that guarantee the completion of this process.

-Methods and Forms of Privatization

There are many privatization methods used, but there is variation in these methods, and the reason for this is due to the state policy and the economic and social conditions in the countries implementing the privatization process. Some countries may seek to sell their institutions directly, while other countries seek other methods, including:

a. Administration privatization: This type of privatization involves the preference of the private sector and the deficit or insufficiency of the public administration. (management contracts, leasing) (Al-Abrash and Marzouk, 2002):

NS. Transfer of ownership to management and workers: through two methods, either the selection of shares or the participation of workers in the ownership of the facility (Mahmoud, 2005):

NS. Partial sale: Some governments resort to selling part of shares or a share of public enterprises as a preliminary step towards transferring ownership to the private sector in full, and the purpose is sometimes to establish a joint sector, and the participation of the private sector in management, and sometimes financial reasons are presented for the purpose of increasing the capital or Expansion in general justifies this process, (Diop, 2006).

e. Direct Total Sale: The direct selling process is the most widespread and used method for transferring ownership, as it constituted during the years (1996-1997) about 80% of the total transactions and about 58% of

the total revenues, and the direct selling process takes several forms, the most important of which are (invitations, auctions Public, selling in financial markets, consensual sale (Dahal and Al-Hajj, 1998):

- **Privatization Objectives**

The objectives of privatization are many and varied from one country to another, and the goal that the state aspires to as a result of implementing the privatization policy is the success of economic programs that lead to raising the level of productivity and increasing the level of profitability.

1. Improving economic efficiency and increasing productivity to promote economic growth and competition.
2. Transformation of a central planned economy into a market economy based on competition, free trade and the movement of capital.
3. Redistribution of roles between the public and private sectors and the gradual withdrawal of the state from some economic activities and opening the way for private initiatives by encouraging private investment. (Al-Mutawakel, 2001):
4. Reducing the burden of the public budget represented by the continuous waste of the public budget in the form of continuous and increasing support for losing public projects by providing grants and aid.
5. Increasing state revenues through direct and indirect taxes on companies after their privatization.
6. Reducing the public debt and reducing the continuing financial burdens associated with public debt services.

Second: Productivity

The productivity index is one of the important indicators that has attracted the attention of economic researchers because of its positive effects on the economies of developing and developed countries. Countries that are characterized by high productivity are characterized by high capabilities and countries that are characterized by low productivity are countries with low resources and capabilities. Produced wealth and resource inputs that were used in production processes, and also defined (Al-Tai, 1989) productivity as measuring the relationship between outputs and inputs or all production elements that were used to obtain those outputs.

- **Factors Affecting Productivity**

Productivity is affected by many interrelated factors, and these factors are characterized by instability, as they change according to economic and social variables, including (Hanieh, 2005):

1. Technological level and materials used in production.
2. Changing production methods.
3. Education level, experience and skill gained.
4. social relationships

7. THE IMPACT OF PRIVATIZATION ON PRODUCTIVITY IN THE ARAB POTASH COMPANY

Privatization is one of the important factors that clearly affect productivity through the state's transition from a development framework to a profit framework, by laying off a number of employees, which led to an increase in the productivity of one worker, in addition to the entry of new participants and the increase of capital, which led to an increase Productivity of capital in the assigned firm.

First: Work productivity in the Arab Potash Company:

The productivity of the work in the Potash Company during the pilot phase of production reached 3.5 units per worker, meaning that each worker in the company produces 3.5 units, and in 1982 there was a decrease in the productivity of working individuals as production reached two units for each worker. This is due to the increase in the number of workers at a greater rate than the increase in production, and during the period (1983-1988) there was an increase in worker productivity, which started from 26.5 to 945.6 units, respectively, but this increase continued and decreased in the years (1989-1992).) As a result of the Gulf War and the rise in oil prices as a result of this war, and during the period (1993-1995) there was an increase in the productivity of the worker, as this increase amounted to (693.5) / (726.5) and (807.3) units per worker, respectively. .

Table No. (1)

Work productivity in the Arab Potash Company for the period (1980-2011)

highest value	less value	Arithmetic mean	standard deviation	Period
260.5	2.03	67.4	111.46	1980-1983
901.5	454.2	727	169.9	1984-1987
945.6	759	861.5	66.68	1988-1991
807.3	689.6	729.2	47.30	1992-1995
789.5	632.6	716.8	67.85	1996-1999
891.7	844.3	869.5	22.07	2000-2003
929.4	842	87 872.8	33.60	2004-2007
1148.8	577.6	941.02	216.46	2008-2011

Source: Arab Potash Company for the years (1980-2011). Note: The labor productivity was calculated by the researcher based on the data in the annual reports of the Potash Company, the labor productivity for the whole period in Appendix No. (1).

During the years 1996-1997, the number of producing units per worker decreased, and the reason for this is due to the imbalance that occurred in the Indian market, where this market is one of the largest international markets for importing potash, and during the period (1998-2001) labor productivity increased, reaching (668) and (777,3), (844.3) and (891.7) units per worker, respectively, and during the years 2002-2003, the privatization policy was applied, and this affected the decline in labor productivity, which amounted to (891.2) and (850.8) unit respectively, and in 2004 the number of units produced increased as a result of the training and development that the workers underwent, which led to an increase in productivity, reaching (864.3) units, and in 2005 the productivity decreased to (842) units. Consultation with the Chinese government, and during the years (2006-2008) there was an increase in the number of producing units, which reached (855.7), (929.4) and (1024,9) respectively. This increase is explained by the company laying off a number of its employees. In 2009, the global financial crisis led to a decrease in the productivity of potash work to reach (577.6) units per worker, and in the year (2010-2011) the policy of early retirement and laying off a number of employees and the application of the expansion process in production methods led in turn to increasing the number of units produced per worker, reaching (1012.8-1148,8) units per worker, respectively.

8. MEASURING THE IMPACT OF PRIVATIZATION ON PRODUCTIVITY IN THE ARAB POTASH COMPANY:

First, the Study Model:

This chapter talks about the methodology used in the study to reach the desired results, as the model used and the variables involved in it will be clarified, and the statistical package was used (Eviews) in estimating the following economic models:

The standard model is described by a function NextYeh:

$$LP=f(k,L,PRI,WGDP)\dots\dots(1)$$

whereas:

(LP): Labor productivity.

(k): capital.

(L): work.

(PRI): Privatization.

(WGDP): Global Potash Demand.

Second: Describe the model variables and data sources

This study covers the time period from 1980 to 2011 using annual data, which were obtained from the annual reports of the Potash Company, which are as follows:

1. Global demand (Global demand (WGDP): It is an economic indicator that measures the amount of potash required by the world during the study period, and it was expressed in million dinars. It is expected that global demand will positively affect both the quantity of production and the global price.

5. Work (Labor (L): It is the mental or physical effort undertaken by individuals to produce goods and services. The labor component was measured by the number of working hours. The labor component is expected to positively affect the productivity of one worker.

6. Labor productivity (Labor productivity (LP): It is an economic indicator that measures the number of units produced by a single worker in a unit of time. the following sports:

$LP = TO/NL$ Whereas (Hania, 2005):

LP = labor productivity.

TO = total output.

NL = number of workers.

Third: Study Methodology

The descriptive analytical and standard quantitative method was used to analyze the data using time series Time Series Analysis and Unconstrained Vector Autoregressive (VAR) method were applied as well as static, stability test, lags test, variance component analysis and response function to explain the relationship between economic variables and as a result of the absence of any kind of relationship the growth rate was used to analyze the model data.

The model describes the relationship between the independent variables, which are capital, labor, global demand, and privatization, and the dependent variable, which is labor productivity, through the following function:

$LP=f(k,L,PRI,WGDP)....(3)$

whereas:

(LP): Labor productivity.

(k): capital.

(L): work.

(PRI): Privatization.

(WGDP): Global Potash Demand.

static test for time series Stationary Test)

Expanded Dickey-Fuller test (ADF) to test the inactivity of the time series included in the model, the results contained in Table No. (3) were obtained, which indicate that all the variables are static at their normal level except for the privatization variable (PRI), so the first difference will be taken for the privatization variable, as it was found that the variable is static at the difference the first.

Table Number (2)**Expanded Dickey-Fuller Test Results**

The result	critical value	The number of idle periods	Values Calculated ADF	variable
stay on level	3.67-*	1	3.85-	LP
stay on level	** -2.97	3	-3.02	K
stay on level	3.66-*	0	5.178-	L
Not static on the level	*** -2.62	0	-0.63	PRI
I live on the first difference	3.67-*	0	5.477-	PRI Δ
stay on level	-3.67*	1	-3.894	WD

1. Δ It denotes the first difference.
2. (*), (**), (***) the level of statistical significance (1%), (5%), (10%), respectively.

Determining the number of idle periods (Selection the Lag Length)

The results of the test of the number of deceleration periods in Table (4) showed that there is a difference in determining the optimal number of deceleration periods, so the Akaike and Schwartz tests were conducted to determine the appropriate number of deceleration periods. Schwartz, and to determine the optimal number of lags, we use the Exception Test for lags.

Table Number (3)
Idle number test results

HQ	SC	AIC	FPE	LR	Log	Lag
-2.282933	-2.117766	-2.355659	6.53e-08	NA	37.97923	0
-4.725449	-3.734446	-5.161808	4.08e-09	101.0210	102.2653	1
-5.911826	-4.094987*	-6.711817	1.05e-09*	56.70731*	148.9654	2
-5.504388	-2.861713	-6.668011	1.91e-09	20.90290	173.3522	3
-6.419703*	-2.951192	-7.946959*	2.26e-09	21.45263	216.2574	4

whereas:

- (1): (*) means the number of time lags chosen by the standard.
- (2): AIC stands for AcaiC Standard.
- (3): SC stands for Schwartz Standard.

Idle Exception Test (VAR Lag Exclusion Wald Tests)

The test for excluding lag periods, as shown in Table (5), shows that it is acceptable to use a maximum of one or two lag periods through the value of χ^2 . As optimal deceleration periods at a significant level of 1%.

Table Number (4)
Idle Exception Test

χ^2	WD	PRI	L	K	LP	Tags
42108.01	3.714753	19.80346	3.127888	4.075527	22215.09	Lag 1
[0.000000]	[0.591170]	[0.001360]	[0.680277]	[0.538594]	[0.000000]	p-values
.73,60932	2.131412	2.095812	1.846033	2.455227	28.5736	Lag 2
[1.10e-06]	[0.830679]	[0.835735]	[0.870013]	[0.783222]	[2.81e-05]	p-values

Contrast Components Test (Variance Decomposition)

It is a method of describing the dynamic behavior of the model, where the forecast variance for each variable is divided into different parts. It is 100% of its variance, but in the second period, the explanatory ability declined to less than 1% due to the increase in the number of workers, and it rose again in the third period, reaching 6.5%, and during the period (4-10), the explanatory ability ranged between 12.3 as a minimum and 12.8 as a maximum. This increase is explained by the application of the privatization program and the referral of a number of workers to early retirement. As for the independent variables, the capital variable has the largest explanatory power among the independent variables, as it explains in the tenth period a percentage of 65.5. While the ability of the work variable to explain the variance of the dependent variable was about 13. The ability of the privatization variable was approximately 2.7%, and finally the ability of the global demand variable to explain the variation of the dependent variable was about 5.3%.

Table Number (5)
Components of Variance Test for Labor Productivity variable LP

LP	WD	PRI	L	K	SE	Period
100.000	0.0000000	0.0000000	0.0000000	0.0000000	0.780700	1
0.312049	0.126976	0.001277	1.029832	98.52987	25.98612	2
6.538241	1.731924	1.941264	3.581170	86.20740	27.79481	3
12.31114	2.062666	3.014335	3.441448	79.17041	29.01530	4
12.18621	2.867262	2.818901	7.915007	74.21262	30.04440	5
11.35708	4.819883	2.626363	11.87609	69.32059	31.12628	6
12.78641	5.028422	2.714774	11.52604	67.94436	31.59575	7
12.85574	5.116077	2.699095	12.32745	67.00164	31.82813	8
12.57852	5.373909	2.643323	13.52502	65.87922	32.20807	9
12.94207	5.337828	2.777162	13.42989	65.51305	32.32684	10

To ensure the credibility of the results, the model variables were rearranged, i.e., the study variables were relocated. The following results were obtained to test the variance components as in Table No. (7), where the results showed that there were no significant changes in the results. When changing the order of the variables, it became clear that the capital variable still has The largest explanatory power of variance errors in predicting the end of the period, that is, at the tenth period.

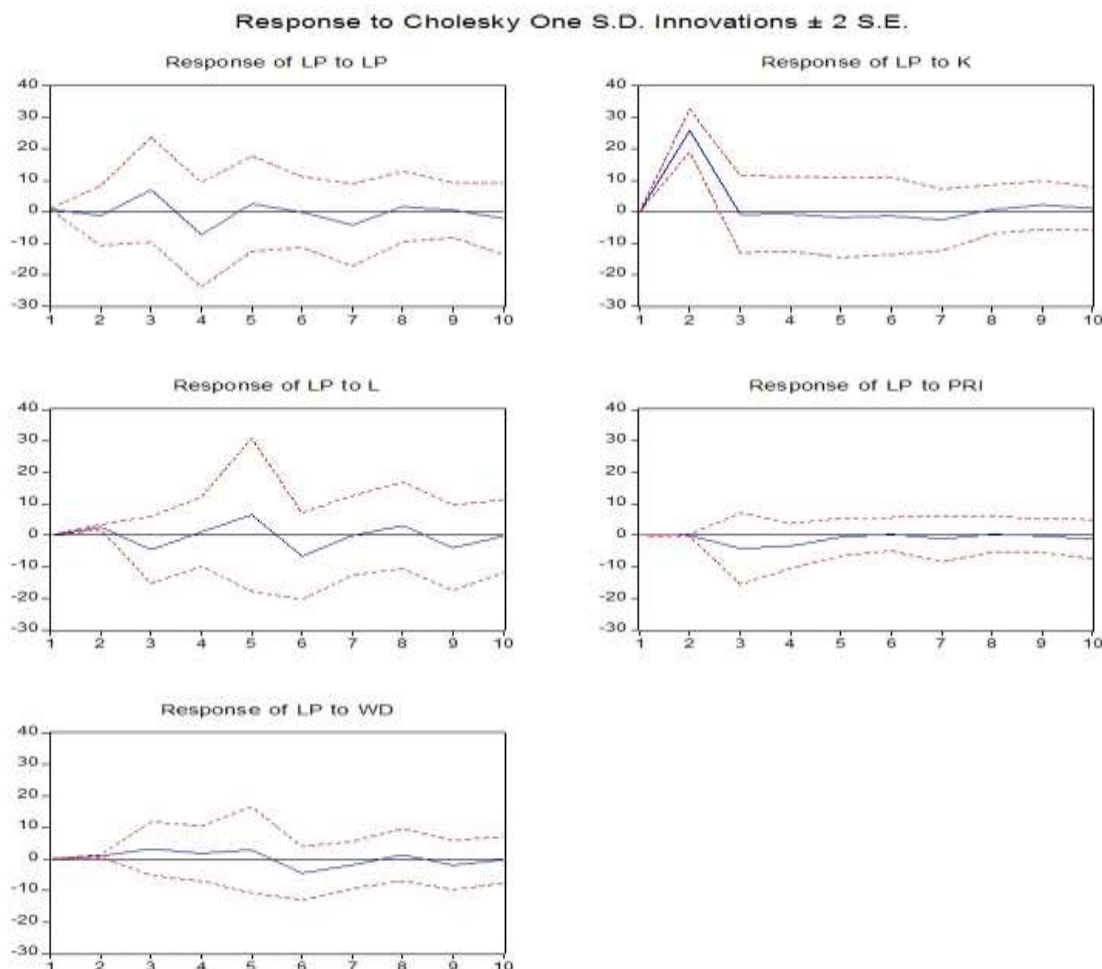
Table Number (6)
Testing of Variance Components After Rearrangement

LP	L	WD	K	PRI	SE	Period
100.000	0.0000000	0.0000000	0.0000000	0.0000000	0.780700	1
0.312049	1.029832	0.128222	98.52987	3.22E-05	25.98612	2
6.538241	3.581170	1.438292	86.20740	2.234896	27.79481	3
12.31114	3.441448	1.670642	79.17041	3.406359	29.01530	4
12.18621	7.915007	2.480913	74.21262	3.205249	30.04440	5
11.35708	11.87609	4.445738	69.32059	3.000508	31.12628	6
12.78641	11.52604	4.704400	67.94436	3.038796	31.59575	7
12.85574	12.32745	4.806166	67.00164	3.009007	31.82813	8
12.57852	13.52502	5.077586	65.87922	2.939647	32.20807	9
12.94207	13.42989	5.048522	65.51305	3.066469	32.32684	10

The Response Function Test For The Reaction (Impulse Response Function Test)

Figure No. (1) shows the behavior of the dependent variable in the event of a shock that affects the behavior of the independent variables, as the results showed that in the event of a shock to the capital variable, labor productivity will be positively affected starting from the first time period and this effect continues until the third time period and then It loses its statistical significance, as well as when a work-related shock occurs, where the impact of the shock to the end of the second period continues positively on the labor productivity variable, as for the rest of the variables, its impact continues until the end of the second period positively on the labor productivity variable, and based on the results of the response function analysis Indeed, we find that there is a direct statistically significant relationship, i.e., at a significant level of 5%, that continues for three periods between the variables of capital and labor productivity, and a direct statistically significant relationship that lasts for two periods for the rest of the independent variables with the dependent variable.

Figure No. (1)
The response function is the reaction



9. RESULTS

The research revealed a number of results, the most important of which are:

1. Privatization had a positive impact on net fixed assets, which amounted to 42.6 million dinars in 2011, and this increase led to an increase in capital productivity during the first years of privatization, reaching 0.018 during 2008, but this increase quickly decreased due to the global financial crisis, which affected negative on capital productivity.
2. The results of the unit root test showed in the model that (Labor productivity, global demand, capital, labor, privatization) All the variables settled at their natural level except for the privatization variable, which settled on the first difference.
3. The results of the analysis of variance components showed that the capital variable had the largest explanatory capacity for variance errors, as it amounted to 65.5% in the first model, followed by the work variable, which explains 13.4%, while the privatization variable explains approximately 2.78%, and finally the global demand capacity reached On the interpretation of the variance of the dependent variable 5.3%.
4. The results showed that in the event of a shock to the capital variable, labor productivity will be affected positively from the first to the third time period, and so if a shock occurs to the rest of the variables, it will be positively affected until the second period, and based on the results of the response function of the reaction, we reject the null hypothesis and accept the hypothesis The alternative is that there is a positive, statistically significant relationship between privatization and labor productivity and privatization.

10. RECOMMENDATIONS

Based on the above, the research recommends the following:

- 1- The study recommends applying the privatization process to public institutions that suffer from weak productivity and profits in order to improve the performance of these institutions.
- 2- Using modern machinery and equipment to save the investments of salt, bromine, potassium nitrate and earth dams from technical problems, especially since the company has no problems to extract potash from the Dead Sea.
- 3- The study recommends using advanced technology that can save energy and relying on alternative sources such as solar energy or water energy to reduce costs.
- 4- The study recommends the establishment of a solar evaporation system to counteract the salt conglomerates that caused the exceptional losses of Camera Potash Company.

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